



CONNECTING THAIS







With deepest sorrow and condolences
on the passing of our beloved
King Bhumibol Adulyadej



The Board of Directors, Management and Staff
Intouch Holdings Public Company Limited



Vision

We are the leading and sustainable value creation asset management company in Telecom, Media and Technology.

Mission



We strive to deliver sustainable growth and long-term value to shareholders by investing and managing telecom, media and technology businesses.



We actively explore new business opportunities in telecom, media and technology .



We commit to good corporate governance practices.



We commit to good corporate citizen that contribute and create shared value (CSV) for organization, society and all stakeholders.



We uphold corporate core values that focus on integrity, teamwork, innovation, people excellence and social responsibility (ITIES).

Values : ITIES

INTEGRITY:

We uphold professional standards of reliability, ethics and trust.

TEAMWORK:

We share a unique drive and work together to achieve our goals not only at INTOUCH, but in the entire INTOUCH Group.

INNOVATION:

We believe that anyone can generate great ideas and we welcome changes and aim for continuous learning in order to realize our vision.

EXCELLENCE:

We strive passionately to be the best in our professional capacities and are committed to delivering excellent results in everything we do.

SOCIAL RESPONSIBILITY:

We have integrated social and environmental concerns into our business operations and are committed to creating sustainable value in society.



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CONNECTING
THAIS

Business direction

To increase the competitiveness and support the companies under INTOUCH Group for sustainable growth, seeking opportunities to invest in the telecom, media and technology sectors to further diversify business portfolio in order to increase INTOUCH wealth.



INTOUCH

Constantly pay 100% dividend payout ratio

Dividend yield

8.8%

Total Assets 54,607 million baht

Market Capitalization
159,519
million baht

Excellence CG Scoring four years in a row from the Thai Institute of Directors Association



AIS

Thailand's number 1 mobile service provider

4G network coverage

98%

Total Assets 275,670 million baht

Market Capitalization
437,045
million baht

AIS is the one and only Thai telecom selected to be in DJSI 2015 and 2016 family two years in a row



THAICOM

The one and only satellite transponder leasing provider in Thailand

Total conventional satellite transponder

111

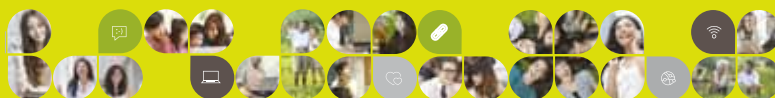
Total Assets 32,840 million baht

Market Capitalization
21,261
million baht

Investors' Choice 2016 100 full score for the fourth consecutive years by Thai Investors Association

Financial Highlights

Intouch Holdings Public Company Limited
and its Subsidiaries



	2016	2015	2014	Baht Million
OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED				
Revenues from sales of goods and rendering of services	11,646	12,665	12,021	
Share of profits of associates and joint ventures	12,634	16,002	14,676	
Total revenues	24,741	29,268	27,234	
Gross profit	4,177	5,124	4,876	
Profit for the year attributed to owners of the Company	16,398	16,078	14,761	
Total assets	54,607	57,827	55,610	
Total liabilities	16,932	22,486	21,379	
Total equity attributable to equity holders of the Company	27,157	25,484	24,678	
FINANCIAL RATIOS - CONSOLIDATED				
Net profit margin	66%	55%	54%	
Return on equity	62%	64%	61%	
Return on assets	29%	28%	27%	
Debt-to-equity ratio (times)	0.62	0.88	0.87	
Basic earning per share (Baht)	5.11	5.01	4.60	
Book value per share (Baht)	8.47	7.95	7.70	
Dividend per share (Baht) *	4.60	4.63	4.39	
Dividend payout ratio *	100.7%	99.6%	100.9%	
Number of share (Million) (at one Baht par value per share)	3,206.42	3,206.42	3,206.42	

* Dividend Policy : The Board of Director of the Company may recommend annual dividends, subject to the approval of the Company's shareholders, at an annual general meeting. From time to time, the Company's Board of Directors may declare interim dividends. At present, the Company pays dividend from its standalone financial statements. The Company's dividend policy is to pass through dividend received from its associates and subsidiaries after the deduction of operating expenses, subject to our financial needs or unless the payment of dividends would materially affect our operations.



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



Dr. Virach Aphimeteetamrong
Chairman of the Board

To: All shareholders of Intouch Holdings Plc.

The year 2016 was another challenging one for the Company, especially with regard to regulatory changes along with a change in industry outlook and higher competition. Nevertheless, the Company posted a profit for the year of 16,398 million baht, an increase of 2% from the previous year. The annual dividend was 4.60 baht per share, a yield of 8.8% and a total shareholder return of 4.5%.

The Company has continued its conservative investment policy of searching for new business opportunities and venture capital investments that leverage its core businesses, namely Telecom, Media and Technology, which will increase sustainable growth across 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. It has operating licenses for the 900, 1800 & 2100 MHz spectrums, which will ensure long-term business operations, enhance competitiveness, and drive growth in data usage.

Thaicom Plc. (THAICOM), the Company's other major investment, has maintained its good performance and posted a net profit for the fifth consecutive year. Its satellite business has continued to expand and Thaicom 8 was successfully launched in 2016. Moreover, the telecom business in Lao PDR under Lao Telecommunications Co., Ltd., the leading telecom operator in the country, also had good results.



The Company has striven to be a good corporate citizen and always act professionally by following His Majesty the late King's *Philosophy of Sufficiency Economy* in its CSR projects and sustainable development plans, which have been drawn up to meet international 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 was recognized by the Thai Investors Association in the "Investors' Choice Awards 2016". Moreover, the Company was rated "Excellent" for the fourth consecutive year by the Thai Institute of Directors (IOD) in the *2016 Corporate Governance Report of Thai*

Listed Companies, and received an ESG 100 Certificate for the second consecutive year from Thaipat Institute for its outstanding environmental, social and governance performance. Furthermore, the Company has been recertified as a member of Thailand's Private Sector Collective Action Coalition against Corruption.

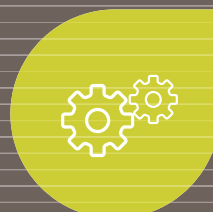
We would like to thank all of our shareholders and business allies for their support and trust, along with all of our directors, executives and members of staff for their dedication and hard work. We would also like to assure everyone that we are truly committed to good corporate governance practices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





Driving economic
Going toward
the digital society

Adding value to business by using technology and digital will enhance national economy. INTOUCH has been supporting IT entrepreneurs and startups with creativity to bring technology to life and to create new business opportunity that better address modern consumers' needs amidst the rapid changes in communication world. We are driving Thai economic development in support of the government policy.







**Connecting all relationship
To create a strong society
through borderless
communication**

As we are entering into the borderless world where communication seamlessly connects everyone together, INTOUCH Group has never stopped developing our products and services that integrate different communication channels together. This not only correspondent with changing consumers' behavior but also bring people closer together, enabling them to have easy convenient and efficient access to information. Through constant investment in the telecommunication industry, we are working passionately to improve the nation's basic infrastructure thus, creating stronger and closer relation without limit.







Bringing smile
and happiness
Improving standard
of living nationwide

INTOUCH focuses on the development of young people, community and the society at large throughout these years. For a business growth successfully, a healthy growth of society is important. Under the theme “Strong Thais, Strong Thailand,” various activities have been initiated. All activities are based on belief that people development will strengthen a country. We are working hard to make people smile and be happy regardless of where and who they are. Bring up quality of life in all aspects as INTOUCH is Thai company for Thais.







Management transparency under good corporate governance practice

INTOUCH is a professional company. We fully comply with good corporate governance practice and transparency management as well as to be responsible for society. We focus on creating sustainable value to our stakeholders and strengthen employees competency for company's competitiveness. INTOUCH is the leading telecommunication company in the region trusted by customers and shareholders.





Audit Committee Report

Mr. Somchai Supphatada
Chairman of the Audit Committee
2 February 2017



To the Shareholders of Intouch Holdings Plc.

The Audit Committee (“the Committee”) has primary responsibility to assist the Board of Directors (“the Board”) in reviewing the accuracy of the Company’s financial reports, along with the adequacy and effectiveness of the internal control and risk management systems, as well as compliance with all the laws and regulations pertaining to the Company’s business operations. The Committee also oversees the performance of both the internal and external auditors, and carries out its duties in accordance with the defined roles and responsibilities set forth in the Audit Committee Charter approved by the Board. This charter can be viewed on the Company’s website at: www.intouchcompany.com.

The Committee consists of three independent directors, Mr. Somchai Supphatada (the Chairman), Mr. Chalaluck Bunnag and Ms. Sopawadee Lertmanaschai. The Secretary to the Committee is Mr. Wichai Kittiwittayakul, who also serves as the Executive Vice President of the Company Secretary Office and Internal Audit. All the Committee’s members meet the qualifications set by the Stock Exchange of Thailand, while Mr. Somchai and Ms. Sopawadee have

considerable knowledge and experience of both finance and accounting.

During the fiscal year 2016, the Committee held a total of six (6) meetings with the Company’s management and both the internal and external auditors. All the Committee’s members attended these meetings with the exception of Ms. Sopawadee Lertmanaschai, who was unable to attend on one occasion. The Committee reported its performance to the Board every quarter 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 2016, including the 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 and key issues with the Company’s management and external auditors, along with estimates and judgments applied to the financial statements.

In addition, the Committee held a meeting with the external auditors without the presence of the Company's management to discuss private matters and issues that had arisen while performing their duties.

2. **Risk Management:** The Committee reviewed the risk management system along with the actions taken to mitigate significant risks. The Company has disclosed key risk factors in the Risk Management and Risk Factors section of the Annual Report for 2016.
3. **Internal Controls:** The Committee reviewed the effectiveness of the Company's entity-level internal control system using guidelines from the Office of the Securities and Exchange Commission and *COSO - Internal Control Integrated Framework*, which had been prepared by the management. The Committee also reviewed the audit results regarding the Company's internal control system, including the security of the information systems, which had been conducted by the internal audit team and the external auditor. In addition, the Committee followed up on the remedial actions taken by the management to improve key business processes and make the internal controls more effective.

Furthermore, the Committee emphasized the integrity and ethical behavior required to create a good control environment inside the Company, which is the foundation of an effective internal control system, and consequently encouraged the management and supervisors to act as good role models. The Committee also made a recommendation on improving the questions used in the ethics test taken by all the employees, and advised the management on drawing up the Code of Conduct for Suppliers. All the Company's suppliers are expected to use this code as good

practice guidelines and conduct their business in the same manner as the Company.

4. **Internal Audit:** The Committee approved the audit plan for 2016, reviewed the Internal Audit Department's independence, direction, strategy and resource sufficiency, and approved the engagement of external experts for the co-sourced audit of key business processes. The Committee also reviewed the performance of the Internal Audit Department on a quarterly basis, 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 revised *International Standards for the Professional Practice of Internal Auditing*.
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. As for possible violations, 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 2016.

In addition, the Committee also reviewed and endorsed the Tax Policy that had been drawn up by the management. This policy states the Company's position of acting in compliance with all tax laws and regulations, and adhering to both the letter and the spirit of the law.

6. **Corporate Governance:** The Committee reviewed the Corporate Governance Policy, and proposed amendments to the Nomination and Governance Committee in order to align the policy with the Stock Exchange of Thailand's *Principles of Good Corporate Governance for Listed Companies*, the Thai Institute of Directors' *Corporate Governance Criteria*, and the 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. During 2016, there was one case at another company in the group that had been reported directly to INTOUCH by a business partner of that company, regarding the fulfilment of service obligations. After a preliminary investigation, the management of that company clarified a misunderstanding that had occurred with the whistle-blower.

In addition, the Committee made recommendations to the management regarding the guidelines for disclosure of any disciplinary action taken against employees in order to strengthen the Company's whistle-blowing program.

8. **External Auditor:** The Committee considered the independence, performance, experience and qualifications of the external auditors, along with the appropriateness of the audit fees, and consequently recommended that the Board propose the re-appointment of the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's external auditor for 2017 at the Annual General Meeting of Shareholders.

9. **Connected Transactions:** The Committee reviewed the reasonability and the 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. **Anti-Bribery and Corruption:** The Committee emphasized the Board's commitment to a zero-tolerance policy towards bribery and corruption, and communicated this to the Company's management and employees as well as encouraged all the companies in the group to join the activities organized by the *Private Sector Collective Action Coalition Against Corruption (CAC)*. The Committee also reviewed the self-evaluation form for countering bribery in order to apply for re-certification by the CAC, having already been a certified member since 2013. The Company was re-certified on 22 July 2016.

11. **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 the Audit Committee Charter, and concluded that it completely stipulated all the necessary duties and covered all the relevant key matters in accordance with best practice guidelines.

In conclusion, the Committee believes that it completely discharged its duties in the year 2016 using its knowledge and expertise, 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 Company's disclosures of information were adequate, complete and reliable. The connected transactions were reasonable and beneficial to the Company. The Company's internal control and risk management systems are both adequate and effective. Furthermore, the Company complied with all related laws, regulations and good corporate governance principles without material flaw throughout the year.



Nomination and Governance Committee Report



Mr. Prasert Bunsumpun
Chairman of the Nomination
and Governance Committee
15 December 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, Ms. Jeann Low Ngiap Jong* and Mr. Philip Chen Chong Tan. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2016, the Committee held a total of seven 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 agreed that the policy was suitable for the current business environment and the Company's ownership structure. However, some improvements had been proposed to comply with the SET's Principles of Good Corporate Governance, the IOD's CG criteria and the ASEAN Corporate Governance Scorecard.
- The Committee proposed amendments to the Company's governance structure, namely combining the Executive Committee with the Strategic and Organizational Review Committee, and the appointment of the Management Committee to assist the Chief Executive Officer in discharging his responsibilities, along with the related amendments to the Company's Approval Authority. This restructuring was undertaken to enhance the efficiency of the governance process.
- The Committee reviewed a Board Skills Matrix to review the Company's and its subsidiaries' current boards and their committees' structure, composition and expertise. In addition, this matrix was used as supportive information in assessing the performance and expertise of each director who had to retire by rotation and stand for reappointment.

* Ms. Jeann Low Ngiap Jong was appointed as a member of the Nomination and Governance Committee to replace Mr. Boon Swan Foo, effective 30 November 2016.

- The Committee recommended that the Annual General Meeting of Shareholders for 2016 approve the reappointment of retiring directors for another term of office, along with the appointment of Mr. Philip Chen Chong Tan as a new director.
- The Committee considered and nominated Ms. Jeann Low Ngiap Jong to replace a director who had resigned, namely Mr. Boon Swan Foo.
- The Committee nominated the representative directors to sit on the boards of the Company's subsidiaries.
- The Committee developed a succession plan for the Company's and its subsidiaries' directors to ensure that all the boards were run smoothly.
- The Committee provided an orientation program for a new director 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 arranged an annual board seminar for all the directors on the topics of "Thailand Economic Outlook", "The Board's Responsibility for Cyber Risk" and "Block Chain Technology", to provide continual development. The development program took a variety of forms such as internal and external courses, overseas trips, and site visits. (Full details of the directors' training can be found in the annual report under the title "Continuous training and development program".)
- The Committee reviewed the guidelines for the 2016 board evaluation, and agreed that this would be conducted by an external consultant. The evaluation covers the overall performance of the Board, each board committee, the chairman and individual members, and includes a peer review.
- The Committee provided an opportunity for all the Company's shareholders to propose agenda items for the Annual General Meeting of Shareholders for 2017 and nominate candidates for directorship in order to recognize the importance of treating all shareholders equitably.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties as assigned by the Board with continuity and was operating in an effective manner with a suitable structure and composition.



Leadership Development and Compensation Committee Report

Mr. Vithit Leenutaphong
Chairman of the Leadership Development
and Compensation Committee
20 January 2017



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, Ms. Jeann Low Ngiap Jong* and Mr. Philip Chen Chong Tan. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2016, the Committee held a total of eleven 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 agreed that it remain unchanged. The Committee recommended that the 2016 budget be set at not more than 42.5 million baht, an increase of 9.5 million baht from 2015 in order to support an additional director who was eligible for remuneration and make the Company more competitive when compared with other leading listed companies in relation to its benchmark.
- The Committee set the annual board retainer at 21.08 million baht. Consequently, the total directors' remuneration in 2016 was 38.01 million baht.
- The Committee considered an amendment to the Company's organizational structure and proposed the appointment of Mr. Philip Chen Chong Tan as the new Group CEO to replace the one who had retired. The Committee also appointed a new senior executive.
- The Committee determined the long-term incentive policy and program for the Company's executives, with competitive compensation that was aligned with the Company's goals and performance, in order to attract and retain key executives who would create long-term growth.
- The Committee considered and set the annual KPI targets for the Company and the Group CEO.
- The Committee considered the performance evaluation of the Group CEO and the Company's senior executives in order to determine their annual bonus and merit-based salary increase.
- The Committee considered and approved the Company's annual merit-based salary increases.
- The Committee considered and approved the Job Rotation Policy for the group.
- The Committee monitored the progress made on the Succession Plan and Talent Management, and agreed that an external consultant be engaged to evaluate the leadership and competencies of executives and their successors, while proper individual development plans for these persons be drawn up.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties as assigned by the Board with continuity and was operating in an effective manner with a suitable structure and composition.

* Ms. Jeann Low Ngiap Jong was appointed as a member of the Leadership Development and Compensation Committee to replace Mr. Boon Swan Foo, effective 30 November 2016.



CSR Committee for Sustainable Development Report



To the Shareholders of Intouch Holdings Plc.

The Corporate Social Responsibility Committee for Sustainable Development ("the Committee") comprises three members, namely Mr. Chalaluck Bunnag (the Chairman), Mr. Vithit Leenutaphong and Mr. Philip Cheng Chong Tan. Mr. Wichai Kittiwittayakul, the Company Secretary, serves as the Secretary to the Committee.

In 2016, the Committee held four meetings to undertake the duties stipulated in its charter. The Committee's significant activities have been summarized below.

1. The Committee reviewed and agreed with the policies, strategies, operational plans, annual budgets which focus on community life development, youth development, employee participation in social

responsibility programs. Four main activities have been summarized as follows;

- Supported government policy, in cooperation with the Office of the Deputy Prime Minister for social contributions to improve the quality of life for underprivileged students at three schools in Nan province, namely Ban Rom Klao, Ban San Charoen and Rajrat Pattana. Solved a shortage of clean drinking water by installing a solar-powered system to treat mountain water for consumption, and provided mobile and internet communications by leveraging the technological expertise in the group.

- Initiated the Life Quality Development for Forest Guardians project at Huay Kha Khaeng Wildlife Sanctuary, Uthai Thani. This project has three objectives: 1) to grant scholarships to some of their children up to bachelor's degree level 2) to protect forests and wildlife for future generations by providing the necessary equipments 3) to achieve cooperation between local communities in managing their resources for optimal benefits.
 - Extended the Healthy Rice Growing Project by INTOUCH to the community around Sukhontharam Temple, Tambon Donslab, Amphoe Huaykrajaao, Kanchanaburi, which has improved the productivity and created more added value for Jasmine rice as well as additional income for the farmers.
 - Extended the scholarships program to disadvantaged students and grants to schools, along with cash awards for outstanding teachers, which will enable these young people to improve themselves and play a future role in developing the country. This year the group granted 600 awards, the Company granted 240 awards to students, teachers and schools in Nan province, totaling 3.4 million baht.
(Please see the details in SD Report)
2. The Committee endorsed the Company's sustainable development action plan for the year and assigned the SD working team to collaborate with relevant parties at AIS, THAI COM and CS Loxinfo to ensure that the group's operations were aligned.
 3. The Committee encouraged the Company to participate in the Corporate Sustainability Assessment for possible inclusion in the Dow Jones Sustainability Indices (DJSI), which recognize companies with prominent sustainable business practices. This was the second year the Company had participated, and its score in 2016 increased from 50 to 61 points.
 4. The Committee is dedicated to a proactive approach by participating in regular CSR activities together with the Board of Directors in order to be a role model for all the employees.
 5. The Committee conducted a self-assessment and agreed that it had completely discharged its duties as assigned by the Board with continuity and was operating in an effective manner with a suitable structure and composition.
- On behalf of the Committee, I would like to thank the Board of Directors, management, employees and all the other stakeholders for their full cooperation. This has resulted in the Company's present success and recognition. We will continue to contribute to society and support government policies in order to drive the economy and create long-term sustainable growth.



The Board of Directors and Management Team

Board of Directors



Dr. Virach Aphimeteetamrong



Mr. Somchai Suphatada



Mr. Chalaluck Bunnag



Ms. Sopawadee Lertmanaschai



Mr. Prasert Bunsumpun



Mr. Vithit Leenutaphong



Ms. Jeann Low Ngiap Jong



Mr. Kwek Buck Chye



Mr. Somprasong Boonyachai



Mr. Philip Chen Chong Tan

Management Team

Mr. Philip Chen Chong Tan



Mr. Anek Pana-apichon



Mr. Wichai Kittiwittayakul



Mr. Kim Siritaweechai



Ms. Kantima Lerlertyuttitham





Details of Directors and Executives



Dr. Virach Aphimeteetamrong

Age 73 / Thai

Title

Chairman of the Board of Directors and Authorized Director

Appointment Date as the Director 7 November 2001

Shareholding ^{1/} None

Relationship with Directors and Management 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 Holding 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 Corporation Co., Ltd.
- 1988 - Present • Chairman, Dr. Virach and Associates Public Accounting Firm

Past Experience

- 2003 - 2016 • Director, TRIS Rating Co., Ltd.
- 2007 - 2011 • Member of the Audit Committee, Thai Agro Energy Plc
- 2001 - 2011 • Independent Director, Intouch Holdings Plc



Mr. Somchai Supphatada

Age 57 / Thai

Title

Independent Director and Chairman of the Audit Committee

Appointment Date as the Director 30 June 2006

Shareholding ^{1/} None

Relationship with Directors and Management 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
- Present • Asst. Prof., Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Member of Accounting Standards Setting Committee, South-East Asia University

Past Experience

- 2013 - 2016 • Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- 2010 - 2013 • Head, Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University



Mr. Chalaluck Bunnag

Age 69 / 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

Relationship with Directors and Management 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.



Ms. Sopawadee Lertmanaschai

Age 63 / 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/} None

Relationship with Directors and Management None

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 • Advisor to Chairman of the Board of Directors and Member of the Investment Committee, Dhipaya Insurance Plc

Positions in Other Companies/Organizations

- 2016 - Present • Chairman of the Board of Directors, Aisance Co., Ltd.
- 2015 - Present • Director, EcoWaste Management Co., Ltd.
- Director, Metropolitan Electricity Authority
- 2014 - Present • Director, Government Pharmaceutical Organization

Past Experience

- Apr - Aug 2016 • Director, Thai Herbal Products Co., Ltd.
- 2013 - 2016 • Commissioner, Securities and Exchange Commission, Thailand
- 2014 - 2016 • Director, Provincial Waterworks Authority
- 2014 - 2015 • Independent Director and Member of the Audit Committee, CIMB Thai Bank Plc
- 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



Mr. Prasert Bunsumpun

Age 64 / 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%

Relationship with Directors and Management None

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 Director, PTT Global Chemical Plc

Positions in Other Companies/Organizations

- 2014 - Present • Member, The National Legislative Assembly
- 2012 - Present • Chairman of the Board of Directors 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



Mr. Vithit Leenutaphong

Age 61 / Thai

Title

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

Appointment Date as the Director 16 October 2000

Shareholding ^{1/} None

Relationship with Directors and Management None

Highest Education

Master Degree in Business 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

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

- 2014 - 2016 • Chairman of the Board of Directors, Advanced Info Service Plc
- 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



Ms. Jeann Low Ngiap Jong^{2/} Age 56 / Singaporean

Title

Director, Chairperson 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 30 November 2016

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Bachelor of Accountancy, National University of Singapore

Governance Training of IOD / others

-

Positions in Listed Companies in SET

- 2016 - Present • Director, Intouch Holdings Plc
- 2013 - Present • Director, Advanced Info Service Plc

Positions in Other Companies/Organizations

- 2015 - Present • Group Chief Corporate Officer, Singapore Telecommunications Ltd.

Past Experience

- 2008 - 2015 • Group Chief Financial Officer, Singapore Telecommunications Ltd.



Mr. Kwek Buck Chye Age 63 / Singaporean

Title

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

Appointment Date as the Director 28 January 2015

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Advanced Management Program, Harvard University

Bachelor of Accountancy, University of Singapore

Governance Training of IOD / others

High Performance Board 2015, IMD

DCP: Directors Certification Program Class 214/2015

Positions in Listed Companies in SET

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

Positions in Other Companies/Organizations

- 2016 - Present • Director, Trailblazer Foundation Ltd.
- 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



Mr. Somprasong Boonyachai Age 61 / Thai

Title

Director, Member of the Strategic and Organizational Review Committee

Appointment Date as the Director 25 April 2007

Shareholding^{1/} 0.0057%

Relationship with Directors and Management None

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

- 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

- 2016 • Independent Director, Pruksa Real Estate Plc
- Independent Director, Pruksa Holding Plc
- 2008 - 2016 • Chairman of the Executive Committee, Intouch Holdings Plc
- 2008 - 2015 • Chief Executive officer, Intouch Holdings Plc
- 2009 - 2011 • Chairman of the Executive Committee, Thaicom Plc
- 2000 - 2008 • Member of the Executive Committee, Shin Satellite Plc
- 1999 - 2008 • Chairman of the Executive Committee, Advanced Info Service Plc
- 1994 - 2008 • Director, Advanced Info Service Plc



Mr. Philip Chen Chong Tan Age 51 / USA

Title

Director, Chief Executive Officer, 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, and Authorized Director

Appointment Date as the Director 31 March 2016

Shareholding^{1/} None

Relationship with Directors and Management 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

- 2016 - Present • Director and Chief Executive Officer, Intouch Holdings Plc
- Director and Member of the Executive Committee, Advanced Info Service Plc
- Director and Member of the Executive Committee, Thaicom 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 Director, 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

- Nov 2015 - Mar 2016 • President, Intouch Holdings Plc
- 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



Mr. Anek Pana-apichon

Age 51 / Thai

Title

Executive Vice President – Finance & Accounting

Appointment Date as the Management 16 November 2000

Shareholding ^{1/} 0.0028%

Relationship with Directors and Management None

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
 - 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



Mr. Wichai Kittiwittayakul

Age 55 / Thai

Title

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

Appointment Date as the Management 1 July 2007

Shareholding ^{1/} 0.0000%

Relationship with Directors and Management None

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



Mr. Kim Sirtaweechai

Age 48 / Thai

Title

Executive Vice President – Portfolio Management

Appointment Date as the Management 1 April 2014

Shareholding^{1/} 0.0003%

Relationship with Directors and Management 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

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

2010 – 2016 • Member of the Executive Committee, Advanced Info Service Plc
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



Ms. Kantima Lerlertyuttitham

Age 46 / Thai

Title

Group Chief Human Resources Officer

Appointment Date as the Management 25 August 2016

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Master of Psychology Counseling Service, Rider University, USA

Governance Training of IOD / others

-

Positions in Listed Companies in SET

2016 – Present • Group Chief Human Resources Officer, Intouch Holdings Plc

2015 – Present • Chief Human Resources Officer, Advanced Info Service Plc

Positions in Other Companies/Organizations

- None -

Past Experience

2013 – 2015 • Deputy Chief Operation Officer, MC Group Plc
2011 – 2013 • Chief Human Resources Officer, Prudential Life Insurance (Thailand) Plc
2007 – 2011 • Human Resources Director, Central Watson (Thailand) Co., Ltd.
2004 – 2007 • Human Resources Director, Microsoft (Thailand) Ltd.

Remark:

- 1) As at 31 December 2016, the number of ordinary shares includes holding by spouse and children age under 20.
- 2) Ms. Jeann Low Ngap Jong has been appointed as the Company's director, Chairperson of the Strategic and Organizational Review Committee, Member of the Nomination and Governance Committee, and Member of the Leadership Development and Compensation Committee to replace a director who had resigned, namely Mr. Boon Swan Foo, effective November 30, 2016.



Awards and Recognition

01



Best Popular Stock Award and Best Popular Technology Stock Award for the third time in four years. These awards are organized by Khao Hoon Thurakit newspaper and the Stock Exchange of Thailand.

02



ESG 100 Certificate for the second year from Thaipat Institute to certify that INTOUCH has an outstanding Environmental, Social and Governance performance.

03



Best Investor Relations Award in the Technology Industry category from the Investment Analysts Association.

04



Investors' Choice Award 2016 from the Thai Investors Association. These awards honor listed companies that scored 100% in the evaluations of annual shareholder meetings over the previous four years (in this case, 2013-2016) with respect to the disclosure of information and the equitable treatment of shareholders.



05

Excellence CG Scoring for the fourth consecutive year award from Corporate Governance Report of Thai Listed Companies 2016 by the Thai Institute of Directors Association (IOD)



06

Recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)



07

InVent received the first **"Professional Investor of the Year"** award at the National Innovation Awards 2016 held by the National Innovation Agency (NIA). InVent was the first to invest in promising Thai startup companies from the seed stage onwards.



Business



INTOUCH Group's Investment Structure as of 31 December 2016

Intouch Holdings Plc ¹⁾

Advanced Info Service Plc ¹⁾ 40.45%

Advanced Wireless 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%
Amata Network Co., Ltd.	60.00%
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 Telecommunications Business

Thaicom Plc ¹⁾ 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%
IPSTAR (India) Private Ltd.	100%
TC Global Services Co., Ltd.	100%

Telephone services abroad

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

Satellite and International Businesses

Internet and media services

DTV Service Co., Ltd.	99.99%
CS LoxInfo Plc ¹⁾	42.07%
Teleinfo Media Plc	99.99%
AD Venture Plc	99.99%
Cambodian DTV Network Ltd.	100%

Ookbee Co., Ltd.	21.48%
Golfdigg Co., Ltd.	25.00%
Sinoze Co., Ltd.	16.67%
Meditech Solution Co., Ltd.	16.66%
Playbasis Pte. Ltd.	15.36%
Wongnai Media Co., Ltd.	9.99%

I.T. Applications and Services Co., Ltd.	99.99%
Intouch Media Co., Ltd.	99.99%
Touch TV Co., Ltd.	99.99%
High Shopping Co., Ltd.	51.00%
High Shopping TV Co., Ltd.	99.99%
Joint Venture Kantana and Intouch ²⁾	50.00%
Matchbox Co., Ltd. ³⁾	99.99%
ITV Plc ³⁾	52.92%
Artware Media Co., Ltd. ³⁾	99.99%

Other Businesses

Venture Capital

Others

¹⁾ Listed Company on the Stock Exchange of Thailand

²⁾ Currently on the liquidation process

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-16	2016		2015		2014	
			Baht Million	%	Baht Million	%	Baht Million	%
Local wireless telecommunications	AIS and its subsidiaries	40.45	12,548	76.52	15,854	98.61	14,538	98.49
Satellite and international businesses	THAICOM and its subsidiaries	41.14	664	4.05	874	5.44	659	4.46
Other businesses:								
- Loss from operation, excluding loss of MB and a reversal of provision for interest on unpaid operating agreement fee of ITV	Operated by Intouch Holdings Plc, subsidiaries and associates ^{/1}		(505)	(3.07)	(651)	(4.05)	(371)	(2.51)
- Reversal of provision for interest on unpaid operating agreement fee ^{/2} - ITV			3,691	22.50	-	-	-	-
- Discontinued operation - MB			-	-	1	-	(65)	(0.44)
Net profit to owners of the company			16,398	100.00	16,078	100.00	14,761	100.00

Remark:

^{/1} Comprised of ITAS Co., Ltd., Intouch Media Co., Ltd., Matchbox Co., Ltd. (which has closed down its operation due to the continued operation loss), ITV PLC. (ITV ceased operations on 7 March 2007 and had recognized a loss on provision for interest of unpaid operating agreement fee until the 2nd quarter of 2016) and business under Venture Capital Project.

^{/2} ITV had adjusted provision for unpaid operating agreement fee and interest at 3,691 million baht (net of non-controlling interest) in 2016. According to the Arbitration award and independent legal opinion, ITV had reconsidered that the best estimation for ITV to recognize such provision would be 2,890 million baht.



Milestones

2016

- On 6 January 2016, High Shopping started its home shopping business through broadcasting on a satellite television platform. After that, in August 2016, High Shopping started offering its products through its website www.highshopping.com and application HIGH SHOPPING in addition to its existing satellite television platform.
- The Company, through InVent, invested in two more companies, namely Wongnai Media Co., Ltd. and Social Nation, Inc. Meanwhile, INTOUCH monetized Computerlogy Co., Ltd. and ShopSpot Mobility Pte. Ltd. in 2016.
- On 30 June 2016, Advanced Wireless Network Co., Ltd. (AWN) was granted a 900MHz license for the 895-905MHz frequency band paired with 940-950MHz from the National Broadcasting and Telecommunications Commission (NBTC). At the end of 2016, AWN had already rolled out its network covering 98% of the population, with 4G network installation at 42,100 locations nationwide.
- AIS has expanded "AIS Fibre", a high-speed broadband home internet service with the latest FTTx technology. This service was launched one and a half years ago, and the broadband network now covers 5.2 million home passes in 28 provinces with 301,500 subscribers.
- Thaicom 8 was successfully launched on 28 May 2016, and reached the 78.5 degrees East orbital slot. THAICOM currently provides services through five satellites.

2015

- Intouch Media Co., Ltd. (Intouch Media) and South Korea-based Hyundai Home Shopping Network Corporation (Hyundai Home Shopping) established a joint venture company, namely High Shopping Co., Ltd. (High Shopping), a home-shopping business in Thailand with authorized capital of 500 million baht. Intouch Media invested 255 million baht for a shareholding of 51% while Hyundai Home Shopping invested the remaining amount for a shareholding of 49%.
- Intouch Media and Kantana Group Plc. (Kantana Group) created a 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.
- The Company, through InVent, invested in four more companies, namely Sinoze Co., Ltd., Playbasis Pte. Ltd., Golfdigg Co., Ltd. and ShopSpot Mobility Pte. Ltd.

- AIS launched the "AIS Fibre" broadband home internet service with a speed of 1 Gbps 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, AWN was granted an 1800MHz license for the 1725-1740MHz frequency band paired with 1820-1835MHz from the NBTC. As of January 2016, AWN had installed 4G network access at 6,000 locations nationwide.
- Shenington Investment Pte. Ltd. (SHEN), a subsidiary of THAICOM, and the government of Lao PDR officially agreed to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in Lao PDR. As a result, Lao Telecommunications Co., Ltd. (LTC), a joint venture holding via SHEN, obtained the right to operate communication services in Lao PDR for a further period of 25 years until 2046.

2014

- The Company's name and seal were changed to "Intouch Holdings Public Company Limited" on 31 March 2014.
- Transcosmos Inc. in Japan purchased newly-issued shares in 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 INTOUCH's investment portion decreasing to 22.26%.
- The Company changed its dividend policy from "not less than 40% of the Company's net profits" to "pass through dividends received from its associates and subsidiaries after the deduction of operating expenses".
- Intouch Media invested in a joint venture with Kantana Group with an initial investment of 40 million baht (50% each) in order to produce digital television content and leverage the potential of its existing businesses.
- INTOUCH made a new investment in Infinity Levels Studio Pte. Ltd. under the InVent project.
- AIS announced the successful expansion of its 3G on 2100MHz network, which reached nationwide coverage in one year. This was wider than the existing 2G network and sooner than the target of 80% coverage within four years required by the NBTC.
- Thaicom 6 was successfully launched on 6 January 2014, and reached the 78.5 degrees East orbital slot.
- Thaicom 7 was successfully launched on 7 September 2014, and reached the 120 degrees East orbital slot.



Nature of Business

INTOUCH HOLDINGS PLC. (INTOUCH) operates its business by investing in telecom, media and technology (TMT), with the objective to potentially grow and support its core and related business as well as enhance service capability in line with the government's policy of promoting a Digital Economy. The structure of INTOUCH's investments is described below.

1) Majority shareholding in a business in which INTOUCH participates in the management, and sets policy and business direction. These businesses currently comprise AIS, THAICOM, IT Applications and Services Co., Ltd. (ITAS) and High Shopping Co., Ltd. (High Shopping).

2) Joint ventures in which INTOUCH provides only a modest level of investment, has no more than 30% of the shareholding, and does not participate in the management. These are venture capital investments under the "InVent" project, which aims to support and promote high potential start-up companies in related businesses that can create added value for the companies in INTOUCH Group.

INTOUCH professionally operates its business which believing that the investments in core business and related business will create long-term value to its shareholders and investors. INTOUCH Group targets to enhance standard of living for Thais by providing the best technology. The business was run comply with the government's Digital Economy policy to contribute Thailand economic growth. All the companies in our group are determined to conduct their business with a view to long-term sustainable development, as well as encouraging stakeholder engagement in compliance with global standards.

In terms of investment return, INTOUCH continues to deliver pass-through dividends to its shareholders. Moreover, the major companies in the group contribute to the country by making regular and on-time revenue-sharing payments to government agencies, license payment to NBTC as well as country income tax. All the business operations and other activities are conducted with transparency, fairness and accountability in order to deliver sustainable growth for all investors and stakeholders.

Wireless Telecommunications Business operated by AIS

AIS is the leading mobile operator in Thailand with approximately 41 million subscribers nationwide. AIS has foreseen changes in customer behavior and industry. AIS, therefore, has adapted to the market accordingly to become a "Digital Life Service Provider" by offering 3 main services of mobile, fixed-broadband and digital content services to meet its customers' satisfaction. AIS intends to provide a better experience of telecommunications to customers by improving quality and new packages of its 4G services in order to

accommodate a higher data usage arising from behavioral changes in today's digital society.

Mobile Business

In 2015, AIS was granted the 2100MHz and 1800MHz spectrum licenses by the Office of the National Broadcasting and Telecommunications Commission (NBTC). During 2016, AIS has provided a sufficient speed and competitive service on its network as a result of 900MHz spectrum license obtained in May and 2100 MHz TOT trial-agreement signed in October. Although, AIS has undertaken a payment of license and contract, INTOUCH can foresee that AIS could sustain its competitive advantage by providing sufficient bandwidth which will lead AIS to future growth. Currently, AIS provides its services through 2G 3G and 4G network, reaching 98% of the population nationwide using Carrier Aggregation Technology of 4G in the main cities.

Fixed-broadband Business

AIS, the only pure-fibre provider in Thailand, operates fixed-broadband service, under the brand "AIS Fibre", deploying the new technology of FTTx to households (FTTH, FTTB) nationwide. In 2016, AIS Fibre already passed 5.2 million homes in 28 provinces. AIS aims to be one of the key players in this market in three to five years with its fibre technology and competitive price plan. The expansion of FTTx technology will support seamless connections between wireless and fixed-broadband services in line with

its convergence strategy. INTOUCH believes that this strategy will be the key to AIS's long-term business operation. There is now a high demand for fixed-broadband but only three other companies have the capability to provide it, namely TRUE, JASMIN and TOT. Presently, AIS is on-process of developing and building network coverage. In 2016, FBB subscriber base was reported at 301,500, increased by 580% from 2015.

Digital content Business

As for the Digital Content business, AIS has focused on collaborating with its partners to develop content in 5 main areas which are videos, games, money transfers, cloud access and M2M (Machine-to-Machine). Moreover, AIS has been developing a platform to offer both live and on-demand broadcasts such as sporting events, concerts and reality shows on AIS PLAY (mobile platform) and AIS PLAYBOX (home entertainment). INTOUCH also realizes a benefit of digital content business in order to provide supporting services to AIS's customers which will turn AIS into a "Digital Life Service Provider" and attract future investment through its platform services creating.

Industry Outlook and Competition in 2016

The mobile market in 2016 was more competitive than in 2015 due to an accelerating demand for mobile data, so customers were attracted to the best data packages when selecting a provider. Consequently, all operators accelerated their network investment and continued to create differentiation in network quality on both 3G and 4G. The competition intensified through the launch of new packages and various marketing campaigns on the ground, along with both media and online channels to build consumer confidence, which focused on faster connection speeds claimed by the operators and wider 4G coverage in order to strengthen brand leadership, supported by more 4G handset availability and the increasing demand of mobile data from 2015. AIS focuses on both retaining existing subscribers and acquiring new subscribers. Hence, the marketing campaign was mainly on handset subsidy in which free handsets were given away and smartphones were offered with a required bundling package for new subscribers. While, existing subscribers were also provided with a special voice or internet package when registering for a new number.

In 2016, a second year of AIS broadband service provider, the competition in the fixed broadband market was also more intense than 2015. AIS entered into the market namely "AIS Fibre" to support customers who demand more home-network connection with higher speed. The existing technology of ADSL has nearly reached service capacity, while changes in consumer behavior can be accommodated by fibre technology providing high-speed connections for HD content. Consequently, FTTx has become the first choice for customers who would like to change from ADSL. In the meantime, the incumbent players have

also started to upgrade to fibre and offer packages with higher speed at the same price to preserve their subscriber base.

Industry Outlook and Competition in 2017

In 2016, each operator had a high level of investment in network expanding as well as a spectrum licenses payment to NBTC. Accordingly, AIS expects that the industry will tend to focus on revenue generation and profitability. While, believing that softened handset subsidies and more segmented pricing will be happened. The differentiations will be played an important role particularly in terms of an improvement in network quality, an experience of usage and easier access to a wider variety of products and services.

The fixed-broadband market is also expected to grow further in 2017 as the new digital lifestyle which indicates the higher demand of household internet to quickly and efficiently access all data. AIS believes that fixed-broadband providers will continue to compete over connection speeds while expanding their service coverage areas and adapting their services to fibre technology.

Digital content will continue to play an increasingly important role in people's lives due to the "Thailand 4.0" business model announced by the government. This policy promotes innovation and creativity in product and service development, and will

facilitate the transition from manufacturing to service-based businesses. Video content, mobile payment and e-commerce will continue to be the key growth areas for AIS, along with higher mobile and fixed-broadband penetration.

Business Direction over the next three to five years

The telecommunications industry in Thailand is clearly expected to continue undergo a transformation over the next following years. A shift in consumer behavior to a much more digital-based environment has made AIS realize the importance of this change and the compelling opportunities that will arise. AIS's vision is to transform itself into a "Digital Life Service Provider" to satisfy all the digital needs of its customers, and their always-connected lifestyles, through high-quality networks. Furthermore, AIS aims to expand its fixed-broadband to provide faster internet connection speeds for subscribers to access all forms of digital content namely entertainments, financial transactions and applications, which will create new revenue streams and add value to the business.

Satellite and International Businesses operated by THAICOM

THAICOM operates the satellite transponder leasing business for both domestic and international customers, under 30-year Domestic Communication Satellite Operation Agreement with the Ministry of Information and Communication Technology (MICT), that expiring in 2021 and The National Broadcasting and Telecommunications Commission (NBTC)'s Type I and Type III business licenses. THAICOM currently has five operational satellites, which cover over 120 countries, namely Thaicom 4 (IPSTAR), which is a broadband satellite, and Thaicom 5, 6, 7 & 8, which are conventional satellites. Thaicom 8 was successfully launched and reached its designated orbital slot in May 2016. THAICOM provides satellite transponder leasing to broadcasters and cellular network operators, satellite broadband services along with mobility platforms for maritime and airborne connectivity services.

INTOUCH, a major shareholder of THAICOM, supports business growth by providing an appropriate cost of fund. Besides, the new satellite and significant projects of THAICOM are supported and thorough evaluated of each investment value by INTOUCH. INTOUCH also provides a business recommendation to contribute THAICOM's potential of growth in satellite business in order to increase an ability to compete in global market as well as create the sustainable growth.

Broadcast & Media

THAICOM provides end-to-end video contribution and distribution services in standard definition, high definition, and ultra-high definition formats to

customers such as terrestrial TV operators, satellite TV operators and content providers to transmit their television programs or contents to receiving stations under THAICOM satellite's coverage area. THAICOM's contribution and distribution services are the choice for operators to transmit their television programs and contents to their destinations. Moreover, THAICOM provides effective end-to-end Direct-To-Home (DTH) broadcasting service to pay-TV broadcasters and satellite TV operators to directly access to DTH viewers using small satellite antennas.

Broadband & Data

THAICOM operates a full satellite broadband services to retail, carrier, government and business customers to accommodate higher traffic loads or to cover more geographic areas quickly and economically in remote or rural areas in Asia-Pacific. As well as, to safeguard the broadband system against the network failure to serve customers in various industries, for example, oil and gas companies with multiple locations nationwide, a large retailer in need of an uninterrupted backup for vital online business applications, or a bank that requires a reliable network for credit and debit card transactions.

Mobility

THAICOM adapts to changing consumer behavior which seeks greater access to information and communication anywhere anytime by developing mobility services both in the air and at sea.

In-Flight Entertainment & Connectivity (IFEC) service, THAICOM has been officially provided high speed broadband internet via a Ku-band satellite to Nok Air airline since 2014. In 2016, THAICOM has installed IFEC equipment on additional three Nok Air aircrafts, making the total of six aircrafts. THAICOM expects Nok Air to start launching its onboard Wi-Fi service on all six aircrafts in the early of 2017.

Maritime service, THAICOM joined with Advanced Info Service Plc. (AIS) to provide 3G 2100 MHz via a satellite on the Royal Thai Navy's H.T.M.S Krabi since 2014 for providing its crews with secure and reliable access to email and the Internet while at sea. Moreover, THAICOM has not only provided maritime service in Thailand but also in Japan. In 2016, THAICOM increased installation on seven more commercial vessels in total of thirteen vessels.

Industry Outlook and Competition in 2016

Broadcasting Satellites - THAICOM has used its strengthen "Hot bird" strategy, the high demand based on the number of subscribers and number of satellite TV channels at 78.5 degrees East which is an orbital slot of Thaicom 5 & 6 and 8. Thaicom 8 was successfully launched and reached its orbital slot in 2016. In terms of number of satellite TV channels was increased from 792 channels as of 31 December 2015 to 897 channels as of December 31, 2016. THAICOM values the importance of developing its broadcast service to help uplift overall Thai broadcast industry. In the Asia-Pacific region, the market remains competitive however; THAICOM believes that the effect from the competition will be minimized due to its long-term reputation, relationships with the customers, and the selective neighborhood channels on THAICOM satellites. At present, there are approximately 18.4 million households (or 73% of total population) receiving satellite TV and cable TV through the satellites at 78.5 degrees East. For international markets, THAICOM still owns a leading position in market share in Greater Mekong Subregion and the one of major satellite operators in South Asia. In 2016, THAICOM has strengthened its positioning in the region by providing more services in Myanmar and India. In the African market there are many satellite operators resulting in intense competition. However, as the second largest continent in the world, with high population density but a low penetration rate for telecommunication technology, Africa is full of potential demand. THAICOM will therefore, focus on selected target markets including broadcasting and telecommunication services.

Broadband Satellite - In 2016, broadband satellite industry has become more competitive as more players entered into the market including major operators offering global High Throughput Satellite constellations and Australia's national broadband satellite (NBN Co Limited). However, the major operators serve different market segments, and need technical testings as well as the landing

right in each country in order to provide services locally meanwhile NBN Co Limited provides services in Australia only. Hence, Thaicom 4 (IPSTAR) will maintain its competitiveness as the first mover who has been in the broadband market for over ten years with presence and landing rights in more than ten countries in the Asia-Pacific region. Furthermore, THAICOM has focused on selected target markets to respond customer requirement and encourage the utilization of Thaicom 4 (IPSTAR).

Strategies in 2017

Broadcasting Satellites - THAICOM will continue to strengthen its "Hot Bird" strategy of satellites in high demand based on the number of subscribers and number of satellite TV channels on our broadcast platform at 78.5 degrees East. THAICOM values the importance of developing its broadcast service to help uplift overall Thai broadcast industry by offering state of the art solutions to support High Definition and Ultra-High Definition broadcasting as well as value-added services to enhance capability of satellite TV operators. Moreover, THAICOM plans to expand its broadcast services in emerging markets, especially in Greater Mekong Subregion and South Asia, and focusing on high quality and high power Direct-to-Home (DTH) broadcasting service.

For the African market, its strategy is to differentiate themselves from competitors by targeting specific

countries and segments. THAICOM will bring its expertise and experience in Asia-Pacific to adapt with this market, and form strategic partnerships to provide entire services of end-to-end broadcast and telecommunication to meet customer demand.

Broadband Satellites - THAICOM values the importance of bandwidth efficiency enhancement on both IPSTAR platform and business partners' platforms to increase the bandwidth utilization of Thaicom 4 (IPSTAR), especially in India, Indonesia, and the Philippines. THAICOM has also plans to adjust sales and marketing strategies in order to substitute customers with soon-to-be-expired contracts in Thailand and Australia with new customers. Moreover, THAICOM adapts to the consumer behavior change that is desired to access information and communication anywhere and anytime by developing platforms for mobility services which includes In-Flight Entertainment & Connectivity (IFEC) and maritime. Another solution is delivery service of video and other media over the Internet, Over-The-Top (OTT), which focused on 2nd Screen service. These solutions will serve different needs of different target customers to help enhancing their capabilities and opportunities to gain more revenues.

CS Loxinfo PLC. (CSL), an internet and media service provider, has changed its strategy to focus on improving its product packages by carefully selecting high quality services due to the lower revenue contribution from YellowPages, Voice Info Services and Mobile Content businesses. CSL's broadband service has been expanded into the targeted areas for condominium-based customers. In addition, the Internet Data Center (IDC) Services has continued to grow due to an increase of demand in the market.

Moreover, THAICOM has provided fixed-line, mobile and telecommunication services in Lao PDR through its subsidiary, **Laos Telecommunications Co., Ltd. (LTC)**, which has been ranked No. 1 telecom provider in terms of market share with approximately two million subscribers, accounting for around 54% of the mobile market. LTC was able to extend its concession agreement (expiring in 2021) for another 25 years until 2046, which will guarantee a long-term revenue stream.

Other Businesses

High Shopping, an indirect joint venture (through Intouch Media), between INTOUCH, which invested 255 million baht for a stake of 51% with an authorized capital of 500 million baht, and Hyundai Home Shopping Network Corporation Co., Ltd. (Hyundai Home Shopping, ranked 3rd in the South Korean market), began operating a home shopping business in Thailand at the beginning of 2016. High Shopping offers various products such as kitchenware, consumer electronics, household accessories and cosmetics through the following

satellite channels: PSI 49, 94 & 444 DTV 48, 124 GMMZ 45 & 61 and BIG4 70, 83 & 120 as well as AIS PLAYBOX. It is also available on an online channel at www.highshopping.com and a mobile application "HIGHSHOPPING" that was launched in August 2016. Home shopping business will therefore add value to INTOUCH Group by promoting mobile, satellite TV and broadband access. In 2016, High Shopping generated revenue approximately 400 million baht with average sales per day at 1 million baht which represented the positive sign quarterly. INTOUCH expects TV Homeshopping business to be one of the main three players in 2018.

I.T. Applications and Services Co., Ltd. (ITAS) provides computer and SAP systems, which support an information technology, to all the companies in INTOUCH Group. This business continues to post profits and pay consistent dividends to INTOUCH.

In 2012, INTOUCH launched the **InVent project** to support and promote high-potential start-up companies in the TMT sector, along with other related businesses, through venture capital investments. INTOUCH provides the expertise that will enable these companies to become competitive and be ready for the global market, while their new products and services will enhance future growth across 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 communities. INTOUCH believes in the creativity and potential of young entrepreneurs to develop innovative products and services. 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.

From 2012 to 2015, InVent, a corporate venture capital, has invested in 8 companies. In April and October 2016, InVent invested in another two companies; firstly, *Wongnai Media Company Ltd.*, Thailand-based provider of food, beauty and lifestyle review portal. Secondly, *Social Nation, Inc.*, a Silicon Valley-based advertising technology startup in the United States.

While in 2016, INTOUCH decided to monetize 2 companies which are *Computerlogy Co., Ltd.* in January and *Shopspot Mobility PTE Ltd.* in September in order to allow the entrepreneurs behind them to exploit their strong positions and achieve new milestones.

InVent Investment Summary

In conclusion, INTOUCH currently has a total of 8 companies under the InVent project as shown in the chart below.

Year	Company	Nature of Business
2012	Ookbee Co., Ltd. 	<ul style="list-style-type: none"> A leading digital publishing platform in Thailand, which has expanded into Vietnam, Malaysia and Singapore. In 2014, Ookbee succeeded in raising funds from Transcosmos, a Japanese nationality company. In 2016, Ookbee set up new firm "Ookbee U" as joint venture with "Tencent" to launch a multimedia platform for creating digital content.
2013	Meditech Solution Co. 	<ul style="list-style-type: none"> A developer of medical technology such as SenZe, an eye-tracking communication device, for people suffering from paralysis. This helps patients to easily and correctly communicate with doctors and nurses. In 2014, Meditech succeeded in raising funds from investors in Thailand. As a result of the product development accomplished, Meditech are interested by investors and obtained more funds in 2016.
2014	Infinity Levels Studio PTE Ltd. 	<ul style="list-style-type: none"> A famous Thai mobile game studio developer in Thailand. In 2015, the game known as "Ranch Run" was launched first time to the market. In 2016, Infinity Levels developed "Blade of Revenge" together with LINE Co. which was first launched at the beginning of 2017.

Year	Company	Nature of Business
2015	Sinoze Co., Ltd. 	<ul style="list-style-type: none"> A well-known mobile game, called "Thapster", developer in Thailand. In 2016, Sinoze developed a new game known as "Thapster TV" to launch in the international market.
2015	Playbasis PTE. Ltd 	<ul style="list-style-type: none"> A gamification platform for website and mobile applications service provider which is a new innovative for Digital marketing to connect branding and consumers. In 2016, Playbasis successfully raised more funds from a large international firm.
2015	Golfdigg Co., Ltd. 	<ul style="list-style-type: none"> A mobile application "Golfdigg" developer to make an online golf-course reservation and online mobile payment. As a result of continuing to develop applications and provide more payment channels, golf club membership and the number of golf-course reservations increased in 2016.
2016	Wongnai Media Company Ltd. 	<ul style="list-style-type: none"> A Thailand-based online food and lifestyle review portal that searches for restaurants (Wongnai) and beauty parlours (Wongnai Beauty) in the vicinity of the user, and also provides e-vouchers. Wongnai now has a customer base of two million. Most of funding will be used to develop its new O2O services, which connect online to offline businesses, as well as expand into new lifestyle verticals. Currently, Wongnai has expanded its business into food delivery with LINE Co.
2016	Social Nation, Inc. 	<ul style="list-style-type: none"> A Silicon Valley-based advertising technology startup in the United States with Thai co-founder. The funds will be used to accelerate growth in order to achieve its goal of becoming the premier virtual reality and 360° video advertising and distribution platform under the brand "AdsOptimal" and "OmniVirt".

New Business

Throughout 2016 INTOUCH continued to explore relevant new business opportunities within the TMT sectors. Various attractive investment opportunities were carefully examined, especially ones that would create added value for the current B2C and B2B customers. These included digital financial services, corporate IT solutions and other emerging technologies that would help drive overall growth and benefit all the Company's stakeholders. INTOUCH also decided to revamp its new business strategy so that it would become a platform enabler that enhance intelligence capability and enrich subsidiaries competitiveness.

As for new business in 2017, INTOUCH will continue to focus on TMT and other related digital services to support INTOUCH strategic direction for creation of shareholder value and expansion of business sustainability. For B2C, the company will focus on building intelligence capabilities with subsidiaries to enhance customer value and innovation. The company will

also work with non-digital product partners for new digital lifestyle business opportunity, for example, Digital Financial Services and Digital Commerce that appeal to Thai consumers and create new revenue streams. For B2B, the company will be the platform that connect new and emerging technologies with Thai market, for example, Internet of Things, Cyber Security and Big Data which help contributing service competitiveness and encouraging Thailand to become a Digital Society.



Risk Management and Risk Factors

Risk Management Framework

INTOUCH Holdings Plc. ("the Company") recognizes risk management as an integral component of its sound corporate governance, which is fundamental to achieving its strategic objectives. Effective risk management helps the Company to improve its decision-making in terms of governance, strategy, objective-setting, and day-to-day operations.

The Company has established a risk management framework, which includes risk governance and culture along with a policy and processes to enhance its overall risk management. This framework supports the identification, measurement, treatment, monitoring and reporting of all the major risks which may jeopardize the Company's ability to achieve its strategic objectives.



Risk Governance

Risk governance and accountability are embedded throughout the Company in order to ensure appropriate oversight of and accountability for the effective management of risks, as detailed below.

- The Board of Directors ("the Board") is ultimately responsible for overseeing the Company's risk management, which is an integral part of conducting business. The Board has delegated responsibility for reviewing the risk management process to the Audit Committee to ensure it is both appropriate and effective.
- The Chief Executive Officer ("the CEO") is responsible for implementing the risk management policy and monitoring its ongoing application through the Risk Management Committee. This committee is comprised of key department heads and chaired by the CEO.
- The Risk Management Committee is responsible for formulating risk management policy, strategy and risk criteria for the Board to consider and approve. The committee also reviews the Company's key risks and their mitigation measures, as evaluated by the risk owners, and recommends improvements.
- The Company's executives are responsible for the ongoing assessment and monitoring of risks, along with the day-to-day risk management activities.

Risk Culture

Risk culture is a key element of the Company's risk management framework. The Company seeks to promote a strong risk culture throughout the organization, and expects employees to be aware of the risks inherent in their day-to-day business activities and take responsibility for managing them properly. Moreover, every employee is encouraged to have the right attitude and behavior towards risk management in order to create a sound risk culture, which is underpinned by the following measures.

- Communicating a distinct and consistent tone from the Board and senior management in respect of risk taking and avoidance.
- Embedding risk management in the Company's strategy and business planning, staff performance evaluations and remuneration arrangements.
- Encouraging and providing opportunities for employees at all levels to identify and report potential risks in order to assign risk owners and develop treatment plans that will help to minimize losses, including actively seeking to learn from mistakes and improve operations.
- Designating risk management responsibility to employees at all levels, while executives act as role models in promoting the Company's risk management culture.
- Including risk management in the ongoing training curriculum for all executives in order to strengthen their knowledge and understanding.

Risk Management Policy and Process

The Company has established a risk management policy which defines the framework and process for managing its risks. The Company has adopted the COSO *Enterprise Risk Management* framework and the *ISO 31000 of International Organization for Standardization* for identifying and evaluating risks in all the business activities it undertakes, and developing treatment plans to manage them.

Risk Factors

The Company is a holding company with investments in the following areas: wireless telecommunications; satellite & international business; and other businesses. The Company is exposed to various risks which could adversely affect its business, results of operations and financial condition.

The following risks are presently considered to be key risks. 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: The Company's major investments are in Advanced Info Service Plc. (AIS) and Thaicom Plc. (THAICOM), both of which are under license, subject to specific laws, and regulated by government agencies.

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 AIS. These subsidiaries and associated companies face their own business risks, along with regulatory risk if there are changes in the law or regulations governing the telecommunications industry, which might have an adverse impact on their financial position and result in lower-than-expected dividends. This would subsequently have the same impact on the Company's ability to pay dividends.

In addition, the ability of these 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 AIS and THAICOM in each company's annual report.)

Risk treatment: 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 business unit. In general, the Company's management committee meetings are held on a monthly basis to consider and review the business plans of each unit, and evaluate their business performance, financial management and marketing strategies in order to ensure that the appropriate risk mitigation measures are implemented on a timely basis.

2. New Business

Risk: The Company has invested and plans to continue investing in Technology, Media and Telecommunications ("TMT") in order to drive growth and/or complement the competitiveness of its current subsidiaries. There is a risk that the anticipated revenue and profit may not be achieved due to adverse economic conditions, rapid changes in technology, or new legal restrictions. There is also no assurance that a new business will successfully achieve its planned objectives, which may require new expertise or management, synergy from the Company's subsidiaries, significant integration of processes or systems, or changes in organizational and cultural mindset. Because of the inherent risk in new business ventures, there could be an adverse impact on the Company's financial condition and operating results.

Risk treatment: The Company has a policy to manage the strategic risk in new business expansion by only investing in areas in the TMT sector that have the potential for high growth and in which the Company has expertise. The strengths and resources of INTOUCH Group are always taken into consideration when new investment opportunities are explored in order to manage and minimize business risks. The Company also tracks and manages the risks in the TMT sector proactively and thoroughly in order to discover new trends as well as changes in technology, business models, and the relevant laws and regulations.

As new businesses place new demands on people, processes and systems, the Company continually updates its organizational structure, talent management and employee development, and regularly reviews its policies and processes so that it can invest in new technologies to meet changing needs.

3. 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 its future ability to pay dividends.

Risk treatment: 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.

4. Loss of Key Personnel

Risk: The Company realizes that its human capital is the key to business success. Loss of key employees from retirement, sickness, accident or headhunting by competitors will have an impact on the efficiency and effectiveness of the Company's operations, and could result in a loss of expertise, as well as incur additional costs for recruiting and training replacements.

Risk treatment: 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 of its employees' projects to strengthen engagement, and also 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 this 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, then individual development plans are drawn up and the successors 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 long-term growth and success.

5. 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. US interest rates are expected to rise after staying low for a long time. On 31 December 2016, the Company and its subsidiaries had outstanding foreign currency assets and liabilities totaling 3,486 million baht and 5,966 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 statements 33.)

Risk treatment: 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.

6. Global Economic Slowdown

Risk: In the year 2016, the economic slowdown in emerging economies, especially China, had an impact on regional growth. In Thailand, the export and consumer spending sectors were flat, and many analysts have predicted that this will continue in 2017 as exports may be affected by higher tariffs imposed on goods imported into the United States. However, the additional fiscal stimulus packages, government spending and infrastructure development projects will still be the main economic drivers, along with an expected increase in tourism.

Regarding the financial market outlook, as there has been a steady improvement in the US economy and the US federal funds rate has increased, there may be a downside risk of sudden capital outflows, which would result in the Thai baht depreciating against the US dollar. 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 treatment: 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, signing loan agreements in advance for the planned investment projects in the coming year, and using appropriate foreign exchange and interest rate hedging instruments.

7. Risk arising from non-compliance with the Agreement on the Operation of Domestic Communication Satellites

Risk: The operation to comply with *the Agreement for the Operation of Domestic Communication Satellites* ("the Agreement"), dated 11 September 1991, between the Ministry of Transport and Shinawatra Computer and Communication Plc. (now Intouch Holdings Plc.), currently under the governance of the Ministry of Digital Economy and Society ("the Ministry"), faces the following risks arising from two issues that have not yet been resolved: 1) providing a back-up satellite for Thaicom 3; and 2) increasing the Company's shareholding in THAICOM to be not less than 51 percent. These matters are currently being reconsidered by a committee appointed under Section 72 of the *Permission for the Private Sector to Jointly Undertake Work or Operate the Work of State Enterprises Act, B.E. 2556*.

Risk treatment: With regard to the back-up satellite, the Company and THAICOM both replied to the Ministry and stated clearly that the matter had been handled under the provisions of the agreement. All of the Company's and THAICOM's actions pertaining to this issue had been approved by the Ministry, and the Company had provided the necessary facts and background information to find a solution that was mutually beneficial. Therefore, this dispute should be resolved under the relevant clauses in the agreement. However, there has been no progress to date.

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. This dispute is still being considered by the committee under Sections 72 of the aforementioned act.

8. Social and Environmental risks

Risk: As a holding company, the Company's daily business activities do not have a material exposure to social and environmental risk. However, this risk may arise from the Company's investment in a business that creates a negative impact on society or the environment.

Risk treatment: The Company integrates social and environmental concerns into its strategy. In the investment process, these risks will be evaluated before a decision is made to invest in a particular business.

As part of society, the Company 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.

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

Corporate Governance





Corporate Governance Report

Introduction

The Board of Directors ("the Board") is committed to maintaining good corporate governance and business integrity in all its activities. The Board believes that good corporate governance is essential for sustaining the Company's growth as well as maintaining its credibility and enhancing shareholder value.

The Board has developed and adopted the Corporate Governance Policy to assist it in the proper exercise of its responsibilities. This 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 all the directors, executives and employees. The last revision was undertaken on 11 November 2016.

This section of the annual report describes how the Board directs and controls the Company, and summarizes the corporate governance activity that has taken place throughout the year 2016.



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

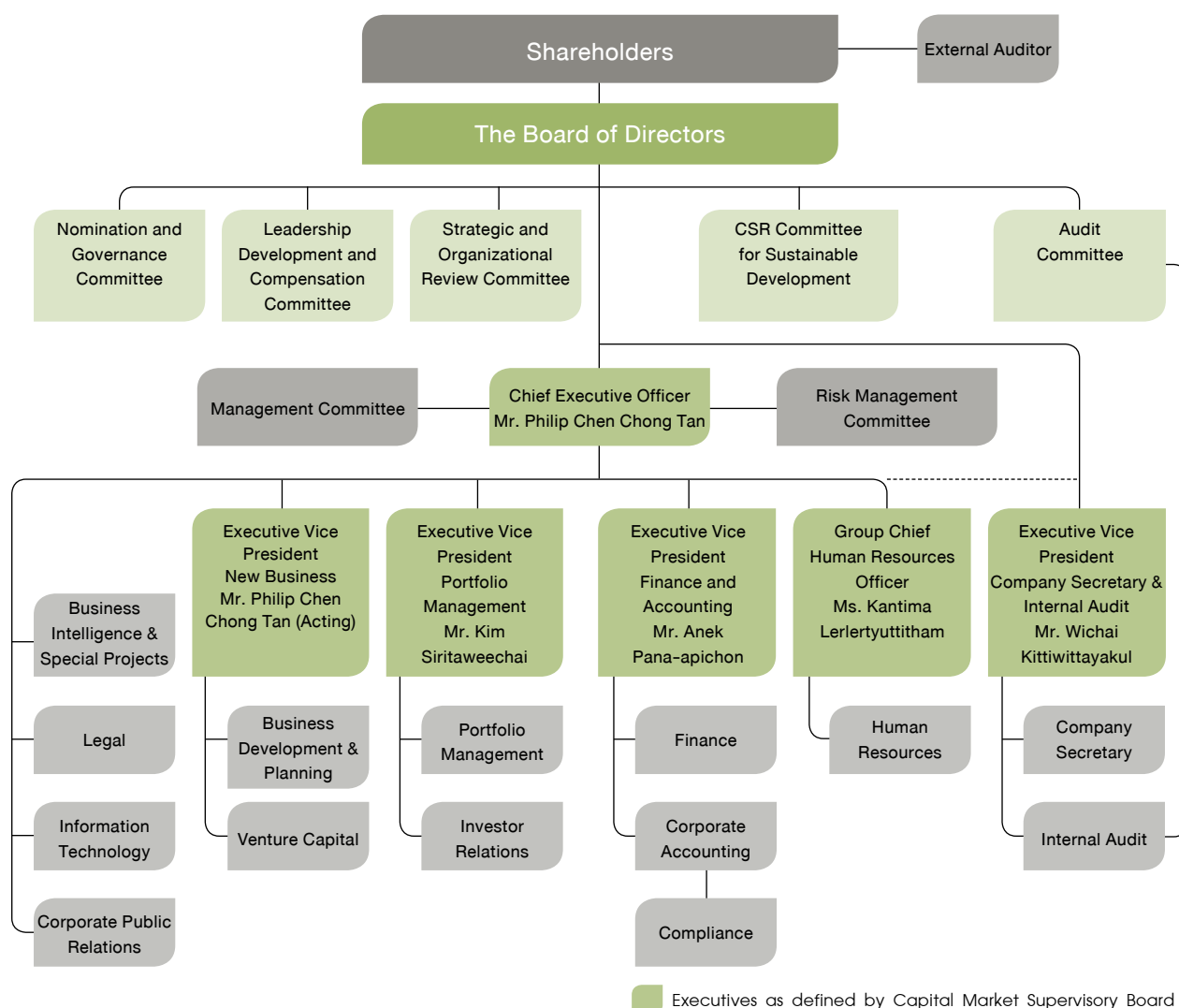
Compliance with the SET Principles of Good Corporate Governance

The Stock Exchange of Thailand (SET) 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 functional needs. If a company chooses not to comply with any of these principles, it should offer a thorough explanation for not doing so (the "Comply or Explain" principle).

The Board has assessed its corporate governance practices during 2016, and concluded that it complied with all the provisions set forth in the SET's *Principles of Good Corporate Governance for Listed Companies 2012* throughout the year except for certain deviations as specified below.

SET Recommendation	The Company's Explanation
1. The chairman of the board should be an independent director.	<p>Dr. Virach Aphimeteetamrong, the Chairman of the Board, was appointed as an authorized director, and consequently disqualified from being an independent director.</p> <p>However, the Board considers that he is able to exercise his judgment independently.</p>
2. The board should set a limit of five directorships in listed companies an individual director can hold simultaneously.	<p>Under the Company's Corporate Governance Policy, an individual director should not serve on more than six (6) other boards of listed companies unless the Board grants specific approval.</p> <p>The Board considers that all directors are able to allocate sufficient time to prepare for and attend Board and board committee meetings.</p>
3. The nomination committee should be comprised entirely of independent directors.	<p>As at 31 December 2016, an independent director accounted for 25% of the Nomination and Governance Committee while non-executive directors accounted for 50%.</p> <p>The Board considers that non-executive directors are able to exercise their judgment independently and the composition of this board committee is appropriate.</p>
4. The majority of the compensation committee should be independent directors.	<p>As at 31 December 2016, an independent director accounted for 25% of the Leadership Development and Compensation Committee while non-executive directors accounted for 50%.</p> <p>The Board considers that non-executive directors are able to exercise their judgment independently and the composition of this board committee is appropriate.</p>
5. The chairman of the compensation committee should be an independent director.	<p>The Chairman of the Leadership Development and Compensation Committee is a non-executive director.</p> <p>The Board considers that he is able to exercise his judgment independently.</p>

Governance Structure



The diagram above shows the Company's governance structure. Shareholders exercise their decision-making rights through the shareholders' meetings. 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 ("CEO"). The Company's external auditor is appointed by the Annual General Meeting of Shareholders.

Shareholders

Capital Structure and Major Shareholders

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.

On 17 November 2016, the Company was notified that Singtel Global Investment Pte. Ltd. (SGI) and Aspen Holdings Ltd. were its major shareholders, with 21.0% and 19.5% of the paid-up capital respectively.

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.

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.

Shareholder Rights

The Company respects the rights of all its shareholders, whether they are retail, foreign or institutional, and provides them with appropriate information and facilities to exercise those rights effectively. 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 receive 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, appointment of new directors and the Company's external auditors, and the 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 on the grounds that they consider themselves to be treated unfairly.
- The right to elect directors.

Agenda Proposal

Shareholders may propose agenda items for the annual shareholders' meeting and nominate candidates for directorship between October 1 and December 30 of the preceding year. All proposals and nominations must be submitted to the Company Secretary.

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.

Shareholders Meetings

The shareholders' meeting is an important part of effective communication with the shareholders. The annual general 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 CEO, 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 2016

At the Annual General Meeting of Shareholders for 2016, held at Centara Grand Central Plaza Ladprao, Bangkok, on 31 March 2016, there were 4,988 shareholders present in person along with proxies acting for absent shareholders, representing 57.99% of the Company's issued share capital. All the Company's directors attended along with the Company's external auditor.



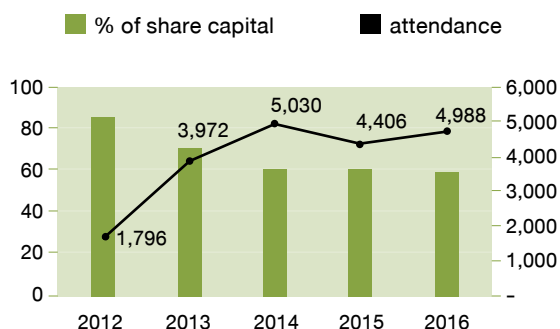
The meeting passed the following resolutions:

- Approved the financial statements for the year ended December 31, 2015.
- Approved the appropriation of the net profit for the period January 1 - March 30, 2016 to pay an interim dividend of 2.47 baht per share.
- Appointed the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's external auditor, and fixed the audit fees for 2016 at an amount not exceeding 1.98 million baht.
- Appointed Mr. Philip Chen Chong Tan, and reappointed Mr. Somchai Supphatada, Mr. Kwek Buck Chye and Ms. Sopawadee Lertmanaschai to the Board.
- Approved the remuneration for the Board and its board committees in 2016 at not more than 42.5 million baht.
- Approved the issuance of warrants, not exceeding 671,200 units, to be offered to executives of the Company and/or its subsidiaries in the year 2016 under the performance share plan.
- Approved the allotment of not more than 671,200 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 – 2016



Number of Shares Held

As at 3 March 2016	Number of registered shareholders	Registered share capital (%)
1-1,000	30,909	0.49
1,001-10,000	32,001	3.89
10,001-100,000	9,274	8.48
100,001-1,000,000	1,067	8.52
1,000,001-5,000,000	109	6.89
over 5,000,000	31	71.73
Total	73,391	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, Articles of Association, and resolutions of shareholder meetings. The primary role of the Board is to set the Company's strategic direction and provide the necessary leadership and oversight to build long-term shareholder value. 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. Directors must also, when appropriate, take into consideration the interests of other stakeholders.

The Board has delegated responsibility for managing the Company's day-to-day business and operations to the management through the CEO 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 transactions such as investments in new business, acquisition and disposal of assets, 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 regulators.
- Assess the performance of the CEO and the other senior 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:

- 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 senior executives
- Significant business policies
- Senior executive succession plan
- Senior executive compensation
- 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 at 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*.

Tasks undertaken by the Board in 2016

- Approved the Company's KPI targets and budget for the year 2016
- Approved amendments to the Company's Corporate Governance Policy & Approval Authority, and the appointment of the Management Committee
- Approved an amendment to the Company's organizational structure and appointment of the CEO
- Approved the financial statements and reviewed operating results for the year 2015
- Reviewed the Company's risk management report and internal control evaluation result
- Approved the interim dividend payment
- Reviewed the Company's new investment projects
- Reviewed the Board's structure and composition
- Considered selection and appointment of directors
- Considered the Board's remuneration policy and budget for the year 2016
- Nominated representative directors at the Company's subsidiaries
- Considered appointment of the Company's external auditors and fixed the audit fee for 2016
- Approved the report on the Board of Directors' responsibility for financial reporting
- Approved the disclosure of information in SEC Forms 56-1 and 56-2
- Considered the Performance Share Plan (PSP) for 2016
- Called the Annual General Meeting of Shareholders for 2016
- Considered how to vote at each annual shareholders' meeting held by the Company's subsidiaries
- Considered the 2015 board performance evaluation results

Q1

Q2

Q3

Q4

- Approved the financial statements and reviewed operating results for the first quarter of the year
- Reviewed the Company's new investment projects
- Approved the KPI targets for the CEO

- Approved the interim dividend payment
- Reviewed the Company's risk management report
- Approved the financial statements and reviewed operating results for the second quarter of the year
- Reviewed the Company's second-half strategic direction in 2016
- Approved the policy on financial management
- Monitored the progress of the HR management plan
- Monitored the progress of the Company's new investment projects and Venture Capital

- Approved the Company's strategic direction for the year 2017
- Reviewed and approved the Company's vision and mission statements for the year 2017
- Attended CSR Activities
- Approved the financial statements and reviewed operating results for the third quarter of the year
- Acknowledged a change in the Company's shareholding structure and approved the appointment of a new director
- Approved the restructuring of the Company's board committees and an amendment to the Approval Authority
- Reviewed the guidelines for the 2016 board performance evaluation

2. Authorized Signatories

Dr. Virach Aphimeteetamrong, Mr. Philip Chen Chong Tan 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. Chairman of the Board and Chief Executive Officer

The roles of Chairman of the Board and the Chief Executive Officer ("CEO") are separate and clearly defined which ensures a balance of power and authority at the highest level of the Company. The Chairman, Dr. Virach Aphimeteetamrong is responsible for the leadership of the Board and ensuring that it is effectiveness in every aspects of its role. The CEO, Mr. Philip Chen Chong Tan is responsible for the day-to-day management of the business, in line with the strategic direction and long-term objectives approved by the Board.

The Chairman of the Board

- Acts as the Chairman of board, shareholders' and non-executive meetings.
- Sets the agenda for board meetings in conjunction with the 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.
- In conjunction with the CEO, builds strong communication with major shareholder in order to enhance mutual understanding of the priorities of the Company and its shareholder respectively.

The Chief Executive Officer

- 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.
- Promotes the highest standards of integrity, ethics and corporate social responsibility throughout the organization.

4. Board Composition

All the Company's directors have a broad knowledge and experience of business. As at 31 December 2016, the Board comprised ten (10) members as listed below. (All the directors' biographies are shown in the Annual Report for 2016, pp. 26 - 30.)

Name of Director	Nationality	Position	Date First Appointed
1. Dr. Virach Aphimeteetamrong	Thai	Chairman of the Board	7 November 2001
2. Mr. Somchai Supphatada	Thai	Independent Director	30 June 2006
3. Mr. Chalaluck Bunnag	Thai	Independent Director	14 August 2007
4. Ms. 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. Ms. Jeann Low Ngiap Jong*	Singaporean	Non-Executive Director	30 November 2016
8. Mr. Kwek Buck Chye	Singaporean	Non-Executive Director	28 January 2015
9. Mr. Somprasong Boonyachai	Thai	Non-Executive Director	25 April 2007
10. Mr. Philip Chen Chong Tan	USA	Executive Director	31 March 2016

* The Board appointed Ms. Jeann Low Ngiap Jong to replace Mr. Boon Swan Foo who resigned on 30 November 2016.

The Board annually reviews its size, composition and expertise to align it with the Company's business direction and strategy, 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.

5. Term of Office

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 select a replacement, choosing a person with the appropriate qualifications in accordance with Sections 68 & 75 of the *Public Limited Companies Act B.E. 2535* and related laws at the next scheduled meeting, unless the remaining term of that director is less than (2) months. The 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 departed director's term of office expires.

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

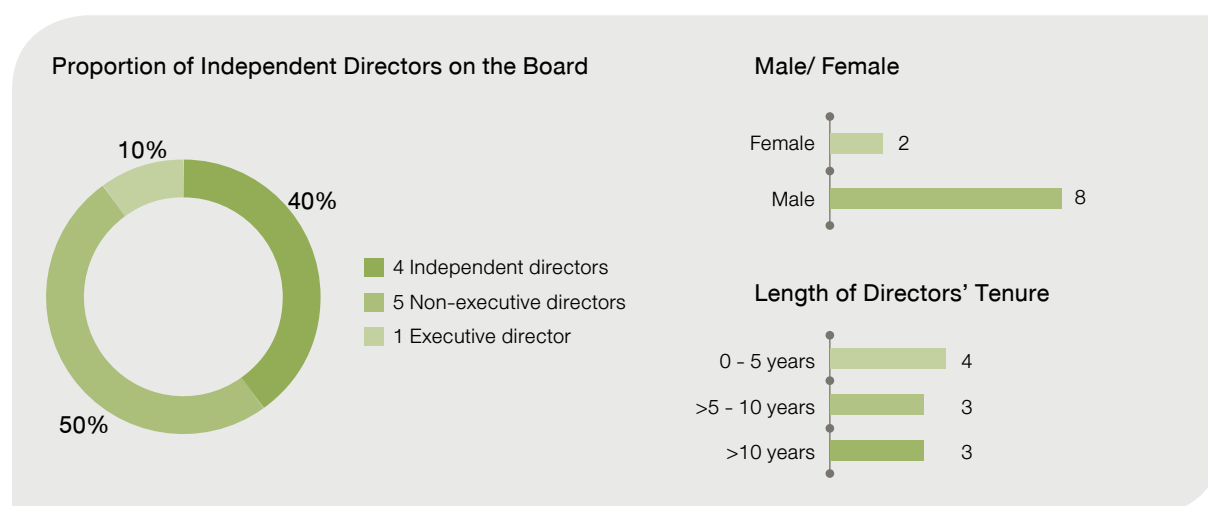
6. Age Limit

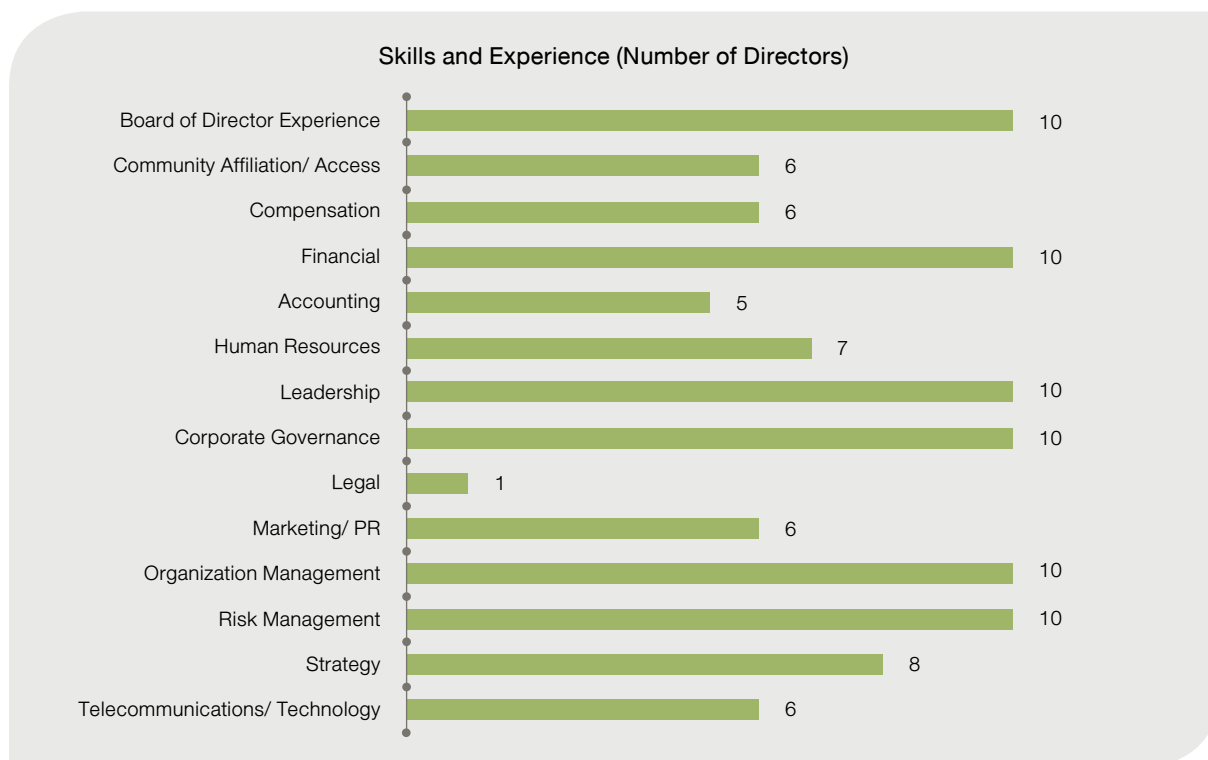
Under the Company's Corporate Governance Policy, an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. When this policy became effective on 16 March 2015, directors who were 72 years of age or older could still hold their positions for their remaining terms of office. Moreover, 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.

7. 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.





8. Independent Directors

Under the Company's Corporate Governance Policy, at least one-third of the board members (and not less than three persons) must be independent directors who are capable of exercising independent judgment and will act in the best interests of the Company and its shareholders. 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.

9. 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 B.E. 2535* or other related laws.

10. 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.

10.1 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:
 - Recommendations from current Board members.
 - 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.
 - Professional search firms.
 - 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 2016, this procedure was followed when Mr. Philip Chen Chong Tan and Ms. Jeann Low Ngiap Jong were appointed as new directors.

10.2 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 2016, this procedure was followed when Mr. Somchai Supphatada, Mr. Kwek Buck Chye and Ms. Sopawadee Lertmanaschai were re-appointed as directors.

11. Board Orientation and Continuous Development

11.1 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.

11.2 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 2016 are shown below.

Name	Training/Seminars/ Exhibitions			Board Seminars			Site Visits
	IOD ¹	CMA Leader Program ²	Communication Technology for Aviation Industry ³	Thailand Economic Outlook ⁴	Cyber Security ⁵	Blockchain Technology ⁶	Satellite business & technology ⁷
1. Dr. Virach Aphimeteetamrong			✓	✓	✓	✓	✓
2. Mr. Somchai Supphatada			✓	✓	✓	✓	✓
3. Mr. Chalaluck Bunnag			✓	✓	✓	✓	✓
4. Ms. Sopawadee Lertmanaschai			✓	✓	✓	✓	✓
5. Mr. Prasert Bunsumpun			✓			✓	
6. Mr. Vithit Leenutaphong			✓	✓	✓	✓	✓
7. Mr. Boon Swan Foo			✓	✓	✓	✓	
8. Mr. Kwek Buck Chye	✓		✓	✓	✓	✓	✓
9. Mr. Somprasong Boonyachai			✓	✓	✓	✓	
10. Mr. Philip Chen Chong Tan	✓	✓	✓	✓	✓	✓	

Remarks:

1. IOD Breakfast Talk 1/2016 "The Power of Culture: From Performance Culture to Winning Culture"
2. Capital Market Academy Leader Program
3. Communication Technology for the Aviation Industry: Singapore Airshow 2016
4. Dr. Porametee Vimolsiri, Secretary General of The National Economics and Social Development Board, was the speaker.
5. Mr. Victor Keong, Partner-Cyber Risk Services of Deloitte Singapore, was the speaker.
6. Mr. Philip Evans, Senior Advisor of The Boston Consulting Group, London, was the speaker.
7. Attended the launch of the Thaicom 8 satellite and visited the NASA Space Center at Cape Canaveral, U.S.A.

12. Board Meetings

12.1 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.

12.2 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.

12.3 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.

12.4 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.

12.5 Meeting Attendance

All of the Company's directors have devoted sufficient time to attend board and board committee meetings, and the annual general meeting of shareholders.

The directors' attendance record for all the meetings held in 2016 is set out in the table below.

(Number of meetings attended / Total meetings held)

Name	2016 Annual General Meeting	Board	Audit Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	CSR Committee for Sustainable Development	Strategic and Organizational Review Committee	Executive Committee ¹
Current Directors								
1. Dr. Virach Aphimeteetamrong	Yes	9/9						
2. Mr. Somchai Supphatada	Yes	9/9	6/6					
3. Mr. Chalaluck Bunnag	Yes	9/9	6/6			4/4		
4. Ms. Sopawadee Lertmanaschai	Yes	9/9	5/6				5/6	
5. Mr. Prasert Bunsumpun	Yes	8/9		7/7	11/11		5/6	
6. Mr. Vithit Leenutaphong	Yes	8/9		7/7	11/11	4/4	6/6	
7. Ms. Jeann Low Ngiap Jong ²	-	0/0		1/1	1/1		1/1	
8. Mr. Kwek Buck Chye	Yes	9/9					3/3	3/3
9. Mr. Somprasong Boonyachai	Yes	9/9		3/4	6/6	1/1	3/3	5/5
10. Mr. Philip Chen Chong Tan ³	Yes	6/6		3/3	5/5	3/3	4/4	5/5
Director who resigned from the Board in 2016								
11. Mr. Boon Swan Foo ⁴	Yes	9/9		6/6	10/10		5/5	

Remarks:

- The Board of Directors Meeting on 11 November 2016 resolved that the Executive Committee be combined with the Strategic and Organizational Review Committee.
- Ms. Jeann Low Ngiap Jong was appointed as a director, the Chairperson of the Strategic and Organizational Review Committee, and a member of the Nomination and Governance Committee and Leadership and Compensation Committee, to replace Mr. Boon Swan Foo, effective 30 November 2016.
- The Annual General Meeting of Shareholders for 2016 appointed Mr. Philip Chen Chong Tan as a director on 31 March 2016.
- Mr. Boon Swan Foo resigned from the Board on 30 November 2016.

12.6 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.

12.7 Executive Sessions for Non-executive Directors

Under the Company's Corporate Governance Policy, non-executive directors shall hold meetings to discuss matters related to the Company's business, or issues of common interest, without the presence of executive directors. During the year 2016, these meetings were held to discuss the results of the last board performance evaluation and consider other issues that had arisen.

13. Access to Management and Independent Advisors

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 directors may engage independent advisors at the Company's expense, should they deem this necessary to discharge their responsibilities.

14. Conflicts of Interests

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, B.E. 2535* 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.

During the year 2016, the abovementioned rules and procedures were followed by all the Company's directors and executives.

15. Outside Board Memberships

Under the Company's Corporate Governance Policy, 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 CEO 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 CEO, had complied with this policy in 2016, and had discharged their duties effectively during the year.

(The details of outside board memberships held by each director and the CEO can be found in the Annual Report for 2016, pp. 26 - 30.)

16. Board 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.

Independent Board Evaluations

The 2016 Board evaluations were facilitated by an external consultant in the following areas:

1. Evaluation of the Board as a whole
2. Evaluation of the board committees
3. Self-evaluation by individual directors
4. Evaluation of individual directors by their peers

Before 2016, the board evaluations were conducted internally. The results 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.

In 2016, the Company engaged an external consultant to facilitate the board evaluations, which comprised *entire board evaluation, board committee evaluation, self-evaluation and peer review* in order to make the assessment more effective and raise the performance standards. The consultant used a questionnaire and conducted individual interviews, analyzed the results, and then submitted to the Board for consideration. The main assessment areas included board composition & independence, board roles & functions, the Chairman's role, monitoring company performance, managing risk, succession planning, corporate social responsibility, and director development.

In addition, each board committee conducted a self-evaluation against its charter and concluded that it had completely and effectively discharged its duties during the year 2016. The Audit Committee also conducted an additional self-evaluation using a checklist prepared by the Securities and Exchange Commission.

Based on the evaluation results, the Board and its board committees concluded that they had operated effectively during the year 2016.

17. Board Committees

The Board had established five (5) 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 composition of each committee and its roles and responsibilities are shown below.

Board committees and members as at 31 December 2016	Key roles and responsibilities
Audit Committee Mr. Somchai Supphatada *(Chairman) Mr. Chalaluck Bunnag Ms. Sopawadee Lertmanaschai * * Has an accounting background and related financial management expertise with the competence to review the reliability of financial statements	This committee assists the Board in fulfilling its responsibility with respect to the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the effectiveness of risk management and internal controls, and the performance of both the internal and external auditors, including the qualifications and independence of the latter along with recommendations on their appointment, termination and remuneration.
Nomination and Governance Committee Mr. Prasert Bunsumpun (Chairman) Mr. Vithit Leenutaphong Ms. Jeann Low Ngiap Jong Mr. Philip Chen Chong Tan	This committee assists the Board in ensuring that the nomination and governance processes are properly implemented with respect to director nomination, board composition & succession plan, board assessment & training, and the Company's compliance with corporate governance standards and best practices.

Board committees and members as at 31 December 2016	Key roles and responsibilities
Leadership Development and Compensation Committee Mr. Vithit Leenutaphong (Chairman) Mr. Prasert Bunsumpun Ms. Jeann Low Ngiap Jong Mr. Philip Chen Chong Tan	This committee assists the Board in nurturing and cultivating a strong and internationally competitive board and management team that is able to drive business success and achieve sustainable growth. The committee also ensures that the compensation packages for the directors and executives are commensurate with their roles and responsibilities in order to attract and retain high-quality leaders.
CSR Committee for Sustainable Development Mr. Chalaluck Bunnag (Chairman) Mr. Vithit Leenutaphong Mr. Philip Chen Chong Tan	This committee assists the Board in fulfilling its duty of overseeing the Company's CSR programs, along with reviewing the related strategy and budgets, and ensuring that the Company's business operations follow the principles of sustainable development.
Strategic and Organizational Review Committee Ms. Jeann Low Ngiap Jong (Chairperson) Ms. Sopawadee Lertmanaschai Mr. Prasert Bunsumpun Mr. Vithit Leenutaphong Mr. Kwek Buck Chye Mr. Somprasong Boonyachai Mr. Philip Chen Chong Tan	This committee assists the Board in the strategic positioning of INTOUCH Group in order to maintain business success and achieve sustainable growth. The committee's main responsibilities are reviewing the strategic direction of each company in the group, along with establishing a sustainable organizational structure and evaluating new opportunities for business and synergy within the group.

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

18. Company Secretary

The Company Secretary acts as secretary to the Board and is accountable directly to the Board, through the Chairman, on all matters relating to governance and board effectiveness. All the directors have immediate access to the Company Secretary, and his or her appointment or removal is a matter for the Board as a whole.

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.
- Undertake any other actions specified in the *Securities and Exchange Act, B.E. 2535* or related laws and regulations, including notifications from the Capital Market Supervisory Board.

The incumbent Company Secretary is Mr. Wichai Kittiwittayakul, who is 55 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 Management

The CEO

The CEO is appointed by the Board, and is responsible for the day-to-day management of the Company in accordance with the strategy and long-term objectives approved by the Board. The Board determines the CEO's compensation and sets his or her short- and long-term incentive targets. The CEO's performance evaluation is conducted by the Leadership Development and Compensation Committee, and the results are then proposed to the Board for determining his or her compensation.

Management Committee

The Management Committee is responsible for assisting the CEO in managing the Company's day-to-day operations, implementing the approved strategies and policies in order to achieve the planned objectives and targets, making investment decisions under the authority delegated by the Board, monitoring the financial and operating results of all the companies in INTOUCH Group, and ensuring that all pertinent information is reported to the Board in a timely manner.

The Management Committee is chaired by the CEO and meets at least once a month. As at 31 December 2016, the Management Committee consists of the following senior executives (whose biographies are shown in the Annual Report for 2016, pp. 30 - 32).

Name	Position
1. Mr. Philip Chen Chong Tan	Chief Executive Officer
2. Mr. Anek Pana-apichon	Executive Vice President - Finance and Accounting
3. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary Office and Internal Audit
4. Mr. Kim Siritaweechai	Executive Vice President - Portfolio Management
5. Ms. Kantima Lerlerttitham	Group Chief Human Resources Officer

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.

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.

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.

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 Audit Committee and the Board.

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 CEO, 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.

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 CEO, Executive Vice President of Portfolio Management, and Vice President of 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.

In 2016, information was disseminated through various channels, including two meetings with analysts, 13 meetings with a total of 210 fund managers at both local and international road shows, an annual newsletter issued in August, 26 company visits, and press releases through various kinds of media, along with an annual communication plan to continue the relationship and engagement with all the Company's stakeholders. All the information communicated during these meetings is also posted on the Company's website in order to ensure fair and adequate disclosure to the other stakeholders.

"Consistently communicate the Company's prospects on a regular basis, based on good corporate governance, in order to build long-term trust and confidence among investors"

Tomyantee Kongpoolsilpa
Vice President of Investor Relations
Best Investor Relations Award in 2015/2016

Investor relations activities in 2016

- 2016 INTOUCH Group Analyst Meeting
- 1Q16 Opportunity days arranged by the Stock Exchange of Thailand
- Non-deal roadshows in Bangkok, Singapore, London, Edinburgh, Amsterdam and Paris

Q1

Q2

- 2Q16 Opportunity days arranged by the Stock Exchange of Thailand
- Non-deal roadshows, Kuala Lumpur, Singapore, Melbourne and Sydney
- Credit Suisse 19th Asian Investment Conference, Hong Kong

Q3

- 2016 INTOUCH Group Half Year Analyst Meeting
- 3Q16 Opportunity days arranged by the Stock Exchange of Thailand
- Non-deal roadshows in Bangkok, Tokyo, Toronto, Boston and New York City
- Thailand Focus 2016 by Phatra Securities Plc. and the Stock Exchange of Thailand

Q4

- 4Q16 Opportunity days arranged by the Stock Exchange of Thailand
- Morgan Stanley 15th Annual Asia Pacific Summit, Singapore
- Thailand Major Forum by Thanachart Securities Plc.

What did shareholders and investors ask about in 2016 ?

INTOUCH

- Dividend policy
- Portfolio diversification plan
- New growth engine from non-AIS businesses, including High Shopping and venture capital investments under InVent Project
- Change of major shareholder from Aspen to Singtel

AIS

- 2G migration plan
- Rationale for participating in the 900MHz spectrum re-auction
- CAPEX plan, ARPU trend, and competitive landscape
- Fixed-broadband business plan
- Progress of the partnership with TOT
- Possibility of bidding for the next spectrum license
- Capital structure and dividend policy

THAICOM

- Revenue-sharing with the government
- Potential growth drivers of the satellite business
- Utilization rate of Thaicom 8, which was launched in May 2016

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 profile, along with a comprehensive overview of its businesses, can be found on the abovementioned website in both Thai and English. The "Investor Relations" section is regularly updated in order to maintain effective communication with the shareholders and other stakeholders.

Risk Management and Internal Controls

Risk Management

The Board has assumed the overall responsibility for risk management, and delegated the implementation of the Company's risk management policy to the CEO, who is assisted by the risk management committee.

Risk management is an integral part of all the Company's activities, including strategy formulation and decision-making. The objective is to increase profitability and achieve strategic goals. All significant risks faced by the Company are identified, evaluated, managed, and reported twice a year to the Board through the Audit Committee.

The risk management framework and risk factors are described in the Annual Report for 2016, pp. 47 - 51.

 The Risk Management Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com.

Internal Controls

The Board has the overall responsibility for arranging and maintaining a sound and effective internal control system to safeguard the Company's assets and all the stakeholders' interests. Internal control is a process, put into effect by the Board, management, and employees of the Company, designed to provide reasonable assurance that following objectives can be achieved:

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

At Board Meeting No. 2/2017, held on 6 February 2017 with the Audit Committee present, the Board assessed the Company's internal controls, using guidelines from COSO's Internal Control-Integrated Framework and the Office of the Securities and Exchange Commission, and concluded that they were adequate and effective with 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 Company's internal control system is based on a framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and is 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 executives 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, executives 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 Control activities are the actions established through the Company's 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 from both internal and external sources 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.

Ethical Standards

A 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 executives and employees to act with honesty, integrity and impartiality.

The Board reviews and approves the Code of Conduct, which covers the following areas:

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

A copy of the latest version is provided to all executives and employees, and is discussed as part of their induction training.

All executives and employees are required to sign a declaration of compliance every year. An annual test is conducted to confirm each employee's understanding of the Code of Conduct in different situations.

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 must monitor and encourage their subordinates to abide by the code and always behave as model citizens.

The Ethics Committee monitors compliance with the Code of Conduct and reports the results to the Audit Committee on an annual basis.

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

Whistle-Blowing Policy

The Company's Whistle-blowing Policy encourages all employees and other stakeholders to report any misconduct or fraud, or suspicions thereof, through secure and confidential channels. The Company will investigate all complaints independently and impartially in order to obtain sufficient evidence to either substantiate or refute the allegations. The Company is committed to improving its business processes, and will take disciplinary action and/or legal proceedings against any wrongdoers.

The Company will provide protection for employees who make a complaint, 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.

During 2016, there was one case at another company in the group that had been reported directly to INTOUCH by a business partner of that company, regarding the fulfilment of service obligations. After a preliminary investigation, the management of that company clarified a misunderstanding that had occurred with the whistle-blower.

 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 CEO 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.

External Auditor

The Appointment of the External Auditor

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 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 2016 was audited by Dr. Suphamit Techamontrikul (CPA No. 3356) of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Deloitte), who expressed his opinion. The details of the audit fees for the Company and its subsidiaries for the year 2016 are shown in the table below.

(Unit: million baht)

Company	The external auditor under Deloitte	The other auditors under Deloitte and Deloitte's related firms
Intouch Holdings Plc.	1.98	-
Thaicom Plc. and its group	-	9.03
ITV Plc. and its group	0.50	-
Other subsidiaries	0.18	-
Total audit fees	2.66	9.03
Out-of-pocket expenses	0.07	0.05
Total audit fees and out-of-pocket expenses	2.73	9.08

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 2016, the Company's subsidiaries engaged the external auditor to provide non-audit services, such as auditing the revenue report and other related information, and other consulting services. The non-audit service fees for 2016 are shown in the table below.

(Unit: million baht)

Company	Deloitte	Deloitte's related firms
Intouch Holdings Plc.	-	-
Other subsidiaries	0.08	3.12
Total	0.08	3.12

Internal Audit

The Board established the Internal Audit Department to function as an independent unit that reports directly to the Audit Committee and administratively to the CEO. 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 may have an adverse effect on the Company's performance and the achievement of strategic objectives. 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.

The current head of this department is Mr. Adisak Buakhom. 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.

Compliance Unit

The Company has established a Compliance Department headed by Ms. 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.

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 Management 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

In the Shareholders Agreement between the Company and Singtel Strategic Investments Pte Ltd., including 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.

The Annual General Meeting of Shareholders for 2016, held on 31 March 2016, approved total remuneration for members of the Board and its board committees of not more than 42.5 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 2016, the total compensation paid to the Board and board committee members was 38,005,300 baht (including accrued annual bonuses of 21,084,000 baht paid in February 2017), an increase of 5,074,526 baht, or 15.41 %, from 32,930,774 baht in 2015.

Name	Position	Compensation for 2016 (baht)
Current Directors		
1. Dr. Virach Aphimeteetamrong	> Chairman of the Board	5,298,699
2. Mr. Somchai Supphatada	> Director > Chairman of the Audit Committee	4,014,524
3. Mr. Chalaluck Bunnag	> Director > Chairman of the CSR Committee for Sustainable Development > Member of the Audit Committee	3,936,862

Name	Position	Compensation for 2016 (baht)
4. Ms. Sopawadee Lertmanaschai	<ul style="list-style-type: none"> > Director > Member of the Audit Committee > Member of the Strategic and Organizational Review Committee 	3,814,524
5. Mr. Prasert Bunsumpun	<ul style="list-style-type: none"> > Director > Chairman of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee > Member of the Strategic and Organizational Review Committee 	4,220,500
6. Mr. Vithit Leenutaphong	<ul style="list-style-type: none"> > 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 	4,359,524
7. Ms. Jeann Low Ngiap Jong *	<ul style="list-style-type: none"> > Director > Chairperson of the Strategic and Organizational Review Committee > Member of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee 	365,500
8. Mr. Kwek Buck Chye	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	3,775,500
9. Mr. Somprasong Boonyachai	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	4,289,667
Director who resigned from the Board in 2016		
10. Mr. Boon Swan Foo **	<ul style="list-style-type: none"> > Director > Chairman of the Strategic and Organizational Review Committee > Member of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee 	3,930,000
	Total	38,005,300

* Ms. Jeann Low Ngiap Jong was appointed as a director, the Chairperson of the Strategic and Organizational Review Committee, and a member of the Nomination and Governance Committee and Leadership and Compensation Committee, to replace Mr. Boon Swan Foo, effective 30 November 2016.

** Mr. Boon Swan Foo resigned from the Board on 30 November 2016.

1.2 Executives' Compensation

1.2.1 Compensation Philosophy

The Company's compensation philosophy seeks to recognize and reward the executives' performance in implementing the approved business plans and policies. The Leadership Development and Compensation Committee, as delegated by the Board, annually reviews and approves the Executives' Compensation Policy, which incorporates the following key elements:

Pay for Performance

- Variable compensation is tied directly to the achievement of strategic company targets.
- A KPI scorecard is used to measure performance, comprising both financial and non-financial metrics.

Shareholder Alignment

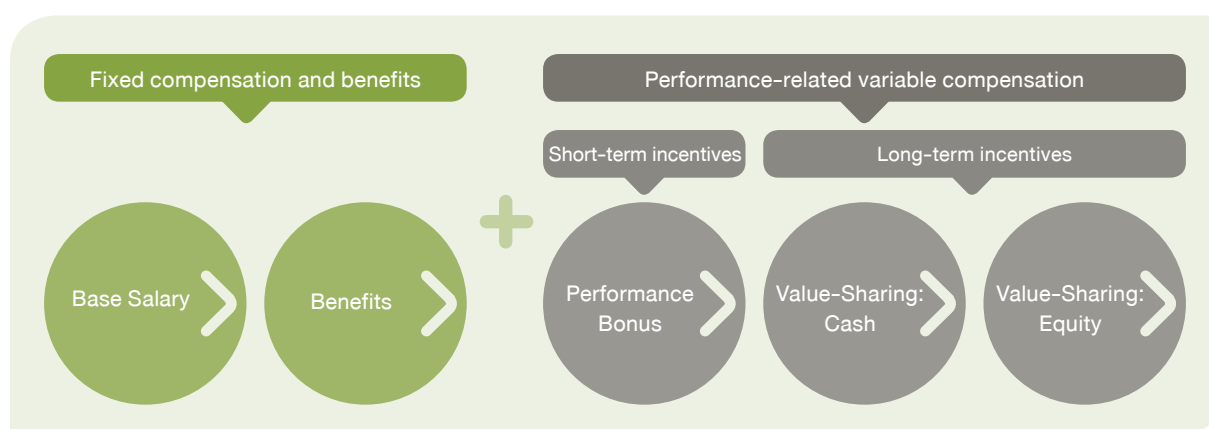
- Appropriate performance metrics are selected for annual and long-term incentive plans that will support business strategies and enhance shareholder value.
- Appropriate goals are set for threshold, target and stretch levels of performance.
- A sound compensation structure is established to ensure affordability.

Competitive Compensation

- Compensation benchmarking helps the Company attract and retain highly experienced and talented individuals.
- A significant proportion of remuneration is linked to performance, both on an annual and long-term basis.

1.2.2 Compensation Structure

The compensation provided to the executives, as approved by the Board, consists of the following components:



Fixed Compensation and Benefits

Base Salary

The level of base compensation reflects each associate's key responsibilities, job characteristics, experience and skill sets. It is paid in cash, monthly. Base compensation is reviewed annually, and any increase reflects merit based on performance, as well as market movements.

Benefits

The primary purpose of benefits is to establish a level of security for employees and their dependents with respect to age, health, disability and death. The provident fund, insurance plans, and other welfare provisions are in line with market practices and legislative requirements.

Performance-related Variable Compensation

Performance Bonus

Provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks. The performance bonus is tied to annual KPIs, which are weighted in proportion to various scorecard metrics, in order to evaluate overall company and individual performance and then determine awards.

Value-Sharing Cash

Value-Sharing Cash drives fundamental performance and aligns the interests of shareholders and executives based on economic profit. Part of the award is paid in cash provide it is positive in the current year. The remaining balance will be carried forward into cumulative bonus bank and at risk as it is subject to performance-related clawback and could be reduced as negative in the event of underperformance in the years.

Value-Sharing Equity

Value-Sharing Equity focuses on a long-term incentive to reinforce the delivery of sustainable growth and increase shareholder value by fostering an ownership culture and retaining key talent. In order to retain valuable executives and to show gratitude for their devotion at work which contribute greatly to growth and prosperity of the company, the company considers the allocation of the warrant to executives who possess high level of expertise and play a significant role in strengthening future business success. This allocation of warrant will contribute more benefit to the organization through sustainable leadership.

	CEO	Executive	All Employees	Description	Link to compensation principle
Base Salary	•	•	•	Cash	Attract and retain high quality employees and provided for ongoing performance and delivery in position
Performance Bonus	•	•	•	Cash	Performance-based compensation that reward employees on annual to individual performance

	CEO	Executive	All Employees	Description	Link to compensation principle
Value-Sharing Cash	•	•		Cash	Drives fundamental performance that aligns interests of shareholders and the Executives based on economic profit performance of the Company
Value-Sharing Equity	•	•		Warrant	Reinforce the delivery of long-term growth and shareholder value

In 2016, the total monetary compensation for the four (4) members of the management team (as defined by the Capital Market Supervisory Board) was 48.31 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		Grant 4	
Exercise Price (per share)	68.072 baht		72.732 baht		81.276 baht		55.241 baht	
Name	Units	%	Units	%	Units	%	Units	%
1. Mr. Philip Chen Chong Tan ^{1/}	-	-	-	-	-	-	170,600	25.42
2. Mr. Anek Pana-apichon	45,600	10.54	69,857	8.28	70,662	7.57	70,076	10.44
3. Mr. Wichai Kittiwittayakul	24,600	5.69	69,857	8.28	70,662	7.57	70,076	10.44
4. Mr. Kim Siritaweechai	18,800	4.34	69,857	8.28	70,662	7.57	70,076	10.44
5. Ms. Kantima Lerlertuttitham ^{2/}	-	-	-	-	-	-	-	-

^{1/} Mr. Philip Chen Chong Tan was appointed as President of Intouch Holdings Plc. on 2 November 2015 and was appointed as Chief Executive Officer, effective 31 March 2016.

^{2/} Ms. Kantima Lerlertuttitham was appointed as Group Chief Human Resources Officer of Intouch Holdings Plc. as of 25 August 2016.

2. Compensation for Core Subsidiaries' Directors and Executives

2.1 Compensation for Thaicom's Directors

During 2016, Thaicom paid its directors total compensation of 17,962,600 baht (including accrued annual bonuses of 6,492,600 baht paid in February 2017 and other benefits), an increase of 3,420,665 baht, or 23.52%, from 14,541,935 baht in 2015.

Name	Position	Compensation for 2016 (baht)
1. Mr. Paron Isarasena Na Ayudhaya	> Chairman of the Board	3,225,000
2. Prof. Hiran Radeesri	> Director > Chairman of the Audit Committee	2,475,000

Name	Position	Compensation for 2016 (baht)
3. Ms. Charintorn Vongspootorn	> Director > Chairman of the Compensation Committee > Member of the Audit Committee	2,288,000
4. Prof. Samrieng Mekkiengkrai	> Director > Member of the Audit Committee > Member of the Governance and Nomination Committee > Member of the Compensation Committee	2,150,000
5. Ms. Patareeya Benjapolchai	> Director > Chairman of the Governance and Nomination Committee > Member of the Audit Committee	1,444,600
6. Mr. Prasert Bunsumpun	> Director > Chairman of the Executive Committee	2,580,000
7. Mr. Kwek Buck Chye	> Director > Member of the Executive Committee	2,100,000
8. Mr. Somprasong Boonyachai	> Director	1,700,000
	Total	17,962,600

2.2 Compensation for Thaicom's Executives

In 2016, the total compensation for the ten (10) members of Thaicom's management team (as defined by the Capital Market Supervisory Board) was 63.77 million baht, which comprised salaries, bonuses, provident fund contributions and other benefits.

In addition, warrants have been issued and offered to Thaicom's executives (according to Thaicom's management structure as of 1 January 2017) to purchase Thaicom's ordinary shares under a Performance Share Plan as shown in the list below.

	Grant 1		Grant 2		Grant 3		Grant 4	
Exercise Price (per share)	23.266 baht		38.265 baht		37.626 baht		25.918 baht	
Name	Units	%	Units	%	Units	%	Units	%
1. Mr. Pailboon Panuwattanawong	77,122	11.31	116,400	9.72	88,728	8.18	154,500	14.38
2. Mr. Vuthi Asvasermcharoen	70,022	10.27	84,600	7.06	70,963	6.54	70,328	6.55
3. Mr. Patompob Suwansiri	32,111	4.71	116,400	9.72	97,611	8.99	96,738	9.00
4. Mr. Teerayuth Boonchote	35,722	5.24	48,200	4.02	54,156	4.99	140,193	13.05
5. Dr. Supoj Chinveeraphan	16,422	2.41	25,300	2.11	29,000	2.67	48,351	4.50



Securities Holding of the Directors and Executives

Name ^{1/}	Intouch Holdings Plc				Advanced Info Service Plc				Thacom Plc					
	Ordinary Shares (shares)			31 Dec 2016	Ordinary Shares (shares)			31 Dec 2016	Ordinary Shares (shares)		31 Dec 2016	Debtentures (units)		31 Dec 2016
	31 Dec 2015	Changes during 2016	Increase		31 Dec 2015	Changes during 2016	Increase		31 Dec 2015	Changes during 2016		Increase	Decrease	
1. Dr. Virach Aphimeeteeamong Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	1,000	-	-	1,000
2. Mr. Somchai Supphatada Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Chalaluck Bunnag Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Ms. Sopawadee Lertmanaschal Independent Director and Member of the Audit Committee	28,400	-	(28,400)	-	6,400	-	(6,400)	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun Independent Director	20,000	-	-	20,000	60,000	20,000	20,000	80,000	50,000	-	-	-	(50,000)	-
6. Mr. Vithit Leenutaphong Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Jeann Low Ngilap Jong ^{2/} Director	N/A	-	-	-	N/A	-	-	-	N/A	-	-	N/A	-	-
8. Mr. Kwek Buck Chye Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Somprasong Boonyachai Director	181,459	-	-	181,459	-	-	-	-	-	-	-	-	-	-
10. Mr. Philip Chen Chong Tan Director and Chief Executive Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Anek Pana-apichon Executive Vice President-Finance & Accounting	70,000	20,000	-	90,000	-	10,000	10,000	10,000	-	-	-	-	-	-
12. Mr. Wichai Kittitittayakul Executive Vice President-Company Secretary & Internal Audit	87	-	-	87	-	30,000	(10,000)	20,000	50	-	50	-	-	-
13. Mr. Kim Sritaweewchal Executive Vice President-Portfolio Management	-	10,500	-	10,500	-	2,000	2,000	2,000	-	-	-	-	-	-
14. Ms. Kantima Lerlertutthitham ^{3/} Group Chief Human Resources Officer	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-	-	-

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

^{2/} Ms. Jeann Low Ngilap Jong was appointed as a director of Intouch Holdings Plc to replace Mr. Boon Swan Foo effective 30 November 2016.

^{3/} Ms. Kantima Lerlertutthitham was appointed as Group Chief Human Resources Officer of Intouch Holdings Plc. as of 25 August 2016.



Securities Holding of the Directors and Executives

Name ^{1/}	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 2015	Changes during 2016		31 Dec 2016	31 Dec 2015	Changes during 2016		31 Dec 2016	31 Dec 2015	Changes during 2016		31 Dec 2016	31 Dec 2015	Changes during 2016		31 Dec 2016
		Increase	Decrease			Increase	Decrease			Increase	Decrease			Increase	Decrease	
1. Dr. Virach Aphimeetamrong Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Somchai Supphatada Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Chaluck Bunnag 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. Vittit Leenutaphong Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Jeann Low Nglap Jong Director	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-
8. Mr. Kwek Buck Chye Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Somprasong Boonyachai Director	4	-	-	4	-	-	-	-	-	-	-	-	260	-	-	260
10. Mr. Philip Chen Chong Tan Director and Chief Executive Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Anek Pana-apichon Executive Vice President-Finance & Accounting	2	-	-	2	-	-	-	-	20	-	-	20	10	-	-	10
12. Mr. Wichai Kittiwittayakul Executive Vice President-Company Secretary & Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Kim Sirittaweechai Executive Vice President-Portfolio Management	-	-	-	-	1	-	-	1	20	-	-	20	-	-	-	-
14. Ms. Kantima Leieriyutthitham Group Chief Human Resources Officer	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-

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

^{2/} Currently not in operation.



Financials



Related-Party Transactions

The policy and procedure of related-party transactions

Related-party transactions policy

The Company has recognition on a heightened risk of conflicts of interest, thus, the "Related-Party Transactions Policy" has been developed. All related-party transactions made by the Company or subsidiaries with related companies which may cause conflict of interest must comply with law, announcement, notification and other regulations determined by the regulatory agencies. All transactions must be complied with the principles of good corporate governance and transparency besides conducted on an arm's-length basis in order to create the highest benefit for the Company. The Policy is intended to:

- Ensure that all transactions between the Company and its subsidiaries comply with the relevant laws along with the regulations and guidelines of the regulatory agencies.
- Ensure that all related-party transactions provide the highest benefit to the Company similar to entering into transactions with independent third parties (on an arm's-length basis).
- 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.

Procedures and approval of related-party transactions

- 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 may seek approval according to the Company's Approval Authority.
- 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.

- 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.

Related-party transactions with companies that may cause conflicts of interest during 2016

During the year 2016, INTOUCH Group entered into transactions with related companies, the terms and charge of which were negotiated on an arm's length basis in the ordinary course of business. In the case that there is no third party's price to compare, the Group will compare to the price with the same business which according to normal business conditions. The related-party transactions have been disclosed in Note 4 to the Financial Statements ending 31 December 2016.

The Audit Committee's opinion on connected transactions was expressed in the Audit Committee Report for 2016.

The significant transactions with companies that could be seen as conflicts of interest and rational during 2016 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 2016 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
<p>1. Advanced Info Service Plc and its group (AIS)</p> <p>AIS is an associate company of INTOUCH. AIS and the Company have the same indirect major shareholders.</p>	Expenditure: INTOUCH Group used mobile phone services, Datanet services and leased line internet services provided by AIS	1.23	20.79	0.33	22.35	AIS' network has good coverage. The related-party transactions were normal business practice. The internal customers are charged at the same rate as external customers.
	Income: INTOUCH Group had income from AIS as follows:					
	1. Dividend income	14,769.30	-	-	14,769.30	INTOUCH receives dividend income, as per the resolutions of the AIS shareholders' or the Board of Directors' meetings.
	2. Income from accounting program maintenance services and software developing	-	-	123.04	123.04	A subsidiary (ITAS) provides accounting program services. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
	3. Income from transponder rental and others	-	81.55	-	81.55	A subsidiary (THAICOM), the only satellite operator in Thailand, provides satellite transponder leasing services for transmission of television and communications signals. The related-party transactions were normal business practice. The internal customers pay the same prices as external customers.
	4. Income from sale satellite equipment	-	36.59	-	36.59	A subsidiary (THAICOM) sells satellite equipment. The related-party transactions were normal business practice. The internal customers pay the same prices as external customers.

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2016 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	5. Service income from providing mobile contents and call center services	-	293.13	-	293.13	A subsidiary (ADV) specializes in designing and creating website with variety contents which suit AIS' needs. A subsidiary (TMC) specializes in providing information for content on mobile, call center services and business telephone directories. The related-party transactions with both companies were normal business practices. The prices are in line with other companies who provide the same services.
	6. Interest income	1.28	-	-	1.28	INTOUCH invested in AWN debentures, a face value of 37mb, through private funds managed by independent fund manager. The interest rate was the same rate as other debenture holders were offered.
2. CS LoxInfo Plc and its group (CSL) CSL is an indirect subsidiary of the Company (CSL is a subsidiary of THAICOM). CSL and the Company have the same indirect major shareholders.	Expenditure: INTOUCH Group used leased-line internet, data link and advertised in the Yellow Pages. 1. Rental and other services	0.52	15.91	0.31	16.74	A subsidiary (CSL) is expertise in satellite uplink services. The prices are charged at cost plus proper margin. CSL also provides internet services. The internal customers are normally charged at the same rate as external customers. The related-party transactions were normal business practice.

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 2016 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	2. Advertising	0.23	-	-	0.23	A subsidiary (TMC) specializes in providing information for content on mobile, call center services and advertising in business telephone directories. The related-party transactions were normal business practice. The internal customers are normally charged at the same rate as external customers.
	Income: INTOUCH Group had income from CSL as follows:					
	1. Income from accounting program maintenance services and software developing	-	-	3.62	3.62	A subsidiary (ITAS) provides accounting program services. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
	2. Income from transponder rental	-	7.93	-	7.93	A subsidiary (THAICOM), the only satellite operator in Thailand, provides satellite transponder leasing services for transmission of television and communications signals. The related-party transactions were normal business practice. The internal customers pay the same prices as external customers.
	3. Dividend income	-	105.04	-	105.04	A subsidiary of THAICOM (DTV) receives dividend income, as per the resolutions of the CSL shareholders' or board of directors' meetings.

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 2016 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
<p>3. Shenington Investment Pte Limited (SHEN)</p> <p>SHEN is a 51% joint venture held by THAICOM and a 49% by AMH. AMH and the Company have the same indirect major shareholders.</p>	Income: INTOUCH Group provided business consultancy and financial assistance.					
	1. Income from business consultant	-	8.42	-	8.42	A subsidiary (THAICOM) has a policy to govern its investments to derive maximize benefit. SHEN paid consultancy and management fees to THAICOM on a monthly basis, which is calculated at actual staff costs.
	2. Interest income	-	86.55	-	86.55	A subsidiary (THAICOM) provides shareholder loan to support SHEN. The interest was charged at actual cost plus margin on an arm's length basis.
	3. Income from accounting program maintenance services and software developing	-	-	0.74	0.74	A subsidiary (ITAS) provides accounting program services. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are charged in line with other companies who provide the same services.
<p>4. SingTel Strategic Investments Private Limited and its group (SSI)</p> <p>SSI and the Company have the same indirect major shareholders.</p>	Expenditure: INTOUCH Group paid for the rental of gateway and international link	-	3.31	-	3.31	SSI provides domestic and international connectivity. The related-party transactions were normal business practice. The 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 2016 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	Income: INTOUCH Group provides internet services and server co-location	-	1.89	-	1.89	A subsidiary (CSL) provides internet services and server co-location. The related-party transactions were normal business practice. The internal customers are normally charged at the same rates as external customers.
5. Equinix Private Limited (Equinix) Equinix and the Company have the same indirect major shareholders.	Expenditure: INTOUCH Group paid for the international link	-	4.38	-	4.38	Equinix provides domestic and international connectivity. The related-party transactions were normal business practice. The internal customers are normally charged at the same rates as external customers.
6. Aspen Holding Limited (Aspen) Aspen was a major shareholder of the Company.	Dividend paid	5,974	-	-	5,974	INTOUCH pays dividends to Aspen, as per the resolutions of its shareholders' or board of directors' meetings.
7. Thai Yarnyon Group (TYG) Thai Yarnyon Group has a joint director as INTOUCH.	INTOUCH Group had cars maintenance.	-	0.18	-	0.18	TYG Group sells high quality vehicle and provide car maintenance. The related-party transactions were normal business practice. The internal customers are normally charged the same rates as external customers.

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

2017 Management Outlook and Guidance

Revenue from sales and rendering of services	→	Expected to be flat YoY
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 investments	→	Not more than 200 million baht per year
Dividend payout	→	Expect to maintain the payout ratio

Revenue from sales and rendering of services: The consolidated financial statements are prepared in accordance with Thai Accounting Standards and include the financial statements of the companies controlled by INTOUCH. Therefore, the sales and service revenue from THAICOM Group is included in the consolidated revenue. In 2017, this revenue is forecast to remain flat. THAICOM currently operates four conventional satellites (Thaicom 5, 6, 7 & 8), with a total leasing capacity of 111 transponders, and one broadband satellite (Thaicom 4).

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 Group, in which INTOUCH holds 40.45%.

- AIS estimates service revenue (excluding IC) to increase 4-5% YoY, following a growth in mobile data usage.
- Cash CAPEX is expected to be 40-45 billion baht, for increasing 4G capacity and quality.
- Consolidated EBITDA margin is expected to improve to 42-44%, from revenue and lower handset subsidies.
- AIS revised its dividend policy to pay a minimum of 70% of net profit.

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 Co., Ltd. (High Shopping).

- LTC, an indirect joint venture of THAICOM Group, has seen its revenue and operational results grow, especially data services and internet SIM, due to an increase in the number of subscribers. LTC is the market leader, with a subscriber share of 54% at the end of 2016, a rise from 52% at the end of 2015.
- High Shopping began operations in January 2016 by broadcasting its home shopping business on the following satellite television channels: PSI 49, 94 & 444, DTV 48 & 124, GMMZ 45 & 61, and BIG4 70, 83 & 120 along with AIS PLAYBOX. In August 2016, High Shopping started offering its products through its website (www.highshopping.com) and a mobile application (HIGH SHOPPING) in addition to its satellite television platform. The revenue in 2016 was approximately 400 million baht, which was lower than the target of 500 million baht due to weakening consumption in the fourth quarter. The revenue forecast for 2017 is 750 million baht, supported by the strategies of product differentiation, channel expansion and strengthening partnerships. High Shopping is expected to be one of the top-three players in 2018.

Venture capital: The main purpose of INTOUCH's InVent Project is to support and promote high-potential start-up companies in Telecommunications, Media and Technology as well as other related businesses. This will enable them to gain a competitive advantage in marketing their products and services, as well as enhance future growth within INTOUCH Group. Up to 200 million baht is available in the investment budget for 2017.

The Company's standalone performance: INTOUCH is a holding company that has to cooperate with other companies, and the main revenue is dividend income from associates and subsidiaries. In 2016, INTOUCH had a dividend income of 15,072 million baht, a decrease of 1% YoY. The administrative expenses were 407 million baht and are expected to remain the same in 2017, most of which will be spent on staff cost to explore 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 previous years, dividend income has been passed through to the shareholders after the deduction of operating expenses. The Company expects to maintain this practice in 2017.

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

INTOUCH 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 aforesaid investments has been disclosed in the Management Discussion and Analysis sections of the Annual Registration Statement for 2016 submitted by ADVANC and THCOM.

Significant events

The Company's new shareholding structure

In 4Q16, Aspen Holdings Ltd. (Aspen) sold a portion of its shares in INTOUCH to Singtel Global Investment Pte. Ltd. (SGI). SGI and Aspen now hold 21.0% and 19.5%, respectively.

Local wireless telecommunication business

2016 was the year that AIS focused on expanding its 4G network, marking 98% coverage. Fixed-broadband expansion reached 28 cities with 301,500 subscribers at the end of the year. After the launch of 4G services on the 1800MHz spectrum (with 15MHz of bandwidth) in January 2016, AIS continued to enhance network capacity and quality by:

- 1) Securing the 900MHz spectrum license (with 10 MHz of bandwidth)
- 2) Deploying Carrier Aggregation (CA) technology in key cities
- 3) Entering a partnership agreement with TOT for the use of the additional 2100MHz spectrum (with 15MHz of bandwidth).

In 4Q16, AIS started making quarterly payments of 975 million baht to TOT for a commercial trial on the 2100MHz spectrum, in addition to other payments for the use of cell towers and network equipment amounting to 1,400 million baht per quarter. In 2017, these payments will be combined into monthly installments, totaling 2,375 million baht per quarter, until the final contracts are signed.

Satellite business

On 11 October 2016, InfoSat co., Ltd. (InfoSat), a leading Direct-to-Home (DTH) satellite TV operator in Lao PDR, launched its new DTH platform via Thaicom 8, for which it had signed a multi-year transponder agreement for Ku-band capacity. This deal emphasizes THAICOM's ASEAN Economic Community (AEC) strategy and commitment to providing the region with premium satellite services. InfoSat built the DTH platform to satisfy the increasing demand for Ku-band in Lao PDR. The platform has more than 15 channels available in both standard definition (SD) and high definition (HD) formats.

On 29 November 2016, THAICOM signed a contract with iSAT Africa, a fast growing Broadcasting, Data and Internet services provider with teleports in Africa and Europe, to expand its C-band Multi-Channel Per Carrier (MCPC) broadcasting platform and service into Africa. This service will facilitate the distribution of TV channels via Thaicom 6.

Internet & media businesses

Revenue from media and advertising in YellowPages, Voice Info Services and Mobile Content businesses, provided by CSL Group, continued to decline due to changes in consumer behavior and technology. However, CSL Group has changed its strategy to carefully select high-quality products and services, focus on improving product packages, and strictly manage costs and SG&A. CSL has expanded its internet broadband service to condominiums, which increased the subscriber base by 134.6% to 10,620 at the end of 2016. Internet Data Center (IDC) services have continued to grow due to a new corporate customer base.

Telecommunications services in Lao PDR

LTC's subscriber base grew continually to 2,059,104 at the end of 2016 from 1,947,996 subscribers at the end of the previous year. LTC was ranked the number one mobile service provider in Lao PDR with a market share of 53.7%, compared to 52.0% in 2015. As a result, service revenue continues to grow, driven mainly by mobile data and internet SIM.

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

On 14 January 2016, the Arbitration Institute ruled that the termination of the Operating Agreement by the Office of the Permanent Secretary of the Office of the Prime Minister (PMO) had been unlawful (the Case Number Red 1/2559). ITV and the PMO were ordered to pay each other the same amount so there was no outstanding debt between the two parties. However, although the arbitration tribunal had made its final ruling, either party could submit a petition to the relevant court to reconsider this case. On 29 April 2016, the PMO filed a petition with the Central Administrative Court (CAC), which was accepted on 2 November 2016 (Case Number Black 620/2559) and is currently being processed.

During 2Q16, ITV reconsidered the provision for unpaid operating fees and interest, while an independent legal advisor opined in July 2016 that the total amount recorded to date exceeded the amount of the arbitral award that had to be paid to the PMO. Therefore, ITV considers the arbitral award the best estimation for accounting recognition. ITV then reversed the provision of 3,882 million baht for interest on unpaid operating fees in the consolidated statement of profit or loss for the three-month period ended 30 June 2016.

Dividend payments

The Annual General Meeting of Shareholders for 2016, held on 31 March 2016, and Board of Directors Meeting, held on 11 August 2016, resolved to pay the interim dividends detailed below:

For the operational period		Dividend ratio (baht/share)	Total dividend (in million baht)	Payment date
Shareholders' meeting resolution	1 Jan - 30 Mar 2016	2.47	7,920	28 Apr 2016
Board of Directors' resolution	31 Mar - 10 Aug 2016	2.13	6,830	9 Sep 2016

On 6 February 2017, the Board of Directors approved an interim dividend of 1.61 baht per share from the operating results for the period 1 January to 30 March 2017, totaling approximately 5,162 million baht. The Company will propose this dividend at the Annual General Meeting of Shareholders for 2017.

Overview of operational results

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				
	2015		2016		%YoY
The Company	14,913	93%	14,659	115%	-2%
Local wireless telecommunication business	15,854	99%	12,548	99%	-21%
Satellite & International Businesses ¹⁾	874	5%	663	5%	-24%
Other Businesses ²⁾	(247)	-2%	(103)	-1%	-58%
Discontinued operation	1	0%	-	0%	-100%
Consolidation eliminations ³⁾	(15,317)	-95%	(15,061)	-119%	-2%
Net Profit before the provision reversal	16,078	100%	12,706	100%	-21%
Reversal of the provision for interest on unpaid operating fees	-	0%	3,691	29%	100%
Net Profit	16,078	100%	16,397	129%	2%

1) Included share of profit of investments in LTC

2) Included share of profit of investments in Venture Capital and High Shopping

3) Mainly the elimination of intercompany dividends

The consolidated financial statements for YE16 showed consolidated profit of 16,397 million baht, an increase of 2% from YE15. This was mainly due to the reversal of provision for interest on ITV's unpaid operating fees of 3,691 million baht (net of non-controlling interest) in 2Q16. However, if this reversal is excluded, the consolidated profit would have dropped 21% from YE15, as a result of a lower profit contribution from the local wireless communications business operated by AIS Group.

Key operational results

The Company (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Dividend income	15,294	15,072	-1%
Expenses *	(442)	(481)	9%
Others	61	68	11%
Net profit	14,913	14,659	-2%

* Included impairment loss on investments

Net profit in 2016 decreased from 2015 due to a drop in dividend income. The dividend received from AIS amounted to 12.28 baht per share, compared to 12.46 baht per share in the previous year.

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Share of net result from investment in AIS Group using equity method	15,854	12,548	-21%

The share of the net results from AIS Group in 2016 decreased 21%. The net profit of AIS Group was 30,690 million baht, a drop from 39,155 million baht in 2015 due to higher marketing expenses and finance costs, and lower overall revenue, although costs and income tax dropped.

Overall revenue in AIS Group decreased slightly due to:

- Voice service revenue dropped 15% YoY due to a change in customer behavior as increasing demand for mobile internet has continued to cannibalize voice usage.
- SIM & device sales decreased 14% from last year due to handset discounts and subsidies.

However, these items were partially offset by:

- Non-voice service revenue rose 20% YoY following higher smartphone penetration. Mobile data consumption grew from 2GB/subscriber/month last year to the current level of 3.6GB, while the number of 4G-handset users increased to 12 million.

Overall costs in AIS Group dropped slightly due to:

- Regulatory fees dropped 26% YoY as the high operating fees ended in 2Q16. AIS Group has been fully operating under the lower-fee license scheme since July 2016.
- Cost of sales dropped 11% from 2015 following handset discounts and a subsidy campaign. As a result, the handset margin was -4.2% compared to -0.8% in 2015.

However, these items were partially offset by:

- Network OPEX rose 54% YoY following the higher number of 4G base stations. In 2016, AIS Group started making rental payments to TOT for cell towers and network equipment.
- Depreciation & Amortization rose 6% from the previous year due to additional amortization of the new 900 & 1800MHz spectrum licenses, offset by fully-amortized 2G assets since 3Q15. The network D&A continued to increase from investments in 4G.

SG&A in AIS Group increased 48% YoY, mainly from marketing expenses arising from handset discounts and subsidies. Marketing expenses accounted for 10.5% of total revenue, compared to 4.4% in 2015. If handset subsidies were excluded, marketing expenses would be in the range of 4-4.5% of total revenue.

Finance Costs rose 116% from 2015 due to higher interest bearing debt for new spectrum acquisitions and network expansion.

Income tax expenses dropped 48% from last year following the lower net profit before tax in 2016, along with tax benefits that allowed a double deduction on investment in certain assets booked in 4Q16.

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Sales and service revenue	12,453	11,517	-8%
Sales and service costs	(6,287)	(6,297)	0%
Operating agreement fees	(1,067)	(1,057)	-1%
SG&A	(2,117)	(2,225)	5%
Share of profit of investments in joint ventures	194	198	2%
Other income	489	202	-59%
Net foreign exchange gain (loss)	(595)	152	126%
Financial cost and income tax expenses	(764)	(707)	-7%
Net Profit	2,306	1,783	-23%
Contributed to THCOM Group	2,123	1,612	-24%
Contributed to INTOUCH Group	874	663	-24%

THAICOM's net profit dropped 23% YoY, mainly due to lower sales and service revenue, although there was a net foreign exchange gain in 2016 as opposed to a loss in 2015.

Sales and service revenue dropped 8% YoY, mainly due to:

- The conventional satellite: Revenue decreased from transponder leasing as a result of a major Thai customer ceasing operations and lower demand from other customers due to the economic slowdown. This has led to a drop in revenue from other value-added services, such as digital signal compression and occasional sales of satellite equipment to broadcasting operators. However, this was partially offset by an increase in revenue from Thaicom 8.
- Thaicom 4 (IPSTAR): Revenue decreased from broadband services, especially in Australia due to lower bandwidth usage in the National Broadband Network (NBN) and a price adjustment to reflect the current market for some customers who signed new contracts. Moreover, the occasional sales of satellite broadband equipment, based on customer demand, also dropped. However, the service revenue from India and the Philippines rose following higher bandwidth usage.
- Media business in Cambodia: Revenue dropped from lower sales of satellite receiver sets.
- Internet services: Revenue dropped, mainly due to a slowdown in the Voice Info Services, Mobile Content and advertising in Yellow Pages businesses. However, this was partially offset by an increase in the ICT business.

Sales and service costs increased slightly from 2015, mainly due to

- Thaicom 4 (IPSTAR): Costs rose after a court in Australia ordered a subsidiary to pay compensation plus interest amounting to 5.3 million baht, for supplying defective satellite receiving equipment. Although the subsidiary is considering lodging an appeal, this amount has already been recorded in the financial statements. The cost of sales dropped following lower demand for satellite receiving equipment.

However, this was offset by:

- The conventional satellite: Costs dropped following lower sales of equipment.
- Media business in Cambodia: Costs dropped in line with revenue.
- Internet: Costs dropped in the ICT and advertising businesses as a result of better cost control by the management, although the cost of content and application development in the Voice Info Services and Mobile Content businesses increased.

SG&A in THAICOM Group rose 5% from 2015, mainly due to the provisions for doubtful debts and obsolete satellite equipment inventory. However, this was partially offset by a decrease in staff costs and marketing.

Foreign exchange gain was mainly due to the appreciation of the Thai baht against the US dollar, resulting in a gain from the currency translation of USD loans. In 2016, there was a gain of 152 million baht, compared to a loss of 595 million baht in 2015.

Other Businesses (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Service revenue	227	142	-37%
Service costs	(188)	(115)	-39%
Provision for interest on unpaid operating agreement fees	(433)	(15)	-97%
SG&A	(35)	(25)	-29%
Share of profit (loss) of investments	(46)	(112)	143%
Other incomes	47	30	-36%
Finance cost and income tax expenses	(13)	(7)	-46%
Net loss*	(441)	(102)	-77%
Contributed to INTOUCH Group*	(247)	(103)	-58%

* Excluded the reversal of ITV's provision for interest on unpaid operating agreement fees.

Other businesses include media & advertising, information technology, and investments under the InVent project. The net loss from other businesses was mainly the share of net loss from joint ventures and associates, along with a provision for interest on ITV's unpaid operating fees included in 2015. ITV ceased recording this provision in its financial statements on 14 January 2016, the date of the arbitral award in Case Number Black 46/2550.

Financial Position Summary

Key financial position data

Separated Financial Position	As at 31 December 2015		As at 31 December 2016		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investments	1,799	12%	1,751	12%	(48)	-3%
Investment in subsidiaries and associates	12,519	87%	12,476	87%	(43)	0%
Other assets	108	1%	97	1%	(11)	-10%
Total Assets	14,426	100%	14,324	100%	(102)	-1%
Liabilities and Equity						
Other liabilities	180	1%	136	1%	(44)	-24%
Total Equity	14,246	99%	14,188	99%	(58)	0%
Total Liabilities and Equity	14,426	100%	14,324	100%	(102)	-1%

Total assets decreased from the end of 2015, mainly due to a drop in cash & cash equivalents and lower current investments. Investment in subsidiaries and associates decreased due to the disposal of associate and impairment losses recorded on other associates, although this was partially offset by new investment in an associate.

Total liabilities and equity decreased from the end of 2015, due to a drop in accrued expenses. Equity attributable to owners of the Company also decreased after dividend payments of 2.47 baht and 2.13 baht per share in April and September 2016, although this was mostly offset by operational profit during the year.

Consolidated Financial Position	As at 31 December 2015		As at 31 December 2016		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	3,621	6%	3,065	6%	(556)	-15%
Current investments	4,404	8%	6,095	11%	1,691	38%
Trade receivables	2,166	4%	2,120	4%	(46)	-2%
Inventories	230	0%	324	1%	94	41%
Other current assets	674	1%	501	1%	(173)	-26%
Long-term loans to related parties	2,162	4%	2,146	4%	(16)	-1%
Investment in associates and joint ventures	22,030	38%	19,897	36%	(2,133)	-10%
Property & equipment, net	9,146	16%	9,441	17%	295	3%
Intangible assets under operating agreements, net	11,227	19%	9,205	17%	(2,022)	-18%
Other non-current assets	2,167	4%	1,813	3%	(354)	-16%
Total Assets	57,827	100%	54,607	100%	(3,220)	-6%
Liabilities and Equity						
Provision for unpaid operating agreement fee and interest	6,757	12%	2,890	5%	(3,867)	-57%
Other current liabilities	2,844	5%	2,759	5%	(85)	-3%
Borrowings	11,724	20%	10,168	19%	(1,556)	-13%
Other liabilities	1,161	2%	1,115	2%	(46)	-4%
Total Liabilities	22,486	39%	16,932	31%	(5,554)	-25%
Total Equity	35,341	61%	37,675	69%	2,334	7%
Total Liabilities and Equity	57,827	100%	54,607	100%	(3,220)	-6%

Total consolidated assets decreased from the end of 2015, mainly from investment in associates and joint ventures which made dividend payments, although this was mostly offset by the operational profit. These dividends were passed through to the shareholders in the same year. In addition, the value of intangible assets under operating agreements dropped due to amortization during 2016, although this was mostly offset by an increase in the value of current investments.

Total consolidated liabilities and equity: Total liabilities decreased from the end of 2015 due to a reversal of provision for interest on ITV's unpaid operating fees in 2Q16, together with the repayments of a short-term loan in the satellite business and another one for the extension of LTC's right to operate communication services in Lao PDR.

Liquidity and cash flow: At the end of 2016, the current ratio rose to 2.0 from 1.0 at the end of 2015 due to the reversal of provision for ITV's unpaid operating fees plus interest, which resulted in a drop in current liabilities. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations as well as secure short-term credit facilities from various banks as financial backup.

The consolidated cash dropped by 556 million baht from the end of 2015 (excluding the impact from foreign currency fluctuation), mainly from the repayment of net loans, an asset purchase (Thaicom 8), additional short-term investments to gain extra returns, and a dividend paid by a subsidiary, even though there was a cash inflow from operating activities in 2016.

Accounts receivable: INTOUCH Group has policies in place to ensure that the sales of products and rendering of services are made to customers with an appropriate credit check. As at the end of 2016, the Group had accounts

receivable equivalent to 4% of total assets, the same percentage as the end of 2015. INTOUCH Group has reserved an appropriate allowance for bad debt.

Inventory: At the end of 2016, INTOUCH Group's inventory remained the same amount as the end of 2015. The Group assesses the allowance for obsolete inventories regularly to ensure that it is sufficient. Inventories are reported at cost or their net realizable value, whichever is lower. The net realizable value is 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 was 66%, a rise from 2015, while the return on equity was 62%, the same percentage as the end of 2015. This was mainly due to the reversal of ITV's provision. If this reversal were excluded, INTOUCH Group's net profit margin and return on equity would be 51% and 52%, respectively, lower than 2015 as a result of the performance of AIS Group.

Debt-to-equity ratio: At the end of 2016, the Group had a debt-to-equity ratio of 0.4 times, close to 2015. INTOUCH Group has the ability to repay both short- and long-term loans without violating the conditions of its loan agreements with respect to maintaining stipulated financial ratios.

The Group's commitments, including those off the balance sheet, have been disclosed in the notes to financial statements, namely *Commitments, Bank Guarantees, Significant Events, Disputes and Litigation*.

The External Auditor's Review

At the Annual General Meeting of Shareholders for 2016, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. was appointed as the Company's external auditor, replacing KPMG Phoomchai Audit Ltd. for the purpose of rotation.

The external auditor's report has been summarized below:

The external auditor expressed an unmodified opinion on the consolidated and separate financial statements for the year 2016.

However, the auditor had emphasized ITV's reconsideration of the provision for unpaid operating fees plus related interest that ITV was ordered to pay to the PMO in the arbitral ruling on 14 January 2016. Both ITV and an independent legal opinion obtained in July 2016 deemed that the total amount of the said provision recognized in the financial statements exceeded the amount specified in the arbitral award. The arbitral award is considered by ITV as the best estimation for accounting recognition. Therefore, ITV had adjusted this provision to 2,890 million baht as at 31 December 2016.

Additional Financial Data and Key Ratios

Separate Statements of Income (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Dividend income	15,294	15,072	-1%
Other income	64	71	11%
Total revenue	15,358	15,143	-1%
Administrative expenses	(348)	(395)	14%
Management benefit expenses	(94)	(86)	-9%
Total expenses	(442)	(481)	9%
Profit before finance costs	14,916	14,662	-2%
Finance costs	(3)	(3)	0%
Net Profit	14,913	14,659	-2%

Consolidated Statements of Income (in million baht)	For the year ended 31 December		
	2015	2016	%YoY
Sales and service revenue	12,665	11,646	-8%
Construction revenue under operating agreements	1	-	-100%
Share of profit of investments in joint ventures	169	106	-37%
Share of profit of investments in associates	15,833	12,528	-21%
Net foreign exchange gain	-	152	100%
Other income	600	308	-49%
Total revenue	29,268	24,740	-15%
Sales and service costs	(6,474)	(6,412)	-1%
Construction cost under operating agreements	(1)	-	-100%
Operating agreement fee	(1,067)	(1,057)	-1%
Reversal of (loss) on provision for interest of unpaid operating fees	(433)	3,866	-993%
Selling expenses	(344)	(325)	-6%
Administrative expenses	(2,066)	(2,192)	6%
Net foreign exchange loss	(595)	-	-100%
Management benefit expenses	(194)	(197)	2%
Total expenses	(11,174)	(6,317)	-43%
Profit before finance costs & income tax expenses	18,094	18,423	2%
Finance costs	(309)	(360)	17%
Profit before income tax expenses	17,785	18,063	2%
Income tax expenses	(470)	(355)	-24%
Profit for the year - continued operations	17,315	17,708	2%
Profit from discontinued operation - net	1	-	-100%
Net profit	17,316	17,708	2%
Attributable to			
Owners of the Parent	16,078	16,397	2%
Non-controlling interests	1,238	1,311	6%
Net profit	17,316	17,708	2%

Consolidated source and use of Cash Flows*		million baht	
For the year ended 31 December			
Source of funds		Use of funds	
Dividends received	14,769	Dividend paid	15,285
Operating Cash Flow	4,608	Liquidating distribution of a subsidiary	42
Proceeds from borrowings	2,434	Loan repayments	3,926
Receipt from sale of investments	63	Purchase of CAPEX & Fixed assets	1,112
Disposal of Fixed assets	17	Acquisition of investments	78
Increase in loans and advances to related parties	65	Increase in current investments	1,741
Cash decreased (excluding FX effect)	556	Interest paid	328
Total	22,512		22,512

* Consolidated cash flows consisted of cash and cash equivalents

Material financial ratios (based on consolidated financial statements)	For the year ended 31 December		
	2015	2016	%YoY
Net profit margin	54.9%	66.3%	11.3%
Current ratio (times)	1.0	2.0	1.0
Return on equity attributed to owners of the parent	64.1%	62.3%	(1.8)%
Return on assets	28.3%	29.2%	0.8 %
Debt to equity attributed to owners of the parent (times)	0.9	0.6	(0.3)
Interest bearing debt to equity attributed to owners of the parent (times)	0.5	0.4	(0.1)
Basic earnings per share (baht)	5.01	5.11	0.10
Book value per share (baht)	7.95	8.46	0.51
Dividend per share (baht)	4.63	4.60	(0.03)

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 adequate and effective 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 2016 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, Dr. Suphamit Techamontrikul (CPA No. 3356) of DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., 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 2016. 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)
Chief Executive Officer

Deloitte Touche Tohmatsu Jaiyos Audit
ดีลอยท์ ทูเช่ โทมatsu ไชยยศ สอบบัญชี

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Intouch Holdings Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Intouch Holdings Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2016, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Intouch Holdings Public Company Limited and its subsidiaries and of Intouch Holdings Public Company Limited as at December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2.2 and 35.2 to the financial statements as follows:

ITV Public Company Limited ("ITV"), the Company's subsidiary, reconsidered the provision for unpaid operating fee and related interest to the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") which ITV was ordered to pay according to the Arbitration's award ruled on January 14, 2016 together with the independent legal opinion obtained in July 2016 and deemed that the amount of the said provision already recognized in the 2015 financial statements exceeded the total as now ordered by the Arbitration's award. The Arbitration's award is considered by ITV as the best estimation for accounting recognition in 2016. Thus, ITV had adjusted such provision to Baht 2,890 million as of December 31, 2016.

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Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Litigation</p> <p>As at December 31, 2016, the Group was party to various legal cases where the Group may incur losses if it cannot successfully defend the cases. The Group is required to make significant judgment if the provision is sufficiently provided. The Key audit matter is the adequacy of the provision recognized in accordance with Thai Financial Reporting Standards</p> <p>Accounting policies and significant detail of commitments, significant events, commercial disputes and litigations were disclosed in Note 3, 34 and 35 to the financial statements.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of subsidiaries and associates included:</p> <ul style="list-style-type: none"> • Understand the management's litigation evaluation process and related internal control procedures. • Review the design and implementation of such internal control procedures. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Review management's judgements as to the strength of defense against claims received in light of legal advice including, where relevant, external counsel; and • Assess potential exposure from litigation cases and evaluate financial exposures and adequacy and sufficiency of records and disclosures.

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Key Audit Matters	Audit Responses
<p>Recognition of revenue from sales and rendering of services</p> <p>One of the group subsidiaries has revenue from sales and rendering of services in its satellite business for the year ended December 31, 2016 which is quantitatively significant to the consolidated financial statements. The Key audit matter is whether the Group has correctly recognized the revenue from sales and rendering of services in accordance with Thai Financial Reporting Standards</p> <p>Accounting policies and detail of revenues were disclosed in Note 3 and 26 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of the subsidiary included:</p> <ul style="list-style-type: none"> • Understand the revenue recognition process and related internal control procedures. • Review the design and implementation of such internal control procedures. • Perform the operating effectiveness testing over the internal control procedures around revenue recognition process including related information and technology system. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Review terms and condition of the sales and service agreements and recalculate the revenue whether it has been recorded appropriately and examine the related supporting documents of those revenues. • Perform substantive analytical procedures relating to the revenue from sales and rendering of services.
<p>Investment in Advanced Info Service Public Company Limited ("AIS")</p> <p>The Company operates as a holding company. In this regard, AIS is identified to be quantitatively significant as it contributes 98 % of dividend income in the Company's separate financial statements and 100% of revenue under the equity method in the Group's consolidated financial statements. The Key audit matter is whether the Group recognizes its AIS portion under the equity method accurately in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and detail of financial information revenues were disclosed in Note 11 and 12 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of AIS included:</p> <ul style="list-style-type: none"> • Understand the financial information compilation process and related internal control procedures • Collaboratively perform the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process. • Verify the calculation and record of a share of profit in an investment in AIS

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Other Matter

The consolidated statement of financial position of Intouch Holdings Public Company Limited and its subsidiaries and the separate statement of financial position of Intouch Holdings Public Company Limited as at December 31, 2015, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, presented herein as comparative information, were audited by other auditors, whose audit report thereon dated February 17, 2016 expressed an unmodified opinion on those statements with emphasis of matter paragraph regarding the material uncertainty of the liabilities arising from the litigation cases of ITV Public Company Limited and the adoption of the new and revised TFRSs.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)

Registration No. 3356

BANGKOK

February 6, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

Unit: in Baht

		Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
Assets	Note	2016	2015	2016	2015
Current assets					
Cash and cash equivalents	6	3,065,097,194	3,620,623,432	260,238,220	175,109,709
Current investments	7	6,095,622,889	4,403,959,740	1,490,571,873	1,624,486,905
Trade and other receivables	4, 8	2,477,263,010	2,631,893,607	6,667,396	11,476,625
Amounts due from, advances and loans					
to related parties	4	143,661,865	209,147,564	1,339,253	275,458
Inventories	9	323,878,790	229,799,487	-	-
Non-current assets held for					
discontinued operations	10	53,165,801	54,144,626	-	-
Total current assets		12,158,689,549	11,149,568,456	1,758,816,742	1,811,348,697
Non-current assets					
Long-term loans to related parties	4	2,145,946,584	2,161,864,194	-	-
Investments in subsidiaries	11	-	-	3,951,954,036	3,951,954,036
Investments in joint ventures	11	1,555,265,021	1,440,394,231	-	-
Investments in associates	11	18,342,130,178	20,589,751,755	8,523,629,270	8,567,294,923
Long-term investments	7	32,555,000	22,665,000	32,555,000	22,665,000
Property, plant and equipment	13	9,440,727,955	9,145,628,719	45,577,197	63,148,676
Intangible assets under operating					
agreements	14	9,204,747,659	11,227,186,999	-	-
Other intangible assets	15	849,321,350	974,723,886	7,252,375	5,251,501
Deferred tax assets	16	313,688,439	243,005,342	-	-
Other non-current assets		563,790,438	871,973,683	4,036,257	4,036,257
Total non-current assets		42,448,172,624	46,677,193,809	12,565,004,135	12,614,350,393
Total assets		54,606,862,173	57,826,762,265	14,323,820,877	14,425,699,090

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

Unit: in Baht

		Consolidated financial statements		Separate financial statements	
		31 December		31 December	
	Note	2016	2015	2016	2015
Liabilities and equity					
<i>Current liabilities</i>					
Short-term borrowings from financial institutions	17	230,000,000	1,650,520,587	-	-
Trade and other payables	4, 18	2,395,461,954	2,251,523,083	84,112,239	114,295,728
Accounts payable - equipment		11,050,114	92,473,095	-	-
Amounts due to related parties	4	312,983	271,727	817,289	200,914
Current portion of long-term borrowings	17	728,871,183	69,063,419	-	-
Accrued operating agreement fees		316,222,960	333,401,729	-	-
Provision for unpaid operating agreement fee and interest	35.2	2,890,345,206	6,756,831,620	-	-
Income tax payable		35,089,184	166,481,213	-	-
Liabilities of non-current assets held for discontinued operations	10	160,939	190,828	-	-
Total current liabilities		6,607,514,523	11,320,757,301	84,929,528	114,496,642
<i>Non-current liabilities</i>					
Long-term accounts payable - equipment		248,417,250	250,151,220	-	-
Long-term borrowings	17	9,208,989,311	10,004,091,865	-	-
Employee benefit obligations	19	496,168,686	484,087,617	50,589,390	65,518,588
Other non-current liabilities		370,683,719	427,289,896	-	-
Total non-current liabilities		10,324,258,966	11,165,620,598	50,589,390	65,518,588
Total liabilities		16,931,773,489	22,486,377,899	135,518,918	180,015,230

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

Unit: in Baht

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
Liabilities and equity					
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
Additional paid-in capital	20, 21				
Share premium on issued of share - ordinary shares		10,347,863,392	10,341,569,221	10,347,863,392	10,341,569,221
Retained earnings					
Appropriated					
Legal reserve	21	500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		8,733,212,910	7,056,985,062	102,044,113	164,404,144
Other components of equity		4,369,292,583	4,378,744,552	31,974,149	33,290,190
Total equity attributable to equity holders of the Company		27,156,789,190	25,483,719,140	14,188,301,959	14,245,683,860
Non-controlling interests	23	10,518,299,494	9,856,665,226	-	-
Total equity		37,675,088,684	35,340,384,366	14,188,301,959	14,245,683,860
Total liabilities and equity		54,606,862,173	57,826,762,265	14,323,820,877	14,425,699,090

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: In Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Revenue	26				
Revenue from sales and rendering of services		11,646,181,111	12,664,670,164	-	-
Construction revenue under operating agreements		105,000	543,915	-	-
Dividend income	11	-	-	15,072,369,397	15,293,857,522
Share of profit of investments					
in joint ventures	11	106,490,365	168,703,034	-	-
Share of profit of investments in associates	11	12,527,827,827	15,833,430,096	-	-
Net foreign exchange gain		152,102,513	-	-	-
Other income	27	307,947,393	600,892,310	71,070,496	64,056,137
Total revenue		24,740,654,209	29,268,239,519	15,143,439,893	15,357,913,659
Expenses	26				
Cost of sales and rendering of services		6,411,716,319	6,474,449,909	-	-
Construction cost under operating agreements		105,000	543,915	-	-
Operating agreement fee		1,057,053,328	1,066,618,826	-	-
(Reversal of) loss on provision for interest of					
unpaid operating agreement fee	35.2	(3,866,486,414)	433,417,808	-	-
Selling expenses		324,507,930	344,438,563	-	-
Administrative expenses		2,124,236,176	2,039,106,372	320,588,722	343,612,332
Net foreign exchange loss		-	595,002,146	-	-
Impairment of investment in associates					
and long - term investment - net	7, 11	68,125,998	27,406,410	74,659,200	3,999,629
Directors and management benefit expenses	4	197,842,786	194,322,747	86,315,301	93,839,677
Total expenses		6,317,101,123	11,175,306,696	481,563,223	441,451,638
Profit before finance costs and					
income tax expense		18,423,553,086	18,092,932,823	14,661,876,670	14,916,462,021
Finance costs		(360,036,244)	(308,668,568)	(2,856,046)	(3,028,299)
Profit before income tax expense		18,063,516,842	17,784,264,255	14,659,020,624	14,913,433,722
Income tax expense	30	(354,658,349)	(469,697,825)	-	-
Profit for the year - continued operations		17,708,858,493	17,314,566,430	14,659,020,624	14,913,433,722
Profit for the year from discontinued					
operations - net of income tax	10	-	1,514,780	-	-
Profit for the year		17,708,858,493	17,316,081,210	14,659,020,624	14,913,433,722

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: In Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Attributable to:					
Owners of the Company					
Profit for the year - continued operations		16,397,608,503	16,076,278,832	14,659,020,624	14,913,433,722
Profit for the year - discontinued operation		-	1,514,174	-	-
Profit for the year to owners of the Company		16,397,608,503	16,077,793,006	14,659,020,624	14,913,433,722
Non-controlling Interests					
Profit for the year - continued operations	23	1,311,249,990	1,238,287,598	-	-
Profit for the year - discontinued operation		-	606	-	-
Profit for the year to non-controlling Interests		1,311,249,990	1,238,288,204	-	-
		17,708,858,493	17,316,081,210	14,659,020,624	14,913,433,722
Basic earnings per share (Baht per share)					
From continued operations		5.11	5.01	4.57	4.65
From discontinued operation	10	-	-	-	-
Owners of the Company	31	5.11	5.01	4.57	4.65
Diluted earnings per share (Baht per share)					
From continued operations		5.11	5.01	4.57	4.65
From discontinued operation	10	-	-	-	-
Owners of the Company	31	5.11	5.01	4.57	4.65

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: in Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit for the year		17,708,858,493	17,316,081,210	14,659,020,624	14,913,433,722
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		(74,763,946)	334,925,885	-	-
Net change in fair value of available-for-sale investments		(18,637,809)	(792,843,927)	(7,849,462)	3,041,539
Share of other comprehensive income of associates		-	(3,089,436)	-	-
		(93,401,755)	(461,007,478)	(7,849,462)	3,041,539
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		37,545,680	(363,191,385)	-	-
		37,545,680	(386,398,294)	-	(120,652)
Other comprehensive income for the year, net of income tax		(55,856,075)	(847,405,772)	(7,849,462)	2,920,887
Total comprehensive income for the year		17,653,002,418	16,468,675,438	14,651,171,162	14,916,354,609
Total comprehensive income attributable to:					
Owners of the Company		16,391,643,108	15,612,205,291	14,651,171,162	14,916,354,609
Non-controlling interests	23	1,261,359,310	856,470,147	-	-
		17,653,002,418	16,468,675,438	14,651,171,162	14,916,354,609

The accompanying notes are an integral part of these financial statements

Unit: In Baht

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The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Consolidated financial statements													Unit: in Bcht
Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves	Unrealised gain on dilution from investments	Other components of equity				Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated			share-based payment	Currency translation differences	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates			
	3,206,420,305	10,341,549,221	600,000,000	7,056,985,062	28,399,856	4,229,015,786	103,397,836	18,538,990	(607,916)	4,378,744,552	25,483,719,140	9,856,655,226	35,340,384,366
32	-	-	-	(14,721,380,655)	-	-	-	-	-	-	(14,721,380,655)	(563,942,285)	(15,285,322,890)
24	-	6,294,171	-	-	8,295,803	-	-	-	-	8,295,803	14,589,974	2,521,582	17,111,556
	-	-	-	-	-	(11,782,377)	-	-	-	(11,782,377)	(11,782,377)	3,919,213	(7,863,164)
	-	-	-	-	-	-	-	-	-	-	-	(42,223,602)	(42,223,602)
25	-	-	-	16,397,608,503	-	-	-	-	-	-	16,397,608,503	1,311,249,990	17,708,858,493
	-	-	-	-	-	-	(30,757,276)	(12,753,799)	-	(43,511,075)	(43,511,075)	(49,893,680)	(93,401,755)
19	-	-	-	-	-	-	-	-	37,545,680	37,545,680	37,545,680	-	37,545,680
	-	-	-	16,397,608,503	-	-	(30,757,276)	(12,753,799)	37,545,680	(6,965,395)	16,397,643,108	1,261,359,310	17,653,002,418
	3,206,420,305	10,347,843,392	600,000,000	8,753,212,910	36,695,659	4,217,233,409	72,640,560	5,785,191	36,937,764	4,369,292,583	27,156,799,190	10,516,299,494	37,675,088,684

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: In Baht

		Separate financial statements						
Note	Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Other components of equity		Total equity
			Legal reserve	Unappropriated		Fair value changes in available-for-sale investments	Total other components of equity	
For the year ended 31 December 2015								
Balance at 1 January 2015								
Changes in equity for the year								
24	-	-	-	(14,833,373,799)	-	-	-	(14,833,373,799)
	-	-	-	-	11,294,136	-	11,294,136	11,294,136
Comprehensive income for the year								
25	-	-	-	14,913,433,722	-	-	-	14,913,433,722
Other comprehensive income for the year								
Items that are or may be reclassified								
to profit or loss								
Items that will never be reclassified								
to profit or loss								
19	-	-	-	(120,652)	-	-	-	(120,652)
Total comprehensive income for the year								
Balance at 31 December 2015								
	3,206,420,305	10,341,569,221	500,000,000	14,913,313,070	-	3,041,539	3,041,539	14,916,354,609

For the year ended 31 December 2015

Balance at 1 January 2015

Changes in equity for the year

Dividends

Shared - based Payment

Comprehensive income for the year

Profit for the year

Other comprehensive income for the year
Items that are or may be reclassified

to profit or loss

Items that will never be reclassified
to profit or loss

Total comprehensive income for the year

Balance at 31 December 2015

For the year ended 31 December 2016

Balance at 1 January 2016

Changes in equity for the year

Dividends

Share - based payment

Comprehensive income for the year

Profit for the year

Other comprehensive income for the year
Items that are or may be reclassified

to profit or loss

Items that will never be reclassified
to profit or loss

Total comprehensive income for the year

Balance at 31 December 2016

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: In Baht

		Consolidated		Separate	
		financial statements		financial statements	
	Note	2016	2015	2016	2015
Cash flows from operating activities					
Profit for the year - continued operations		17,708,858,493	17,314,566,430	14,659,020,624	14,913,433,722
Adjustments for					
Depreciation and amortisation	13, 14, 15	2,971,996,514	2,843,568,766	23,111,407	23,032,226
Past and current service costs of employee and share-based payment expense	19, 24	71,002,882	56,015,995	17,993,113	14,835,336
Gain from disposal of investments	27	(31,426,929)	-	(26,443,350)	-
Interest income	27	(214,646,388)	(181,826,573)	(43,219,303)	(57,986,350)
Interest expense		338,086,270	261,343,996	1,535,282	1,964,957
Income tax expense	30	354,658,349	469,697,825	-	-
Share of profit of investments in joint ventures	11	(106,490,365)	(168,703,034)	-	-
Share of profit of investments in associates	11	(12,527,827,827)	(15,833,430,096)	-	-
Dividend income	11	-	-	(15,072,369,397)	(15,293,857,522)
Impairment of investments in associates and long - term investment - net	7, 11	68,125,998	27,406,410	74,659,200	3,999,629
(Reversal of) loss on provision for interest of unpaid operating agreement fee	35.2	(3,866,486,414)	433,417,808	-	-
Unrealised (gain) loss on foreign exchange		(125,457,532)	269,756,941	-	-
Allowance for doubtful accounts		137,085,242	61,686,173	-	-
(Reversal of) allowance for obsolete inventory		15,749,802	(49,956,287)	-	-
(Reversal of) impairment loss on assets		23,289,922	(41,203,112)	-	-
Loss from write-off equipment		1,201,043	30,113,254	-	4,200,543
Amortisation cost of loans	17	1,065,891	1,065,891	-	-
Others		(9,092,669)	820,207	(546,107)	(476,507)
		4,809,692,282	5,494,340,594	(366,258,531)	(390,853,966)
Changes in operating assets and liabilities					
Trade and other receivables		9,614,926	(676,328,931)	3,273,784	50,082,390
Inventories		(109,830,084)	73,645,184	-	-
Other non-current assets		278,325,051	37,371,662	-	3,069,250
Trade and other payables		64,491,963	(65,268,118)	(32,688,177)	9,754,268
Accrued operating agreement fees		(17,178,769)	47,702,801	-	-
Other non-current liabilities		(100,699,062)	308,366	(21,630,001)	-
Interest received		210,718,623	207,957,539	9,422,908	16,155,699
Dividends received		14,769,303,360	14,985,791,520	15,072,369,397	15,293,857,522
Income tax paid		(537,183,735)	(284,441,409)	-	-
Net cash from operating activities		19,377,254,555	19,821,079,208	14,664,489,380	14,982,065,163

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Unit: in Baht

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
<i>Cash flows from investing activities</i>					
Additional investments in subsidiaries	11	-	-	-	(304,980,000)
Additional investment in joint venture	11	-	(254,999,995)	-	-
Additional investment in associates	11	(59,999,448)	(98,492,295)	(59,999,448)	(98,492,295)
Purchase of long-term investment		(17,555,000)	(7,665,000)	(17,555,000)	(7,665,000)
Purchase of property, plant and equipment		(1,101,089,222)	(1,295,386,089)	(3,837,756)	(33,430,140)
Purchase of other intangible assets		(11,002,770)	(19,716,583)	(1,704,213)	(1,664,355)
(Increase) decrease in current investments		(1,741,034,601)	(842,431,694)	160,333,616	166,351,986
Decrease in amounts due from, advances and loans to related parties		65,350,804	106,258,081	-	-
Cash proceed from disposal of investments		63,114,251	-	63,114,251	-
Increase in long-term loans to related parties		-	(1,972,424,724)	-	-
Net cash received from disposal of equipment		17,416,701	9,470,559	1,668,336	1,800,737
Net cash (used in) provided from investing activities		(2,784,799,285)	(4,375,387,740)	142,019,786	(278,079,067)
<i>Cash flows from financing activities</i>					
Proceeds from short-term borrowings		2,433,672,382	1,351,393,540	-	-
Proceeds from long-term borrowings		-	3,768,146,234	-	-
Repayments of short-term borrowings		(3,854,192,970)	(657,305,743)	-	-
Repayments of long-term borrowings		(72,076,314)	(4,038,688,843)	-	(667,259)
Interest paid		(328,148,604)	(259,139,994)	-	(13,975)
Liquidating distribution of a subsidiary		(41,921,918)	-	-	-
Dividend paid		(15,285,322,890)	(15,390,433,627)	(14,721,380,655)	(14,833,373,799)
Net cash used in financing activities		(17,147,990,314)	(15,226,028,433)	(14,721,380,655)	(14,834,055,033)
Net increase (decrease) in cash and cash equivalents		(555,535,044)	219,663,035	85,128,511	(130,068,937)
Cash and cash equivalents at 1 January		3,620,623,432	3,453,549,439	175,109,709	305,178,646
Reclassification of cash and cash equivalents in discontinued operations		-	(49,980,000)	-	-
Effects of exchange rate changes on balances held in foreign currencies		8,806	(2,609,042)	-	-
Cash and cash equivalents at 31 December	6	3,065,097,194	3,620,623,432	260,238,220	175,109,709

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These notes form an integral part of the financial statements.

1 General Information

Intouch Holdings Public Company Limited (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 2016, the principle shareholder of the Company is Singtel Global Investment Pte. Ltd., holding 21.0% and Aspen Holdings Limited 19.5% (2015: Aspen Holdings Limited 40.5%).

The Company, subsidiaries, joint ventures and associates, collectively called INTOUCH Group, are principally engaged in the satellite, internet, telecommunications, and media and advertising businesses.

Detail of the Company's subsidiaries and associates as at 31 December 2016 and 2015 were as follows:

Unit: %				
Name of the entity	Type of business	Country of Incorporation	Ownership Interest	
			2016	2015
<i>Subsidiaries</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 34 and 35</i>) having previously operated a television broadcasting station under a UHF radio-television broadcasting agreement, provided by the Office of the Permanent Secretary of the Office of the Prime Minister.	Thailand	52.92	52.92
Matchbox Company Limited ("MB")	At present, MB has ceased its operation (<i>note 10</i>) having previously provided advertising services and production of advertisements for radio and television broadcast	Thailand	99.99	99.99
<i>Associates</i>				
Advanced Info Service Public Company Limited and its Group ("AIS")	Operating a 2.1-GHz, 1.8-GHz and 900MHz 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

			Unit : %	
Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2016	2015
<i>Associates under Venture Capital</i>				
(excluded investment in debt security of Venture Capital, shown in long-term investments)				
Ookbee Company Limited ("OOKBEE")	Service provider and developer of digital publication, e-booking and multimedia platform.	Thailand	21.48	22.26
Meditech Solution Company Limited ("Meditech")	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	16.66	24.00
Computerlogy Company Limited ("Computerlogy")	A software or computer system and web site development, including social media management tool. The Company sold all investment in Computerlogy in January 2016 <i>(note 17)</i> .	Thailand	-	25.01
Sinoze Company Limited ("Sinoze")	Create and develop games on smart phone and tablet.	Thailand	16.67	16.67
Playbasis PTE Limited ("Playbasis")	Service provider and developer for the digital gamification platform.	Singapore	15.36	15.36
Golfdigg Company Limited ("Golfdigg")	Service provider for the golf course booking platform and other golf-related services.	Thailand	25.00	25.00
Wongnai Media Company Limited ("Wongnai")	Developer of website and application to review and search for restaurants & lifestyle, including e-Voucher	Thailand	9.99	-

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.

As at 31 December 2016, the remaining minimum payment as specified in the agreement is Baht 405 million in the consolidated financial statements (*2015: Baht 479 million*), excluding ITV due to the dispute as discussed in notes 34 and 35. In addition, certain companies in the Group, according to their agreements, must procure property and equipment for their operations and must transfer the ownership of such property and equipment to the relevant government agencies and entities regulated by government agencies within the periods specified in the agreements.

The significant principal agreements for operation and authorisations held by subsidiaries, joint ventures and associates at 31 December 2016 include:

Operating Agreement and License	Country	Held by	Expiry
<i>Subsidiaries of INTOUCH</i>			
Satellites	Thailand	Thaicom Public Company Limited	September 2021
Telecom Operation License Type I	Thailand	Thaicom Public Company Limited	August 2021
Telecom Operation License Type III	Thailand	Thaicom Public Company Limited	June 2032
Internet Operation License Type I	Thailand	Thaicom Public Company Limited	May 2020
Radio-television broadcasting - under UHF system	Thailand	ITV Public Company Limited (the dispute discussed in notes 34 and 35)	July 2025
<i>Subsidiaries of THAICOM</i>			
Broadcasting Operation License	Thailand	DTV Service Company Limited	January 2028
Broadcasting Operation License (Lao Star & D-Channel)	Thailand	DTV Service Company Limited	January 2021
Broadcasting Operation License (Bayon TV)	Thailand	DTV Service Company Limited	March 2018
Broadcasting Operation License (Lao PSTV, LNTV 3, TVK)	Thailand	DTV Service Company Limited	July 2018
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 venture of THAICOM</i>			
Fixed phone, mobile phone, international facilities and internet	Lao PDR	Lao Telecommunications Company Limited	2046
<i>Subsidiaries of AIS</i>			
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
900-MHz cellular telephone system	Thailand	Advanced Wireless Network Company Limited	June 2031
Datakit Virtual Circuit Switch	Thailand	Advanced Datanetwork Communications Company Limited	September 2022

2 Basis of preparation of the financial statements

2.1 Basis of preparation of the financial statements

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 assumption that affects the application of policies and reported amounts of assets, liabilities, income and expenses requires estimates and assumptions that are based on historical experience and various other factors, including assessment of the potential impact on INTOUCH Group's operations and financial position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is 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 #	Major estimates and underlying assumptions
8	Allowance for doubtful accounts
9	Realisable value of inventory
11	Judgments and assumptions to assess controls over investments, including the net realisable value of investments
13, 14, 15	Estimated useful lives of property and equipment including property and equipment under operating agreements and intangible assets
13, 14, 15	Measurement of the recoverable amounts of property and equipment including property and equipment under operating agreements and intangible assets containing goodwill.
16	Deferred income tax
19	Measurement of employee benefits obligation
24	Measurement of share-based payment
33	The measurement of fair values
34 and 35	Provisions

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

According to the adjustment of the provision for unpaid operating fee and interest decreased from Baht 6,757 million as at 31 December 2015 to Baht 2,890 million as at the end of reporting period (as disclosed in note 34 and 35), the statement of financial position of ITV as at 31 December 2016 had current liabilities exceed its current assets by Baht 1,692 million and had deficit in excess of its share capital by Baht 1,693 million (2015: Baht 5,569 million and Baht 5,571 million, respectively).

The consolidated financial statements of the Company have consolidated the financial statements of ITV. Accordingly, the recorded assets amounting to Baht 1,201 million represent 2.2% of consolidated total assets (2015: Baht 1,200 million, represented 2.1%) and liabilities amounting to Baht 2,894 million represent 17.1% of consolidated total liabilities (2015: Baht 6,771 million, represented 30.0%), and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 1,693 million (2015: Baht 5,571 million) has been taken up in full in the consolidated financial statements.

Due to the fact that 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, the Company's consolidated net liabilities as at 31 December 2016 and 2015 would be adjusted to reduce by Baht 1,693 million and Baht 5,571 million, respectively. The retained earnings and shareholders' equity as at 31 December 2016 and 2015 would be increased by Baht 1,693 million and Baht 5,571 million, respectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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.

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.

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.

(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 but excludes borrowing costs.

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

(g) Non-current assets held for sale

Non-current assets (or discontinued assets that are consisted of assets and liabilities) which are estimated that the economic benefit of that asset is obtained through the asset's sale rather than through its continuous use in the business are classified to assets held for sale. Such assets (or component of discontinued assets) are measured with lower amount of book value and fair value less expenses that related to the sale. Impairment loss of non-current assets is allocated to goodwill in priority, then allocated proportionately to the carried forward of assets and liabilities, with exceptions to certain assets which are required to be measured in accordance with applicable standards such as inventory, financial assets, deferred tax assets and property investment. The initial impairment loss and gain or loss from re-measurement will be recognised in 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 3 (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.

(1) *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.

(1) *Intangible assets under operating agreements*

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

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

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

(k) Intangible assets

Goodwill

INTOUCH Group measures goodwill from the acquisition as disclosed in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

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

Other intangible assets represent the development of Thaicom 4 (IPSTAR) technology, proprietary software for internal use or for service within INTOUCH Group, and costs of computer software, expenditure on acquired patents, trademarks or licenses and deferred expenses such as the expense in relation with issuance of debenture and long-term borrowings. Other intangible assets are amortised using the straight-line method over estimated period of their benefits of related assets for a period of 3 - 15.75 years.

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

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

(l) Impairment

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

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

(m) Leases*Leases - where INTOUCH Group is the lessee*

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

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

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

Leases - where INTOUCH Group is the lessor

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

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Interest-bearing liabilities

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

(p) Employee benefits*Short-term employee benefit*

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

*Long-term employee benefit**Post-employment benefits — defined benefit*

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

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

Post-employment benefits — defined contribution plan

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

(q) Share-based payments

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

(r) Provisions

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

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

(s) Revenue

Revenue recognition

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

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

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.

(f) Finance costs

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

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

(u) Income tax expense

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

Current tax

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

Deferred tax

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

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

4 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.

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Related parties increased/decreased during the year ended 31 December 2016 were as follows:

Name of entity	Type of business	Country of Incorporation	Relationship
----------------	------------------	--------------------------	--------------

Companies under INTOUCH Group increased during the year

IPSTAR (India) Private Limited ("IPI")	Sale of satellite equipment and provides technical consulting in relation to satellite	India	Subsidiary of THAICOM
TC Global Services Co., Ltd. ("TCGS")	Providing technology services	Mauritius	Subsidiary of THAICOM
Wongnai Media Company Limited ("Wongnai")	Developer of restaurant and lifestyle review website and application	Thailand	Associate

Companies under INTOUCH Group decreased during the year

Spacecode LLC ("Spacecode")	Providing engineering and development services, technology and electronics	The United States of America	Subsidiary of THAICOM
Computerlogy Co., Ltd. ("Computerlogy")	A software or computer system and web site development, including social media management tool.	Thailand	Associate

Significant transactions with related parties were as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
For the year ended 31 December	2016	2015	2016	2015

Sales of goods and services, including dividend received

Subsidiaries

Interest income	-	-	6	1
Dividend received	-	-	303	308
	<u>-</u>	<u>-</u>	<u>309</u>	<u>309</u>

Joint ventures

Interest income	87	38	-	-
Rental income	33	-	-	-
Consultant income and others	12	10	-	-
	<u>132</u>	<u>48</u>	<u>-</u>	<u>-</u>

Associates

Mobile content services	225	238	-	-
Accounting program services	123	189	-	-
Transponder lease	65	58	-	-
Call center and voice services	68	62	-	-
Sale income	37	59	-	-
Rental income and others	18	17	1	1
Dividend income	14,769	14,986	14,769	14,986
	<u>15,305</u>	<u>15,609</u>	<u>14,770</u>	<u>14,987</u>

Related parties

Rental income	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
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Unit: Million Baht

For the year ended 31 December

Consolidated
financial statements
2016 2015

Separate
financial statements
2016 2015

**Purchase of goods and services,
including dividend paid**

Subsidiaries

Accounting program services and other expenses

Joint ventures

Rental and other expenses

Associates

Rental and other expenses

Related parties

Purchase assets

Rental and other expenses

Directors

Dividend paid

Major shareholders

Dividend paid

Balances with related parties were as follows:

As at 31 December

Trade accounts and notes receivable

Joint ventures

Associates

Related parties

Total

Less allowance for doubtful accounts

Net

Accrued income

Associates

Amounts due from, advances and loans to related parties

Joint ventures

Associates

Other receivable

Subsidiaries

Associates

**Current investment in debenture through private funds, managed by
independent fund manager**

Subsidiaries

Associates

Long-term loans to related parties

Joint ventures

Consolidated financial statements		Separate financial statements	
2016	2015	2016	2015
-	-	3	4
7	6	-	-
22	39	1	2
-	8	-	8
8	10	-	-
8	18	-	8
1	2	1	2
5,974	6,178	5,974	6,178
-	1	-	-
38	99	-	-
60	61	-	-
98	161	-	-
(59)	(60)	-	-
39	101	-	-
50	96	-	-
142	209	-	-
1	-	1	-
143	209	1	-
-	-	1	-
1	-	-	-
1	-	1	-
-	-	60	26
39	39	39	39
39	39	99	65
2,146	2,162	-	-

Unit: Million Baht

Consolidated
financial statements
2016 2015

Separate
financial statements
2016 2015

Movements of loan to related parties (included in amounts due from, advances and loans to related parties) were as follows:

	Unit: Million Baht	
	Consolidated	
	financial statements	
For the year ended 31 December	2016	2015
At 1 January	169	291
Repayments	(150)	(137)
Unrealised gain (loss) on currency translation	(1)	15
At 31 December	18	169

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 were as follows:

	Unit: Million Baht	
	Consolidated	
	financial statements	
For the year ended 31 December	2016	2015
At 1 January	2,162	-
Additional	-	2,070
Unrealised gain (loss) on currency translation	(16)	92
Balance at 31 December	2,146	2,162

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

	Unit: Million Baht	
	Consolidated	
	financial statements	
As at 31 December	2016	2015
Trade accounts and notes payable		
Joint ventures	-	1
Associates	2	6
Related parties	2	2
Total	4	9
Amounts due to and loans from related parties		
Subsidiaries	-	-
Other payable		
Associates	7	9
Related parties	1	-
Total	8	9
Other non-current liabilities		
Associates	3	4

Management compensation

Directors' remuneration and key management personnel compensation comprised of:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
For the year ended 31 December				
Short-term benefit				
Directors' remuneration	61	58	38	33
Key management compensation	137	136	48	61
Total management benefit expenses	198	194	86	94
Long-term benefit				
Included in administrative expenses				
Current service costs	4	4	2	2
Share-based payment	16	12	10	9
Included in finance costs				
Interest on obligation	2	2	1	1
Total long-term management benefit expenses	22	18	13	12
Total	220	212	99	106

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 2016, 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 2016, the Company and associates had no commitment to pay the subsidiary for services in respect of the agreements as the agreement had matured *(2015: 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 2016, associates committed to pay the subsidiary for the service of the agreements at Baht 20 million and approximately USD 1 million *(2015: Baht 25 million and approximately USD 3 million)*.

5 Additional cash flow information

Significant non-cash items were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
For the year ended 31 December				
Purchase of property, plant and equipment and other intangible assets				
- by liabilities	14	32	3	1
Purchase of building and equipment				
- under finance leases	3	26	-	-

6 Cash and cash equivalents

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
As at 31 December				
Cash on hand	36	7	-	-
Deposit at banks - current and saving accounts	2,534	2,631	260	175
Deposit at banks - fixed accounts and highly liquid short-term investments	495	983	-	-
Total	3,065	3,621	260	175

The weighted average effective interest rate of bank deposits, time deposits, and highly liquid short-term investments was 0.6% per annum (2015: 0.7% per annum) in the consolidated financial statements and 0.3% per annum (2015: 0.3% per annum) in the separate financial statements.

7 Other investments

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
As at 31 December				
Current investments				
Short-term deposit	3,115	1,951	180	340
Debt securities available for sale	2,981	2,417	1,311	1,284
Equity security available for sale	-	36	-	-
	6,096	4,404	1,491	1,624
Long-term investments (included investment in debt security of Venture Capital)				
Investment in other company	58	48	58	48
Less impairment loss on investment	(25)	(25)	(25)	(25)
	33	23	33	23
Total	6,129	4,427	1,524	1,647

The weighted average effective interest rate of fixed deposit and bill of exchange was 1.6% per annum (2015: 1.7% per annum) in the consolidated financial statements and 1.5% per annum (2015: 1.7% per annum) in the separate financial statements.

The weighted average of the interest rate of current investments, for debt available-for-sale securities is 2.0% per annum (2015: 2.5% per annum) in the consolidated financial statements and 2.1% per annum (2015: 2.5% per annum) in the separate financial statements.

Movements of equity security available for sale during the year were as follows:

	Unit: Million Baht	
	Consolidated	
	financial statements	
	2016	2015
For the year ended 31 December		
Opening balance at 1 January	36	936
Disposal	(18)	(447)
Net change in fair value of available-for-sale investments	(18)	(456)
Unrealised gain on currency translation	-	3
Balance at 31 December	-	36

8 Trade and other receivables

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
As at 31 December	2016	2015	2016	2015
Trade receivables				
Trade and notes receivable	1,817	1,748	-	-
Accrued income	655	646	-	-
Less allowance for doubtful accounts	(352)	(233)	-	-
	2,120	2,161	-	-
Other receivables	357	471	7	11
Total	2,477	2,632	7	11

Unit: Million Baht

		Consolidated financial statements	
As at 31 December	Note	2016	2015
Trade and notes receivable			
Related parties	4	98	161
Other parties		1,719	1,587
Total		1,817	1,748
Accrued income			
Related parties	4	50	96
Other parties		605	550
Total		655	646
Total trade and notes receivable and accrued income		2,472	2,394
Less allowance for doubtful accounts		(352)	(233)
Net		2,120	2,161

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

	Consolidated financial statements	
As at 31 December	2016	2015
Within credit terms	441	484
Overdue:		
Less than 3 months	461	643
3 - 6 months	498	350
6 - 12 months	166	77
Over 12 months	251	194
	1,817	1,748
Less allowance for doubtful accounts	(352)	(233)
Net	1,465	1,515

Other receivables were as follows:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2017	2016	2017
As at 31 December				
Prepaid expenses	179	118	4	3
Accrued interest income and other income	33	29	1	2
Advance payments	99	180	-	-
Deposits	20	45	-	-
Others	26	99	2	6
Total	357	471	7	11

9 Inventories

	Unit: Million Baht Consolidated financial statements	
	2016	2015
As at 31 December		
Raw materials	52	53
Work in process	116	4
Finished goods	238	216
Goods in transit	1	24
	407	297
Less allowance for obsolete inventories	(83)	(67)
Net	324	230

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 due to its discontinued operation since 2015. Assets and liabilities of MB as at 31 December 2016 and 2015 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:

	Unit: Million Baht Consolidated financial statements	
	2016	2015
As at 31 December		
The financial position of discontinued operations		
Assets		
Cash and cash equivalents	49	36
Trade and other receivables	4	18
Non-current assets held for discontinued operations	53	54

Unit: Million Baht

Consolidated financial statements

2016 2015

For the year ended 31 December

Operation result of discontinued operations

Revenue

Expenditure

Profit for the year of discontinued operations

Income tax

Profit for the year of discontinued operations (net of tax)

Impact from operation loss of MB to earning per share of the Company

Basic and diluted loss per share (Baht per share)

-	46
-	(45)
-	1
-	-
-	1
-	-

Unit: Million Baht

Consolidated financial statements

2016 2015

For the year ended 31 December

Cash flow from (used in) discontinued operations

Net cash flow from (used in) operating activities

Net cash flow from investing activities

Net cash flow from financing activities

Net cash flow from (used in) discontinued operations

Cash and cash equivalents at beginning of year

Cash and cash equivalents at end of year

13	(60)
-	4
-	50
13	(6)
36	42
49	36

11 Investments in subsidiaries, joint ventures and associates

Movements of investments in subsidiaries, joint ventures and associates were as follows:

Unit: Million Baht

Consolidated
financial statements

2016 2015

Separate
financial statements

2016 2015

As at 31 December

Investment in subsidiaries

At 1 January

Increase of share capital

At 31 December

-	-	3,952	3,647
-	-	-	305
-	-	3,952	3,952
1,440	1,083	-	-
-	255	-	-
106	169	-	-
-	(158)	-	-
9	91	-	-
1,555	1,440	-	-

Investment in joint ventures

Opening balance At 1 January

Acquisitions

Share of profits of joint ventures

Share of other comprehensive income

Unrealised gain on dilution from investment

At 31 December

As at 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
<i>Investment in associates</i>				
Open balance at 1 January	20,590	19,842	8,567	8,474
Acquisitions	60	98	60	98
Disposal	(24)	-	(29)	-
Share of profits of associates	12,528	15,833	-	-
Dividend received	(14,769)	(14,986)	-	-
Share of other comprehensive income	14	(208)	-	-
Unrealised gain on dilution from investment	11	13	-	-
Impairment loss	(68)	(2)	(75)	(5)
At 31 December	18,342	20,590	8,523	8,567

Investments in joint ventures and associates, and dividend for the years then ended were as follows:

Consolidated financial statements

As at 31 December	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the years	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)		(in million)		(in million Baht)		(in million Baht)		(in million Baht)	
Joint ventures										
SHEN	51.00	51.00	15	15	138	138	1,417	1,210	-	-
High	51.00	51.00	500	500	255	255	138	230	-	-
Total					393	393	1,555	1,440	-	-

Consolidated financial statements

As at 31 December	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the years	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(%)		(in million)		(in million Baht)		(in million Baht)		(in million Baht)	
Associates										
ALS	40.45	40.45	2,973	2,973	8,382	8,382	18,198	20,406	14,769	14,986
Venture										
Capital										
Investments*					190	190	144	184	-	-
Total					8,603	8,572	18,342	20,590	14,769	14,986
Less					(80)	(5)	-	-	-	-
impairment										
Net					8,523	8,567	18,342	20,590	14,769	14,986

* Excluded investment in debt security of Venture Capital

Investments in subsidiaries and associates, and dividend for the years then ended were as follows:

[illegible]

* Excluded investment in debt security of Venture Capital

Significant movements in investments of INTOUCH Group during the year ended 31 December 2016 were as follows:

(1) The disposal of investment in Computerlogy

On 8 January 2016, the Company sold all of its investment or 3,335 ordinary shares, in Computerlogy, equivalent to 25.01% of registered share capital, to Yello Digital Marketing Global Pte Ltd.

(2) Establishment of a subsidiary of THAICOM

IPSTAR (India) Private Limited ("IPI")

On 19 January 2016, THAICOM incorporated IPI, which has the authorised share capital of INR 30 million, divided into 30 million ordinary shares of INR 1 par value. THAICOM holds 100% shareholding.

TC Global Services Company Limited ("TCGS")

On 9 December 2016, THAICOM incorporated TCGS, which has the authorised share capital of USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. THAICOM holds 100% shareholding.

(3) Liquidation of a subsidiary of THAICOM

On 14 December 2016, the director of THAICOM passed a resolution to liquidate Spacecode LLC ("Spacecode"), a subsidiary of THAICOM. Spacecode has returned capital to shareholders and is under the dissolution process.

(4) Investment in Venture Capital Project of INTOUCH

On 26 April 2016, the Company invested in 36,333 newly common share capital of Wongnai, accounted for 9.99% of registered share capital.

(5) Additional investment in associate company under Venture Capital Project

In July 2016, the EGM of OOKBEE passed a resolution to increase its registered capital by issuing 5,419 ordinary shares of Baht 10 per share to Social Octopus Inc. Consequently, the investment portion of the Company decreased from 22.26% to 21.48% and the unrealized gain on dilution from investment was Baht 11.9 million.

(6) The impairment loss on investments

In 2016, the Company recognised an impairment loss on investments in Venture Capital project of Baht 68 million in consolidated financial statements and Baht 75 million in separate financial statements.

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 2016 and 2015, 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 2016 and 2015, the interest in High Shopping of Intouch Media and Hyundai Home Shopping is 51% and 49%, respectively.

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

As at 31 December	SHEN		Unit: Million Baht High Shopping	
	2016	2015	2016	2015
Current assets	27	33	239	366
Non-current assets	7,379	7,007	148	176
Current liabilities	(248)	(77)	(116)	(91)
Non-current liabilities	(4,264)	(4,590)	-	-
Net assets	2,894	2,373	271	451

For the year ended 31 December	SHEN		Unit: Million Baht High Shopping	
	2016	2015	2016	2015
Revenue	655	674	114	1
Profit (loss) from continuing operations	389	380	(180)	(49)
Other comprehensive income	165	(131)	-	-
Comprehensive income	554	249	(180)	(49)

The following table reconciles the summarised financial information to the carrying amount of the Group's interest in these joint ventures.

For the year ended 31 December	SHEN		Unit: Million Baht High Shopping	
	2016	2015	2016	2015
Group's interest in net assets of investee at 1 January	1,210	1,083	230	-
Acquisitions	-	-	-	255
Share of profits (loss) attributable to the Group	198	193	(92)	(25)
Share of other comprehensive income attributable to the Company	9	(66)	-	-
Group's interest in net assets of investee at 31 December	1,417	1,210	138	230
Carrying amount of interest in investee At 31 December	1,417	1,210	138	230

Investments in associates

The following table summarises the financial information of the significant associate, adjusted for fair value adjustments at acquisition and differences in accounting policies (if any) for the years ended 31 December (other than investment in AIS, which is a listed company in the SET, INTOUCH Group does not have any other associates that were listed companies, consequently, they do not have published price quotations).

	Unit: Million Baht AIS	
	2016	2015
As at 31 December		
Current assets	31,899	38,007
Non-current assets	243,771	143,754
Current liabilities	(69,328)	(57,533)
Non-current liabilities	(163,634)	(75,735)
Net assets	42,708	48,493
Market value	437,045	451,910

	Unit: Million Baht AIS	
	2016	2015
For the year ended 31 December		
Revenue	152,150	155,276
Net profit	30,690	39,155
Other comprehensive income	-	(515)
Comprehensive Income	30,690	38,640

13 Property, plant and equipment

Unit: Million Baht

Consolidated financial Statements

As at 1 January 2015

	Land, buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
Cost	691	7,133	152	693	4,101	12,770
Less Accumulated depreciation	(326)	(3,290)	(87)	(576)	-	(4,279)
Less Allowance for impairment	-	(43)	-	-	-	(43)
Net book value	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

And as at 1 January 2016

Cost	719	7,220	176	697	4,963	13,775
Less Accumulated depreciation	(358)	(3,600)	(98)	(573)	-	(4,629)
Net book value	361	3,620	78	124	4,963	9,146

Transactions during the year
ended 31 December 2016

Purchases	30	263	9	41	773	1,116
Transfer- net	-	5,693	-	(2)	(5,694)	(3)
Disposals- net	-	(2)	(4)	(1)	-	(7)
Write-off- net	-	-	-	-	-	-
Depreciation charge	(58)	(670)	(25)	(58)	-	(811)
Closing net book value	333	8,904	58	104	42	9,441

As at 31 December 2016

Cost	743	13,184	142	662	42	14,773
Less Accumulated depreciation	(410)	(4,280)	(84)	(558)	-	(5,332)
Net book value	333	8,904	58	104	42	9,441

Borrowing costs to finance the construction of a project in process for the year ended 31 December 2016 amounting to Baht 83 million (2015: Baht 134 million) are capitalised as part of asset acquisition during the year.

Unit: Million Baht

	Separate financial statements					
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
Balance at 1 January 2015						
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
Balance at 31 December 2015 and as at 1 January 2016						
Cost	26	26	53	34	-	139
Less Accumulated depreciation	(5)	(16)	(27)	(28)	-	(76)
Net book value	21	10	26	6	-	63
Transactions during the year ended 31 December 2016						
Purchases	1	-	2	1	-	4
Write-off- net	-	-	(1)	-	-	(1)
Depreciation charge	(5)	(3)	(10)	(3)	-	(21)
Closing net book value	17	7	17	4	-	45
As at 31 December 2016						
Cost	27	26	50	35	-	138
Less Accumulated depreciation	(10)	(19)	(33)	(31)	-	(93)
Net book value	17	7	17	4	-	45

14 Intangible assets under operating agreements

Unit: Million Baht
Consolidated
financial statements

At 1 January 2015

Cost	
<i>Less</i> Accumulated amortisation	
Net book value	

26,422
(13,173)
13,249

Transactions during the year ended 31 December 2015

Transfer- net	
Amortisation charge	
Closing net book value	

1
(2,023)
11,227

At 31 December 2015

and at 1 January 2016

Cost	
<i>Less</i> Accumulated amortisation	
Net book value	

26,423
(15,196)
11,227

Transactions during the year ended 31 December 2016

Amortisation charge	
Closing net book value	

(2,022)
9,205

At 31 December 2016

Cost	
<i>Less</i> Accumulated amortisation	
Net book value	

26,233
(17,028)
9,205

15 Other Intangible assets

Unit: Million Baht

	Consolidated financial statements		
	Goodwill	Others	Total
At 1 January 2015			
Cost	1,713	2,819	4,532
<i>Less</i> Accumulated amortisation	-	(1,919)	(1,919)
<i>Less</i> 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
Disposals- 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 and at 1 January 2016			
Cost	1,703	2,850	4,553
<i>Less</i> Accumulated amortisation	-	(2,095)	(2,095)
<i>Less</i> Allowance for impairment	(1,474)	(9)	(1,483)
Net book value	229	746	975
Transactions during the year ended 31 December 2016			
Purchases	-	13	13
Transfer- net	-	2	2
Write-off- net	-	(1)	(1)
Amortisation charge	-	(138)	(138)
Foreign currency translations adjustment	(1)	(1)	(2)
Closing net book value	228	621	849
At 31 December 2016			
Cost	1,702	2,219	3,921
<i>Less</i> Accumulated amortisation	-	(1,589)	(1,589)
<i>Less</i> Allowance for impairment	(1,474)	(9)	(1,483)
Net book value	228	621	849

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

Unit: Million Baht
Separate
financial statements

At 1 January 2015

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 and at 1 January 2016

Cost

67

Less Accumulated amortisation

(62)

Net book value

5

Transactions during the year ended 31 December 2016

Purchases

4

Amortisation charge

(2)

Closing net book value

7

At 31 December 2016

Cost

71

Less Accumulated amortisation

(64)

Net book value

7

16 Deferred income tax

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

Unit: million Baht
Consolidated
financial statements
2016 2015

Deferred tax assets

314

243

Total

314

243

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 1,829 million (2015: Baht 1,517 million) in the consolidated financial statements and Baht 1,573 million (2015: 1,250 million) in the separate financial statements.

The movements in deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

Unit: Million baht

	Consolidated financial statements		
	At 1 January 2015	Gain or loss	Other comprehensive income
			At 31 December 2015
Deferred tax assets			
Loss carry forward	29	5	(2)
Allowance for doubtful accounts	10	-	-
Allowance of obsolescence	9	-	-
Deposits	43	-	-
Advance receipt from customer	52	(45)	(3)
Employee benefits	69	10	4
Accrued expenses	21	(2)	-
Prepaid expense	(20)	41	1
Others	38	(19)	2
Total	251	(10)	2

Unit: Million baht

	Consolidated financial statements		
	At 1 January 2016	Gain or loss	Other comprehensive income
			At 31 December 2016
Deferred tax assets			
Loss carry forward	32	39	(11)
Allowance for doubtful accounts	10	3	-
Allowance of obsolescence	9	4	-
Deposits	43	(6)	-
Advance receipt from customer	4	(16)	-
Employee benefits	83	4	-
Accrued expenses	19	49	(1)
Prepaid expense	22	9	-
Others	21	(4)	1
Total	243	82	(11)

17 Interest bearing liabilities

As at 31 December	Unit: Million Baht	
	Consolidated financial statements	
	2016	2015
Current liabilities		
Short-term borrowings	230	1,651
Current portion of long-term borrowings	721	60
Current portion of finance lease liabilities	8	9
	959	1,720
Non-current liabilities		
Long-term borrowings	4,685	5,442
Debenture	4,489	4,519
Finance lease liabilities	35	43
	9,209	10,004
Total	10,168	11,724

The movements in the borrowings were as follows:

For the year ended 31 December	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
	2016	2015
Balance at 1 January	11,724	11,101
Additions	2,406	5,120
Repayments	(3,926)	(4,621)
Amortisation of finance cost	1	1
Foreign currency translation adjustment	(37)	123
	10,168	11,724

Debenture

The current portion of long-term debenture and long-term debenture are from THAICOM. 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 (in million Baht)	Interest rate p.a.	Interest due	Principal due (Entire redeemable)	Outstanding as at 31 December	
							2016	2015
							(in million Baht)	
1	29 Sep 14	2,275	2,275	4.28%	Semi annually	2 October 2019	2,275	2,275
2	29 Sep 14	2,275	2,275	4.68%	Semi annually	2 October 2021	2,275	2,275
Total debenture							4,550	4,550
Less Debenture issuing cost							(4)	(5)
Net							4,546	4,545

INTOUCH Group 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:

As at 31 December	Unit: Million Baht	
	Consolidated	
	financial statements	
	2016	2015
Total borrowings:		
at fixed rates	4,763	4,571
at floating rates	5,405	7,153
	10,168	11,724

As at 31 December	Unit: %	
	Consolidated	
	financial statements	
	2016	2015
Weighted average interest rate		
Long-term borrowings	3.39	2.47
Debenture	4.48	4.48
Finance lease liabilities	3.45	4.50

Maturity of borrowings as at 31 December 2016 is as follows:

Maturity	Unit: Million Baht	
	Consolidated	
	financial statements	
	Loan	Financial lease liabilities
2017	951	8
2018	721	9
2019 and after	8,453	26
Total	10,125	43

Borrowing facilities

As of 31 December 2016, INTOUCH Group has unutilised loan facilities made available by various financial institutions in an aggregate amount of Baht 5,959 million and USD 91 million (2015: Baht 5,617 million and USD 91 million) on the consolidated financial statements and Baht 1,010 million (2015: Baht 510 million) on the separate financial statements.

18 Trade and other payables

As at 31 December	Note	Unit: million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2016	2015	2016	2015
Trade payables					
Related parties	4	4	9	-	-
Other parties		493	510	-	-
Total		497	519	-	-
Other payables		1,898	1,733	84	114
Total		2,395	2,252	84	114

Other payables are as follows:

As at 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Accrued expenses	907	780	71	98
Deferred income and advance receipts	806	734	-	-
Other payables	82	68	13	16
Tax payable	39	82	-	-
Deposit from customers	35	21	-	-
Others	29	48	-	-
Total	1,898	1,733	84	114

19 Employee benefit obligations

Obligations in the statements of financial position were determined as follows:

As at 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Present value of unfunded obligations	496	484	51	66

Movement in the present value of the defined benefit obligations is as follows:

For the years ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
At 1 January	484	408	66	58
Benefits paid by the plan	(54)	(7)	(22)	-
<i>Recognised in profit or loss:</i>				
Past & current service costs of employee and interest on obligation	66	53	7	6
<i>Recognised in other comprehensive income:</i>				
Actuarial losses recognised during the year	-	28	-	-
Transferred to employee benefit obligations	-	2	-	2
At 31 December	496	484	51	66

Expenses recognised in profit or loss are as follows:

For the years ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Past & current service costs of employee	50	37	5	4
Interest on obligation	16	16	2	2
Total	66	53	7	6

Actuarial (gains) or losses recognised in other comprehensive income arising from:

	Unit: Million Baht	
	Consolidated financial statement	Separate financial statement
For the years ended 31 December	2016	2015
Experience adjustment	-	43
Demographic assumptions	-	(38)
Financial assumptions	-	23
Total	-	28

Principal actuarial assumptions are as follows:

	Unit: %	
	Consolidated financial statements	Separate financial statements
As at 31 December	2016	2015
Estimate of discount rate (average)	3.5	3.5
Estimate of future salary increases (average)	7.0 — 8.0	7.0 — 8.0

At 31 December 2016, the weighted-average duration of the defined benefit obligation was 22 years (2015: 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 2016 by the amounts shown below.

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Change in major assumptions	Increase by 1%	Decrease by 1%
Gain (loss) from changes in		
Discount rate (average)	(58)	69
Future salary growth (average)	65	(56)

20 Share capital and premium

Movements in share capital are as follows:

	Issued and fully paid-up shares			
	Authorised number of shares (in million shares)	Number of shares (in million shares)	Ordinary shares (in million Baht)	Share premium (in million Baht)
At 31 December 2015	5,000	3,206	3,206	10,342
At 31 December 2016	5,000	3,206	3,206	10,348

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.

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:

	Unit: Million Baht					
	As at 31 December 2016			As at 31 December 2015		
	THAICOM Group	ITV Group	Consolidated financial statement	THAICOM Group	ITV Group	Consolidated financial statement
Non-controlling interest percentage	58.86	47.08		58.86	47.08	
Financial position						
Current assets	9,127	1,201		8,005	1,200	
Non-current assets	23,712	-		25,587	-	
Current liabilities	(3,612)	(2,893)		(4,380)	(6,768)	
Non-current liabilities	(10,306)	(1)		(11,101)	(2)	
Net assets (liabilities)	18,921	(1,693)		18,111	(5,570)	
Carrying amount of non-controlling interest	11,314	(796)	10,518	10,842	(985)	9,857

For the year ended 31 December						
	2016			2015		
	THAICOM Group	ITV Group	Consolidated financial statement	THAICOM Group	ITV Group	Consolidated financial statement
Operating result						
Revenue	11,871	30		12,943	45	
Net profit (loss)	1,783	3,882		2,304	(411)	
Other comprehensive income	(82)	(4)		(636)	(2)	
Total comprehensive income	1,701	3,878		1,668	(413)	
Profit (loss) allocated to non- controlling interest	1,120	191	1,311	1,431	(193)	1,238
Other comprehensive income allocated to non- controlling interest	1,072	189	1,261	1,050	(194)	856

Unit: Million Baht				
For the year ended 31 December				
	2016		2015	
	THAICOM Group	ITV Group	THAICOM Group	ITV Group
Cash flows				
Cash flows from (used in)				
operating activities	4,619	13	4,729	28
investing activities	(2,694)	-	(3,378)	(31)
financing activities	(2,642)	-	(716)	-
Net increase (decrease) in cash and cash equivalents	(717)	13	635	(3)
Opening cash and cash equivalents at beginning of year	3,401	15	2,769	18
Effects of exchange rate changes on balances held in foreign currencies	-	-	(3)	-
Cash and cash equivalents at end of year	2,684	28	3,401	15

24 Share-based payment

Project data

The Annual General Shareholders' Meeting approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and subsidiary who are full-time employed and qualify for the Performance Share Plan project ("Project"). Major information is listed below:

	Grant I	Grant II	Grant III	Grant IV
Approved date:	29 March 2013	28 March 2014	27 March 2015	31 March 2016
Number of warrants offered:	432,700 units	844,100 units	933,700 units	671,200 units
Exercise price:	68.072 Baht/share	72.732 Baht/share	81.276 Baht/share	55.241 Baht/share
Number of reserved shares:	432,700 shares	844,100 shares	933,700 shares	671,200 shares
Term of the Project:	5 years from the date of initial offer of the warrants			
Offered price per unit:	Baht 0 (zero Baht)			
Exercise ratio:	1 unit of warrant per 1 ordinary share			

Fair value measurement

INTOUCH Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using Monte Carlo Simulation techniques. The major assumptions are as below:

	Grant I	Grant II	Grant III	Grant IV
Weighted average fair value				
at the grant date (Baht/unit)	65.27	29.40	25.325	20.99
Share price at the grant date (Baht/share)	88.00	76.75	77.25	56.50
Exercise price (Baht/share)	68.07	72.73	81.28	55.24
Expected volatility	30.37%	26.62%	23.08%	26.84%
Expected dividend	4.64%	5.90%	5.77%	8.62%
Risk-free interest rate	3.07%	3.08%	2.34%	1.72%

Movements in the number of outstanding warrants for the year ended 31 December 2016 are as follows:

	At 1 January 2016	Transaction during the year			Unit: Thousand units At 31 December 2016
		Issued	Exercised	Forfeited	
ESOP — Grant I					
- Directors	234	-	(234)	-	-
- Employees	153	-	(153)	-	-
	387	-	(387)	-	-
ESOP — Grant II					
- Directors	351	-	-	-	351
- Employees	356	-	-	(41)	315
	707	-	-	(41)	666
ESOP — Grant III					
- Directors	388	-	-	-	388
- Employees	421	-	-	(50)	371
	809	-	-	(50)	759
ESOP — Grant IV					
- Directors	-	171	-	-	171
- Employees	-	383	-	(14)	369
	-	554	-	(14)	540
Total	1,903	554	(387)	(105)	1,965

Reconciliation of other reserves - share-based payment is as below:

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
For the years ended 31 December	2016	2015	2016	2015
At 1 January	38	19	21	10
Decreased during the period	(10)	-	(6)	-
Expense recognised in the statement of income	21	19	13	11
At 31 December	49	38	28	21

25 Other comprehensive income

The component of other comprehensive income is as follows:

Unit: Million Baht

Consolidated financial statements

For the years ended 31 December

2016

2015

Items that are or may be reclassified to profit or loss

Foreign currency translation differences		(75)		335
Change in fair value of available-for-sale investments				
Loss during the year	(23)		(434)	
<u>Less</u> reclassification of (profit) loss recognised in the statements of income	4	(19)	(357)	(791)
Share of other comprehensive income of associates		-		(3)
Tax related to the component of other comprehensive income		1		(2)
		(93)		(461)
Items that will never be reclassified to profit or loss				
Defined benefit plan actuarial losses	-	-	(31)	(31)
Share of other comprehensive income of associates and joint ventures		37		(450)
Tax related to the component of other comprehensive income		-		95
		37		(386)
Total other comprehensive income for the year, net of income tax		(56)		(847)

Unit: Million Baht

Separate finance statements

For the years ended 31 December

2016

2015

Items that are or may be reclassified to profit or loss

Change in fair value of available-for-sale investments				
Profit (loss) during the year	(3)		13	
<u>Less</u> reclassification of (profit) loss recognised in the statements of income	(5)	(8)	(10)	3
Tax related to the component of other comprehensive income		-		-
		(8)		3
Items that will never be reclassified to profit or loss				
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		(8)		3

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

Unit: Million Baht

For the years ended 31 December	Consolidated financial statements					
	2016			2015		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
Foreign currency translation						
Differences	(75)	-	(75)	335	-	335
Change in fair value of available-for-sale						
Investments	(19)	1	(18)	(791)	(2)	(793)
Share of other comprehensive income of associates	37	-	37	(3)	-	(3)
Defined benefit plan actuarial losses	-	-	-	(481)	95	(386)
Total other comprehensive income	(57)	1	(56)	(940)	93	(847)

Unit: Million Baht

For the years ended 31 December	Separate financial statements					
	2016			2015		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
Change in fair value of available-for-sale investments	(8)	-	(8)	3	-	3
Defined benefit plan actuarial losses	-	-	-	-	-	-
Total other comprehensive Income	(8)	-	(8)	3	-	3

26 Segment information

INTOUCH Group is organised into the following main business segments:

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

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

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

Financial information by business segment

Unit: Million Baht

**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
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

Unit: Million Baht

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
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	-	618	21	11	-	650
Amortisation	-	2,184	2	7	-	2,193
Depreciation and amortisation	-	2,802	23	18	-	2,843

Unit: Million Baht

Consolidated financial statement
for the year ended 31 December 2016

	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Revenue	-	11,517	-	142	(13)	11,646
Dividend income	-	-	15,072	-	(15,072)	-
Share of profits of joint ventures	-	199	-	(92)	-	107
Share of profits of associates	12,548	-	-	(20)	-	12,528
Cost of sales and services	-	(7,354)	-	(115)	-	(7,469)
Selling and administrative expenses	-	(2,225)	(406)	(25)	10	(2,646)
Profit (loss) from operating activities	12,548	2,137	14,666	(110)	(15,075)	14,166
Reversal of provision for interest of unpaid operating agreement fee	-	-	-	3,866	-	3,866
Net foreign exchange gain	-	152	-	-	-	152
Impairment loss on investment-net	-	-	(75)	-	7	(68)
Other income	-	202	71	30	5	308
Profit (loss) before finance costs and income tax	12,548	2,491	14,662	3,786	(15,063)	18,424
Finance costs	-	(359)	(3)	-	2	(360)
Income tax	-	(348)	-	(7)	-	(355)
Profit (loss) from continued operations	12,548	1,784	14,659	3,779	(15,061)	17,709

Unit: Million Baht

Consolidated financial statement
for the year ended 31 December 2016

	Local wireless telecommu- nications business	Satellite & inter- national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Profit from non-controlling interest	-	(1,120)	-	(191)	-	(1,311)
Net profit (loss) for the year of owners of the Company	12,548	664	14,659	3,588	(15,061)	16,398
Other information						
Segment assets	-	31,507	14,324	1,413	(12,534)	34,710
Investments in equity method	18,198	1,417	-	282	-	19,897
Total consolidated assets	18,198	32,924	14,324	1,695	(12,534)	54,607
Segment liabilities	-	3,697	135	2,935	(3)	6,764
Borrowings	-	10,225	-	-	(57)	10,168
Total consolidated liabilities	-	13,922	135	2,935	(60)	16,932
Interest income	-	141	43	31	-	215
Interest expense	-	337	-	1	-	338
Depreciation	-	773	21	17	-	811
Amortisation	-	2,151	2	7	-	2,160
Depreciation and amortisation	-	2,924	23	24	-	2,971

Financial information by business geographical areas

Revenue and assets, based on geographical segments, in the consolidated financial statements are as follows:

Unit: Million Baht

	Revenue		Assets*	
for the years ended 31 December	2016	2015	2016	2015
Thailand	19,773	23,896	19,115	20,933
Australia	1,082	1,270	189	184
People's Republic of China	299	317	11	18
India	706	548	25	19
Japan	631	641	32	48
Myanmar	529	627	-	-
Others	1,261	1,369	123	146
Total continued operations	24,281	28,668	19,495	21,348
Discontinued operations	-	40	-	-
Total	24,281	28,708	19,495	21,348

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

Major customers of INTOUCH Group

During the years ended 31 December 2016 and 2015, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

27 Other Income

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Interest income	215	182	43	58
Gain (loss) on sale of available-for-sale investment	(11)	335	-	-
Gain on sale of investment	31	-	26	-
Gain on sale of equipment	10	5	-	1
Other income	63	79	2	5
Total	308	601	71	64

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:

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Depreciation	811	650	21	21
Amortisation charge	2,160	2,193	2	2
Staff cost	1,828	1,956	230	260

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 as follow:

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Contribution to provident fund	54	54	7	8

30 Income tax

Reconciliations of income tax are as follows:

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2016	2015	2016	2015
Note				
Current tax	437	460	-	-
Deferred tax expense	(82)	10	-	-
Total	355	470	-	-

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates are as follows:

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2016	2015	2016	2015
Profits before tax	18,064	17,784	14,659	14,913
Tax rates	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates	3,613	3,557	2,932	2,983
Share of profit of associates and joint ventures	(2,527)	(3,200)	-	-
Effect of the different basis of income tax calculation on tax rates in other countries	(121)	(77)	-	-
Tax losses in current year not recognised as deferred tax assets	73	79	68	75
Effect of exceptional revenue - dividend income	-	-	(3,015)	(3,059)
Effect of corporate income tax exemption, the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	(683)	111	15	1
Tax charge	355	470	-	-
Effective tax rate	2.0%	2.6%	0.0%	0.0%

Income tax reduction

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

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

31 Earnings per share

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

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

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

For the years ended 31 December	Consolidated financial statements				Earnings per share attributable to owners of the Parent	
	Profit attri- butable to owners of the Parent		Weighted average number of shares		2016	2015
	2016	2015	2016	2015	2016	2015
	(in million Baht)		(in million shares)		(in Baht)	
Basic earnings per share	16,398	16,078	3,206	3,206	5.11	5.01
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	16,398	16,078	3,206	3,206	5.11	5.01

Separate financial statements

For the years ended 31 December	Profit attributable to owners of the Company		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2016	2015	2016	2015	2016	2015
	<i>(in million Baht)</i>		<i>(in million shares)</i>		<i>(in Baht)</i>	
Basic earnings per share	14,659	14,913	3,206	3,206	4.57	4.65
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	14,659	14,913	3,206	3,206	4.57	4.65

32 Dividends

The 2016 Annual General Shareholders' Meeting on 31 March 2016 and the Board of Director's Meeting on 11 August 2016 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 2016 - 30 March 2016	2.47	7,920	28 April 2016
The board of director's resolution	31 March 2016 — 10 August 2016	2.13	6,830	9 September 2016

33 Financial Instruments

The principal financial risks faced by INTOUCH Group are interest rate risk and exchange rate risk. INTOUCH Group borrows at fixed and floating rates of interest to finance its operations. Sales, purchases and a portion of borrowings are transacted in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, INTOUCH Group makes use of derivative financial instruments.

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of cash resources. The following strategies are employed to achieve these objectives. Interest rate exposures are managed through interest rate swaps taken out with commercial banks and foreign exchange forward contracts and foreign currency options are taken out to manage the currency risks in future sales, purchases and loan repayments. Decisions on the level of risk undertaken are governed by corporate INTOUCH Group's policy, which has established limits by transaction type and by counterparty.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

Management of currency and interest rate exposures is the responsibility of the Corporate Finance Department. Management reports contain details of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. For the investment, INTOUCH Group has guideline to short-term investment which specifies the policy for INTOUCH Group short-term investment as well as the level of acceptable risk undertaken by counterparty type.

Credit risk

INTOUCH Group has no significant concentrations of credit risk. INTOUCH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

Liquidity risk

INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance INTOUCH Group's operations, including finding short term credit facility from various banks for reserve in case of necessity and to mitigate the effects of fluctuations in cash flows.

Foreign currency risk

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:

As at 31 December	Consolidated financial statements			
	2016		2015	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Assets				
US Dollars	91	3,261	86	3,082
Indian Rupees	448	222	448	228
New Zealand Dollars	0.1	3	2	43
Total		3,486		3,353
Liabilities				
US Dollars	162	5,827	208	7,531
Singapore Dollars	-	-	-	1
Indian Rupees	235	131	240	139
New Zealand Dollars	0.3	8	2	47
Total		5,966		7,718

The major foreign currency assets represent cash at bank and accounts receivable. The major foreign currency liabilities represent, trade accounts payable, accounts payable - equipment and borrowings.

Fair value of 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:

	Unit: Million Baht				
	Consolidated financial statements				
	Carrying amount	Level 1	Level 2	Level 3	Total
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
As at 31 December 2016					
Current assets					
Debt securities available for sale	2,981	-	2,981	-	2,981

Unit: Million Baht

	Carrying amount	Separate financial statements				Total
		Level 1	Fair value		Level 3	
			Level 2			
As at 31 December 2015						
Current assets						
Debt securities available for sale	1,284	-	1,284	-	1,284	
As at 31 December 2016						
Current assets						
Debt securities available for sale	1,311	-	1,311	-	1,311	

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).

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:

Unit: Million Baht

		Consolidated financial statements			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
As at 31 December 2015					
Non- current liabilities					
Debenture	4,519	-	4,667	-	4,667
Long-term borrowings, excluded finance lease liabilities	5,442	-	-	5,415	5,415
As at 31 December 2016					
Non-current liabilities					
Debenture	4,489	-	4,791	-	4,791
Long-term borrowings, excluded finance lease liabilities	4,685	-	-	4,723	4,723

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.

34 Commitments

34.1 Operating Agreement commitments of ITV Public Company Limited ("ITV"), before the termination

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. The progression of the dispute No. 1/2550 was disclosed in note 35.2.
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 ("SAC") dismissed the case and instructed the parties to enter into the arbitration proceeding for the Case Number Black 1/2550 and No. 46/2550.

However, on 14 January 2016, the Case Number Black 46/2550 was ruled; the Arbitration's award is summarized in note 35.2 to the financial statements.

34.2 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. In addition, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. Currently, SHEN owns 49% of LTC's registered shares.

As per the shareholder agreement, 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 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.

34.3 Capital commitments

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

		Unit: In Million	
		Consolidated financial statements	
		31 December	
		2016	2015
	Currency		
THAICOM 8 Project	USD	-	19
Internet network	Baht	22	2
Total equivalent to Thai Baht		22	340

34.4 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 405 million (2015: Baht 479 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.

34.5 Operating lease commitments - where a group company is the lessee

The future minimum lease payments under non-cancelable operating leases (Company: nil) are as follows:

As at 31 December	Unit: Million Baht	
	Consolidated financial statements	
	2016	2015
Not later than 1 year	94	113
Later than 1 year and not later than 5 years	89	108
Later than 5 years	-	2
Total	183	223

35 Significant events, disputes and litigation of INTOUCH Group***35.1 The judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions***

According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company 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.

35.2 The dispute between ITV and the PMO relating to the Operating Agreement

ITV is a defendant in cases from having operated a television broadcasting station involving the PMO, which sent the notice dated 7 March 2007 to terminate the Operating Agreement and demanded that ITV cease its broadcasting using the UHF system by midnight of that date. There are two (2) pending cases between ITV and the PMO as follows:

1. The Case Number Black 1/2550: On 4 January 2007, ITV submitted a dispute without amount of claim to the Arbitration Institute over a fine imposed by the PMO for adjusting the broadcasting schedule and the interest on the unpaid operating fee whether it has reasonable ground or not. On 28 July 2016, the Case Number Black 1/2550 was entered into the process of appointing arbitration panel and will be under the consideration of arbitration proceeding.
2. The Case Number Black 46/2550: On 9 May 2007, ITV submitted a dispute to the Arbitration Institute over the PMO's termination of the Operating Agreement whether it is illegal or not and a claim for damages arising from this action amounting to Baht 21,814 million. Previously, the PMO had filed a complaint against ITV to the Central Administrative Court ("CAC") requesting ITV to pay the unpaid operating fees and 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 to resolve the dispute. The PMO appealed to the SAC against this decision and the SAC upheld the dismissal. Then, the PMO submitted the dispute through the arbitration process as specified in the Operating Agreement and filed its counterclaim to the Case Number Black 46/2550.

The progression on the dispute during the year ended 31 December 2016 is as follows:

On 14 January 2016, the Arbitration Institute had ruled on the Case Number Black 46/2550, namely the Case Number Red 1/2559. This can be summarised that the termination of the Operating Agreement by the PMO had been unlawful. ITV and the PMO were ordered to pay each other the same amount so there is no outstanding debt between the two parties. However, although the ruling is final, either party can submit a petition to the court having jurisdiction over the case to reconsider the arbitral award.

On 29 April 2016, the PMO filed a petition to the CAC.

On 2 November 2016, the CAC has accepted the petition for consideration, the Case Number Black 620/2559. At present, the case is under the CAC's procedure.

In the second quarter of 2016, according to ITV's reconsideration and independent legal opinion received in July 2016, the amount of the said provision recognised in the financial statements exceeded the total that must be paid to the PMO as order by the Arbitration's award. Besides, the Arbitration's order is considered by ITV as the best estimation for accounting recognition. Thus, ITV had adjusted such provision to Baht 2,890 million. The decrease of Baht 3,882 million has been recognised as a reversal of provision for unpaid operating fee and interest in the consolidated financial statements of profit and loss since the three-month period ended 30 June 2016.

35.3 Assessment for Income tax in India

The Tax Authority in India ('the Tax Authority'), has held that the payments received by THAICOM for providing Transponder Services ('TPS') to its Indian Customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. But THAICOM considered income from Transponder Services to be business income, and as THAICOM does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education and interest aggregating to Rs. 859 million (approximately Baht 451 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 298 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 312 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 253 million) and presented as other non-current assets in the statements of financial position.

On 4 March 2011, the Income Tax Appellate Tribunal ("ITAT") gave its decision that THAICOM's income from transponder services in India was not a royalty and as THAICOM has no permanent establishment in India, such income was not taxable in India.

As the consequence, THAICOM does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against THAICOM be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by THAICOM against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162 million (approximately Baht 85 million).

Further to ITAT decision as stated in the preceding paragraphs, THAIKOM 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, THAIKOM will forward the customer the amount they substituted on behalf of THAIKOM.

On 28 September 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that THAIKOM'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 THAIKOM's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

35.4 The major commercial disputes and significant litigation of AIS Group

AIS

1) The 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, the Alternative Dispute Resolution Office, Office of the Judiciary demanding AIS to pay additional payment of revenue sharing amounting to Baht 31,463 million under the Cellular Mobile Phone Contract plus interest at the rate of 1.25 percent per month computing from the default date on 10 January 2007 until the full payment is made.

This amount is the same as an excise tax that AIS had submitted to Excise Department during 28 January 2003 to 26 February 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Thus, AIS has fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter No. Tor Sor Tor. Bor Yor./843 dated 10 March 2003 stating that 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.

On 11 August 2016, the Central Administrative Court reached its decision to dismiss such dispute made by TOT to revoke the Arbitral Tribunal's award.

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

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549, AIS has entered into an interconnection ("IC") agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
1) Total Access Communication PCL	30 November 2006 onwards
2) Truemove Company Limited	16 January 2007 onwards
3) Digital Phone Company Limited	1 June 2009 onwards
4) CAT Telecom Public Company Limited	7 April 2010 onwards
5) Advanced Wireless Network Company Limited	1 April 2013 onwards
6) dtac TriNet Company Limited	1 July 2013 onwards
7) True Move H Universal Communication Company Limited (formerly Real Future Company Limited)	1 July 2013 onwards

On 31 August 2007, TOT has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On 15 September 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On 4 February 2008 TOT sent a letter to AIS informing that the company should wait for the final judgment of the Court. Should AIS undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognise the AIS's related actions and AIS must be responsible for such actions.

Having considered the said TOT's letter, related laws and the legal counsel's opinion, the AIS'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.

On 23 August 2016, AIS has submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, the Black Case Number 83/2559, requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing on the interconnection charges of the operation years 23rd – 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding and computing from the default date until the full payment is made resulting a demanding letter from TOT.

AIS has requested this case to be under the same consideration with the Black Case Number 55/2557. At present, the said disputes are pending on the Arbitration process.

3) 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 7 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.

4) 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.

On 29 March 2016, TOT has resubmitted the above dispute to amend the compensation amount from May 2013 to the Agreement for Operations ended September 2015 in the amount of Baht 32,813 million included VAT and interest at 1.25% per month from June 2013 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 should be settled favourably and has no considerable impact on the financial statements of AIS.

5) 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 Number 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.

6) 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.

7) The claim for installation and connection of telecom equipment within 900 MHz frequency band on the Base Site which Digital Phone Co., Ltd. ("DPC") has transferred the title to CAT Telecom Plc. ("CAT") subject to the Operating Agreement regarding Cellular Telecommunication Service between CAT and DPC.

On 29 April 2016, CAT has filed a lawsuit to the Central Administrative Court as the Case Number Black 613/2559 for the removal of installed and connected telecom equipment used in cellular telecommunication services within 900 MHz frequency band and/or other frequencies or other telecom equipment of AIS installed in 95 base sites which DPC has transferred to CAT subject to the Operating Agreement without approval from CAT. Therefore, CAT demanded AIS to compensate for the usage of assets owned by CAT during January 2013 until April 2016 in the amount of Baht 126 million plus interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 3 million per month plus interest at the rate of 7.5% per annum of the claimed amount in each month to CAT until the removal of telecom equipment is completed.

Presently, this said case is pending in the Central Administrative Court process. The management of AIS believes that AIS has rightfully conducted everything in accordance with the Operating Agreement. Therefore, the outcome of the said dispute has no considerable impact on the financial statements of AIS.

Digital Phone Company Limited ("DPC")

1) The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited ("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 25 August 2015, CAT has appealed such dismissal to the Supreme Administrative Court under the Case Number Black Or 1070/2558. At present, this 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 Total Access Communication Public Company Limited ("DTAC") had received from TOT.

On 12 October 2006, TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanding CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

On 29 July 2008, CAT submitted a dispute Case Number Black 68/2551 to the Arbitration Institute, 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.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute Case Number Black 68/2551 mentioned above but different in terms of the calculation period and interest.

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

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 1,289 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 221 million.

At present, the said case is pending consideration of the Central Administrative Court. AIS's management believes that the outcome of the said case shall be in favour of DPC and have no material impact on the consolidated financial statements of AIS since DPC has correctly and fully complied with the law and the relating agreements in all respects.

4) To deliver and transfer ownership of towers and equipment of power supply between DPC and CAT

On 3 February 2009, CAT has submitted a dispute under Case Number Black 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary of AIS, to deliver and transfer ownership of 3,343 towers including 2,653 equipment of power supply under the Digital PCN ("Personal Communication Network Agreement"). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

On 18 July 2012, the Arbitral Tribunal has given the arbitration award to dismiss the said disputes under the reason that the request by CAT to demand the delivery of the assets from DPC was the premature exercise of legal claim under the contract.

On 25 October 2012, CAT has submitted the Case Number Black 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

5) The reduction of roaming fee between DPC and CAT

Starting from 1 July 2006, CAT allowed DPC, 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, Office of the Judiciary demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) 1800 Service Agreement due to subscriber fraud on the Digital PCN 1800 Service Agreement between DPC and subscribers for 1,209 numbers during 1997 — 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stated that it is not breach of the Agreement but rather the wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT has submitted the Case Number Black 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

7) Revenue sharing on interconnection charge between DPC and CAT

On 24 August 2012, CAT has submitted a dispute under Case Number Black 110/2555 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 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 Operation

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

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

On 8 October 2012, DPC has submitted a dispute to the 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 Company Limited ("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.

On 27 May 2016, CAT has filed a lawsuit to the Central Administrative Court, the Black Case Number 741/2559, claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT calculated from 18 July 2015 to 25 November 2015, total amounts are as follows:

1. NBTC Office, NTC and NBTC in the amount of Baht 2,857 million including interest at the rate of 7.5 per annum.
2. True Move jointly with NBTC Office, NTC and NBTC in the amount of Baht 2,184 million, including interest at the rate of 7.5 per annum.
3. DPC jointly with NBTC Office, NTC and NBTC in the amount of Baht 673 million, including interest in the rate of 7.5 per annum.

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 to the Central Administrative Court 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.

In the same case, on 16 September 2016, NBTC and the National Broadcasting and Telecommunication Committee office ("NBTC office") have filed a complaint to the Central Administrative Court as the Case Number Black 1441/2559 requesting DPC to submit the revenue sharing during remedy period starting from 16 September 2013 to 17 July 2014 in the amount of Baht 680 million, included Baht 52 million of interest up to submitted date, plus interest at the rate of 7.5% per annum of the claim amount from the next day of the submit date until DPC deliver all revenue sharing in full.

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.

Presently the said case is in the process of the Central Administrative Court.

11) The claim for providing of telecom equipment and the telecommunication networks under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC to other operator to use.

On 30 June 2016, CAT has submitted a dispute under the Case Number Black 57/2559 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to remove telecom equipment and the telecommunication networks used in cellular telecommunication services under 2100 MHz and the other telecom equipment owned by Advanced Wireless Network Company Limited ("AWN") and under 900 MHz owned by AIS which is installed in 97 base stations subject to the Agreement operated by DPC without the approval from CAT.

In case that DPC does not agree to remove such disputes assets for whatsoever reasons, CAT shall demand DPC to pay in the amount of Baht 5 million per month plus interest at the rate of 7.5% per annum from the next day of the submit date of such dispute until the completion date of such removal of telecom equipment and to pay for damages for the consent for AWN and AIS to use its disputed assets which owned by CAT in 97 base stations during January 2013 until June 2016 in the total of Baht 175 million plus interest at the rate of 7.5% per annum of the claimed amount and also prohibited DPC to provide such disputed assets to other operator without written consent from CAT.

Presently, this said dispute is pending in the Alternative arbitration process. AIS's management believes that DPC has correctly and fully complied with the related conditions of such Agreement in all respects then the outcome of the said dispute should not be considerable impact on the consolidated financial statements of AIS.

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 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 Court of Appeal.

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 been 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 the subscribers who use international direct dialing service to believe 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 wrongful act against AIS and 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.

On 24 May 2016, the Supreme Court had judgement confirming the order of the Appeal Court to dismiss the CAT's case. The Civil Court read this on 13 September 2016.

Advanced Wireless Network Company Limited ("AWN")

The claim for installation and connection of 2100 MHz frequency band telecom equipment of AWN on the Base Site which DPC already transferred the title to CAT subject to the Agreement for Operations regarding Cellular Telecommunication Service between CAT and DPC ("the Agreement").

On 30 April 2016, CAT has filed a lawsuit to the Central Administrative Court as the Black Case Number 1039/2559 against AWN for the removal of such installed and connected telecom equipment used in cellular telecommunication services within 2100 MHz frequency band or other frequencies or other telecom equipment of AWN installed in 67 base stations which DPC has transferred to CAT subject to the Agreement for Operations without the approval from CAT. Therefore, CAT demanded AWN to pay the damages for the usage of such assets owned by CAT during January 2013 until June 2016 in the amount of Baht 58 million including interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 2 million per month plus interest at the rate of 7.5% per annum of the claimed amount regarding damages in each month to CAT until the removal of telecom equipment is completed and also prohibited AWN to install and connect its telecom equipment used in cellular telecommunication services in 2100 MHz frequency band or other frequencies or other telecom equipment of AWN on base sites owned by CAT under the Agreement between CAT and DPC without written consent from CAT.

Presently, this said case is pending in the Central Administrative Court process. AIS's management believes that AWN has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said case should not be considerable impact on the consolidated financial statements of the Group.

AIS and DPC*Withholding tax between AIS, DPC and the Revenue Department*

Pursuant to the letter dated 18 January 2013, the Revenue Department has challenged AIS and DPC to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, AIS and DPC will be liable to pay the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. AIS and DPC have submitted the appeal to the Commission of Appeal. At present, the said cases are pending on the consideration process of the Commission of Appeal.

35.5 The order to THAIKOM and the Company as co-defendant

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

The CAC issued an order dated 8 April 2009 and 20 July 2010 making THAIKOM the fourth respondent and the Company the fifth respondent in order to allow THAIKOM and the Company to file the reply to the petitioner's claim including evidence, documentary or otherwise to the CAC. THAIKOM and the Company have filed the reply and supporting evidence in July 2009 and September 2010, respectively. On 10 June 2011, the 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 the SAC. On 23 September 2011, THAICOM and the Company have filed an argument against appeal with the SAC.

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

35.6 Other litigation

1) 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 8 August 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.

On 8 September 2016, The Intellectual Property Court issued an order that THAICOM and its directors were dismissed from the case on the ground that THAICOM and its directors did not mutually infringe the movie copyright of the Plaintiff, who got permission from the Court to file the appeal within 8 November 2016. After receiving the appeal, on 19 December 2016, THAICOM filed an argument to the Court. Currently, the matter is in process, awaiting the Supreme Court.

2) A subsidiary of THAICOM being sued for the damages of satellite equipment in Australia. On 28 December 2016, the Court had verdict that the subsidiary shall compensate for damages of AUD 5 million with interest. The subsidiary is considering appealing the verdict. However, the impact of such expense was recorded in the financial statement.

3) THAICOM and its partner have a different interpretation of certain clauses of the co-operation agreement. As a result, THAICOM and such company have submitted the case to the arbitrator to consider and find a solution. Currently each party is processing the supporting document before the hearing which is expected in mid of year 2017.

4) A subsidiary has a legal case in the Labor Department of the Supreme Court. The legal consultant of the subsidiary has the opinion that the subsidiary has taken actions as required by law. The outcome of the case is not expected to have material impact to the consolidated financial statements of INTOUCH Group.

36 Bank guarantees

As at 31 December 2016, 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 546 million, USD 3 million and AUD 5 million (2015: Baht 527 million, USD 4 million and AUD 5 million) on a consolidated basis.

37 TFRS not yet adopted

The FAP has announced accounting standards, TFRS, TSIC Interpretation, TFRIC Interpretation and accounting practice that become effective for annual financial periods beginning on or after 1 January 2017. However, INTOUCH Group has not adopted the new and revised TFRS as of the reporting date but are not yet effective. Those interpretations that applicable to the Group, which become effective for the financial report on or after 1 January 2017 are as follows:

TAS	Topic
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

TFRS	Topic
TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement

TSIC	Topic
TSIC 15 (revised 2016)	Operating Leases — Incentives
TSIC 25 (revised 2016)	Income Taxes — Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2016)	Disclosure — Service Operating Arrangements
TSIC 31 (revised 2016)	Revenue — Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets — Web Site Costs

TFRIC	Topic
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Operating Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	IAS 19 (revised 2016) — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 21 (revised 2016)	Levies
Accounting Guidance	Accounting guidance for de-recognition of financial assets and financial liabilities

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.

38 Events after the reporting period

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 2016 operation and the Board of Directors of AIS, CSL and THAICOM, passed resolutions to propose the dividend payment from the operating result of 2016 to the annual general shareholders meetings as follows:

Company	Date of Meeting	Currency	Dividend (per share)	Interim dividend paid in 2016 (per share)	Dividend to be paid (per share)	Amount to be paid (in million)
CSL	1 February 2017	Baht	0.44	0.22	0.22	131
THAICOM	1 February 2017	Baht	0.70	-	0.70	767
AIS	3 February 2017	Baht	10.08	5.79	4.29	12,755

Proposed dividend payment of the Company

On 6 February 2017, 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 2017 to the Company's shareholders at Baht 1.61 per share, approximately Baht 5,162 million. The Company will propose to the annual general shareholders' meeting for the year 2017 of the Company to approve afterward.

On 1 February 2017, the Board of Director of THAICOM passed a resolution to call the annual general shareholders' meeting for the year 2017 on 29 March 2017 of which there is an agenda of dividend payment for the operating result of the year 2016 at Baht 0.70 per share.

On 3 February 2017, the Board of Director of AIS passed a resolution to call the annual general shareholders' meeting for the year 2017 on 30 March 2017 of which there is an agenda of dividend payment for the operating result of the second half of the year 2016 at Baht 4.29 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 5,475 million (From AIS, 1,203 million shares; Baht 4.29 per share and from THAICOM, 451 million shares; Baht 0.70 per share). Thus, the proposed dividend payment of the Company will depend on the resolution of the annual general shareholders' meeting for the year 2017 of AIS and THAICOM.

39 Approval of financial statements

The financial statements were authorised for issue by the Board of Directors on 6 February 2017.

Additional Information





Major Shareholders

The Company's shareholding structure as of 25 August 2016, the last date the share registration book was closed, and compiled by Thailand Securities Depository Co., Ltd., is as follows:

Shareholders	Number of shareholders	Number of shares	Percentage of investment
Thai securities holders	77,107	1,692,989,922	52.80
Foreign securities holders	110	1,513,430,383	47.20
Total	77,217	3,206,420,305	100.00

The top 10 major shareholders of the Company ²⁾ are as follows:

Name ¹⁾	Number of shares	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LIMITED ^{3), 4)}	673,348,264	21.00
2. ASPEN HOLDINGS LIMITED ^{3), 5)}	625,251,960	19.50
3. THAI NVDR COMPANY LIMITED ⁶⁾	526,430,993	16.42
4. LITLEDOWN NOMINEES LIMITED	114,368,752	3.57
5. KRUNGSRI DIVIDEND STOCK LTF	39,541,700	1.23
6. SOCIAL SECURITY OFFICE	32,128,100	1.00
7. CHASE NOMINEES LIMITED	22,176,850	0.69
8. MR. PERMSAK KENGMANA	19,757,700	0.62
9. KRUNGSRI DIVIDEND STOCK FUND	18,877,000	0.59
10. STATE STREET BANK EUROPE LIMITED	13,443,308	0.42

Remarks: 1) More information can be found on the SET website (www.set.or.th) before Annual General Meeting of Shareholders for 2017.

2) Name list of shareholders as of 25 August 2016, the last date the share registration book was closed, excluding shareholders nos. 1 & 2.

3) As listed in the Report of the Acquisition or Disposition of Securities (Form 246-2) submitted to the SEC by Singtel Global Investment Pte. Ltd. and Aspen Holdings Ltd. on 17 November 2016.

4) Singtel Global Investment Pte. Ltd. (SGI) is an indirect subsidiary of Singapore Telecommunications Ltd. (SingTel).

5) On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 5 January 2017. Aspen Holdings Limited is incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

6) The information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th. Shareholders under Thai NVDR Co., Ltd. as of 25 August 2016 are as follows:

Name	Number of shares	Percentage of investment
1. CHASE NOMINEES LIMITED	75,271,110	2.35
2. MORGAN STANLEY & CO. INTERNATIONAL PLC	45,653,300	1.42
3. LITLEDOWN NOMINEES LIMITED	34,983,797	1.09
4. BANQUE PICTET & CIE SA	30,868,388	0.96
5. STATE STREET BANK EUROPE LIMITED	20,302,525	0.63
6. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, FUND SERVICES DEPARTMENT	17,832,800	0.56
7. AIA COMPANY LIMITED-APEX	17,000,000	0.53
8. AIA COMPANY LIMITED-AIA D-PLUS	16,314,600	0.51
9. OTHER SHAREHOLDERS	268,204,473	8.36
Total	526,430,993	16.42



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 telecom, media and technology. There are presently three principal business units: Wireless Telecommunications, Satellite and International Businesses, and Other Businesses.
Head office	349 SJ Infinite One Business Complex, 29 th and 30 th Floors, 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 2016)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	159,519.41 million baht (as of 30 December 2016)
Total Shareholders	77,217 shareholders (as of 25 August 2016, the latest book closing date for the right to receive dividend)
% Free Float	54.35

American Depositary Receipt

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

General Information of the Company's Subsidiaries and Associates

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Wireless Telecommunications 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	Operate telecommunication business including mobile network service, fixed broadband service, and digital contents	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, 900 MHz 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⁾
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⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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 Fax (66) 2029 5019	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⁾
Advanced Broadband Network Company Limited (ABN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not start the operation	75	0.75	100	75	99.99 ⁽¹⁾
Amata Network Company Limited (AN) 2126 New Petchaburi Road, Bang-kapi, Huay Kwang, Bangkok	Provide fiber optic network infrastructure in Amata industrial estate *Amata Network Co.,Ltd. is a joint-venture between ABN and Amata Corporation Plc. which was completely registered on 8 December 2016	100	0.25	100	25	60.00 ⁽²⁾
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	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⁾

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 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⁾
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) 2596 5060 Fax (66) 2591 0705 Website www.thaicom.net	Operate satellite and related services, internet and media services, and telephone business abroad	5,499.88	1,095.99	5	5,479.96	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	3.20 (million NZD)	3.20	1 (NZD)	3.20 (million NZD)	100 ⁽⁴⁾
IPSTAR Australia Pty Limited (IPA) 5 George Place, Artamon, 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⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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⁾
IPSTAR International Pte Limited (IPIN) 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	Providing Thaicom 7 and Thaicom 8 transponder services	0.05 (million USD)	0.05	1 (USD)	0.05 (USD)	100 ⁽⁴⁾
IPSTAR (India) Private Limited (IPI) 208, II Floor, ABW Tower, M.G. Road, Iffco Chowk, Gurgaon-122002, Haryana, India	Sale of satellite equipment and providing technical support in relation satellite business <i>*IPSTAR (India) Private Limited was registered in accordance to the laws of India on 19 January 2016.</i>	30 (million INR)	30	1 (INR)	30 (million INR)	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
TC Global Services Company Limited (TCGS) 12 th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius	Providing technology services <i>*TC Global Services Company Limited was registered in accordance to the laws of the Republic of Mauritius on 9 December 2016.</i>	0.05 (million USD)	0.05	1 (USD)	-	100 ⁽⁴⁾

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

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	1.55	0.15	10	1.55	21.48
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
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

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Meditech Solution Company Limited (Meditech) 182 Tawanrung 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	2.57	0.25	10	2.57	16.66
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
Wongnai Media Company Limited (Wongnai) 117/13, /16 Panjit Tower 10 th and 14 th Floor, Soi Sukhumvit 55 (Thonglor), Sukhumvit Road Klongton Nuea, Wattana, Bangkok Tel (66) 2713 5922 Website www.wongnai.com	Developer of restaurant and lifestyle review website and application	3.63	0.01	10	3.63	9.99
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) 349 SJ Infinite One Business Complex, 29 th Floor, 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
Touch TV Company Limited (Touch TV) 349 SJ Infinite One Business Complex, 29 th Floor, 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⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
High Shopping Company Limited (High Shopping) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkok, 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, Bangkok, 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	Currently on the liquidation process	-	-	-	-	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
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 2016.

⁽¹⁾ Owned by AIS

⁽²⁾ Owned by ABN

⁽³⁾ Owned by DPC

⁽⁴⁾ Owned by THAI COM

⁽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:

Dr. Suphamit Techamontrikul
Certified Public Accountant Registration Number 3356
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower, 23rd-27th Floor,
11/1 South Sathorn Road, Yannawa,
Sathorn, Bangkok 10120
Tel (66) 2034 0000
Fax (66) 2034 0100
Website www.deloitte.com

Additional information on the report of the independent certified public accountants

After the date of the auditor's report, the auditor has read other information, which the Company prepared for the annual report, and considered whether the information is materially inconsistent with the financial statements or the auditor's knowledge obtained in the audit, or otherwise appears to be materially misstated.

The auditor did not find any material inconsistency therein which auditor has to report.



Details of Subsidiaries' Directors

Company Director	Subsidiaries					Indirect Subsidiaries																			
	THAICOM	ITAS	Intouch Media	ITV ^{1/}	MB ^{1/}	IPSTAR	IPN	IPA	OSS	IPIN	IPG	IPJ	STAR	SPACE	TCB	ISC	IPI	TCGS	DTV	CDN	CSL	TMC	ADV	Touch TV	AM ^{1/}
1. Mr. Paron Israsena	✱																								
2. Professor Hiran Radeesri	●																								
3. Mrs. Charintorn Vongsaporn	●																								
4. Professor Samrieng Mekkiengkrai	●																								
5. Mrs. Patareeya Benjapochai	●																								
6. Mr. Somprasong Boonyachai	●																								
7. Mr. Kwek Buck Chye	●△																								
8. Mr. Prasert Bunsumpun	●△																								
9. Mr. Paiboon Panuwattanawong	●△					●	●	●		●	●	●	●	●	●	●					●△	●△			
10. Mr. Philip Chen Chong Tan	●△	●	●																					●	
11. Mr. Anek Pana-apichon	△	●																							
12. Mr. Patompob Suwansiri	△								●							●									
13. Mr. Kim Siritawechai		●	●																					●	
14. Mr. Somchai Lertsutiwong			●																					●	
15. Mr. Somkid Wangcherdchuwong				✱																					●
16. Mr. Nittimon Hastindra Na Ayudhya				●																					●
17. Mrs. Rattanaorn Nammontri				●																					
18. Mr. Sornboon Wongwanich				●																					
19. Mr. Wuthiporn Diawpanich				●																					
20. Mr. Supoch Vathitphund					●																				
21. Mr. Jitchai Musikabutr					●																				
22. Mr. Vuthi Asvasermcharoen						●	●	●		●	●	●	●		●	●				●	●△	●△			
23. Mr. Mark D. Thompson						●							●	●											
24. Dr. Supoj Chinveeraphan							●	●	●			●							●	●					
25. Mr. Robert Gibson									●																
26. Mr. Andrew Johnson									●																
27. Mr. Teh Kwang Hwee										●															
28. Mr. Salil Charuchinda											●		●		●			●	●	●					
29. Mr. Tommy Lo Seen Chong											●														
30. Ms. Smitha Algoo Bissonauth											●					●									
31. Mr. William L. Snell													●	●											
32. Mr. Ekachai Phakdurong															●										
33. Ms. Beatrice Lan Kung Wa																●									
34. Mrs. Pannee Nivasnanda																	●	●	●						
35. Dr. Sakon Kittivacharapong																		●							
36. Mr. Kevin Rodney Allagapen																		●							
37. Mr. Yuvraj Kumar Juwaheer																		●							
38. Mr. Gouri Prasad Das																	●								
39. Mr. Rajendra Singh Rathore																	●								
40. Mr. Pramote Boonnumsk																			●						
41. Mr. Wichian Mektrakarn																					✱				
42. Dr. Sillaporn Srijunpetch																					●				
43. Mr. Hansa Chevapurke																					●				
44. Mr. Sitthichai Chantravadee																					●				
45. Mr. Anant Kaewruamvongs																					●△	●△	●		
46. Mr. Suraphol Pluemarom																					●				
47. Mr. Goh Boon Huat																					●△	●△			
48. Mr. Chutidej Printhitipa																						●	●		
49. Mr. Surachart Kugasemrat																							●		
50. Mr. Anuwat Sangunsappayakorn																							●		
51. Ms. Kamolkarn Nitrasuwan																							●		

✱ = Chairman of the Board of Directors ● = Director △ = Member of the Executive Committee

As of 31 December 2016

Remark ^{1/} ITV Plc., Matchbox Co., Ltd. and Artware Media Co., Ltd. have ceased business operation.

Company Name	ADV	AD Venture Public Company Limited	IPIN	IPSTAR International Pte Limited	OSS	Orion Satellite Systems Pty Ltd.
	AM	Artware Media Company Limited	IPJ	IPSTAR Japan Company Limited	SPACE	Spacecode LLC
	CDN	Cambodian DTV Network Limited	IPN	IPSTAR New Zealand Limited	STAR	Star Nucleus Company Limited
	CSL	CS Loxinfo Public Company Limited	IPSTAR	IPSTAR Australia Pty Limited	TCB	TC Broadcasting Company Limited
	DTV	DTV Service Company Limited	ISC	International Satellite Company Limited	TCGS	TC Global Services Company Limited
	Intouch Media	Intouch Media Company Limited	ITAS	I.T. Applications and Services Company Limited	THAICOM	Thaicom Public Company Limited
	IPA	IPSTAR Australia Pty Limited	ITV	ITV Public Company Limited	TMC	Teleinfo Media Public Company Limited
	IPG	IPSTAR Global Services Limited	MB	Matchbox Company Limited	Touch TV	Touch TV Company Limited
	IPI	IPSTAR (India) Private 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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