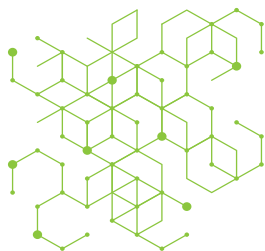
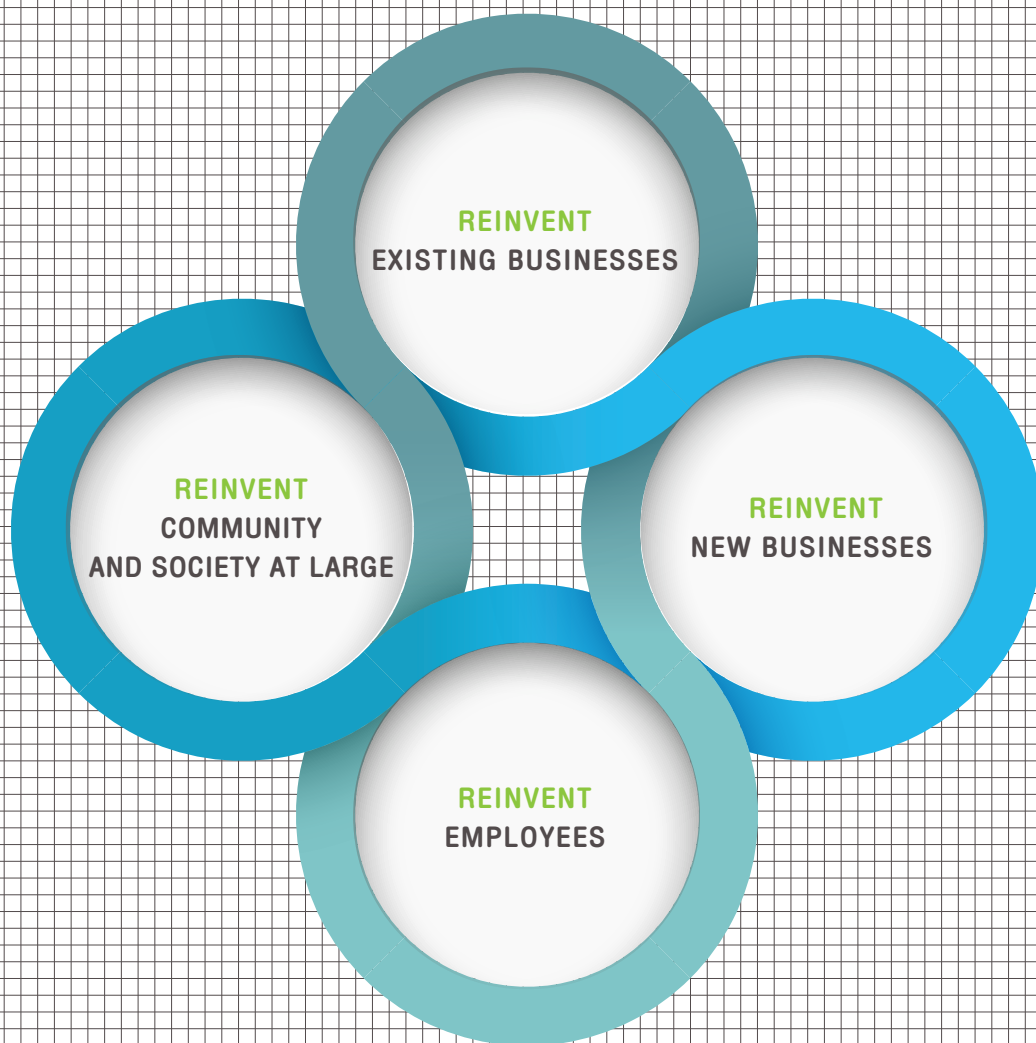


●
**REINVENT
THE FUTURE**





**REINVENT
THE FUTURE**

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 actively managing our existing portfolio, as well as exploring and investing in new business opportunities in Telecom, Media and Technology.



We are committed to good corporate governance practices.



We are committed to being a good corporate citizen that improves the quality of life for all members of society and demonstrates environmental responsibility.



We promote our employees' well-being and encourage them to realize their full potential.



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

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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Financial Highlights

Intouch Holdings Public Company Limited and its Subsidiaries



2017

2016

2015

(Restated)*

(Restated)*

Operating results and financial positions - consolidated

Revenues from sales of goods and rendering of services	9,627	11,646	12,665
Share of profits of associates and joint ventures	12,281	12,634	16,002
Total revenues	22,543	24,741	29,268
Gross profit	2,482	4,177	5,124
Profit for the year attributed to owners of the Company	10,673	16,398	16,078
Total assets	50,960	54,607	57,827
Total liabilities	13,633	16,932	22,486
Total equity attributable to equity holders of the Company	28,915	27,157	25,484

Financial ratios - consolidated

Net profit margin	47%	66%	55%
Return on equity	38%	62%	64%
Return on assets	20%	29%	28%
Debt-to-equity ratio (times)	0.47	0.62	0.88
Basic earning per share (Baht)	3.33	5.11	5.01
Book value per share (Baht)	9.02	8.47	7.95
Dividend per share (Baht)	2.52	3.74	4.87
Dividend payout ratio	75.7%	94.4%	95.9%

(calculated from the separate financial statements)

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

* Restated as changes in accounting policy in the Separate financial statements from cost method to equity method following the Thai Accounting Standards No. 27 (Revised 2016) Separate Financial Statements (note to the financial statement no.3).

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

To: All shareholders of Intouch Holdings Plc.

The end of 2017 marked another year in which INTOUCH performed well, with a net profit of 10,664 million baht, although this was less than the 12,707 million baht reported in the previous year due to a lower profit contribution from the Company's major investments. INTOUCH has continued to maintain its dividend policy and was able to create a satisfactory total shareholder return of 18.81% in 2017, which was a significant increase from 4.5% in the previous year.

Advanced Info Service Plc. (AIS), the Company's core investment, remains the leader in Thailand's telecom industry. Despite the intense competition, AIS is still generating more service revenue from higher data usage and the growing broadband business.

Thaicom Plc. (THAICOM) reported its first loss after five consecutive years of profit, due to intense competition and disruptive technology resulting in lower revenue. Moreover, regulatory risks and issues had impeded THAICOM in the achievement of its business expansion plan.

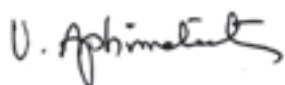
INTOUCH has continued its conservative policy in the selection of new businesses and venture capital investments, and focused on investments that can create synergy with its core businesses in the Telecom, Media & Technology sector.

INTOUCH has striven to govern and manage the organization professionally in order to create sustainable added value for its

shareholders. The Company has adopted and applied the principles of good corporate governance, along with guidelines for sustainable development, in order to treat its stakeholders fairly and equitably. In addition, INTOUCH continues to fund and support its CSR projects.

In 2017, INTOUCH was rated "Excellent" for the fifth consecutive year in the Corporate Governance Report of Thai Listed Companies 2017 by the Thai Institute of Directors Association (IOD). The Company was also recognized in Thailand's Top Corporate Brand Values 2017 (IT and Telecom category) by Chulalongkorn University, the Thailand Sustainability Investment Awards in the SET Sustainability Awards 2017 for the third consecutive year, the ESG 100 Certification from Thaipat Institute for the third consecutive year, and FTSE4Good Index Certification from FTSE Russell for outstanding performance in terms of the Environmental, Social and Governance aspects.

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.



Dr. Virach Aphimeteetamrong
Chairman of the Board
6 February 2018



Mr. Anek Pana-apichon
Acting Chief Executive Officer
6 February 2018





REINVENT EXISTING BUSINESSES

Create Innovations to Continuously Enhance Efficiency

INTOUCH Group, we relentlessly thrive on creating new products and services to our customers by applying the state-of-the-art-technology to enhance digital life experience. We realize the group synergies and focus on the value creation of the existing businesses.

AIS developed its **AIS NEXT G** the successful development and testing of **4G Massive MIMO**

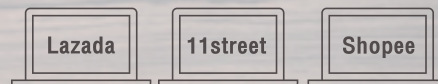
breakthrough - in preparation
for the move towards

5G

mobile technology.

The expansion of
sale channels via

e-commerce



to increase revenues
of its home shopping business.









REINVENT NEW BUSINESSES

Seek Opportunities to Enlarge its Sustainable Growth Potential

We dedicate resources in doing research for customer insights and new business opportunities. As well as forecasting the upcoming trend and technology in the fast changing environment to secure sustainable growth of group companies.

Seek new business opportunities



Cloud



Robotics



Block
Chain



Internet of
Things



Big
Data



AI

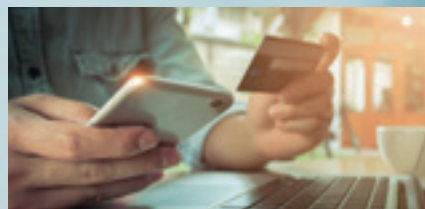


Cyber
Security



Machine
Learning

to accommodate future growth





REINVENT EMPLOYEES

Encourage Employee Participation in Driving the Organization of the Future

Human resource is one of our most important drives in our organization. We encourage development for all employees in INTOUCH Group especially innovation and creative thinking aspect. By applying creative thinking, expertise and experience in projects, new initiatives are well designed to strengthen corporate culture.



Executives and employees underwent a training program on

DESIGN THINKING

a basic principle for establishing an innovation team.





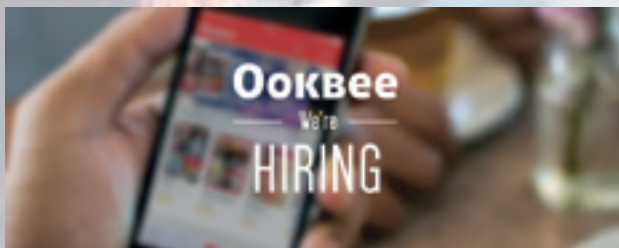


REINVENT COMMUNITY AND SOCIETY AT LARGE

Raise the Quality of Life and Well-being of the Thai Society

We realize the importance of well-being of Thai society as a whole therefore we encourage our invested companies and joint ventures to apply new technology to leverage quality of life for Thais. The ease of use and adoption of technology are success factors in uplifting country's growth and development.

Promote reading e-Books via the investment in OOKBEE.



Invested in Event Pop, a provider of event management services.



Invested in Digio, a contributor to the country's transformation into a cashless society.



Established rice growing learning centers in the communities.



To: the Shareholders of Intouch Holdings Plc.

The Audit Committee (“the Committee”) consists of three independent directors, Mr. Somchai Supphatada (the Chairman), Mr. Chalaluck Bunnag and Ms. Sopawadee Lertmanaschai. The Secretary to the Committee is Mr. Wichai Kittiwittayakul, who also serves as the Executive Vice President 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.

The primary responsibility of the Committee is 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 auditor and external auditor, 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.

During the year 2017, the Committee held a total of eight (8) meetings with the Company’s management, the Head of Internal Audit, and the external auditor. All the Committee’s members attended these meetings. 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 2017, including the disclosure of information in the attached notes, which had already been reviewed and audited by the external auditors. In addition, the Committee, the management and the external auditors discussed the estimates and judgments applied

to the financial statements, the impact from the revised accounting standards that had led to changes in the Company's accounting policies, significant accounting issues, and key audit matters highlighted in the external auditor's report.

2. **Risk Management:** The Committee reviewed the risk management framework and made recommendations to the management, especially on formulating the Company's risk appetite in order to align it with the defined strategies. The Committee also reviewed the significant risks faced by the Company, along with the actions taken to mitigate these on a quarterly basis. The Company has disclosed its risk management framework and key risk factors in the Annual Report for 2017 under the section "Risk Management and Risk Factors".
3. **Internal Controls:** The Committee reviewed the effectiveness of the Company's entity-level internal control system, which includes the anti-bribery and corruption measures, 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 results of internal audits conducted on various key business processes every quarter, along with the issues and recommendations listed in the management letter from the external auditor.
4. **Internal Audit:** The Committee approved the audit plan for 2017, reviewed the Internal Audit Department's independence, direction, strategy and resource sufficiency. The Committee also reviewed the Internal Audit Charter, and concluded that it completely stipulated the purpose, authority, and scope of work of the Internal Audit Department, and covered all the mandatory elements in accordance with the International Professional Practices Framework.

In addition, the Committee also reviewed the performance of the Internal Audit Department on a quarterly basis, evaluated the annual 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.

5. **Regulatory Compliance:** The Committee held a meeting with the legal, compliance and other relevant departments to review the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws pertaining to the Company's business operations.

Moreover, the external auditor did not report any suspicious circumstances in which a director, executive or other person responsible for the Company's operations might be suspected of committing an offense under Section 89/25 of the *Securities and Exchange Act* during the year.

6. **Corporate Governance:** The Committee reviewed the Company's governance practices by applying the principles stipulated in the Securities and Exchange Commission's *Corporate Governance Code*, along with other best practice guidelines such as 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 its Corporate Governance Policy.
7. **Whistle-blowing:** The Committee reviewed the quarterly whistle-blowing reports covering all the companies in the group, which contained complaints that had been made through various reporting channels. During 2017, one complaint about an

employee at another company in the group was reported directly to INTOUCH. This case was processed in accordance with the Company's defined procedures.

8. **External Auditor:** The Committee considered the selection of the Company's external auditor and concluded that the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., a leading international audit firm, were independent with considerable expertise and reasonable fees. Deloitte's performance in the previous year had also been satisfactory. The Committee consequently recommended that the Board propose the re-appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for another year at the Annual General Meeting of Shareholders for 2018.

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

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 to ensure that they complied with all the related laws and regulations.
10. **Audit Committee Self-Assessment:** The Committee conducted a self-assessment to review and evaluate its performance by benchmarking it

against the Audit Committee Charter and best practice guidelines. The review concluded that the Committee had been effective in carrying out its duties and had followed the terms of reference in the charter. The Committee also reviewed, and made amendments to, the Audit Committee Charter in order to align it with best practice guidelines, and submitted it to the Board for approval.

In conclusion, the Committee believes that it completely discharged its duties in the year 2017 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. Moreover, all disclosures of information were adequate and reliable, while all 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 had complied with all related laws, regulations and good corporate governance principles without material flaw throughout the year.



Mr. Somchai Supphatada
Chairman of the Audit Committee
1 February 2018



To: the Shareholders of Intouch Holdings Plc.

The Nomination and Governance Committee (“the Committee” or “NGC”), currently comprises three directors, namely Mr. Prasert Bunsumpun (the Chairman), Mr. Kan Trakulhoon* and Ms. Jeann Low Ngiap Jong. At least half of these are independent directors, including the Chairman. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee. In 2017, the Committee was restructured and one position, previously held by Mr. Philip Chen Chong Tan, was abolished.

During the year 2017, the Committee held a total of four 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. This policy conforms to the SET’s Principles of Good Corporate Governance and the Securities and Exchange Commission’s CG Code.

However, the Company considered some aspects of these did not apply to its role, as clarified in the Corporate Governance section of the Annual Report for 2017. Overall, the Committee believed that the Company’s governance structure was suitable for the current business environment.

- The Committee proposed amendments to the Company’s governance structure, namely the restructuring of the NGC and the Leadership Development and Compensation Committee. The number of board members in each committee was reduced to three, two of whom would be independent directors (including the chairman). This would comply with good practice guidelines

* Mr. Kan Trakulhoon was appointed as a member of the NGC to replace Mr. Vithit Leenutaphong, effective 31 March 2017.

and increase the flexibility of board members in performing their duties.

- 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.
- The Committee recommended that the Annual General Meeting of Shareholders for 2017 approve the reappointment of retiring directors for another term of office, along with the appointment of Mr. Kan Trakulhoon as a new director to replace Mr. Vithit Leenutaphong (who did not seek re-election). The Committee considered and nominated Mr. Anek Pana-apichon as the Acting CEO and a member of the Corporate Social Responsibility Committee for Sustainable Development and the Strategic & Organizational Review Committee to replace Mr. Philip Chen Chong Tan (who had resigned).
- 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 "Leadership

Development in Large Organization" and "Financial Innovation in Venture Capital - Technology and Trends", to promote continual development, especially in the important areas affecting the organization. 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 for 2017 under the title "Continuous training and development program".)

- The Committee reviewed the results of a board evaluation conducted by an external consultant. This covered the overall performance of the Board of Directors, each sub-committee, the Chairman of the Board and individual members, and included a peer review. The results showed that the Board of Directors was highly effective, ranking in the 75th percentile of Southeast Asian companies in the same industry.
- The Committee provided an opportunity for all the Company's shareholders to propose agenda items for the Annual General Meeting of Shareholders for 2018 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 throughout the year as assigned by the Board, and was operating in an effective manner with a suitable structure and composition.



Mr. Prasert Bunsumpun
Chairman of the Nomination and
Governance Committee
11 January 2018

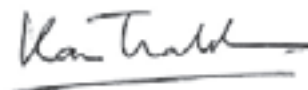


To: the Shareholders of Intouch Holdings Plc.

The Leadership Development and Compensation Committee (“the Committee” or “the LDCC”) comprises of at least three members, of whom the majority are independent directors including the Chairman. The Committee currently comprises Mr. Kan Trakulhoon* (the Chairman), Mr. Prasert Bunsumpun, and Ms. Jeann Low Ngiap Jong and Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee. In 2017, the Committee was restructured and one position, previously held by Mr. Philip Chen Chong Tan, was abolished.

During the year 2017, the Committee held a total of eight 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 fixed the related budget for 2017. The Committee agreed that the budget remain unchanged at not more than 42.5 million baht, which was in line with other leading listed companies.
- The Committee set the annual board retainer at 21.08 million baht. Consequently, the total directors’ remuneration in 2017 was 37.04 million baht.
- The Committee considered an amendment to the Company’s organizational structure and proposed the appointment of Mr. Anek Pana-apichon as the Acting CEO to replace Mr. Philip Chen Chong Tan who had resigned. The Committee also appointed new executives and determined their compensation packages.
- The Committee considered the remuneration policy and long-term incentive 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 is making progress in the search for a new CEO to replace Mr. Philip Chen Chong Tan, who resigned in June 2017, and agreed to engage an external consultant to find qualified candidates.
- The Committee considered the performance evaluation of the CEO and the Company’s senior executives in order to determine their annual bonuses and merit-based salary increases.
- The Committee considered and approved the Company’s annual merit-based salary increases.
- 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. The Committee also approved the budget for proper development plans at each job level.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties throughout the year as assigned by the Board, and was operating in an effective manner with a suitable structure and composition.



Mr. Kan Trakulhoon
Chairman of the Leadership Development and
Compensation Committee
6 February 2018

* Mr. Kan Trakulhoon was appointed as the Chairman of the LDCC to replace Mr. Vithit Leenutaphong, effective 31 March 2017.



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. Kan Trakulhoon (who replaces Mr. Vithit Leenutaphong) and Mr. Anek Pana-apichon (who replaces Mr. Philip Cheng Chong Tan). Mr. Wichai Kittiwittayakul, the Company Secretary, serves as the Secretary to the Committee.

In 2017, the Committee held three 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 Company’s Social Responsibility and Sustainable Development’s policies, strategies, operational plans and annual budgets, along with group-wide activities on special occasions. These activities cover community life improvement, youth development, and employee participation in social responsibility programs. The Committee also stressed that the budget be spent in a way that provided the most benefit to the targeted communities. Key activities in 2017 have been summarized below.

- Continuously supported government policy, in cooperation with the Office of the Deputy Prime Minister, to improve the quality of life for underprivileged schoolchildren for the second year. In 2017, projects were implemented at three schools in Loei province, namely Ban Wong Gok Deua, Ban Wong Lao Hua Fai and Ban Suan Por. The objectives were to improve the infrastructure and necessary public utilities, provide learning materials, and arrange professional skills training for students.
- Monitored the Healthy Rice Growing Project by INTOUCH, and extended it to communities in three other provinces, namely Nakorn Si Thammarat, Kanchanaburi and Phitsanulok. The project has added value to products through branding, international standard quality, better marketing management and distribution channels. The farmers who joined the project have been encouraged to use small machines that are suitable for their community. All this has resulted in a higher selling volume and price, and generated more income to farmers.

- Supported the Life Quality Development for Forest Guardians Project at Huay Kha Khaeng Wildlife Sanctuary in Uthai Thani province for the second year. This project was extended to include training on household saving, waste management and effective communication with community. The Company also donated site equipment that was needed, namely solar panels and barbed wire fencing.
- Extended the Educational Opportunity Creation Project for students, teachers and schools in remote areas to Kanchanaburi, Phitsanulok and Loei provinces. In 2017, the Company awarded 560 grants, totaling 4,393,600 baht.
- Extended the Thai Literature Conservation Project into its eleventh year under the theme of “One Picture Tells a Hundred Stories of the Reign of King Rama IX”, in memory of the late King Rama IX for all the projects he had implemented to benefit the country throughout the 70 years of his reign.
- Made donations for flood relief through governmental agencies and charities.

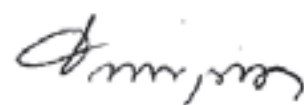
(All the details can be found in the SD Report for 2017.)

2. The Committee endorsed the implementation of SD under the approved framework, and assigned the SD working team to collaborate with the relevant parties to ensure that the group’s operations were aligned. The aim was to focus on key material issues, along with identifying key stakeholders and formulating proper response to them (substantial over form). The Committee monitored SD trends and development, including international best practices in order to properly apply them to the organization. The Committee also studied and applied the Dow Jones Sustainability Indices (DJSI) in the areas that fit the context of the Company and its subsidiaries.
- Engaged an external expert to train the relevant employees and executives on the SD framework, trends, and relevant international standard practices. The knowledge gained was then

applied in reviewing the Company’s vision and mission statements and determining the business direction and plan for 2018. The aim was to ensure that SD principles had been properly integrated into every aspect of the Company’s business so the Company could uphold the sustainable growth and fair treatment to stakeholders at the same time.

3. The Committee encouraged employees to participate in CSR activities funded by the Company, which they were allowed to join during working hours. The community projects proposed by the employees in 2017 were as follows: improvements to the school playground and construction of roofs over walkways at Wat Sawang School, along with improvements to Ban Pie Thong Child Development Center in Ang Thong province; installation of a clean drinking water system at Ban Mae Lek community in Lamphun province; and rebuilding toilets for monks and senior citizens at Ko Loi Temple in Ratchaburi province.
4. The Committee conducted a self-assessment and agreed that it had completely discharged its duties throughout the year as assigned by the Board, 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.



Mr. Chalaluck Bunnag
Chairman of the CSR Committee
for Sustainable Development
6 February 2018



... Board of Directors ...

MR. KWEK BUCK CHYE

DR. VIRACH APHIMETEETAMRONG

MS. SOPAWADEE LERTMANASCHAI

MR. SOMCHAI SUPPHATADA

MR. CHALALUCK BUNNAG



MR. PRASERT BUNSUMPUN

MS. JEANN LOW NGIAP JONG

MR. ANEK PANA-APICHON

MR. KAN TRAKULHOON

MR. SOMPRASONG BOONYACHAI



... Management Team ...

MR. ANEK PANA-APICHON

MR. KIM SIRITAWEECHAI

MR. WICHAI KITTIWITTAYAKUL

MS. KANTIMA LERLERTYUTTITHAM

... Details of Directors and Executives ...



DR. VIRACH APHIMETEETAMRONG

Age 74 / 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 58 / 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
- 2013 - Present • Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University
- Present • Asst. Prof., Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Member of Accounting Standards Setting Committee, South-East Asia University and Huachiew Chalermprakiet University

Past Experience

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



MR. CHALALUCK BUNNAG

Age 70 / 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 • Director, Siam Aisin Co., Ltd.
• Director, Thai Tokai Carbon Product Co., Ltd.

Past Experience

2005 - 2011 • Advisor, CPB Equity Co., Ltd.
• 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 64 / 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

2017 - Present • Director, General Hospital Products Plc
• Director, Orthopesia Co., Ltd.

2015 - Present • Director, Metropolitan Electricity Authority

2014 - Present • Director,
Government Pharmaceutical Organization

Past Experience

2016 - 2017 • Chairman of the Board of Directors,
Aisance Co., Ltd.

2015 - 2017 • Director, Eco Energy Group Corporation Co., Ltd.

Apr - Aug 2016 • Director, Thai Herbal Products Co., Ltd.

2014 - 2016 • Director, Provincial Waterworks Authority

2013 - 2016 • Commissioner, Securities and Exchange
Commission, Thailand

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 65 / 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/} None

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

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

- 2017 - Present • Chairman of the Board of Directors and Independent Director, SVI Plc
- 2011 - Present • Independent Director, Intouch Holdings Plc
- 2015 - Present • Independent Director and Chairman of the Executive Committee, Thaicom 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

- 2013 - 2017 • Independent Director, PTT Plc
- 2011 - 2015 • Director and Chairman of the Executive Committee, Krung Thai Bank Plc
- 2006 - 2013 • Chairman of the Board of Directors, Director and Chairman of the Executive Committee, IRPC Plc



MR. KAN TRAKULHOON^{2/} Age 62 / Thai

Title

Independent 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 31 March 2017

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Honorary Doctor of Engineering, Chulalongkorn University
Honorary Doctor of Engineering in Manufacturing,
Mahasarakham University

Governance Training of IOD / others

DCP: Directors Certification Program Class 29/2003

Positions in Listed Companies in SET

2017 - Present • Independent Director, Intouch Holdings Plc
• Independent Director,
Bangkok Dusit Medical Services Plc

2016 - Present • Chairman of the Board of Directors,
Advance Info Service Plc
• Director, Siam Commercial Bank Plc

2015 - Present • Independent Director, Advance Info Service Plc

2006 - Present • Director, The Siam Cement Plc

Positions in Other Companies/Organizations

2015 - Present • Member of Advisory Board,
Nomira Holdings Inc.

2011 - Present • Global Advisor, Kubota Corporation (Japan)

Past Experience

2006 - 2015 • President, The Siam Cement Plc



MS. JEANN LOW NGIAP JONG Age 57 / Singaporean

Title

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

Appointment Date as the Director 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

2016 - Present • Director, Amobee Asia Pte. Ltd.

2015 - Present • Group Chief Corporate Officer,
Singapore Telecommunications Ltd.
• Director, Singtel Enterprise Security Pte. Ltd.
• Director, Trustwave Holdings, Inc.

2014 - Present • Director, Amobee, Inc.

• Director, Kontera Technologies Ltd.

2013 - Present • Director,
Advanced Data Network Communications Ltd.
• Director, Optus Australia Investments Pty Limited

2012 - Present • Director, Singtel Digital Life Pte. Ltd.

• Director, Amobee Group Pte. Ltd.
(formerly known as Singtel Mobile Marketing Pte. Ltd.)

• Director, Comcentre PCC Limited

• Director, Singtel ICT Pte. Ltd.

• Director, GDL Lifestream Pte. Ltd.

2008 - Present • Director, Singtel Asian Investments Pte. Ltd.

• Director, Singtel Strategic Investments Pte. Ltd.

2007 - Present • Director, OPEL Networks Pty Limited (in liquidation)

2006 - Present • Director, Singtel Services Australia Pty Limited

• Director, Singapore Telecom Australia Pty Limited

• Director, Singtel Optus Pty Limited

2003 - Present • Director, Integrated Data Services Limited
(in liquidation)

Past Experience

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



MR. KWEK BUCK CHYE

Age 64 / 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

- 2017 - Present
- Director, Accuron Technologies Ltd.
- 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 and Chief Financial Officer, Singapore Technologies Pte Ltd. & Subsidiaries



MR. SOMPRASONG BOONYACHAI

Age 62 / 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

- 2017 - Present
- Director and Chairman of Executive Board, BEC World Plc
 - Director, Dusit Thani Plc
- 2007 - Present
- Director, Intouch Holdings Plc
- 2008 - Present
- Vice Chairman of the Board of Director, Advanced Info Service Plc
- 2006 - Present
- Director, Thaicom Plc
- 2002 - Present
- Independent Director and Member of the Audit Committee, Power Line Engineering Plc

Positions in Other Companies/Organizations

- 2017 - Present
- Director, National Strategy Committee for the Development and Capacity Building of Human Resources and Human Resources of 2017
- 2016 - Present
- Director, Osotsapa Co., Ltd

Past Experience

- 2016 - 2017
- Advisor to the Chief Executive Officer, Intouch Holdings Plc
 - Independent Director, Pruksa Real Estate Plc
- Jan - Dec 2016
- Independent Director, Pruksa Holding Plc
- 2004 - 2016
- Director, Param 9 Hospital Co., Ltd.
- 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. ANEK PANA-APICHON^{3/} Age 52 / Thai

Title

Director, Acting Chief Executive Officer,
Executive Vice President - Finance & Accounting,
Member of the Strategic and Organizational Review Committee,
Member of the CSR Committee for Sustainable Development,
and Authorized Director

Appointment Date as the Director 1 July 2017

Shareholding^{1/} 0.0022%

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

- 2017 - Present
- Director, Acting Chief Executive Officer and Authorized Director, Intouch Holdings Plc
 - Director and Authorized Director, Thaicom Plc
- 2010 - Present
- Executive Vice President - Finance & Accounting, Intouch Holdings Plc
 - Member of the Executive Committee, Thaicom Plc

Positions in Other Companies/Organizations

- 2017 - Present
- Chairman of the Board of Directors, High Shopping Co., Ltd
 - Director, Intouch Media Co., Ltd
 - Director, Touch TV Co., Ltd
- 2015 - Present
- Director, High Shopping TV Co., Ltd.
 - Director, I.T. Applications and Services Co., Ltd.

Past Experience

- 2015 - 2017
- Director, High Shopping Co., Ltd.
- 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 56 / 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 Program - 2002
Board Practices Program - 2002
Board Composition and Relations Program - 2002
Board Policy Program - 2002

Positions in Listed Companies in SET

- 2013 - Present
- Executive Vice President - Company Secretary and Internal Audit, Intouch Holdings Plc
- 2008 - Present
- Company Secretary, Intouch Holdings Plc

Positions in Other Companies/Organizations

- 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 SIRITAWEECHAI

Age 49 / Thai

Title

Executive Vice President - Portfolio Management

Appointment Date as the Management 1 April 2014

Shareholding¹⁾ 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

2017 - Present • Director, High Shopping Co., Ltd

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 47 / Thai

Title

Group Chief Human Resources Officer

Appointment Date as the Management 25 August 2016

Shareholding¹⁾ None

Relationship with Directors and Management None

Highest Education

Master of Psychology Counseling Service, Rider University, USA

Governance Training of IOD / others

DCP: Directors Certification Program Class 244/2017

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

-

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 2017, the number of ordinary shares includes holding by spouse and children under sui juris.
 - 2) Mr. Kan Trakulhoon has been appointed as the Company's director, Chairman of the Leadership Development and Compensation Committee, Member of the Nomination and Governance Committee, and Member of the Strategic and Organizational Review Committee to replace a director who had resigned, namely Mr. Vithit Leenutaphong, effective 31 March 2017.
 - 3) Mr. Anek Pana-apichon has been appointed as the Company's director, Acting Chief Executive Officer, Member of the Strategic and Organizational Review Committee, Member of the CSR Committee for Sustainable Development to replace a director who had resigned, namely Mr. Philip Chen Chong Tan, effective 1 July 2017.

... Awards and Recognition ...



01

Thailand Sustainability Investment Awards

in the SET Sustainability Awards for the third consecutive year (2015-2017) organized by the Stock Exchange of Thailand. These awards are presented to listed companies with sustainable stocks and outstanding performance in terms of the Environmental, Social and Governance (ESG) aspects.



02

Outstanding Company Performance Awards

in the SET Awards 2016 and 2017 organized by the Stock Exchange of Thailand in the category of market capitalization of more than 100,000 million baht.

03

Thailand's Top Corporate Brand Values 2017

in the IT and Telecom category from Chulalongkorn University.



04

CG rating of “Excellent” in the Corporate Governance Report of Thai Listed Companies 2017

by the Thai Institute of Directors Association (IOD)
for the fifth consecutive year (2013-2017).



05

ESG 100 Certificate

from Thaipat Institute for the
third year (2015-2017) to
certify that INTOUCH has an
outstanding Environmental,
Social, and Governance
performance.



06

FTSE4Good Index Certification in 2017

from FTSE Russell, the global
index provider, for outstanding
performance company in terms
of the Environmental, Social
and Governance aspects.



07

Prestigious Brand of Asia Awards 2017-2018

in the Telecom category from
Herald Global (business
success story portal and
online business magazine).



08

Certificate for Excellence in Investor Relations

in the sector of telecommunication services from IR Magazine Awards
South East Asia 2017, based on a survey of analysts and portfolio managers.

... INTOUCH Group's Investment Structure ...

(as of 23 January 2018)

Intouch Holdings Plc ¹⁾

Advanced Info Service Plc ¹⁾ 40.45%

Advanced Wireless Network Co., Ltd. 99.99%

CS LoxInfo Plc ^{1), 4)} 80.10%

Teleinfo Media Plc 99.99%

Yellow Pages Commerce Co., Ltd. 99.94%

AD Venture Plc 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 Telecommunication 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%

TC Broadcasting Co., Ltd. 99.99%

International Satellite Co., Ltd. 100%

IPSTAR (India) Private Ltd. 100%

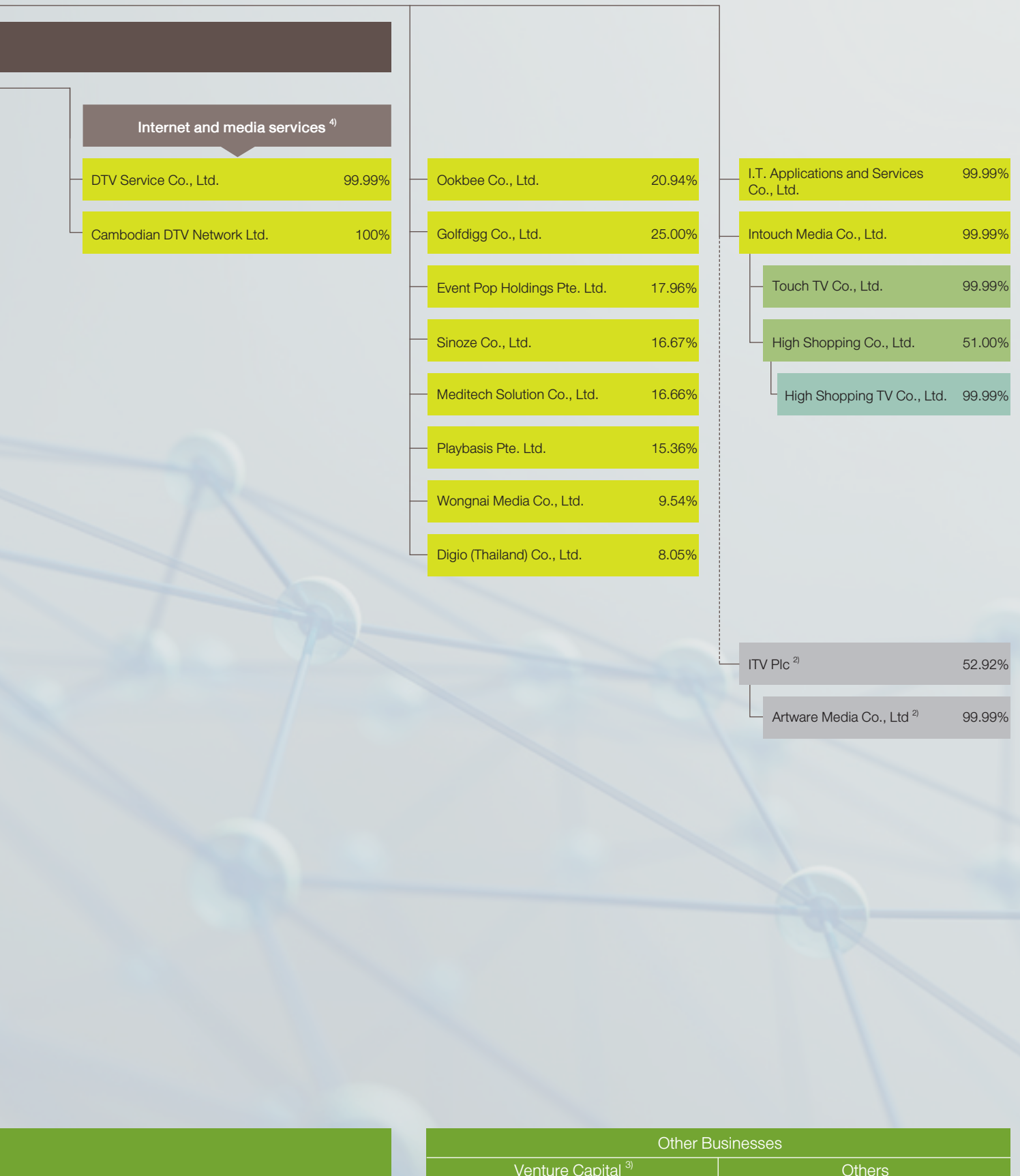
TC Global Services Co., Ltd. 100%

Telephone services abroad

Shenington Investments Pte Ltd. 51.00%

Lao Telecommunications Co., Ltd. 49.00%

Satellite and International Businesses



¹⁾ Listed Company on the Stock Exchange of Thailand

²⁾ Currently not in operation

³⁾ Excluded investment in debt security

⁴⁾ Advanced Wireless Network Co., Ltd. (AWN) acquired ordinary shares in CS LoxInfo Plc. (CSL), equivalent to 80.10% of the paid-up capital, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the office of the Securities and Exchange Commission.)

... 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-17	2017		2016		2015	
			Baht Million	%	Baht Million	%	Baht Million	%
Local wireless telecommunications	AIS and its subsidiaries	40.45	12,126	113.62	12,548	76.52	15,854	98.61
Satellite and international businesses								
- Profit from operation	THAICOM and its subsidiaries	41.14	8	0.08	664	4.05	874	5.44
- Loss from assets impairment ^{/2}			(1,098)	(10.30)	-	-	-	-
Other businesses:								
- Loss from operation, excluding loss of MB and a reversal of provision for interest of unpaid operating agreement fee of ITV ^{/3}	Operated by Intouch Holdings Plc, subsidiaries and associates ^{/1}		(363)	(3.40)	(505)	(3.07)	(650)	(4.05)
- Reversal of provision for interest of unpaid operating agreement fee of ITV ^{/3}			-	-	3,691	22.50	-	-
Net profit to owners of the company			10,673	100.00	16,398	100.00	16,078	100.00

Remark:

^{/1} Comprised of ITAS Co., Ltd., Intouch Media Co., Ltd., Matchbox Co., Ltd. (MB ceased its operation and is in liquidation process), 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 1st quarter of 2016) and business under Venture Capital Project.

^{/2} THAICOM had booked impairment loss of intangible assets under operating agreements due to considerable decrease of revenue in addition with goodwill and intangible assets of Orion Satellite Systems Pty Limited (OSS), an indirect subsidiary of THAICOM, as a result from the recession of Australian's economic contributed to slow down the growth of such business. The Company recognized the share of these impairment losses at 1,098 million baht (net of non-controlling interest and tax).

^{/3} ITV had adjusted provision for unpaid operating agreement fee and interest at 3,691 million baht (net of non-controlling interest) in the 2nd quarter of 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 ...

2017

- On 5 September, AIS sent a non-binding and conditional letter of intent to THAICOM and Singtel, the major shareholders of CSL, stating its interest in acquiring a 56.21% stake in the latter at 7.80 baht per share. Later on 14 December, AWN, a subsidiary of AIS, submitted the Application Form for Conditional Voluntary Tender Offer to the shareholders of CSL at the aforementioned price.
- High Shopping has transformed itself in the digital era to collaborate with Lazada and Shopee, the most popular e-commerce websites in Thailand, in order to increase sales channels and reach more consumers.
- INTOUCH invested in three more start-up companies, namely Digio (Thailand) Co., Ltd., Event Pop Holdings Pte. Ltd. and Ecommerce Enablers Pte. Ltd. (Shopback). There are currently eleven companies under venture capital management through the InVent project.
- AIS launched AIS NEXT G, a new network to serve high-data users by merging AIS 4G ADVANCED and AIS SUPER WIFI. This network offers a maximum transfer rate of one gigabit per second.
- THAICOM signed a memorandum of understanding with Huawei Technologies (Thailand) Co., Ltd. and Starcor Media Technologies Limited to develop the next generation Over-the-Top (OTT) platform in Thailand. This collaboration will create value-added services for the business, education, government and telecom sectors in Thailand.

2016

- On 6 January, High Shopping started its home shopping business through broadcasting on a satellite television platform. After that, in August, the company also offered its products through its website www.highshopping.com and the mobile application "HIGH SHOPPING".
- INTOUCH invested in two more start-up companies, namely Wongnai Media Co., Ltd. and Social Nation, Inc., through the InVent project, and monetized Computerlogy Co., Ltd. and ShopSpot Mobility Pte. Ltd.
- On 30 June, AWN was granted a 900MHz license for the 895-905MHz frequency band (paired with 940-950MHz) by the National Broadcasting and Telecommunications Commission (NBTC). At the end of the year, AWN had already rolled out its network with 42,100 4G base stations nationwide.

- AIS expanded "AIS Fibre", a high-speed broadband home internet service using the latest FTTx technology. The broadband network covered 5.2 million home passes in 28 provinces with 301,500 subscribers.

- Thaicom 8 was successfully launched on 28 May, and reached the 78.5 degrees East orbital slot, which increased the fleet to five operational 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 series called "Gossip Girl Thailand". It was the first launch of a full-scale second-screen viewing platform in Thailand.
- INTOUCH invested in four more start-up companies, namely Sinoze Co., Ltd., Playbasis Pte. Ltd., Golfdigg Co., Ltd. and ShopSpot Mobility Pte. Ltd. through the InVent project.
- 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 included entertainment from AIS PLAYBOX was also introduced.
- On 25 November, AWN was granted an 1800MHz license for the 1725-1740MHz frequency band (paired with 1820-1835MHz) by the NBTC. By the end of January 2016, AWN had installed 6,000 4G base stations 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.

... Nature of Business ...

INTOUCH operates its business by investing in telecommunications, media and technology, which provide the infrastructure to support the country's economic growth. The investments are divided into the two categories described below.

1. Major investments in other companies in which INTOUCH participates in the management, policy setting and business direction. These currently comprise Advanced Info Service Plc. (AIS), an associated company that operates a wireless telecommunication business, Thaicom Plc. (THAICOM), a subsidiary that operates satellite and international businesses, High Shopping Co., Ltd. (High Shopping), a joint venture that operates a home shopping business, and I.T. Applications and Services Co., Ltd. (ITAS), a subsidiary that provides IT-related services.

2. Investments in tech startup companies, under the InVent project, in which INTOUCH does not regularly involve in daily operation. The Company has set a budget of 200 million baht a year, and does not limit these investments to Thailand, but also considers opportunities in other countries.

INTOUCH operates its business professionally, focusing on asset management to create benefit for all stakeholders and maximize returns to its shareholders. INTOUCH divided its business into 3 segments as described below.

Wireless Telecommunications Business operated by AIS

AIS's digital life strategy has enhanced sustainable growth and strengthened its market leadership in the mobile business through the nationwide network. The company has offered internet packages that fit its subscribers' lifestyles, along with popular smartphones to meet customer demand. AIS has expanded its internet broadband service to cover fifty provinces, with attractive packages under the brand name of "AIS Fibre". It also offers new digital services, engaging both individual and corporate customers. The key business areas are described below.

Mobile Business

At the end of 2017, AIS had more than 40 million mobile subscribers on 2G, 3G & 4G networks. The mobile business is operated under licenses granted by the National Broadcasting and Telecommunications Commission (NBTC) and an agreement with TOT Plc. (TOT). It has a total of 55 MHz of bandwidth in the 2.1GHz, 1.8GHz & 900MHz frequency spectrums, covering 98% of the population nationwide. AIS constantly strives to improve its network by using new technologies that it has researched and developed with several vendors. For example, the implementation of Carrier Aggregation, a technique that combines multiple frequency bands to increase internet connection speed and provide a better user experience with the limited spectrum available. Other examples include the development of six-sector antenna and the deployment of Massive MIMO technology, which will be the foundation for the upcoming 5G service to accommodate rising data consumption.

In addition, AIS NEXT G network, a collaboration with telecom operators in South Korea, was launched in 2017. This network merges AIS 4G technology and AIS SuperWIFI to offer a maximum mobile loading speed of one gigabit per second. AIS is the first operator in ASEAN to utilize this technology, and has demonstrated its readiness for very high data usage.

Fixed broadband Business

AIS has been in the fixed broadband business for three years, offering fibre-optic communication. This technology provides better network stability and faster loading speeds than ADSL and VSDL. AIS's





fixed broadband network currently covers fifty provinces in Thailand and serves over half a million customers. The infrastructure of the mobile business also uses fibre-optic cable, and AIS now has 150,000 km connecting every base station nationwide.

AIS Fibre offers a variety of packages to meet different needs, which are priced at the same rate as ADSL and VDSL in order to persuade customers to upgrade. The high-speed packages (up to 1Gbps) are designed for people who need to download or transmit a lot of data or have many devices to connect. Moreover, AIS was the first operator to launch a fully-convergent product, which bundles international content such as Hollywood movies and global sport through AIS PLAYBOX.

The latest service, AIS Fibre Power 4, is the first fixed-mobile convergence package combining fixed broadband, digital content, mobile data allowance and AIS SuperWiFi, which will provide an even better user experience and generate higher ARPU.

AIS Fibre POWER 4		แพ็คเกจเดียว ครบ ครบ ไม่อื่น		รวมทุกการใช้งานทั้งในบ้านและนอกบ้าน	
ค่าบริการรายเดือน	ความเร็วสูงสุด (ดาวน์โหลด/อัพโหลด)	บริการพิเศษที่รวมใน AIS PLAYBOX		อินเทอร์เน็ตความเร็วสูง	สิทธิพิเศษ
599	30/10 Mbps	-		ความเร็วสูง 1 Mbps	สิทธิพิเศษ 1 Mbps
799	50/20 Mbps	บริการ AIS PLAYBOX	บริการ AIS PLAYBOX	ความเร็วสูง 4 Mbps	สิทธิพิเศษ 4 Mbps
1,099	100/30 Mbps	บริการ AIS PLAYBOX	บริการ AIS PLAYBOX	ความเร็วสูง 6 Mbps	สิทธิพิเศษ 6 Mbps
1,799	100/40 Mbps	บริการ AIS PLAYBOX	บริการ AIS PLAYBOX	ความเร็วสูง 6 Mbps	สิทธิพิเศษ 6 Mbps
1,999	200/50 Mbps	บริการ AIS PLAYBOX	บริการ AIS PLAYBOX	ความเร็วสูง 6 Mbps	สิทธิพิเศษ 6 Mbps

Digital Service Business

Following the transformation in the digital era, AIS, as the leading digital life service provider, has conducted

research and development for both corporate and retail customers. The company believes in collaborating with digital service creators and providers to develop the ecosystem and grow together. It currently focuses on five areas: video streaming, enterprise cloud computing, mobile money, Internet of Things (IoT), and games for subscribers. Examples of successful services in 2017 were the AIS PLAY mobile application and AIS PLAYBOX for fixed broadband customers, both of which provide global entertainment content such as movies, TV programs and sport. This has helped to differentiate the AIS brand in the market. AIS has also leveraged its extensive nationwide fibre footprint to offer Enterprise Data Services (EDS) to local companies. Moreover, AIS has announced its readiness to provide an end-to-end EDS, which will help to reduce the cost of cloud computing to international levels.

Digital services are an important driver that will enable AIS to access new sources of revenue to supplement the current mobile internet charges. They will also allow the company to become an integrated operator by converging the products and services from its three core businesses.



Industry Conditions and Competition in 2017

The telecom industry continued to grow in 2017, driven by increasing mobile data usage. The trend in consumer behavior, which has shifted to using mobile internet on smartphones and tablets nearly all the time, has become obvious amidst the popularity of social media applications such as LINE and Facebook. There is also an increasing trend to watch linear, on-demand

television shows and movies on mobile devices, as well as listen to music and play games. All of these have been supported by the expansion of AIS's quality 4G network with the aim of improving customer experience. The smartphone market also continued to grow in 2017 as the company focused on creating value for money in order to attract more customers.

All the mobile operators focused on the postpaid segment of the market as the ARPU was three times higher than the prepaid segment. Postpaid customers also showed more brand loyalty so free or discounted handsets were offered in some campaigns, or discounts were given on monthly subscription fees. The prepaid segment did not grow in 2017 due to the trend of postpaid conversion and the overall reduction in promotional campaigns. However, industry handset subsidies declined in 2H17 as operators tried to control costs and maximize the return on their invested capital.

In 2017, internet broadband continued to grow with network investment in urban areas and a high demand from private residences. Consumers now have more variety in the packages offered by service providers; therefore, fixed broadband operators are expanding their fibre coverage and encouraging ADSL customers to upgrade at no extra charge in order to retain their subscriber bases.

Operators with convergence products can provide integrated packages combining voice call, limited or non-stop data and video content, at various pricing levels that are cheaper than buying the separate services. An operator that only has mobile products has to offer cheaper prices in certain segments of the market to attract cost-sensitive customers. Overall, packages are promoted on the strength of the 4G network speed, and unlimited data packages continue to be popular. Nevertheless, operators still face a challenge in finding ways to monetize the services their customers want, such as video content or new formats of social media. At the initial stage, operators have offered free trial periods so their customers can become familiar with the content before subscribing to selected packages.

Industry Outlook and Competition in 2018

The Thai Telecom industry expects data usage to increase during 2018, driven by higher video streaming through mobile devices as customers become more familiar with the content and attracted to particular packages. Consequently, postpaid revenue will continue to grow, especially from prepaid migration. As the mobile market has reached maturity, the total number of users is not expected to increase, or will only increase slightly. However, ARPU has shown a tendency to rise from a higher postpaid proportion and the new services mentioned above. The industry will continue to be very competitive because the regulatory framework is still being transformed from concession agreements to licenses. The results of license auctions, expected to be held in 2018, will be a key determinant of market direction. Nevertheless, all the operators are attempting to control costs in order to generate higher returns for their shareholders, which should result in stabilized or a little less market competition.

The fixed broadband market will continue to grow due to increasing home internet usage, along with a drive by operators to expand fibre coverage. Packages with a speed of 100Mbps will be easier to access, and the industry ARPU will remain in the range of 600 - 700 baht per month. Moreover, the trend of watching television and other content via IPTV will continue due to faster connectivity and improved signal reliability. The launch of 4K content, which cannot be broadcast on the current digital television platform, will be another important factor in persuading customers to subscribe to broadband packages. It is also expected that convergence packages will gradually become popular, underpinned by the variety of services and value for money.

Online products and services, which involve cashless transactions, continue to be offered by the commercial sector and supported by the government's digital economy policy. New services will proliferate, based on connections between equipment, following the

IoT trends, especially the Narrow-band (NB-IoT) technology used to connect a number of devices such as in Smart Parking.

Business Direction over the next three to five years

Evolving digital technologies and more sophisticated customer needs are emerging and playing a major role in the structural change of telecom operators. In the light of these trends, AIS has redefined itself from a traditional mobile operator to a Digital Life Service Provider, delivering convergence products and services to enrich people's daily lives, improve business capabilities, and sharpen the competitive edge of the country. AIS has geared itself towards digital transformation in order to exploit new technologies, expand its capabilities, increase efficiency, and capture growth in the digital era.

AIS has witnessed an abundant growth in mobile internet usage beyond a simple need for connectivity.

Digital platforms have empowered people to live and work in different ways, and have become a necessity for many users. AIS has continuously focused on the quality of its networks and services, whilst staying ahead of the technology upgrade. The company has begun to deploy NB-IoT in a limited testing scope to prepare itself for the future-proof 5G network. In the foreseeable future, AIS's telecommunications infrastructure will be developed through a software-based approach. This means that the network will not only provide a superior experience, but also enhance the company's operational efficiency and cost optimization.

AIS aims to become one of the significant players in the residential broadband market within the next two years.

Due to the growth potential in this market, AIS continues to tap into more urban areas and reach out to underserved people who have limited access to the internet or obsolete ADSL technology. The expected future demand for high-resolution content (such as 4K & 8K) will be met through fibre-optic technology, which provides faster and more reliable connections than before. This will allow AIS to deliver

the services that can capture growth opportunities with an economy of scale.

AIS's strategy is to fully integrate the digital ecosystem

by working alongside leading technology partners, both local and international, in various fields ranging from start-ups, content providers and OTT players to equipment manufacturers. By combining AIS's platform with each partner's specialty and experience, the needs of emerging retail and corporate customers can be met. This will not only enrich customers' lifestyles, but result in product differentiation and customer loyalty, driving sustainable growth for the company's shareholders. In the future, AIS will shift its focus onto convergence services for families to meet the different demands of their members.

AIS has enhanced its business by providing cloud and ICT solutions.

These are key enablers for digital transformation, which have begun to create compelling value for many companies. AIS has partnerships with leading providers in the ICT space, and has expanded its IDC footprint to new locations. With its extensive mobile network, the company aims to capture future growth by providing comprehensive end-to-end services, such as ICT solutions, IDC and Business Cloud, to the commercial sector. These services will enhance business capability, ensure system security, and optimize operational costs. They will also enhance the country's economic development and competitiveness in the fast-changing commercial environment.

AIS is ambitious to exploit the new technologies in order to improve operational efficiency.

The AIS Innovation Centre and learning platform was established in 2017 to improve employee competencies and encourage a mind-set of preparedness for disruptive innovation. In the near future, predictive analytics tools will be embedded in many business processes, which will support the staff in developing effective cross-selling to meet individual needs. Customer value management will evolve into the next step, based on analytics, to increase loyalty. Customer services will converge for a fully digital journey. Machine learning

and Artificial Intelligence will be embedded in service and operational innovations. This digital transformation will not only enhance customer experience, but will also create tangible benefits for AIS and its group.

Satellite and International Business operated by THAICOM

THAICOM's main businesses comprise Satellite and Related Services, Internet and Media Services, and Telephone Business Abroad. The company focuses on long-term investment, and considers the fundamentals of each business and its potential returns. Most of the current revenue is generated by the Satellite and Related Services business.

Satellite and Related Services

THAICOM conducts its business under the Operating Agreement on Domestic Communication Satellites with the Ministry of Information and Communication Technology (now the Ministry of Digital Economy and Society), which expires in 2021, and a satellite network license from the NBTC, which expires in 2032. THAICOM operates two types of satellites, conventional ones (Thaicom 5, 6, 7 & 8) and a broadband one (Thaicom 4).

The conventional satellites provide end-to-end services, such as video contribution and distribution, Direct-To-Home (DTH) broadcasting in standard definition, high definition (HD) and ultra-high definition (UHD) formats, to terrestrial and satellite TV operators, content providers and pay-TV broadcasters.

The broadband satellite is primarily designed to provide broadband internet access (point-to-point). It delivers services to groups of residents and small businesses in remote areas, while mobile operators can use it for backhauling internet traffic to accommodate higher loads, or to cover a wide geographical area quickly and economically. The broadband satellite allows small businesses, which require dependable connectivity, to run their operations smoothly and safeguard them against network failure. THAICOM also provides broadband services to government agencies

to extend their reach nationwide, and has enabled universal access to broadband internet. This has helped the government during natural disasters, especially with emergency communications in crisis-affected areas, and provides distance-learning for schools, community broadband internet, and reliable Virtual Private Networks (VPN) for e-Government and other services.

In addition, THAICOM provides mobile connectivity services to support its customers anywhere at any time. Two examples of these are In-Flight Connectivity (IFC) and Maritime Service.



Industry Conditions and Competition in 2017

Conventional satellites remain the primary method of global broadcasting. The demand in the Asia-Pacific region is expected to grow steadily, which will lead to intense competition in this area. However, THAICOM believes that the impact from this will be minimized due to its long-term reputation, good customer relationships, and wide selection of channels.

In Thailand, about 73% of the population now receives satellite and cable TV through the Thaicom satellites. As for the international business, THAICOM still has the biggest market share in the Greater Mekong Sub-region and is one of the major satellite operators in South Asia, where it has strengthened its position over the last year.

Africa is now an emerging satellite market full of potential, due to more localized content and the difficulty of expanding terrestrial infrastructure over the rough terrain. Moreover, the ongoing massive digitization in Africa offers numerous opportunities to operators and media distributors to reach new customers and provide new services, driving competition in the market. However, as the second-largest continent in the world, with a high population density in some areas but a low penetration rate for telecommunications technology, Africa is full of potential demand. THAICOM has focused on selected target markets, including broadcasting and telecommunications services, and is currently building strategic partnerships in order to meet the precise demands of prospective customers.

The global demand for broadband services is expected to increase exponentially. The Asia-Pacific region has the second-highest demand, after North America, but the largest compound annual growth rate at 37%. In the past year, the broadband satellite industry has become more competitive as additional players, including major global operators and Australia's National Broadband Network, have entered the market. However, these operators serve different market segments so Thaicom 4 will maintain its competitiveness as the first mover in the Asia-Pacific region, with the authorized landing rights and a presence of over ten years.

Strategies in 2018

THAICOM will continue to support its "Hot Bird" position and strengthen the broadcasting platform at 78.5 degrees East, where Thaicom 5, 6 & 8 are located, by offering state-of-the-art solutions for the HD & UHD formats, along with value-added services to enhance the capabilities of satellite TV operators. Moreover, the company plans to expand its broadcasting services in emerging markets, especially in the Greater Mekong Sub-region and South Asia, focusing on high-quality and high-power DTH broadcasting. As of 31 October 2017, the number of satellite TV channels increased to 950 (of which 137 are HD channels) from 897 at the same point in the previous year.

In the African market, THAICOM has focused on service differentiation with specified targets. The company is utilizing its expertise and experience to build strategic partnerships with regional operators in order to provide broadcasting and telecommunications services such as mobile backhaul, VSAT and full/back-up IP trunking.

THAICOM places a lot of importance on enhancing bandwidth efficiency, especially in Thailand, India and the Philippines. Moreover, the company is shifting its broadband business from wholesale to retail in potential markets where it has competitive advantages, such as Australia and New Zealand.

THAICOM has continued to develop its mobility platform for land, maritime and airborne services in order to meet the high demand arising from this shift in technology. The company has created a smart platform (or OTT) to deliver video and other media anywhere and at any time over the internet.

Internet and Media Services

CS Loxinfo Plc. (CSL) operates the internet and media businesses. Most of the revenue is generated by the former, and the company has focused on customer needs and requirements to ensure that expectations are met in the "Thailand 4.0" era. CSL has adopted the following strategy of providing "3C services":

- i. "Connect" - internet broadband for corporate customers. Due to fierce competition and the economic slowdown, the revenue growth in this segment has been softening. To counter this, CSL has expanded its service to the potential market of condominium residents.
- ii. "Continue" - the data center and cloud solutions. This business has been growing steadily due to rising demand from many sectors.
- iii. "Create" - ICT solutions service for enterprises that need to strengthen their information systems or develop innovative new ones. This segment has the potential to grow as it helps to reduce business costs and enhance competitiveness.

Furthermore, CSL has two subsidiaries, namely AD Venture Plc. and Teleinfo Media Plc., which are in the process of transforming their businesses. Both of them will become full digital content providers, while the latter will also provide business management systems.

Telephone Business Abroad

This service is provided through Lao Telecommunications Co., Ltd. (LTC), a joint venture with the Government of Lao PDR, under a concession agreement that expires in 2046. LTC provides mobile & fixed wireless, mobile broadband, international roaming and value-added services. LTC is the leading telecom company in Lao PDR, with more than 1.5 million subscribers at the end of 2017.

Other Businesses

Home Shopping Business operated by High Shopping:

This business has various sales channels, namely satellite, cable and terrestrial television, and e-commerce. The majority of revenue is generated through satellite television, mainly from the PSI platform, although revenue from online shopping channels jumped the most in 2017. Last year, High Shopping successfully reached new customers by buying advertising time on popular television shows, which contributed 28% of total revenue. The key elements to success in this advertising were matching products with customer needs and reaching a wider target audience. In addition, partnerships with well-known online stores, such as Lazada and Shopee, contributed to sales, and revenue from this channel grew to 7% of the total revenue from 1% in the previous year. INTOUCH believes that High Shopping can reach consumers quickly and match the target group promptly.

The home shopping industry in Thailand is expected to grow by 8% in 2017, driven by the new player High Shopping. Consumer behavior is beginning to change as people find it more convenient to shop online without having to travel. Moreover, e-commerce has evolved due to advanced technology and a more

secure and reliable online payment system, while the customer experience has improved. These factors will drive future growth in the home shopping business.

In 2017, the average daily sales increased to 1.8 million baht from approximately 1 million baht in the previous year. High Shopping offers a variety of quality and popular products at reasonable prices, which are delivered to customers' homes so they can shop wherever they are. In addition to the characteristics of these products, High Shopping's sales strategy involves buying airtime on popular television channels and collaborating with online stores that have a large number of loyal followers, such as Lazada, 11street and Shopee. These strategies will attract a greater number of viewers, resulting in more sales and better recognition.



High Shopping is expected to grow by 45% in 2018 and generate total revenue of 900 million baht. The growth drivers will come from expanding sales channels to reach more people who watch popular TV shows, increasing the number of top-selling products, encouraging more purchases through social media, and collaborating with AIS and start-up companies under the InVent project.

All of High Shopping's products can be viewed on the satellite television platforms PSI, DTV, GMMZ and BIG4, the online channel at www.highshopping.com, and the mobile application "HIGHSHOPPING".

IT Business operated by ITAS: This business provides computer and SAP systems to all the companies in INTOUCH Group, as well as external clients, and continues to pay consistent dividends.

Corporate venture capital under InVent project

INTOUCH strives to seek new investments to strengthen its business and support startup community for long term success. INTOUCH focuses its investment in telecommunication, media, and technology by funding and supporting startup companies' operation such as accounting and legal.

In 2017, INTOUCH spent 112 million baht for additional investment in 3 companies as follow.



In June, the Company invested in Digio (Thailand) Co., Ltd., who develops and provides integrated payment services to financial institutions or enterprises that require their own payment systems. Digio provides mobile point of sale (mPOS) system to customers of financial institutions who want to use credit card payment system. The mPOS technology has enabled more than 100,000 of small merchants in Thailand to accept electronic card payment since then. This technology is also conform with and supports the National e-Payment policy of the government of Thailand to increase the use of electronic card payment and transform Thailand to a cashless society.




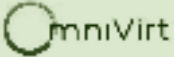
In September, INTOUCH invested in Event Pop Holdings Pte. Ltd., a Thailand leading end-to-end event management platform with comprehensive technology-oriented services from ticketing and on-site access control to in-event cashless payment solutions and CRM suites. Event Pop is on a mission to enable the best live performance experiences to organizers and event attendees through the best in-class technology. It is one of the products to increase efficiency and precision of online marketing by utilizing attendee's interests, spending, and post-event behaviors.



The latest investment was Ecommerce Enablers Pte. Ltd. (Shopback) in October. It is an integrated e-commerce platform namely "Shopback", allows online shoppers to take a portion of their cash back in e-wallet when they buy products through the service. The shoppers can use money in e-wallet for next time purchasing or withdraw the money in cash through the specified bank account. The e-commerce stores on platform such as Lazada, eatigo, Expedia, Grab, etc. Shopback is a well-known platform in Southeast Asia. It has expanded in many countries in the region including Thailand, Malaysia, Indonesia, Singapore and the Philippines.

As a result, INTOUCH currently has a total of 11 companies under the InVent project (excluding the monetized one). The companies which are invested during 2012-2016 are shown in the table below.

<div>2012</div> <p>Ookbee Co., Ltd.</p> 	<ul style="list-style-type: none"> • A leading digital publishing platform in Thailand and expanded its business to User Generated Content (UGC) under a joint venture with Tencent namely Ookbee U. • In 2017, expanded UGC business in other products such as fiction log on applications in the name of Tunwalai and Joylada. And expanded its business to Professional Generated Content (PGC) for popular content makers such as comic, horoscopes, and music.
<div>2013</div> <p>Meditech Solution Co., Ltd.</p> 	<ul style="list-style-type: none"> • A manufacturer and distributor of eye-tracking communication device for paralyzed and disabled patients. This allows patients to communicate with physicians, nurses and relatives more conveniently and accurately. • In 2017, developed game for patients.
<div>2014</div> <p>Infinity Levels Studio Pte. Ltd.</p> 	<ul style="list-style-type: none"> • A famous Thai mobile game studio developer in Thailand. • In 2017, Virtual Reality (VR) content developer showed an interest in joint investment.
<div>2015</div> <p>Sinoze Co., Ltd.</p> 	<ul style="list-style-type: none"> • A well-known mobile game, called Thapster, developer in Thailand. • In 2017, the game developer company showed an interest in joint investment.
<p>Playbasis Pte. Ltd.</p> 	<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 2017, has developed program for financial and insurance companies in order to provide engagement management services.
<p>Golfdigg Co., Ltd.</p> 	<ul style="list-style-type: none"> • A mobile application “Golfdigg” developer to make an online golf-course reservation and online mobile payment. • In 2017, focused Business to Business to Consumer (B2B2C) by partnership with bank, travel agency, and international golf-course reservation.

 <p>2016</p> <p>Wongnai Media Co., Ltd.</p> <p>wongnai</p>	<ul style="list-style-type: none"> • A Thailand-based online food and lifestyle review portal that searches for restaurants and beauty with more than 6 million users a month and nearly 1 million accumulate reviews at the end of 2017. It also provides food delivery cooperating with LINEMAN. • In 2017, 100% acquired of both Blognone Co., Ltd., and BrandInside Co., Ltd. • Also expanded business to online food recipes and cooking clips created by Wongnai and its users.
<p>Social Nation, Inc.</p> 	<ul style="list-style-type: none"> • A developer of VR advertising or 360 degree video advertising under OmniVirt brand in the United States. • In 2017, expanded to OmniVirt Ad Network to serve as another channel for customers to monetize their advertising in a VR or 360 degree video.

INTOUCH has supported by funding and mentoring, as well as providing knowledges to innovative startups in the area of telecommunications, media and technology since the beginning of the project. INTOUCH believes that startup is an important part to drive both directly and indirectly digital and economic inclusion in all areas of Thai people through its products and services. For example, Ookbee provides an access of knowledge and information in digital form and cultivates a culture of reading for the Thai people in a cheaper and environmentally friendly way. Digio provides mPOS system to support cashless society and convenient way of payment. Eventpop develops event management platform to support tourism industry in Thailand (MICE: Meetings, Incentive Travel, Conventions, Exhibitions).

The service will attract more high-end foreign tourists and increase spending in Thailand.

INTOUCH is also an important part in promoting startup entrepreneurship through various activities, including sponsorship of events. The Company also continually participates in startup group activities for example, supports and participates in government activities, be an advisor of incubator units for both public and private sectors, participates in startup communities and capital markets and be a membership in associations.

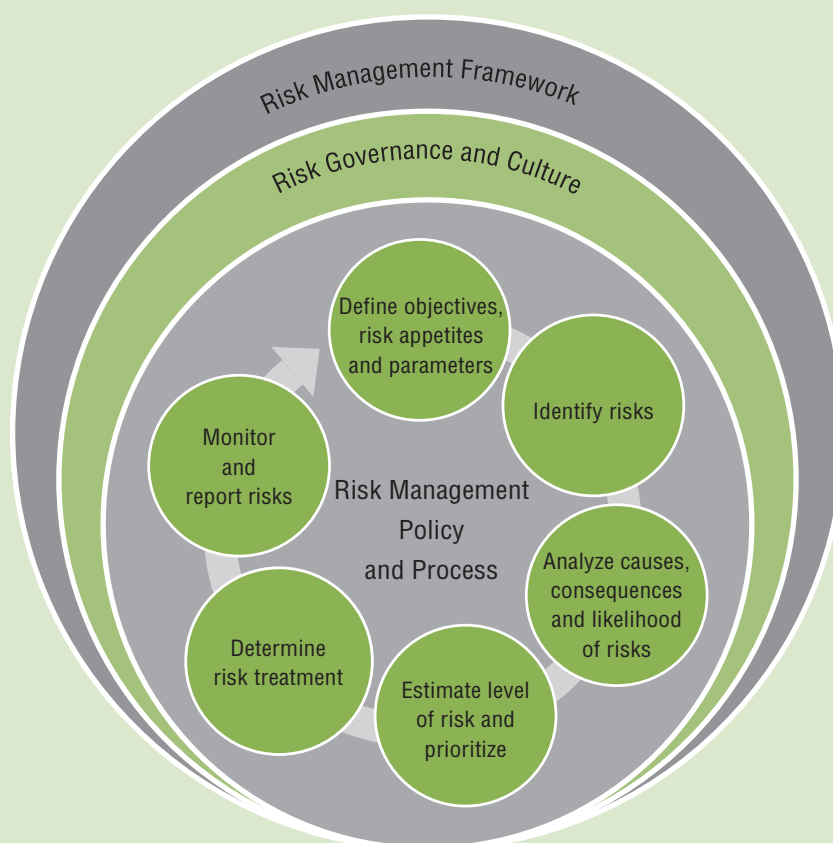
INTOUCH continues to search for opportunities, both in new business and venture capital investments, to support its existing businesses and deliver sustainable growth.

... Risk Management and Risk Factors ...

Risk Management Framework

INTOUCH Holdings Plc. (“the Company”) recognizes risk management as an essential element of sound corporate governance in pursuit of the Company’s business 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, risk appetites and 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 mitigation.

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 practices:

- Communicating a distinct and consistent tone from the Board and senior management in respect of risk taking and avoidance.
- Incorporating risk assessments into business decisions by considering the balance of risk and reward.
- Embedding risk management into human resource processes, such as promotions, performance evaluations, compensation and leadership development.
- 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 Appetite

The Board has approved the Company’s risk appetite statement, which defines the amount of risk in qualitative and quantitative measures that the Board is willing to accept in pursuit of the Company’s business objectives. The Board will review the risk appetite statement on an annual basis, or in the event of unexpected changes in the business environment, in order to ensure that it is consistent with the Company’s strategic direction, related laws and regulations, and all the stakeholders’ requirements.

Risk appetite is an integral part of an effective risk management system. It links the Company’s risk management process to its business objectives, providing employees at all levels with a consistent view of how to respond to risks.

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 96.75% 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 business 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 plans to continue investing in new business ventures 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 Telecom, Media and Technology ("TMT") sector that have the potential for high growth and in which the Company has expertise.

In addition, 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, changes in technology and business models, as well as keep up to date with the related laws and regulations.

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 compensation 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 remuneration packages are 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 the Leadership Development and Compensation 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 INTOUCH 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 talent management and 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 2017, the Company and its subsidiaries had outstanding foreign currency assets and liabilities totaling 1,448 million baht and 3,599 million baht, respectively, after entering into foreign currency forward contracts, cross-currency interest rate swaps, and foreign currency options. (The details are shown in note 34 to the financial statements.)

Risk treatment: INTOUCH Group manages foreign exchange risk through hedging instruments, such as entering into forward contracts in foreign currency in order to mitigate the risk from fluctuations in the exchange rate. The group has consistently been very conservative in its foreign exchange hedging policy, which 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, in accordance with the interest rate hedging policy approved by the Board.

6. Uncertainties in the monetary and fiscal policies of major countries

Risk: In the year 2017, the global economy was expected to continue expanding, driven mainly by rising consumption. However, there remained risks that warranted monitoring, such as uncertainties pertaining to U.S. economic and foreign trade policies, economic and financial stability concerns in China, and geopolitical risks that could have caused more volatility in financial markets. Although most central banks maintained their accommodative monetary policy stances, a few continued to raise their policy rates. Moreover, the Federal Reserve was expected to commence its balance sheet reduction and gradually raise its federal funds rate. In addition, the uncertainties in implementing U.S. fiscal policies included the downside risk of sudden capital outflows, which would have resulted in greater volatility of the Thai baht against the US dollar. Consequently, financial institutions could have become more selective in extending credit, which might have had an impact on INTOUCH Group's liquidity as well as financing costs and the availability of funds for 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 in accordance with the policy approved by the Board.

7. Possible non-compliance with the Agreement for 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

Communications 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 provision 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 matter 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 matter is still being considered by the committee under Section 72 of the aforementioned act.

8. Thaicom 7 & 8 may become subject to the Agreement for the Operation of Domestic Communication Satellites

Risk: In 2012, THAICOM obtained licenses for the Thaicom 7 & 8 satellites from the National Broadcasting and Telecommunications Commission ("NBTC"), in accordance with the *Telecommunication Business Act, B.E. 2544* and the *Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and*

Telecommunications Services, B.E. 2553. The Ministry of Information and Communications Technology (now the Ministry of Digital Economy and Society) (the “Ministry”) had notified the NBTC that permission to use the designated orbital slots had been granted for the two satellites, to which the NBTC referred in the license granted to THAICOM.

However, in 2017 the Ministry informed THAICOM and INTOUCH, as a contract party to the Agreement for the Operation of Domestic Communication Satellites (“the Agreement”), that Thaicom 7 & 8 were subject to the Agreement. The Ministry requested compliance with the terms and conditions of the Agreement, namely transfer of ownership, delivery of assets, preparation of backup satellites, and payment of concession fees and property insurance.

Risk treatment: INTOUCH and THAICOM have carefully considered this issue together, in consultation with external legal experts, and concluded that neither of these satellites are subject to the Agreement since their operations fall within the license framework granted by the NBTC. Moreover, both INTOUCH and THAICOM have fully complied with all the terms and conditions in the Agreement, even though the Ministry views this matter from a different perspective.

Therefore, both INTOUCH and THAICOM notified the Ministry in writing of their conclusion, and submitted this dispute to the Arbitration Institute, which accepted it on 25 October 2017 as the Black Case No. 97/2560. It could take from one to two years for the arbitral award to be rendered.

9. Cyber Security Risk

Risk: As the Company relies on information technology systems to undertake its business, it is exposed to both internal and external threats, such as security breaches or cyber-attacks. These could result in business disruption, loss of data, or leakage of sensitive and/or

confidential information, which may adversely affect the Company’s performance and/or reputation. There is no guarantee that the Company can successfully protect itself from these threats.

Risk treatment: The Company has established a Cybersecurity Framework and implemented processes and tools, such as a penetration test and APT protection, to evaluate the security of the system and detect threats. Moreover, the IT department continuously informs the employees of security-related matters, and conducts regular training sessions and cyber security drills to raise their awareness of information security and improve their ability to respond to threats.

10. 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 Report ...

Introduction

The Board of Directors (“the Board”) is committed to maintaining good corporate governance and ethical business practices in all its activities, demonstrating responsibility to society, the environment and all of the Company’s stakeholders, as well as respecting the rights of the latter. The Board believes that good corporate governance is essential for the Company to compete ethically in a changing business environment, maximize long-term and sustainable shareholder value and return, maintain credibility, and make a long-term beneficial contribution to society, the environment and the stakeholders.

The Board has adopted and developed the Corporate Governance Policy to assist it in discharging its duties and its responsibilities. This policy is reviewed periodically and revised as appropriate to ensure the effective functioning of the Board in corporate governance. Any changes to the policy are communicated to all the directors, executives and employees. The last revision was undertaken on 17 March 2017.

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 2017.



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

Improvement in the Company’s Good Corporate Governance in 2017

The Company has monitored the improvement of corporate governance and good practices in other leading organizations, both domestic and international, in order to analyze these and apply them to its own business. In 2017, the Company made the following improvements:



- Restructured the Nomination and Governance Committee and the Leadership Development and Compensation Committee so that at least half their members were independent directors (including the chairmen).
- Engaged an external consultant to conduct board evaluations.

Compliance with the SET’s 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 2017, and concluded that it had complied with all the provisions set forth in the aforementioned principles throughout the year, except for the three deviations specified as follow:

SET Recommendation	The Company's Explanation
1. The chairman of the board should be an independent director.	Dr. Virach Aphimeteetamrong, the Chairman of the Board, was appointed as an authorized director, and consequently disqualified from being an independent director. However, taking his other qualifications into account, the Board considers that he is able to exercise his judgment independently.
2. The board should set a limit of five directorships in listed companies an individual director can hold simultaneously.	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. The Board has found that all of its members are able to allocate sufficient time to prepare for and attend Board and board committee meetings.
3. The nomination committee should be comprised entirely of independent directors.	As at 31 December 2017, more than half of the Nomination and Governance Committee's members are independent directors, including the Chairman.

Application of the Corporate Governance Code for Listed Companies 2017

By the end of 2016, the Securities and Exchange Commission (SEC) had developed and disseminated the Corporate Governance Code for Listed Companies 2017 (the "CG Code") as principles for boards of directors, the leaders or the most responsible persons in an organization, to apply to their governance practices.

The objectives are to create good long-term business performance, maintain credibility with the shareholders and society, build sustainable value for the Company, and meet the expectations of the business sector, investor community, capital market and society as a whole. Listed companies are encouraged to review the application of the CG Code to their business practices at least once a year, record the results as board resolutions, and disclose these in their annual reports and annual registration statements (Form 56-1).

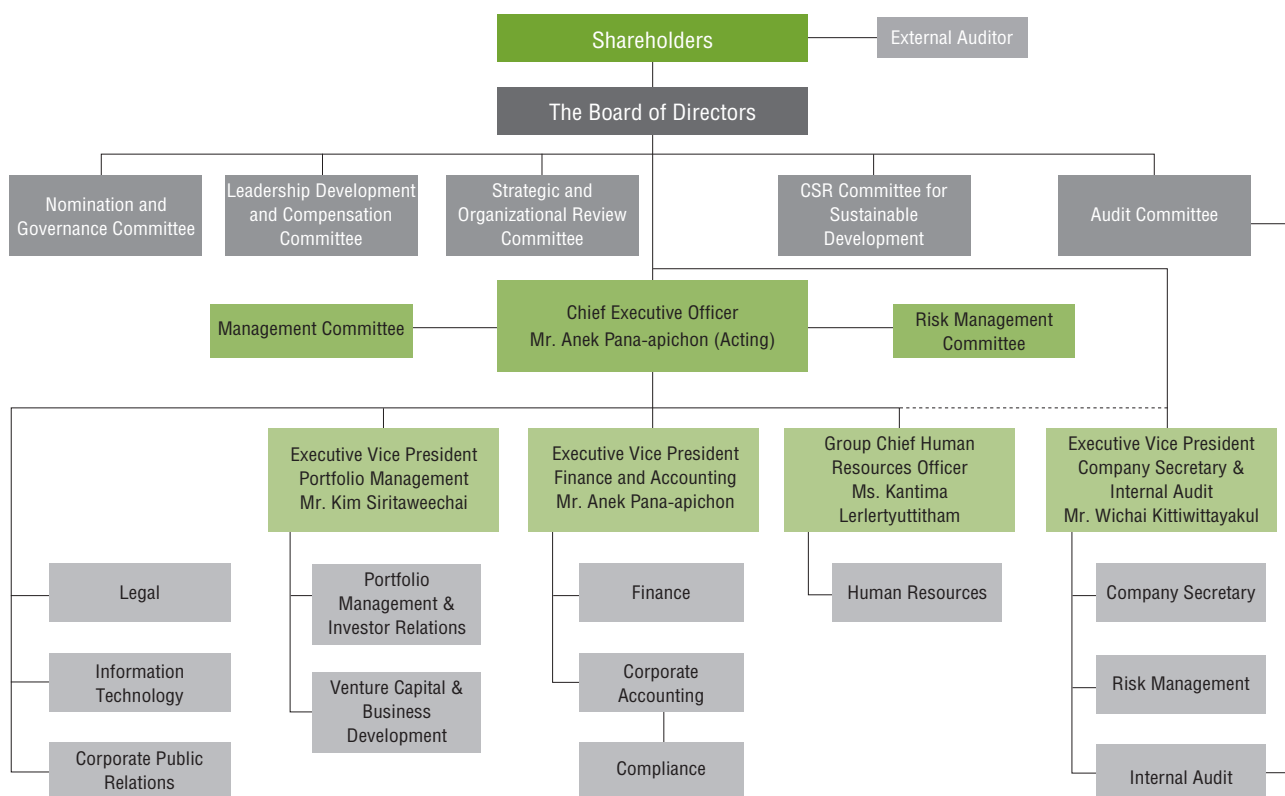
The Company reviewed its CG Policy and practices, and compared them against the CG Code. The results

were submitted to the Audit Committee, the Nomination and Governance Committee and the Board of Directors. Both board committees unanimously concluded that the Company's CG Policy and practices are aligned with the principles of the CG Code, while all the directors had a good understanding of them.

Moreover, both committees have recently approved amendments to the wording in the Company's CG Policy so that it closely corresponds to the CG Code.



Governance Structure



■ Executives as defined by Capital Market Supervisory Board

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.

As of 21 August 2017, there were three shareholders that held more than 5% each of the Company's total issued and paid-up shares, as shown in the table below.

	No. of shares	%
SINGTEL GLOBAL INVESTMENT PTE LTD	673,348,264	21.00
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED*	509,766,840	15.90
THAI NVDR COMPANY LIMITED	438,202,756	13.67

* Anderton Investments Ple Ltd. holds 509,766,840 shares in the Company, representing 15.90%, under the name of the Hongkong and Shanghai Banking Corporation Limited.

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 separate 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.

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.

- 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.

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

Shareholders' meetings are 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. In practice, it will be held as soon as possible after the approval of the annual financial statements so that the shareholders may receive the latest information about the Company, such as dividend payments (if any). Extraordinary meetings may be held if warranted by particular circumstances that could 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 2017

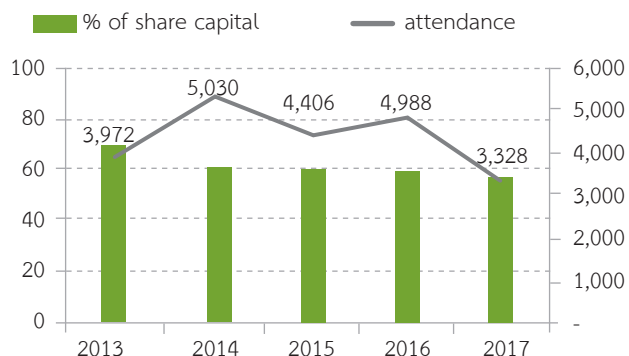
At the Annual General Meeting of Shareholders for 2017, held at Centara Grand Central Plaza Ladprao, Bangkok, on 31 March 2017, there were 3,328 shareholders present in person along with proxies acting for absent shareholders, representing 54.31% of the Company's issued share capital. All the Company's 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, 2016.
- Approved the appropriation of the net profit for the period January 1 - March 30, 2017 to pay an interim dividend of 1.61 baht per share.
- Appointed the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's external auditors, and fixed the audit fees for 2017 at an amount not exceeding 1.98 million baht.
- Appointed Mr. Kan Trakulhoon as a new director, and reappointed Mr. Chalaluck Bunnag and Mr. Somprasong Boonyachai for another term of office.
- Approved the remuneration for the Board and its board committees in 2017 at not more than 42.5 million baht.
- Approved the issuance of warrants, not exceeding 1,107,800 units, to be offered to employees of the Company and/or its subsidiaries in the year 2017 under the performance share plan.
- Approved the allotment of not more than 1,107,800 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 above warrants.
- Allocated the above warrants to each executive who would receive more than five (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.

AGM Attendance From 2013 to 2017



Number of Shares Held

As at 21 February 2017	Number of registered shareholders	Registered share capital (%)
1-1,000	32,596	0.52
1,001-10,000	38,793	4.83
10,001-100,000	12,512	11.39
100,001-1,000,000	1,414	11.24
1,000,001-5,000,000	105	6.33
over 5,000,000	35	65.69
Total	85,455	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.

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

- Be responsible for overseeing operational results and the management's performance to ensure due attentiveness and care.
- Arrange appropriate accounting systems, including the preparation of financial reports and a reliable auditing system; oversee processes and evaluate the internal control system, the internal audit system and the risk management system to ensure their effectiveness and efficiency, as well as follow up on results.
- Ensure avoidance of conflicts of interest amongst the Company's stakeholders.
- Supervise business operations to enforce ethical work standards.
- Annually review the Company's Corporate Governance Policy and assess due compliance.
- 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 2017

- Approved the Company's KPI targets and budget for the year 2017
- Approved the KPI targets for the CEO
- Reviewed the Company's Corporate Governance Policy
- Approved an amendment to the Company's organizational structure
- Reviewed the operating results for the year 2016 and approved the financial statements
- Reviewed the Company's risk management report and internal control evaluation result
- Approved the interim dividend payment
- Reviewed the Board's structure and composition
- Considered the selection and appointment of directors
- Considered the Board's remuneration policy and budget for the year 2017
- Nominated representative directors at the Company's subsidiaries
- Considered the appointment of the Company's external auditors and fixed the audit fees for 2017
- 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 2017
- Called the Annual General Meeting of Shareholders for 2017
- Considered how to vote at each annual shareholders' meeting held by the Company's subsidiaries
- Considered the board performance evaluation results

Q1

Q2

Q3

Q4

- Reviewed the operating results for the first quarter of the year and approved the financial statements
- Monitored the pending litigation and regulatory issues at the companies in the group
- Considered the succession plan for senior executives

- Approved the interim dividend payment
- Reviewed the Company's risk management report
- Approved the restructuring of the Company's board committees
- Reviewed the operating results for the second quarter of the year and approved the financial statements
- Reviewed the Company's second-half strategic direction in 2017
- Monitored the progress of the HR management and development plans, along with the search for a new CEO
- Considered new investment proposals and monitored the progress of the VC portfolio

- Approved the Company's strategic direction for the year 2018
- Reviewed and approved the Company's vision and mission statements for the year 2018
- Reviewed the operating results for the third quarter of the year and approved the financial statements
- Acknowledged a change in the Company's shareholding structure and approved the appointment of a new director
- Approved a restructuring of the Company's board committees
- Monitored the pending litigation and regulatory issues at the companies in the group
- Participated in a CSR activity arranged by the Company

2. Authorized Signatories

Dr. Virach Aphimeteetamrong, Mr. Anek Pana-apichon 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 leading the Board and ensuring that it is effective in every aspect of its role. The Acting CEO, Mr. Anek Pana-apichon 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

- Chairs 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 the major shareholder in order to enhance mutual understanding of the Company's and its major shareholder's priorities.



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 achieving 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 2017, the Board comprised ten (10) members as listed below. (All the directors' biographies are shown in the Annual Report for 2017, pp. 27-33.)

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. Kan Trakulhoon *	Thai	Independent Director	31 March 2017
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. Anek Pana-apichon **	Thai	Executive Director	1 July 2017

* The Annual General Meeting of Shareholders for 2017 appointed Mr. Kan Trakulhoon as a director, replacing Mr. Vithit Leenutaphong who resigned by rotation.

** The Board appointed Mr. Anek Pana-apichon to replace Mr. Philip Chen Chong Tan, who resigned on 30 June 2017.

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

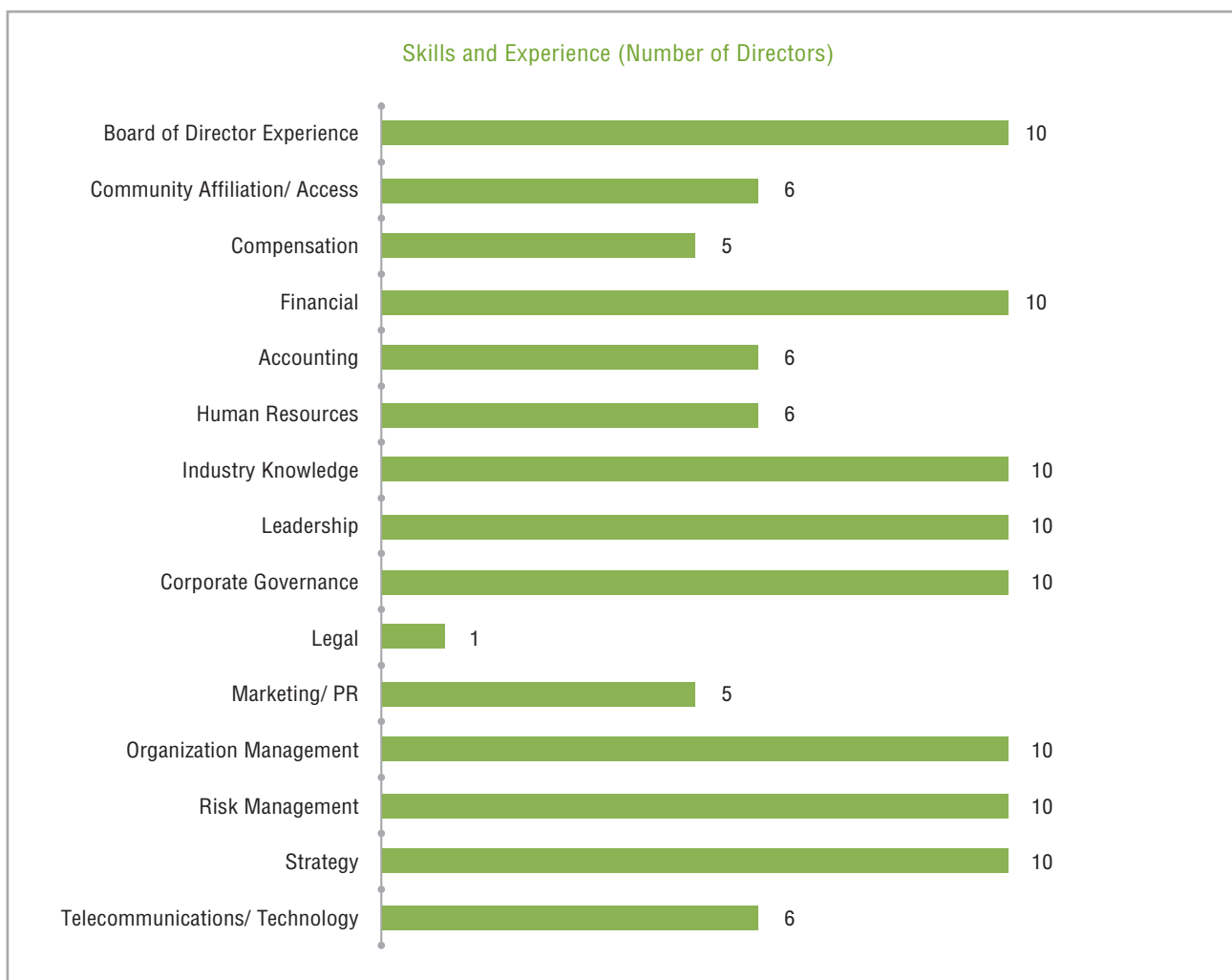
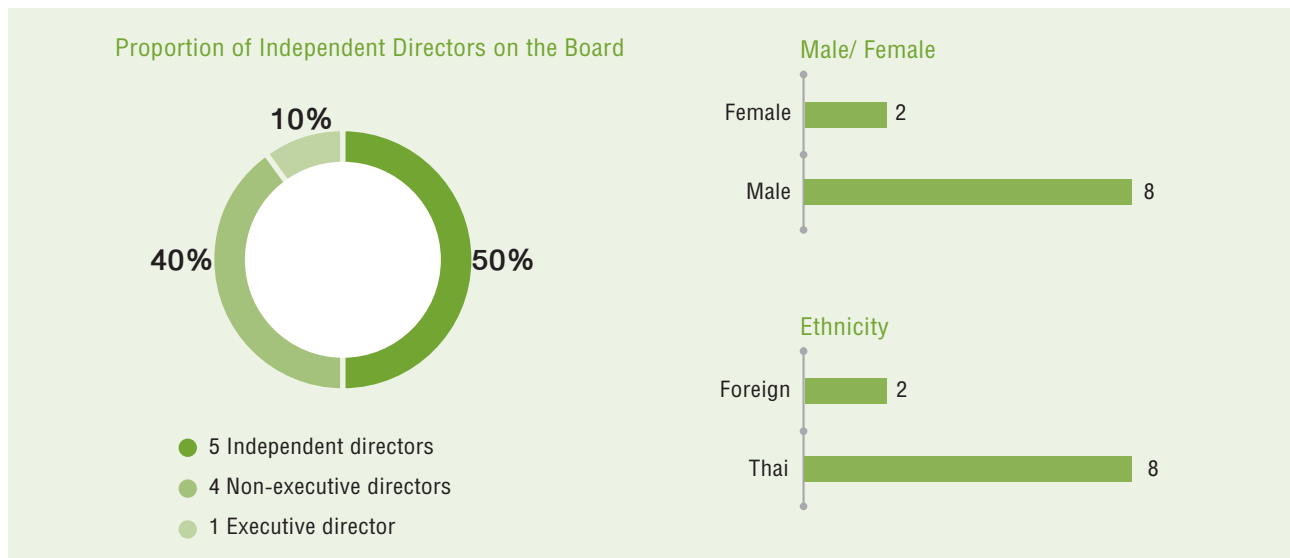
Under the Company's Corporate Governance Policy, an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. When this policy became effective on 16 March 2015, directors who were 72 years of age or older could still hold their positions for their 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, ethnicity, age, cultural and educational background, professional experience, skills, knowledge and attitude.

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 a 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 is 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 a 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.

Having been appointed under the criteria listed in 1) to 9) above, an 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 in which he or she 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, gender, and other characteristics.
- 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 2017, this procedure was followed when Mr. Kan Trakulhoon was appointed as new director.

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 2017, this procedure was followed when Mr. Chalaluck Bunnag and Mr. Somprasong Boonyachai 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.

In 2017, the Company arranged a board seminar on the topics of "Leadership Development in Large Organizations" and "Financial Innovation in Venture Capital - Technology and Trends". The content emphasized strengthening corporate culture through continuous development programs for employees at all levels. This will build a strong foundation of both knowledge and ethical behavior, and create a fair system of evaluation and rewards. Moreover, digital disruption will have a big impact on many businesses, especially in the financial sector. People must be prepared to adapt to these changes in order to exploit new business opportunities.

Moreover, the Company encouraged the directors to participate in programs or seminars which would be beneficial for their duties. These included:

- The Chairman Forum 2017 on the topic of "The Role of the Chairman in Leading Strategic Risk Oversight" on 18 May 2017 at the Renaissance Hotel Bangkok
- Stewardship Asia Roundtable 2017 on 6 September 2017 in Singapore
- The 2017 ACFE Fraud Conference Asia-Pacific, organized by the Association of Certified Fraud Examiners from 17-19 September 2017
- Other seminars organized by the Thai Institute of Directors; for example, the AGM 2017 & Dinner Talk on "Boards of Directors and their Roles in Driving Thailand Forward" by the Governor of the Bank of Thailand on 29 May 2017 at Grand Hyatt Erawan Bangkok

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.

Moreover, a new Board Portal system has been developed for all the directors to access board-related documents via computers and mobile devices such as iPads anywhere and at any time. This system, which meets the information security standards SSAE16, SOC2 & ISO27001, allows the directors to perform their duties more conveniently.

12.5 Meeting Attendance

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

The meeting attendance in 2017 is recorded in the following table.

Number of meetings attended / Total meetings held

Name	2017 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
Current Directors							
1. Dr. Virach Aphimeteetamrong	Yes	11/11					
2. Mr. Somchai Supphatada	Yes	11/11	8/8				
3. Mr. Chalachuck Bunnag	Yes	10/11	8/8			3/3	
4. Ms. Sopawadee Lertmanaschai	Yes	11/11	8/8				5/5
5. Mr. Prasert Bunsumpun	Yes	10/11		4/4	8/8		4/5
6. Mr. Kan Trakulhoon ¹	-	7/7		2/2	5/5	2/2	5/5
7. Ms. Jeann Low Ngiap Jong	Yes	10/11		4/4	8/8		5/5
8. Mr. Kwek Buck Chye	Yes	11/11					5/5
9. Mr. Somprasong Boonyachai	Yes	10/11					4/5
10. Mr. Anek Pana-apichon ²	Yes	4/4				2/2	4/4
Director who resigned from the Board in 2017							
11. Mr. Vithit Leenutaphong ³	-	3/3		2/2	2/2		
12. Mr. Philip Chen Chong Tan ⁴	Yes	7/7		4/4	4/4	1/1	1/1

Remarks:

- The Annual General Meeting of Shareholders for 2017 appointed Mr. Kan Trakulhoon as a new director on 31 March 2017. The same day, he was appointed the Chairman of the Leadership Development and Compensation Committee, a member of the Strategic and Organizational Review Committee and a member of the Nomination and Governance Committee to replace Mr. Vithit Leenutaphong.
- The Board of Directors Meeting on 14 June 2017 resolved to appoint Mr. Anek Pana-apichon as a member of the Board of Directors, the Strategic and Organizational Review Committee and the CSR Committee for Sustainable Development to replace Mr. Philip Chen Chong Tan.
- Mr. Vithit Leenutaphong retired by rotation at the Annual General Meeting of Shareholders for 2017 on 31 March 2017.
- Mr. Philip Chen Chong Tan resigned from the Board on 30 June 2017.

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 2017, these meetings were held to discuss the progress made on the search for a new CEO, along with the leadership development program and the employees' compensation structure.

13. Access to Management and Independent Advisors

Every director has separate and independent access to the management and the Company Secretary at any time if he or she needs additional information concerning the Company's performance or other information that

is not provided at board meetings. The Board and its sub-committees 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 potential conflicts of interest with the Company. If one arises during a business decision or transaction involving the Company, he or she is prohibited from participating in or approving that matter.

During the year 2017, the Company amended its Disclosure of Directors' and Executives' Interests Report to comply with Section 59 of the Securities and Exchange Act (No.5), B.E. 2559 (2016). Directors and executives must now declare the securities and derivatives held by cohabitees (and their names), spouses and other related juristic persons, if the total number (including their own holding) exceeds 30% of the Company's voting rights.

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 2017.

(The details of outside board memberships held by each director and the CEO can be found in the Annual Report for 2017, pp. 27-33.)

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, and consider an independent evaluation by an external consultant every three years. These evaluations review the performance of the Board as a whole, its individual members and each board committee, with the objective of improving overall effectiveness.

Scope of board evaluations:

1. Evaluation of the Chairman of the Board
2. Evaluation of the Board as a whole
3. Evaluation of the board committees
4. Self-evaluation by individual directors
5. 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 2017, the Company engaged an external consultant to conduct the board evaluations and obtain useful suggestions on improving board effectiveness. The evaluations covered the Board as a whole, the board committees and individual directors (both self-evaluations and peer reviews), in order to make the assessment more comprehensive and raise the standard of performance. The consultant used a questionnaire and conducted individual interviews, analyzed the results, and then submitted these to the Board for consideration. There are eight main assessment areas:

- 1) Board Composition & Independence
- 2) Board Processes/Roles & Functions
- 3) Information Management
- 4) Monitoring Company Performance
- 5) Managing Risk & Adversity
- 6) Managing CEO Performance & Succession Planning
- 7) Representation of Shareholders & Corporate Social Responsibility
- 8) Director Development & Remuneration

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 2017. Moreover, the Audit Committee also conducted an additional self-evaluation using a checklist prepared by the Securities and Exchange Commission.

The evaluation concluded that the Board and each board committee had operated thoroughly and effectively throughout the year 2017. The overall performance evaluation of the Board was in the 75th percentile of leading Southeast Asian companies in the same industry.

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 2017	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. Kan Trakulhoon Ms. Jeann Low Ngiap Jong	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.
Leadership Development and Compensation Committee Mr. Kan Trakulhoon (Chairman) Mr. Prasert Bunsumpun Ms. Jeann Low Ngiap Jong	This committee assists the Board in determining the compensation of directors and executives, along with cultivating a strong and internationally competitive management team that is able to drive business success and achieve sustainable growth. The committee, together with the CEO, assesses and determines the succession plan for the Company's and its subsidiaries' CEOs and the persons who report directly to them, as well as evaluates the performance of the CEO and senior executives. 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.

Board committees and members as at 31 December 2017	Key roles and responsibilities
CSR Committee for Sustainable Development Mr. Chalaluck Bunnag (Chairman) Mr. Kan Trakulhoon Mr. Anek Pana-apichon	This committee assists the Board in reviewing and approving the Sustainable Development Policy and the Sustainability Report. The committee also monitors the Company's compliance with this policy, oversees the CSR programs (which includes reviewing the related strategy and budget), and ensures that the Company's business operations follow the principles of sustainable development.
Strategic and Organizational Review Committee Ms. Jeann Low Ngip Jong (Chairperson) Ms. Sopawadee Lertmanaschai Mr. Prasert Bunsumpun Mr. Kan Trakulhoon Mr. Kwek Buck Chye Mr. Somprasong Boonyachai Mr. Anek Pana-apichon	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, organizational structure and half-year performance of companies in the group, along with studying strategic moves. The committee also evaluates new business opportunities, and approves investments within the prescribed limits.

 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 56 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 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. Twenty-six meetings were held in 2017. The Management Committee consists of the following senior executives (whose biographies are shown in the Annual Report for 2017, pp. 27-33).

Name	Position
1. Mr. Anek Pana-apichon	Acting Chief Executive Officer and Executive Vice President - Finance and Accounting
2. Mr. Wichai Kittiwittayakul	Executive Vice President - Company Secretary Office and Internal Audit
3. Mr. Kim Siritaweechai	Executive Vice President - Portfolio Management
4. Ms. Kantima Lerlertyuttitham	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 Audit Committee)

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

INTOUCH has fulfilled all its obligations to shareholders and the investment community as set out in its disclosure policy. The Company reviews and updates this policy regularly in order to ensure it is appropriate for the current circumstances. Information is disseminated through various channels, especially the Company's website, which is constantly updated and provides equal access to all the stakeholders. The Company also sends information via email to any stakeholders who request this service, and answers all enquiries under "Request for more information" on its website.

Moreover, the Company is able to discern stakeholder interests and concerns through the enquiries made. In 2017, the Investor Relations Department asked investors and analysts to provide feedback on meetings and events arranged by the Company through a printed questionnaire, and arranged meetings with stakeholders to brief them on the Company's performance and business plans.

In 2017, INTOUCH arranged two analyst meetings and sixteen fund manager meetings at both local and international road shows (attended by a total of 125 fund managers). In addition, the Company held 24 one-on-one meetings with investors on site. The Company was also represented at the SET Opportunity Day held every quarter, published its annual newsletter in August, disseminated information regularly by email, and answered telephone inquiries.

In 2017, Investor Relations attended the following events:

1Q17

- 2017 INTOUCH Group Analyst Meeting
- 1Q17 Opportunity Day arranged by the Stock Exchange of Thailand
- Local fund non-deal roadshow arranged by Bualuang Securities Plc
- Non-deal roadshows in Singapore, Hong Kong, London, Edinburgh, Geneva and Frankfurt
- Participated in HSBC ASEAN DAY in Singapore organized by the Hongkong and Shanghai Banking Corporation Limited



2Q17

- 2Q17 Opportunity Day arranged by the Stock Exchange of Thailand
- Non-deal roadshows in Singapore, Melbourne and Sydney
- Participated in the 8th Asia Pacific TMT Conference in Hong Kong organized by BNP Paribas (Asia) Limited
- Participated in UBS Asia Telco and Internet Conference 2017 in Hong Kong organized by UBS Securities (Thailand) Limited
- Participated in Thailand Corporate Day in Singapore organized by Bualuang Securities Plc



3Q17

- 2017 INTOUCH Group Half-Year Analyst Meeting
- 3Q17 Opportunity Day arranged by the Stock Exchange of Thailand
- Local fund non-deal roadshow arranged by Phatra Securities Plc
- Thailand Focus 2017 organized by Phatra Securities Plc and the Stock Exchange of Thailand
- Participated in Thailand Corporate Day in Singapore organized by SCB Securities Company Limited
- Participated in Thailand Corporate Day in Kuala Lumpur organized by Maybank Kim Eng Securities (Thailand) Plc
- Participated in ASEAN Yield Focus Corporate Day 2017 in Tokyo organized by Citigroup Inc.
- Participated in CNS Corporate Access in Bangkok organized by Capital Nomura Securities Plc



4Q17

- 4Q17 Opportunity Day arranged by the Stock Exchange of Thailand
- Non-deal roadshows in Hong Kong and Taipei
- Participated in Thailand Telecom Corporate Day in Bangkok organized by TISCO Securities Company Limited



The Investor Relations Department arranged investor engagement activities to help analysts and investors, both local and foreign, discuss the Company's performance and strategy with the Chief Executive Officer, Executive Vice President of Portfolio Management and Senior Vice President of Investor Relations, along with corporate governance policy and risk mitigation. The Company observes a 30-day silent period prior to its scheduled earnings announcements in order to ensure fairness and prevent the improper disclosure of information that might affect its share price while the financial statements are being prepared.

What did shareholders and investors ask about in 2017?

INTOUCH	AIS	THAICOM
<ul style="list-style-type: none"> Dividend payout ratio and dividend policy Performance of HIGH Shopping Return on investment of InVent projects Business plan for new investment Strategy and business direction from the new major shareholder Corporate governance and board structure 	<ul style="list-style-type: none"> Competitive landscape CAPEX plan for 2017 and the near future Fixed-broadband business performance and strategy The upcoming license auction and related roadmap Acquisition of CSL Dividend policy 	<ul style="list-style-type: none"> Regulatory issues with the government Business strategy and opportunities for growth

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

Sound risk management and internal controls are essential elements of good corporate governance.

The Board has assumed the overall responsibility for establishing and maintaining effective risk management and internal control systems in pursuit of the Company's business objectives, with the aim of creating sustainable value for the shareholders.

The Board has delegated the responsibility for reviewing the appropriateness and effectiveness of the risk management and internal control processes to the Audit Committee, which is assisted by the CEO and the Risk Management Committee.

The Company's executives are responsible for designing and implementing effective risk management and internal controls, the so-called "first line of defense". The risk management function is responsible for

monitoring risks, then providing the necessary support to the management, the "second line of defense". The internal audit function, the "third line of defense", undertakes independent reviews to ensure the adequacy and effectiveness of the Company's processes and controls.

Risk Management

The Company has a risk management framework in place that has provided a foundation for managing the risks in all its business activities, based on the *COSO Enterprise Risk Management Framework and ISO 31000:2009*.

Under this framework, the Board has defined the Company's risk appetite, and overseen the establishment and maintenance of risk management policy and processes. Risk management has been integrated into all areas of the Company's activities, including strategy formulation and decision-making. All the significant risks faced by the Company are identified, evaluated, managed, and reported to the Board through the Audit Committee on a quarterly basis.

The risk management framework and risk factors are detailed in the Annual Report for 2017, pp. 50-55.

Internal Controls

The Company has adopted *Internal Control-Integrated Framework (2013)* established by the Committee of Sponsoring Organizations of the Treadway Commission

(COSO) for designing and implementing its internal control system to provide reasonable assurance that the following objectives can be achieved:

- Effectiveness and efficiency of the Company's operations.
- Safeguarding of Company's assets.
- Reliability, timeliness, and transparency of both internal and external financial and non-financial reporting.
- Compliance with all applicable laws and regulations.

The Company has established and maintained the following internal controls based on the COSO framework:

1) Control Environment

The control environment is the set of standards, processes, and structures that provide basis for carrying out the internal control across the Company. The Board has set "Tone at the Top" regarding the importance of internal control and expected standards of conduct. 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 has clearly defined its retained authority and the authority delegated to the CEO and other executives.
- The Board and management at all levels demonstrate through their directives, actions and behavior the importance of integrity and ethical values to support the functioning of the internal control system. Codes of conduct have also been drawn up as guidelines for all the directors, executives and employees.
- Clear reporting lines and levels of management authority and responsibility have been established in the Company's organizational structure.
- The processes are in place for attracting, developing and retaining competent employees, measuring their performance and determining incentives.
- The CEO and other executives have designed and implemented the organizational structure, delegated approval authority and defined managerial responsibility, all of which are required to establish accountability for internal controls at every level of the Company. These are periodically reviewed to ensure that they are appropriate.

2) Risk Assessment

The Company conducts all its business within its defined risk appetite in order to achieve set business objectives. The risks to achieving business objectives have been identified and assessed across the Company, along with the potential for fraud and changes in both the external and internal environments, in order to determine the appropriate mitigation measures.

All the Company's executives and many of the staff are risk owners who are responsible for identifying and assessing the risks in their business areas as part of the annual strategic and business plans, day-to-day management and decision-making, and the project management process.

3) Control Activities

The Control activities are the actions established through the Company's policies and procedures to help ensure that managerial directives to mitigate risks to the achievement of set objectives are carried out. The Company's control activities are performed at all levels of the entity, at various stages within business processes, and across the technology environment. These include authorization and approvals, verification, reconciliation, segregation of duties, and business performance reviews.

4) Information and Communication

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

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

5) Monitoring Activities

The Company has an evaluation process to ascertain whether the components of internal control are present and functioning. The evaluations are conducted by functional managers, all of whom have sufficient knowledge and the necessary competency to understand the purpose of each evaluation and its procedure, 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.

Any internal control deficiencies will be communicated to the relevant parties, including the responsible management and the Board, in a timely manner so that prompt corrective action can be taken.

At Board Meeting No. 2/2018, held on 6 February 2018 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. Moreover, 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.

Ethical Standards

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 on an annual basis. This code covers the following areas:

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

15. Distribution of information and interviews with the press or public


16. Related transactions within the group

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

All executives and employees are required to sign a declaration of compliance every year. An annual test is conducted to assess each person'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 the business activities of their subordinates, and encourage them 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.

In 2017, one complaint about an employee at another company in the group was reported directly to INTOUCH. This case was processed in accordance with the Company's defined procedures.

🔑 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 Securities 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



Anti-Bribery and Corruption

INTOUCH is committed to integrity and transparency as these are key principles in conducting business. The Company, therefore, is opposed to all forms of bribery and corruption. In addition, the Company was first certified by Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in 2013, and re-certified in 2016. The Company has also participated in regular related activities with external parties, such as the Anti-Corruption Day 2017 held by the Anti-Corruption Organization of Thailand on 6 September.

The Company has implemented the following program in order to maintain high ethical standards as well as uphold its position against any form of bribery or corruption.

- 1) **Tone from the Top:** The Board fosters a culture within the Company in which bribery and corruption are never acceptable. The Board and the CEO have provided a clear statement of their commitment to conducting business fairly, honestly and transparently, which has been communicated to all the employees and business partners.
- 2) **Risk Assessment:** The Company regularly assesses the risks of bribery and corruption, and reviews the related mitigation measures to ensure they are appropriate.

- 3) **Policy and Procedures:** A clear Anti-Bribery and Corruption Policy with detailed guidance and procedures has been drawn up, which covers the areas of political contributions, charitable contributions & sponsorships, facilitation payments, gifts & hospitality, and business relationships.
- 4) **Training and Communication:** A training program has been provided for employees to recognize situations in which bribery or corruption may occur so they can avoid them, while their understanding of this matter is tested from time to time.
- 5) **Business Relations:** The Company has communicated its Anti-Bribery and Corruption Policy to all its subsidiaries and associates, along with suppliers, consultants and business partners who receive more than 500,000 baht a year from the Company in purchases or fees. The Company has also invited all of these to join the CAC in order to fight against corruption.
- 6) **Whistle-blowing:** Secure communication channels have been established in order to report any suspicion of bribery or corruption within the Company and its group.
- 7) **Monitoring and Review:** A monitoring system is in place to ensure that the procedures and related internal controls, which are reviewed regularly, are effective in countering bribery and corruption.

 The Anti-Bribery and Corruption 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 has a policy to rotate the external auditor after five consecutive years, in accordance with a notification issued by the Capital Market Supervisory Board, but invites the leading international audit firms to submit tenders regularly.

The selected audit firm and auditors 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 statements for 2017 were audited by Dr. Suphamit Techamontrikul (CPA No. 3356) of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (DTTJ), who expressed his opinion. The details of the audit fees for the Company and its subsidiaries for the year 2017 are shown in the table below.

(Unit: million baht)

Company	The external auditor under DTTJ	The other auditors under DTTJ and DTTJ's related firms
Intouch Holdings Plc.	1.98	-
Thaicom Plc. and its group	-	8.95
ITV Plc. and its group	0.50	-
Other subsidiaries	0.18	-
Total audit fees	2.66	8.95
Out-of-pocket expenses	0.08	0.25
Total audit fees and out-of-pocket expenses	2.74	9.20

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 2017, 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 2017 are shown in the table below.

(Unit: million baht)

Company	DTTJ	DTTJ's related firms
Intouch Holdings Plc.	-	-
Other subsidiaries	0.33	-
Total	0.33	-

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. The Audit Committee is satisfied that he has appropriate qualification and experience to perform this duty.

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 or disposal 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 the resolution of any disputes between the shareholders. If they are unable to reach an agreement on significant corporate actions, either shareholder may serve notice requiring the other to purchase its interest in AIS. If the other shareholder declines, then it must sell its interest to the shareholder that served the notice. There has been no significant disagreement between the two parties to date.

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 2017, held on 31 March 2017, approved total remuneration for the Company's directors 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 Fees

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 2017, the total compensation paid to the Board and board committee members was 37,039,000 baht (including accrued annual bonuses of 21,084,000 baht paid in February 2018), a decrease of 966,300 baht, or -2.54 %, from 38,005,300 baht in 2016.

Name	Position	Compensation for 2017 (baht)
Current Directors		
1. Dr. Virach Aphimeteetamrong	> Chairman of the Board	5,280,000
2. Mr. Somchai Supphatada	> Director > Chairman of the Audit Committee	4,100,500
3. Mr. Chalaluck Bunnag	> Director > Chairman of the CSR Committee for Sustainable Development > Member of the Audit Committee	3,970,500
4. Ms. Sopawadee Lertmanaschai	> Director > Member of the Audit Committee > Member of the Strategic and Organizational Review Committee	3,925,500
5. Mr. Prasert Bunsumpun	> Director > Chairman of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee > Member of the Strategic and Organizational Review Committee	4,095,500
6. Mr. Kan Trakulhoon	> 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	3,117,432

Name	Position	Compensation for 2017 (baht)
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 	4,120,500
8. Mr. Kwek Buck Chye	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	3,725,500
9. Mr. Somprasong Boonyachai	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	3,675,500
Director who resigned from the Board in 2017		
10. 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 	1,028,068
	Total	37,039,000

Note: Fee for director nominated by Singtel Global Investment Pte. Ltd., Ms. Jeann Low Ngiap Jong, was paid to Singtel Global Investment Pte. Ltd. in accordance with Singtel Group Framework.

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 the Company's strategic targets.
- A KPI scorecard is used to measure performance, comprising both financial and non-financial metrics.

Shareholder Alignment

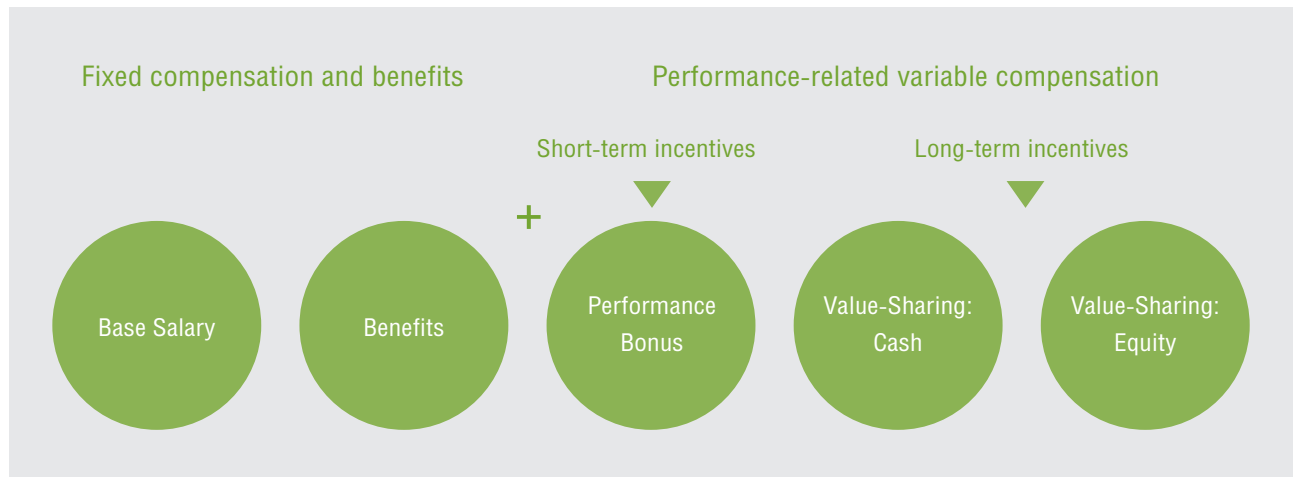
- Appropriate performance metrics are selected for annual and long-term incentive plans that will support business strategies and enhance shareholder value.
- Appropriate goals are set for threshold, target and stretch levels of performance.
- A sound compensation structure has been established to ensure 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 the key responsibilities, job characteristics, experience and skill set of each individual, and is paid in cash monthly. Base compensation is reviewed annually, and any increase reflects merit-based 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 rewards.

Value-Sharing Cash

Value-Sharing Cash drives fundamental performance and aligns the interests of shareholders and executives based on economic profit. Part of the reward is paid in cash, provided the amount is positive in the current year. The remaining balance will be carried forward into a cumulative bonus bank, although this is subject to performance-related claw-back and could be reduced in the event of underperformance over several years.

Value-Sharing Equity

Value-Sharing Equity is 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, the Company rewards their dedication to the job and contribution to business growth and prosperity by allocating warrants to buy the Company's shares. These warrants are granted to executives who possess a high level of expertise and play a significant role in creating business success. This allocation will benefit the organization through sustainable leadership.

	CEO	Executive	All Employees	Description	Link to compensation principle
Base Salary	•	•	•	Cash	Attracts and retains high-quality employees, and is paid for ongoing discharge of duties (based on the roles and responsibilities of each position).
Benefits	•	•	•	Provident fund, Life & Health insurance	Establishes a level of security for employees.
Performance Bonus	•	•	•	Cash	Performance-based compensation that rewards employees annually for individual contributions.
Value-Sharing Cash	•	•		Cash	Based on economic profit in order to drive fundamental performance and align the interests of shareholders and executives.
Value-Sharing Equity	•	•		Warrants to buy shares	Reinforces the delivery of long-term growth and shareholder value.

In 2017, the total monetary compensation for the four (4) members of the management team (as defined by the Capital Market Supervisory Board) was 30.75 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		Grant 5	
Exercise Price (per share)	68.072 baht		72.732 baht		81.276 baht		55.241 baht		53.806 baht	
Name	Units	%	Units	%	Units	%	Units	%	Units	%
1. Mr. Philip Chen Chong Tan ^{1/}	-	-	-	-	-	-	170,600	25.42	244,700	22.1
2. Mr. Anek Pana-apichon ^{2/}	45,600	10.54	69,857	8.28	70,662	7.57	70,076	10.44	92,160	8.32
3. Mr. Wichai Kittiwittayakul	24,600	5.69	69,857	8.28	70,662	7.57	70,076	10.44	92,160	8.32
4. Mr. Kim Siritaweechai	18,800	4.34	69,857	8.28	70,662	7.57	70,076	10.44	115,200	10.40
5. Ms. Kantima Lerlertyuttitham	-	-	-	-	-	-	-	-	-	-

^{1/} Mr. Philip Chen Chong Tan resigned as a director and the CEO on 30 June 2017.

^{2/} Mr. Anek Pana-apichon, Executive Vice President of Finance and Accounting, was appointed as a director and the Acting CEO to replace Mr. Philip Chen Chong Tan, effective 1 July 2017.

2. Compensation for Core Subsidiaries' Directors and Executives

2.1 Compensation for THAICOM's Directors

During 2017, THAICOM paid its directors total compensation of 19,092,500 baht (including accrued annual bonuses of 6,347,500 baht paid in February 2018 and other benefits), an increase of 1,129,900 baht, or 6.29%, from 17,962,600 baht in 2016.

Name	Position	Compensation for 2017 (baht)
1. Mr. Paron Isarasena Na Ayudhaya	> Chairman of the Board	3,277,500
2. Prof. Hiran Radeesri	> Director > Chairman of the Audit Committee	2,477,500
3. Ms. Charintorn Vongspootorn	> Director > Chairman of the Compensation Committee > Member of the Audit Committee	2,170,000
4. Prof. Samrieng Mekkiengkrai	> Director > Member of the Audit Committee > Member of the Governance and Nomination Committee > Member of the Compensation Committee	2,125,000
5. Mrs. Patareeya Benjapolchai	> Director > Member of the Audit Committee	2,145,000
6. Mr. Prasert Bunsumpun	> Director > Member of the Compensation Committee > Chairman of the Executive Committee	2,527,000
7. Mr. Kwek Buck Chye	> Director > Member of the Governance and Nomination Committee > Member of the Executive Committee	2,025,000
8. Mr. Somprasong Boonyachai	> Director	1,600,000
9. Mr. Virasak Kittivat	> Director	745,000
	Total	19,092,500

2.2 Compensation for THAICOM's Executives

In 2017, the total compensation for the five (5) members of THAICOM's management team (as defined by the Capital Market Supervisory Board) was 35.47 million baht, which comprised salaries, bonuses and other benefits.

In addition, warrants have been issued and offered to THAICOM's executives (in accordance with the management structure as of 1 September 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. Paiboon Panuwattanawong	77,122	11.31	116,400	9.72	88,728	8.18	154,500	14.38
2. Mr. Patompob Suwansiri	32,111	4.71	116,400	9.72	97,611	8.99	96,738	9.00
3. Mr. Teerayuth Boonchote	35,722	5.24	48,200	4.02	54,156	4.99	140,193	13.05
4. Dr. Supoj Chinveeraphan	16,422	2.41	25,300	2.11	29,000	2.67	48,351	4.50

... Securities held by Directors and Executives ...

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Name ^{1/}	Intouch Holdings Plc				Advanced Info Service Plc				Thacom Plc			
	Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)			
	31 Dec 2016	Changes during 2017			31 Dec 2016	Changes during 2017			31 Dec 2016	Changes during 2017		
		Increase	Decrease			Increase	Decrease			Increase	Decrease	
1. Dr. Virach Aphimeeteetamrong Chairman of the Board of Directors	-	-	-	-	-	-	-	-	1,000	-	-	1,000
2. Mr. Somchai Supphatada Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Chalaluck Bunnag Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
4. Ms. Sopawadee Lertmanaschai Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun Independent Director	20,000	-	(20,000)	-	80,000	-	-	80,000	-	-	-	-
6. Mr. Kan Trakulhoon ^{2/} Independent Director	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-
7. Ms. Jeann Low Ngap Jong Director	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Kwek Buck Chye Director	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Somprasong Boonyachai Director	181,459	-	-	181,459	-	-	-	-	-	-	-	-
10. Mr. Anek Pana-apichon ^{3/} Director Acting Chief Executive Officer, and Executive Vice President- Finance & Accounting	90,000	-	(20,000)	70,000	10,000	-	(10,000)	-	-	-	-	-
11. Mr. Wichai Kittiwittayakul Executive Vice President- Company Secretary & Internal Audit	87	-	-	87	20,000	-	(20,000)	-	50	-	-	-
12. Mr. Kim Siritaweechai Executive Vice President- Portfolio Management	10,500	-	-	10,500	2,000	-	(1,000)	1,000	-	-	-	-
13. Ms. Kantima Lerlertyuttham Group Chief Human Resources Officer	-	-	-	-	-	-	-	-	-	-	-	-

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

^{2/} Mr. Kan Trakulhoon was appointed as a director of Intouch Holdings Plc to replace Mr. Vithit Leenutaphong, who did not seek reappointment for another term of office, effective 31 March 2017.

^{3/} Mr. Anek Pana-apichon, the Company's Executive Vice President-Finance & Accounting, was appointed as a director and Acting Chief Executive Officer to replace Mr. Philip Chen Chong Tan, effective 1 July 2017.

... Securities held by Directors and Executives ...

Name ^{1/}	I.T. Applications and Services Co., Ltd.				Intouch Media Co., Ltd.				ITV Plc ^{2/}				Matchbox Co., Ltd. ^{3/}			
	Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)				Ordinary Shares (shares)			
	31 Dec 2016	Changes during 2017		31 Dec 2017	31 Dec 2016	Changes during 2017		31 Dec 2017	31 Dec 2016	Changes during 2017		31 Dec 2017	31 Dec 2016	Changes during 2017		31 Dec 2017
		Increase	Decrease			Increase	Decrease			Increase	Decrease			Increase	Decrease	
1. Dr. Virach Aphimeeteetamrong Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Somchai Supphatada Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Chalaluck Bunnag Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Ms. Sopawadee Lertmanaschai Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Kan Trakulhoon Independent Director	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-	N/A	-	-	-
7. Ms. Jeann Low Ngiaap Jong Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Kwek Buck Chye Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Somprasong Boonyachai Director	4	-	-	4	-	-	-	-	-	-	-	-	260	-	-	260
10. Mr. Anek Pana-apichon Director Acting Chief Executive Officer, and Executive Vice President- Finance & Accounting	2	-	-	2	-	-	-	-	20	-	-	-	10	-	-	10
11. Mr. Wichai Kittiwittayakul Executive Vice President- Company Secretary & Internal Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Kim Siritawechai Executive Vice President- Portfolio Management	-	-	-	-	1	-	-	1	20	-	-	-	-	-	-	-
13. Ms. Kantima Lerlertuythitham Group Chief Human Resources Officer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

^{2/} Currently not in operation.

^{3/} Matchbox Co., Ltd. registered its dissolution with the Department of Business Development, Ministry of Commerce on 20 June 2017, and is currently under liquidation.

... 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 2017

During the year 2017, 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 5 to the Financial Statements ending 31 December 2017.

The Audit Committee’s opinion on connected transactions was expressed in the Audit Committee Report for 2017, which can be concluded that the transactions were normal business practices with general trading conditions, reasonable and created the highest benefit for the Company.

The significant transactions with companies that could be seen as conflicts of interest and rational during 2017 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 2017 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
1. Advanced Info Service Plc and its group (AIS) AIS is an associate company of INTOUCH. AIS and the Company have the same indirect major shareholders.	Expenditure: INTOUCH Group used services of HR management, mobile phone, datanet and leased line internet provided by AIS					
	1. Management fee	1.18	-	-	1.18	INTOUCH appointed an executive of AIS to manage human resources. The service fee was determined by the market rate and based on the proportion of overall work and responsibility. The service is to support normal business of the Company.
	2. Airtime, datanet and leased line internet	0.97	23.01	0.89	24.87	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	9,381.15	-	-	9,381.15	Dividend incomes per share were as per the resolutions of the AIS shareholders' or the Board of Directors' meetings.
	2. Income from accounting program maintenance services and software developing	-	-	120.72	120.72	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.

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 2017 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	3. Income from transponder rental and others	-	74.37	-	74.37	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. Service income from providing mobile contents and outsource call center	-	199.60	-	199.60	<p>A subsidiary (ADV) specializes in designing and creating website with variety contents which suit AIS' needs.</p> <p>A subsidiary (TMC) specializes in providing information for content on mobile and call center services.</p> <p>The related-party transactions with both companies were normal business practices. The prices are in line with other companies who provide the same services.</p>
	5. Interest income	0.88	-	-	0.88	As at 31 December 2017, INTOUCH had investment in AWN debentures at a face value of 21mb, through private funds managed by independent fund manager. The interest rate was the same rate as other debenture holders were offered.

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2017 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
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 and data link.					
	Rental and other services	0.60	2.86	-	3.46	A subsidiary (CSL) is expertise in providing internet services. The internal customers are normally charged at the same rate as external customers. The related-party transactions were normal business practice.
	Income: INTOUCH Group had income from CSL as follows:					
	1. Income from accounting program maintenance services and software developing	-	-	3.54	3.54	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. Dividend income	-	110.04	-	110.04	A subsidiary of THAICOM (DTV) receives dividend income, as per the resolutions of the CSL shareholders' or board of directors' meetings.
3. Shenington Investment Pte Limited (SHEN) SHEN is a 51% joint venture held by THAICOM and a 49% by AMH. AMH and the Company have the same indirect major shareholders.	Income: INTOUCH Group provided business consultancy and financial assistance.					
	1. Income from business consultant	-	8.07	-	8.07	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.

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 2017 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	2. Interest income	-	89.96	-	89.96	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	-	-	0.02	0.02	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.
4. Singapore Telecommunications Limited and its group (Singtel) Singtel and the Company have the same indirect major shareholders.	Expenditure:					
	1. INTOUCH Group paid for the rental of gateway and international link	-	1.29	-	1.29	Singtel 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.
	2. Dividend paid	1,925.78	36.99	-	1,962.77	INTOUCH paid dividends to Singtel Global Investment Pte. Ltd, a major shareholder of the Company and a subsidiary of Singtel. A subsidiary (CSL) paid dividends to Singtel. The dividend payments were as per the resolutions of its 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 2017 (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	-	1.16	-	1.16	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	-	4.42	-	4.42	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. Anderton Investments Pte. Limited (Anderton) Anderton was a major shareholder of the Company.	Dividend paid	1,270.64	-	-	1,270.64	Dividend paid as per the resolutions of its shareholders' or board of directors' meetings.
7. Aspen Holdings Limited (Aspen) Aspen and the Company have the same indirect major shareholders.	Dividend paid	517.58	-	-	517.58	Dividend paid as per the resolutions of its shareholders' or board of directors' meetings.

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 ...

2018 Management Outlook and Guidance

Revenue from satellite and

international businesses	➤ Slightly decrease 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 policy	➤ Pass-through dividends received from associates and subsidiaries after the deduction of operating expenses

The Thai telecom industry continues to develop as changes in the revenue-sharing scheme with the regulator have put all the mobile operators on an equal footing. Moreover, developments in technology and rapid changes in consumer behavior have created new revenue opportunities for first movers and adaptive companies. INTOUCH, an asset management leader in the Telecom, Media and Technology (TMT) sector, is continually searching for new business opportunities to support both organic and inorganic growth whilst maximizing shareholder return.

In the satellite business, some major contracts expired or were cancelled in 2017, while industry competition was intense. THAICOM was unable to replace the customers it had lost, and consequently dropped in revenue of 23% YoY.

On the other hand, AIS reported an increase in service revenue of 4.9% YoY, higher than Thailand's GDP growth. This was supported by the development of products and services to meet customer demand, the expansion of the fixed broadband network (AIS Fibre), and new enterprise services such as cloud computing.

The Company's guidance in 2018 is as follows:

Revenue from satellite and international business:

The revenue from this business, which is operated by THAICOM, is expected to slightly decrease from the previous year due to:

- Conventional satellites: the utilization rate will be stable as new customers in Africa, the Greater Mekong sub-region and South Asia replace customers lost elsewhere.
- Broadband satellite: the utilization rate is expected to decrease from the previous year as a result of contract expirations and cancellations. However, THAICOM will recognize additional revenue from new customers in Indonesia, Australia, New Zealand, India and Thailand who signed contracts last year.

In 2017, THAICOM recognized impairment losses for intangible assets on satellites under the operating agreement, as well as goodwill and intangible assets of a subsidiary, totaling 3,309 million baht. These were considered to be non-cash items and will not affect the company's cash management. As a result,

the amount of depreciation recorded by THAICOM will decrease by approximately 868 million baht per year from 2018 until September 2021 (when the agreement expires.)

Share of profit of associates: The major contribution of the share of net profit is currently from AIS Group.

AIS's guidance in 2018 is as follows:

- **AIS estimates service revenue (excluding IC) to increase by 7-8% YoY.** The 2% growth out of 7-8% will come from consolidating 100% of CSL's revenue. The service revenue growth will be supported by continuing to gain more quality subscribers, attractive handset bundling, and fixed-mobile convergence.
- **The CAPEX (excluding spectrum payments) is expected to be 35-38 billion baht,** to support higher demand for 4G network usage and expanding last-mile fibre.
- **The consolidated EBITDA margin is expected to improve to 45-47%,** mainly from higher service revenue growth and the cost efficiency program.
- **The dividend policy will remain at a minimum of 70% of net profit** to preserve cash flow and ensure financial flexibility in order to maintain market leadership, continue to be competitive, and pursue future growth prospects.

Share of profit of joint ventures: The contribution is from LTC and High Shopping.

- **LTC**, an indirect joint venture of THAICOM, is the market leader, with a subscriber share of 57% at the end of 2017, a rise from 53.7% in 2016. LTC has seen its revenue and operational results to grow, especially revenue from internet SIM. The share of the net result was 196 million baht in 2017.
- **High Shopping** generated average daily sales per day of 1.8 million baht in 2017, rose which had risen from approximately 1 million baht in the previous year. In addition to the characteristics of these its products, High Shopping's sales strategy involves

buying airtime on popular television channels and collaborating with online stores that have a large number of loyal followers, such as Lazada, 11 street and Shopee. These strategies will attract a greater number of potential customers.

In 2018, average daily sales per day are forecasted to grow by 40% YoY to 2.5 million baht. The key drivers will be buying airtime on popular channels, offering more "hot" items, boosting sales through social media, and collaborating with AIS and startup companies under the InVent project.

Venture capital: In 2017, INTOUCH invested 112 million baht in the following three companies:

- **Digio (Thailand) Co., Ltd.**, which provides mobile point-of-sale (mPOS) and QR Code payment systems to customers of financial institutions.
- **Event Pop Holdings Pte. Ltd.**, which develops and provides end-to-end event management platforms.
- **Ecommerce Enablers Pte. Ltd.**, an integrated e-commerce platform known as "Shopback", which provides rebates to online shoppers via their e-wallets when they buy products through the service. These rebates can be used against future purchases or withdrawn in cash through specified bank accounts.

INTOUCH currently has 11 companies under the InVent project with a total investment of approximately 366 million baht (excluding the ones that had been monetized). At the end of 2017, the total value of these investments had increased to more than 500 million baht.

The Company aims to increase the value of these startups by providing the necessary support for them to grow, as well as seeking new investors for the next funding rounds. INTOUCH continues to spend approximately 200 million baht a year on good investment opportunities in the TMT sector in order to deliver sustainable growth.

The Company's standalone performance: In 2017, INTOUCH had a share of the net result from subsidiaries and associates of 10,664 million baht, a decrease of 16% YoY. The administrative expenses were 381 million baht; this was lower than the budget of 400 million baht, which will remain the same in 2018. Part of the budget will be spent on exploring new investment opportunities.

Dividend payout: INTOUCH has a policy of paying dividends from the separate financial statements. These are mainly dividends passed through from associates and subsidiaries after the deduction of operating expenses, assuming there are no extraordinary circumstances or items of concern in which the payment of a dividend would have a material impact on the Company's operations.

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 INTOUCH.

The performance of the aforesaid investments has been disclosed in the Management Discussion and Analysis sections of the Annual Registration Statement for 2017 submitted by ADVANC and THCOM.

Significant events

Change in accounting policy

On 1 January 2017, INTOUCH Group adopted TAS 27 (revised 2016): Separate Financial Statements, which includes the equity method as an accounting option in addition to the cost or fair-value method, as the latter had not been effective. The group elected to change its accounting policy related to investments in subsidiaries, joint ventures and associates presented in the separate financial statements from the cost to the

equity method, which has been applied retrospectively so it can be compared to the current period. There has been no impact on the consolidated financial statements. (For more details, please see Note 3 to the financial statements for the year ended 31 December 2017.)

Local wireless telecommunication business

In the mobile business, AIS continued to focus on acquiring quality postpaid subscribers through selective smartphones offerings. At the end of 2017, AIS recorded 40.1 million subscribers, a slight drop from the previous year. The postpaid subscribers were around 7.4 million, 15% more than the end of 2016, despite of lower prepaid subscribers. However, the blended ARPU increased, driven by growing data usage (VoU). The spending on handset subsidies was controlled and focused on quality subscriptions, even though new models were released such as iPhone X, Samsung Note 8. Selective handset campaigns were offered to attract quality postpaid subscriptions and encourage prepaid migration.

In December 2017, the NBTC has announced new progressive rates for the license fee. All the operators are required to calculate the new rates retroactively from January 2017. As a result, AIS fully recognized the benefit in 4Q17, totaling around 200 million baht.

In the fixed-broadband market, the prices and speed of the main packages were maintained; competition remained challenging with tactical pricing offered to attract new subscriptions. For example, operators offered a slower speed than the entry level of 30Mbps at a lower price in selected areas. Discounts were offered in the mid- to high-end packages with the objective of improving medium-term ARPU. Fibre footprints were expanded further to capture new demand outside of Bangkok and the main cities, all of which are now covered. At the end of 2017, AIS Fibre had 521,200 subscribers, an increase of 73% rose from the previous year.

Satellite business

Impairment losses on satellite assets and intangible assets of a subsidiary

In 2017, THAICOM recognized the following losses:

- Impairment on intangible satellite assets under operating agreement, in the amount of 3,196 million baht. Fierce competition during 2017 led to significant market price erosion in satellite services and a high churn rate of both domestic and international customers, which resulted in a considerable drop in revenue from satellite and related services, besides; new sales were under-targeted.
- Impairment on the goodwill and intangible assets of Orion Satellite System Pty Ltd (OSS), which is wholly owned by IPSTAR Australia Pty Ltd (IPA), the subsidiary of THAICOM. IPA had invested in OSS since 2014. Main revenue stream of OSS came from providing VSAT services, mostly to customers in the mining and construction sectors in Western Australia. A recession in these business areas has led to a large drop in revenue. Therefore, this impairment was recognized in the full amount of 113 million baht.

These impairments were considered to be non-cash items and will not affect the company's cash management. Although the net profit during the year fell significantly, future amortization of THAICOM's assets will decrease by approximately 868 million baht a year from 2018 until September 2021 (when the operating agreement expires).

Disposal of investment in CSL

On 6 October 2017, DTV Service Company Limited ("DTV"), a subsidiary of THAICOM, executed its Share Tender Agreement for the sale of all ordinary shares that it held in CS Loxinfo Plc. ("CSL") to Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary of AIS.

This transaction comprised 250,099,990 shares, equivalent to 42.07% of the total paid-up capital, at the offering price of 7.80 baht per share, totaling 1,951 million baht. Consequently, the assets and liabilities of CSL as at 31 December 2017 were reclassified as non-current assets or disposal groups classified as held for sale, while the related liabilities were comprised in disposal groups classified as held for sale included in the consolidated financial position.

On 25 January 2018, the disposal was accomplished so the status of investment in CSL was changed from a subsidiary to an associate. This has had an impact on INTOUCH's consolidated financial statements, by excluding the assets, liabilities, income, expenses, and cash flow of CSL. The group will now recognize CSL as an investment in an associate and record the share of profit from this using the equity method.

Internet & media businesses

IDC and broadband internet services have continued to grow, and the subscriber base at the end of 2017 had increased by 5% from the end of 2016. Furthermore, the number of subscribers to Condominium Broadband had increased to 21,250 from 10,620 in the same period.

For media & advertising of CSL, it had ceased to operate print platform and, since April 2017, had decided to focus on and develop an online platform for media & advertising in the Yellow Pages business via www.yellowpages.co.th, which has a large number of databases available.

Telecommunications services in Lao PDR

At the end of 2017, LTC's subscriber base had grown to 1,547,291, a rise of 54% from the end of 2016. LTC was ranked the top mobile service provider in Lao PDR with a market share of 57%, up from 54% in 3Q16. The data revenue, especially from Internet SIM, has also continued to increase.

Dividend payment of INTOUCH

On 6 February 2018, the board of directors of INTOUCH passed resolutions to propose the dividend payments as follows:

	Dividend (baht per share)	Interim dividend paid in 2017 (baht per share)	Dividend to be paid (baht per share)	Amount to be paid (approx.) (million baht)
Dividend from the operational result of 2017	2.52	1.25	1.27	4,072
Interim dividend from the operational result for the period 1 to 31 January 2018	0.19	-	0.19	609

For the interim dividend from the operational result for the period 1 to 31 January 2018 was due to the board of directors of THAI COM, on 31 January 2018, resolved to pay an interim dividend for the period 1 to 31 January 2018 which included estimated gain on sale of CSL's ordinary shares after deduction of related expenses. The Board of Directors of INTOUCH expects the Company to receive approximately 613 million baht from this interim dividend. In addition, the Company will have recognised its share of the net profit from investments

in subsidiaries, joint ventures and associates, and have adequate retained earnings at the end of the period. Thus, the Board of Directors of INTOUCH has resolved to propose the interim dividend payment for the period 1 to 31 January 2018.

The dividend payment from the operational result of 2017 and the interim dividend payment from the operational result for the period 1 to 31 January 2018 are subject to the resolutions of the Annual General Meeting of shareholders for the year 2018.

Overview of consolidated operational results

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				
	2016		2017		%YoY
The Company	(402)	-2%	(348)	-3%	-13%
Local Wireless Telecommunication Business	12,548	77%	12,126	114%	-3%
Satellite & International Businesses	664	4%	(1,090) ¹⁾	-10%	-264%
Other Businesses	3,588 ²⁾	22%	(15)	0%	-100%
Net Profit	16,398	100%	10,673	100%	-35%
Normalised Net Profit ³⁾	12,707	77%	11,771	110%	-7%

1) Included an impairment loss on assets of satellite business after tax 1,098mb (INTOUCH's portion)

2) Included a reversal of provision for interest of unpaid operating fee of ITV 3,691mb (INTOUCH's portion)

3) Excluded an impairment loss on assets of satellite business after tax and a reversal of provision for interest of unpaid operating fee of ITV

The consolidated financial statements showed a net profit for 2017 at 10,673 million baht in 2017, a drop of 35% from the previous year when a reversal of provision for interest on ITV's unpaid operating fees was booked (amounting to 3,691 million baht). Moreover, in 2017, there was a share of impairment loss of 1,098 million baht was recorded on intangible assets in the satellite business. However, if the reversal and impairment are excluded, the 2017 consolidated profit would have dropped by 7%, mainly due to a lower profit contribution from the satellite & international businesses operated by THAICOM Group and a lower 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		
	2016	2017	%YoY
Expenses	(475)	(387)	-19%
Others	73	39	-47%
Net expenses	(402)	(348)	-13%

Net expenses in 2017 were 348 million baht, a decrease of 13% from 2016, mainly due to lower impairment loss from investments in associates and other investments, and lower staff costs, together with a gain from the monetization of a venture capital investment recorded in 2016.

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2016	2017	%YoY
Share of net result from investment in AIS Group using equity method	12,548	12,126	-3%

The share of the net results from AIS Group, in 2017, the net profit of AIS Group was 30,077 million baht, a drop of 2% YoY from 30,667 million baht in 2016, mainly due to higher depreciation & amortization following the 4G investment and spectrum license acquisition, in addition to an increase in network operating costs due to full-year payments to TOT for the partnership even though regulatory fees dropped.

Overall 2017 revenue in AIS Group 4% increased from 2016 as follows:

- **Non-voice service revenue** rose 19% driven by higher 4G-user adoption, consumption of video

streaming on social applications and the proliferation of mobile live broadcast.

- **Fixed-broadband revenue** rose 264%. There was a net addition of 219,700 subscribers from 2016, while ARPU improved to 635 baht at the end of 2017, reflecting expiration of discounted subscriptions and more customers adopting high-speed plans.
- **SIM card & device sales revenue** rose 4% as the margin improved from softened handset campaigns.

However, these items were partially offset by:

- **Voice service revenue** dropped 16% from 2016 due to data substitution.

Overall 2017 costs in AIS Group increased 11% from 2016, mainly from:

- **Depreciation & Amortization** rose 40% due to network depreciation, from 4G network investment, and license amortization.
- **Network operating costs** increased 36% due to the full-year payments to TOT for the partnership. Excluding such payments, the costs would have declined 4% as a result of the continuing cost-efficiency program.
- **Cost of sales** rose 3%, following SIM card and device sales revenue.

However, these items were partially offset by:

- **Regulatory fees** dropped 40% due to a one-time benefit from the new progressive rates of license fee.

SG&A in AIS Group decreased 16% mainly due to lower handset subsidies as AIS had focused on subsidized campaigns for the postpaid segment. However, this was partially offset by higher staff costs and other costs related to fixed-broadband and the provision for bad debt.

Finance Costs increased 25% due to higher loans for new spectrum acquisitions and network expansion.

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2016	2017	%YoY
Sales and service revenue	11,517	9,482	-18%
Sales and service costs	(6,297)	(6,044)	-4%
Operating agreement fees	(1,057)	(978)	-7%
SG&A	(2,225)	(2,356)	6%
Impairment loss on assets	-	(3,309)	100%
Share of profit of investments in joint ventures	199	196	-2%
Other income	202	413	104%
Net foreign exchange gain	152	153	1%
Finance cost and income tax expense	(707)	(18)	-97%
Net Profit (Loss)	1,784	(2,461)	-238%
Contributed to INTOUCH Group	664	(1,090)	-264%
Normalized contributed to INTOUCH Group *	664	8	-99%

* Excluded impairment loss on intangible assets under operating agreement and other intangible assets of satellite business

Net profit or loss of THAICOM, in 2017, THAICOM reported a net loss of 2,461 million baht, compared to a net profit of 1,784 million baht in the previous year, mainly due to the impairment loss of 3,309 million baht recorded on satellites' assets. If this impairment loss (2,670 million baht after tax) were excluded, THAICOM's profit would have been 209 million baht, a drop of 88% from 2016, due to lower sales and services revenue along with a higher provision for doubtful debts in satellite business. However, this was partly offset by early termination fees received from customers.

Sales and services revenue in 2017 dropped 18% from 2016, mainly due to the following reasons:

- **Thaicom 4 (IPSTAR): Revenue** decreased due to lower broadband services, especially in Australia, Thailand and China, after contracts in each country ended, and lower service revenue from Myanmar due to less bandwidth usage. However, this was partially offset by revenue from Japan due to an increase in the service price, and the recent contracts for bandwidth usage in Indonesia and Thailand.
- **The conventional satellites: Revenue** decreased from 2016, mainly due to a drop in price per unit, following the market, together with the value-added services, following a slowdown in the broadcasting industry in Thailand, even though the bandwidth utilization increased from new clients, mostly in the Greater Mekong Sub-region.
- **Internet services: Revenue** dropped slightly from 2016, mainly due to less advertising in the Yellow Pages and a slowdown in the Voice Info Services & Mobile Content businesses, although this was partially offset by an increase in revenue from the ICT business.

- **Media business: Revenue** dropped from 2016, mainly due to less usage of the D Channel platform and lower sales of DTV's receiver sets, although this was partially offset by higher sales of satellite receiver sets in Cambodia.

Sales and service costs decreased slightly from 2016, mainly due to the following reasons:

- **Thaicom 4 (IPSTAR): Costs** dropped as a result of assets becoming fully depreciated.
- **Internet: Costs** dropped following lower revenue from Yellow Pages, due to changing the cost structure from printed to online advertising, along with effective cost controls in the Voice Info Services & Media Content businesses, even though ICT costs increased from its solution services.

However, this item was partially offset by:

- **The conventional satellites: Costs** rose from 2016, mainly from depreciation and in-orbit insurance on Thaicom 8.
- **Media business: Costs** rose from 2016, mainly due to more expensive satellite receiver sets although this was offset by DTV's cost of services that dropped in line with revenue.

Operating agreement fees: dropped following lower overall bandwidth usage.

Distribution costs & administrative expenses rose 6% compared to 2016, mainly due to higher overall provision for doubtful debts in the satellite business, while staff costs and marketing expenses decreased.

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. The gain was stable when compared to 2016.

Finance cost and income tax expense dropped 97% from 2016. The interest expense rose from loans for Thaicom 8, even though THAICOM had repaid its short-term loans, current portion of long-term loans and the prepayment of long-term loans. However, income tax expense of THAICOM group dropped from 2016 to income in 2017, due to deferred tax assets rose from operational loss, while there was an operational profit in 2016.

Other Businesses (in million baht)	For the year ended 31 December		
	2016	2017	%YoY
Service revenue	142	161	13%
Service costs	(115)	(125)	9%
Reversal of loss on provision for interest of unpaid operating agreement fees	3,866	-	-100%
SG&A	(25)	(25)	0%
Share of loss of investments	(112)	(41)	-63%
Other income	30	30	0%
Finance cost and income tax expense	(7)	(7)	0%
Net Profit (Loss)	3,779	(7)	-100%
Contributed to INTOUCH Group	3,588	(15)	-100%
Normalised Contributed to INTOUCH Group *	(103)	(15)	-85%

* Excluded a reversal of provision for interest of unpaid operating fee of ITV

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. However, during 2016, there was a reversal of loss on provision for interest on unpaid operating agreement fees, amounting to 3,866 million baht.

Financial Position Summary

Key financial position data

Consolidated Financial Position	As at 31 December 2016		As at 31 December 2017		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	3,065	6%	2,261	4%	(804)	-26%
Current investments	6,096	11%	6,157	12%	61	1%
Trade receivables	2,120	4%	1,450	3%	(670)	-32%
Current portion of long-term loans to related parties	-	0%	245	0%	245	100%
Inventories	324	1%	125	0%	(199)	-61%
Other current assets	501	1%	447	1%	(54)	-11%
Long-term loans to related parties	2,146	4%	1,712	3%	(434)	-20%
Investment in associates and joint ventures	19,897	36%	22,978	45%	3,081	15%
Property & equipment	9,441	17%	7,943	16%	(1,498)	-16%
Intangible assets under operating agreements	9,205	17%	3,987	8%	(5,218)	-57%
Other non-current assets	1,759	3%	1,767	3%	8	0%
Non-current assets or disposal groups classified as held for sale	53	0%	1,888	4%	1,835	3,462%
Total Assets	54,607	100%	50,960	100%	(3,647)	-7%
Liabilities and Equity						
Short-term borrowings from financial institutions	230	0%	-	0%	(230)	-100%
Current portion of long-term borrowings	729	1%	422	1%	(307)	-42%
Provision for unpaid operating fees and interest	2,890	5%	2,890	6%	-	0%
Other current liabilities	2,759	5%	1,568	3%	(1,191)	-43%
Long-term borrowings	9,209	17%	6,913	14%	(2,296)	-25%
Other liabilities	1,115	2%	785	2%	(330)	-30%
Liabilities included in disposal groups classified as held for sale	-	0%	1,055	2%	1,055	100%
Total Liabilities	16,932	31%	13,633	27%	(3,299)	-19%
Total Equity	37,675	69%	37,327	73%	(348)	-1%
Total Liabilities and Equity	54,607	100%	50,960	100%	(3,647)	-7%

Total consolidated assets dropped 7% from the end of 2016, mainly due to a decrease in net intangible assets under operating agreements and property & equipment as a result of the amortization and depreciation in 2017, and a loss from impairment of intangible assets under operating agreement. In addition, there was a decrease in cash & cash equivalents and current investment due to the prepayment of long-term loans in the satellite business. The decrease in trade receivable was mainly from the provision for doubtful debts in the satellite business. However, there was an increase in the investment in associates from the operational profit, although this was offset by dividend payments.

Total consolidated liabilities and equity: Total liabilities decreased 19% from the end of 2016 due to the partial repayment of long-term loans in the satellite business.

Liquidity and cash flow: At the end of 2017, the current ratio rose to 2.1 from 1.8 at the end of 2016, mainly due to the decrease in advance receipts from customers and lower trade & other payables in the satellite business. 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 475 million baht from the end of 2016 (excluding the impact from foreign currency fluctuation), mainly due to the repayment of loans and the payment of pass-through dividends. However, this was offset by the cash inflow from dividend received from associate and operating activities in 2017.

Accounts receivable: INTOUCH Group has policies in place to ensure that products or services are only sold or rendered to customers after credit checks have been made. At the end of 2017, the group had accounts receivable equivalent to 3% of total assets, the same

percentage as the end of 2016. INTOUCH Group has reserved an appropriate allowance for bad debt.

Inventory: At the end of 2017, INTOUCH Group's inventory dropped from year-end 2016. The group assesses the allowance for obsolete inventories on a regular basis 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 47%, a decrease from 2016, while the return on equity was 38%, lower than 2016 due to the reversal of ITV's provision in that year, which had an impact on the statement of income. In addition, in 2017, there was an impairment loss recorded on satellites' assets. If these were excluded, INTOUCH Group's net profit margin and the return on equity would have dropped 6% and 13%, respectively, due to lower operational results of THAICOM Group and AIS Group.

Debt-to-equity ratio: At the end of 2017, the group had a debt-to-equity ratio of 0.3 times, a decrease from 2016, due to the prepayment of long-term loans. 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 the financial statements, namely *Commitments, Bank Guarantees, Significant Events, and Disputes & Litigation*.

The external auditor's report

The external auditor's report has been summarized below:

The external auditor expressed on the consolidated and separate financial statements for the year 2017 had presented fairly in all material respects and in accordance with Thai Financial Reporting Standards.

However, the auditor emphasized that the Company and its subsidiaries had elected to change their accounting policy relating to investments in subsidiaries, joint ventures and associates from the cost method to the equity method in the separate financial statements for the periods beginning on or after 1 January 2017. Consequently, the Company had restated the separate statements of its financial position as at 31 December 2016 and the separate interim financial statements for the year ended 31 December 2016, which have been presented as comparative information, to be consistent with the revised TFRS.

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2016		As at 31 December 2017		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investments	1,751	6%	1,869	6%	118	7%
Investment in subsidiaries and associates	26,340	93%	27,968	93%	1,628	6%
Other assets	98	0%	105	0%	7	7%
Total Assets	28,189	100%	29,942	100%	1,753	6%
Liabilities and Equity						
Other liabilities	136	0%	142	0%	6	4%
Total Equity	28,053	100%	29,800	100%	1,747	6%
Total Liabilities and Equity	28,189	100%	29,942	100%	1,753	6%

Separate Statements of Income (in million baht)	For the year ended 31 December		
	2016	2017	%YoY
Share of net results from investments in:-			
Subsidiaries	581	(1,128)	-294%
Associates	12,528	12,140	-3%
Other income	76	42	-45%
Total revenue	13,185	11,054	-16%
Administrative expenses	(389)	(319)	-18%
Management benefit expenses	(86)	(68)	-21%
Total expenses	(475)	(387)	-19%
Profit before finance costs	12,710	10,667	-16%
Finance costs	(3)	(3)	0%
Net Profit	12,707	10,664	-16%

Consolidated Statements of Income (in million baht)	For the year ended 31 December		
	2016	2017	%YoY
Sales and service revenue	11,646	9,627	-17%
Share of profit of investments in joint ventures	107	141	32%
Share of profit of investments in associates	12,528	12,140	-3%
Net foreign exchange gain	152	152	0%
Other income	308	483	57%
Total revenue	24,741	22,543	-9%
Sales and service costs	(6,412)	(6,167)	-4%
Operating agreement fee	(1,057)	(978)	-7%
Reversal of loss on provision for interest of unpaid operating agreement fees	3,866	-	-100%
Distribution costs	(324)	(232)	-28%
Administrative expenses	(2,124)	(2,345)	10%
Impairment loss on investment in associates - net	(68)	(6)	-91%
Impairment loss on assets *	-	(3,309)	100%
Net foreign exchange loss	-	-	n/a
Management benefit expenses	(198)	(173)	-13%
Total expenses	(6,317)	(13,210)	109%
Profit before finance costs & income tax expense	18,424	9,333	-49%
Finance costs	(360)	(399)	11%
Profit before income tax expenses	18,064	8,934	-51%
Income tax expense	(355)	376	-206%
Net profit	17,709	9,310	-47%
Attributable to:			
Owners of the Parent	16,398	10,673	-35%
Non-controlling interests	1,311	(1,363)	-204%
Net profit	17,709	9,310	-47%

* Impairment loss on intangible assets under operating agreement and other intangible assets of Satellite business

Consolidated source and use of Cash Flows *		For the year ended 31 December 2017		million baht
Source of funds		Use of funds		
Dividends received	9,381	Dividend paid	9,771	
Operating Cash Flow	2,872	Loan repayments	2,497	
Decrease in loans and advances to related parties	53	Increase in current investments	142	
Proceed from loan	480	Purchase of CAPEX & Fixed assets	351	
Disposal of Fixed assets	15	Additional investment in associates and other	112	
Cash decreased	475	Interest paid	403	
Total	13,276			13,276

* Consolidated cash flows consisted of cash and cash equivalents

Material financial ratios (based on consolidated financial statements)	For the year ended 31 December		
	2016	2017	Changed
Net profit margin	66.3%	47.3%	(18.9)%
Current ratio (times)	1.8	2.1	0.3
Return on equity attributed to owners of the parent	62.3%	38.1%	(24.2)%
Return on assets	29.2%	20.2%	(8.9)%
Debt to equity attributed to owners of the parent (times)	0.6	0.5	(0.2)
Interest bearing debt to equity attributed to owners of the parent (times)	0.4	0.3	(0.1)
Basic earnings per share (baht)	5.11	3.33	(1.78)
Book value per share (baht)	8.47	9.02	0.55

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.

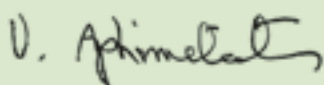
The Board of Directors has provided and maintained a risk management system along with adequate and effective internal controls to ensure that accounting records are accurate, reliable and adequate to protect the Company's assets and uncover any weaknesses that may occur in order to prevent fraud or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

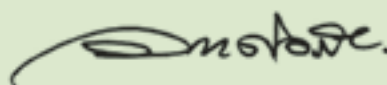
in the Audit Committee Report for 2017 included in this annual report.

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 2017. 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. Anek Pana-apichon
Acting Chief Executive Officer

Deloitte Touche Tohmatsu Jaiyos Audit
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... 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, 2017, 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, 2017, 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’ 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 these requirements. 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 3 to the financial statements that Intouch Holdings Public Company Limited and its subsidiaries have elected to change accounting policy relating to investments in subsidiaries, joint ventures and associates in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards and the Company restated the separate statement of financial position as at December 31, 2016 and the separate financial statements for the year then ended which are presented as comparative information, to be in accordance with the revised Thai Financial Reporting Standard.

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, 2017, 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 Notes 4, 35 and 36 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, 2017 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 Notes 4 and 27 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 in the Group’s consolidated financial statements and separate 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 Notes 12 and 13 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

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 Company.

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 Company or to cease operations, or has no realistic alternative but to do so.

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

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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 Group's and the Company's 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.

Deloitte Touche Tohmatsu Jaiyos Audit

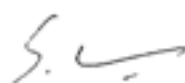
ดีลอยท์ ทูเช่ โทมัทสึ ไชยโยส สอบบัญชี

- 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.

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, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements		
		31 December 2017	31 December 2016	31 December 2017	31 December 2016 (Restated)	1 January 2016 (Restated)
Assets						
Current assets						
Cash and cash equivalents	7	2,260,688,306	3,065,097,194	205,617,786	260,238,220	175,109,709
Current investments	8	6,156,678,989	6,095,622,889	1,662,758,385	1,490,571,873	1,624,486,905
Trade and other current receivables	5, 9	1,806,336,244	2,477,263,010	10,858,831	6,667,396	11,476,625
Amounts due from, advances and loans to related parties	5	90,824,861	143,661,865	-	1,339,253	275,458
Current portion of long-term loans to related parties	5	244,591,079	-	-	-	-
Inventories	10	124,813,587	323,878,790	-	-	-
Non-current assets or disposal groups classified as held for sale	11	1,887,715,597	53,165,801	-	-	-
Total current assets		12,571,648,663	12,158,689,549	1,879,235,002	1,758,816,742	1,811,348,697
Non-current assets						
Long-term loans to related parties	5	1,712,137,550	2,145,946,584	-	-	-
Investments in subsidiaries	12	-	-	6,430,138,108	7,998,211,881	7,752,350,946
Investments in joint ventures	12	1,439,488,873	1,555,265,021	-	-	-
Investments in associates	12	21,538,385,543	18,342,130,178	21,538,385,543	18,342,130,178	20,589,751,755
Other long-term investments	8	50,252,551	32,555,000	50,252,551	32,555,000	22,665,000
Property, plant and equipment	14	7,943,050,861	9,440,727,955	36,555,771	45,577,197	63,148,676
Intangible assets under operating agreements	15	3,986,568,906	9,204,747,659	-	-	-
Other intangible assets	16	553,976,467	849,321,350	3,659,614	7,252,375	5,251,501
Deferred tax assets	17	779,638,181	313,688,439	-	-	-
Other non-current assets		384,461,419	563,790,438	4,037,757	4,036,257	4,036,257
Total non-current assets		38,387,960,351	42,448,172,624	28,063,029,344	26,429,762,888	28,437,204,135
Total assets		50,959,609,014	54,606,862,173	29,942,264,346	28,188,579,630	30,248,552,832

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 2017

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements		1 January 2016 (Restated)
		31 December 2017	31 December 2016	31 December 2017	31 December 2016 (Restated)	
Liabilities and equity						
Current liabilities						
Short-term borrowings from financial institutions	18	-	230,000,000	-	-	-
Trade and other current payables	5, 19	1,293,927,198	2,406,512,068	87,823,928	84,112,418	114,295,908
Amounts due to related parties	5	1,601,409	312,983	1,442,265	817,289	200,914
Current portion of long-term liabilities	18	421,788,460	728,871,183	-	-	-
Accrued operating agreement fees		263,344,847	316,222,960	-	-	-
Provision for unpaid operating agreement fee and interest	36.2	2,890,345,206	2,890,345,206	-	-	-
Current income tax payable		8,440,751	35,089,184	-	-	-
Liabilities included in diaposal groups classified as held for sale	11	1,055,131,651	160,939	-	-	-
Total current liabilities		5,934,579,522	6,607,514,523	89,266,193	84,929,707	114,496,822
Non-current liabilities						
Long-term accounts payable - equipment		226,645,680	248,417,250	-	-	-
Long-term borrowings	18	6,912,628,257	9,208,989,311	-	-	-
Non-current provisions for employee benefit	20	246,939,323	496,168,686	52,553,131	50,589,390	65,518,588
Other non-current liabilities		312,311,876	370,683,719	-	-	-
Total non-current liabilities		7,698,525,136	10,324,258,966	52,553,131	50,589,390	65,518,588
Total liabilities		13,633,104,658	16,931,773,489	141,819,324	135,519,097	180,015,410

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements		1 January 2016 (Restated)
		31 December 2017	31 December 2016	31 December 2017	31 December 2016 (Restated)	
Liabilities and equity						
Shareholders' equity						
Share capital	21					
Authorised share capital						
- ordinary shares		5,000,000,000	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	3,206,420,305
Additional paid-in capital	21, 22					
Share premium on ordinary shares		10,347,863,392	10,347,863,392	10,347,863,392	10,347,863,392	10,341,569,221
Retained earnings						
Appropriated						
Legal reserve		500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		10,574,985,973	8,733,212,910	11,464,223,108	9,631,576,088	11,645,986,459
Other components of shareholders' equity		4,285,866,314	4,369,292,583	4,281,938,217	4,367,200,748	4,374,561,437
Total equity attributable to equity holders of the Company		28,915,135,984	27,156,789,190	29,800,445,022	28,053,060,533	30,068,537,422
Non-controlling interests	24	8,411,368,372	10,518,299,494	-	-	-
Total equity		37,326,504,356	37,675,088,684	29,800,445,022	28,053,060,533	30,068,537,422
Total liabilities and equity		50,959,609,014	54,606,862,173	29,942,264,346	28,188,579,630	30,248,552,832

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2017

Unit: Baht

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
					(Restated)
Revenue	27				
Revenues from sales or revenues from services		9,627,419,490	11,646,181,111	-	-
Construction revenue under operating agreements		186,400	105,000	-	-
Share of profit (loss) of					
subsidiaries	12	-	-	(1,127,566,738)	580,974,519
joint ventures	12	140,908,685	106,490,365	-	-
associates	12	12,139,676,349	12,527,827,827	12,139,676,349	12,527,827,827
Net foreign exchange gain		152,515,200	152,102,513	-	-
Other income	28	482,720,231	307,947,393	41,938,353	76,054,074
Total revenue		22,543,426,355	24,740,654,209	11,054,047,964	13,184,856,420
Expenses	27				
Costs of sales of goods or costs of rendering of services		6,167,169,856	6,411,716,319	-	-
Construction cost under operating agreements		186,400	105,000	-	-
Operating agreement fee		978,521,346	1,057,053,328	-	-
Reversal of provision for interest of					
unpaid operating agreement fee	36.2	-	(3,866,486,414)	-	-
Distribution costs		231,523,335	324,507,930	-	-
Administrative expenses		2,345,230,396	2,124,236,176	312,750,189	320,588,791
Impairment loss on investment in associates					
and long-term investment - net	8, 12	6,400,000	68,125,998	6,400,000	68,125,998
Impairment loss on assets		3,308,681,047	-	-	-
Directors and management benefit expenses	5	172,637,846	197,842,786	67,790,245	86,315,301
Total expenses		13,210,350,226	6,317,101,123	386,940,434	475,030,090
Profit before finance costs and					
 income tax expense		9,333,076,129	18,423,553,086	10,667,107,530	12,709,826,330
Finance costs		(399,137,430)	(360,036,244)	(3,054,488)	(2,856,046)
Profit before income tax expense		8,933,938,699	18,063,516,842	10,664,053,042	12,706,970,284
Tax income (expense)	31	376,253,191	(354,658,349)	-	-
Profit for the year		9,310,191,890	17,708,858,493	10,664,053,042	12,706,970,284
Attributable to:					
Owners of parent		10,673,179,085	16,397,608,503	10,664,053,042	12,706,970,284
Non-controlling interests	24	(1,362,987,195)	1,311,249,990	-	-
Profit for the year		9,310,191,890	17,708,858,493	10,664,053,042	12,706,970,284
Earnings per share					
 to owners of parent (Baht per share)	32				
Basic earnings per share		3.33	5.11	3.33	3.96
Diluted earnings per share		3.33	5.11	3.33	3.96

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 2017

Unit: Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016
					(Restated)
Profit for the year		9,310,191,890	17,708,858,493	10,664,053,042	12,706,970,284
Other comprehensive income, net of tax	26				
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translating financial statement		(288,274,897)	(74,763,946)	(118,586,002)	(30,757,276)
Gains (losses) on remeasuring investments held as available for sale		11,181,515	(18,637,809)	5,625,839	(10,662,519)
Share of other comprehensive income of an associate		46,227	-	46,227	-
Total components of other comprehensive income that will be reclassified to profit or loss		(277,047,155)	(93,401,755)	(112,913,936)	(41,419,795)
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans		95,875,929	-	6,470,508	-
Share of other comprehensive income of a joint venture		(77,978,269)	-	-	-
Share of other comprehensive income of an associate		349,612,963	37,545,680	349,612,963	37,545,680
Total components of other comprehensive income that will not be reclassified to profit or loss		367,510,623	37,545,680	356,083,471	37,545,680
Other comprehensive income for the year, net of income tax		90,463,468	(55,856,075)	243,169,535	(3,874,115)
Total comprehensive income for the year		9,400,655,358	17,653,002,418	10,907,222,577	12,703,096,169
Total comprehensive income attributable to:					
Owners of parent		10,918,184,899	16,391,643,108	10,907,222,577	12,703,096,169
Non-controlling interests		(1,517,529,541)	1,261,359,310	-	-
		9,400,655,358	17,653,002,418	10,907,222,577	12,703,096,169

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 2017

Consolidated financial statements													Unit: Baht
Equity attributable to owners of the Company													
Note	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments	Translating financial statement	Other components of equity			Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated				Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity			
For the year ended 31 December 2016													
Opening balance at 1 January 2016	3,206,420,305	10,341,569,221	500,000,000	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	9,856,665,226	35,340,384,366
Changes in equity for the year													
Dividends	-	-	-	(14,721,380,655)	-	-	-	-	-	-	(14,721,380,655)	(563,942,235)	(15,285,322,890)
Share-based payment	-	6,294,171	-	-	8,295,803	-	-	-	-	8,295,803	14,589,974	2,521,582	17,111,556
Unrealised gain on dilution of investments in a subsidiary and an associate	-	-	-	-	-	(11,782,377)	-	-	-	(11,782,377)	(11,782,377)	3,919,213	(7,863,164)
Liquidating distribution of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(42,223,602)	(42,223,602)
Comprehensive income for the year													
Profit for the year	-	-	-	16,397,608,503	-	-	-	-	-	-	16,397,608,503	1,311,249,990	17,708,858,493
Other comprehensive income for the year	-	-	-	-	-	-	(30,757,276)	(12,753,799)	-	(43,511,075)	(43,511,075)	(49,890,680)	(93,401,755)
Items that are or may be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-
Items that will never be reclassified to profit or loss	-	-	-	-	-	-	-	-	37,545,680	37,545,680	37,545,680	-	37,545,680
Total comprehensive income for the year	-	-	-	16,397,608,503	-	-	(30,757,276)	(12,753,799)	37,545,680	(5,965,395)	16,397,603,108	1,261,359,310	17,653,002,418
Balance at 31 December 2016	3,206,420,305	10,347,863,392	500,000,000	8,733,212,910	36,695,659	4,217,233,409	72,640,560	5,785,191	36,937,764	4,369,292,583	27,156,789,190	10,518,299,494	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 (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Consolidated financial statements													Unit: Baht	
Equity attributable to owners of the Company														
Notes	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	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			Translating financial statement	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity				
For the year ended 31 December 2017														
	3,206,420,305	10,347,863,392	500,000,000	8,733,212,910	36,695,659	4,217,233,409	72,640,560	5,785,191	36,937,764	4,369,292,583	27,156,789,190	10,518,299,494	37,675,088,684	
Changes in equity for the year														
33	-	-	-	(9,168,175,788)	-	-	-	-	-	-	(9,168,175,788)	(603,123,017)	(9,771,298,805)	
25	-	-	-	-	8,182,361	-	-	-	-	8,182,361	8,182,361	12,185,337	20,367,698	
	-	-	-	-	-	155,322	-	-	-	155,322	155,322	1,536,099	1,691,421	
Comprehensive income for the year														
26	-	-	-	10,673,179,085	-	-	-	-	-	-	10,673,179,085	(1,362,987,195)	9,310,191,890	
	-	-	-	-	-	-	(118,586,002)	7,462,118	46,227	(111,077,657)	(111,077,657)	(165,969,498)	(277,047,155)	
	-	-	-	336,769,766	-	-	-	-	19,313,705	19,313,705	356,083,471	11,427,152	367,510,623	
	-	-	-	11,009,948,851	-	-	(118,586,002)	7,462,118	19,359,932	(91,763,952)	10,918,184,899	(1,517,529,541)	9,400,655,358	
Total comprehensive income for the year														
	3,206,420,305	10,347,863,392	500,000,000	10,574,985,973	44,878,020	4,217,388,731	(45,945,442)	13,247,309	56,297,696	4,285,866,314	28,915,135,984	8,411,368,372	37,326,504,356	

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 2017

Separate financial statements													Unit: Bahr
	Notes	Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments	Translating financial statement	Other components of equity			Total equity	
				Legal reserve	Unappropriated				Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity		
For the year ended 31 December 2016													
Balance at 1 January 2016 - as previously reported		3,206,420,305	10,341,569,221	500,000,000	164,404,144	21,308,545	-	-	11,981,645	-	33,290,190	14,245,683,860	
Impact of changes in accounting policies	3	-	-	-	11,481,582,315	7,091,311	4,229,015,786	103,397,836	2,374,230	(607,916)	4,341,271,247	15,822,853,562	
Balance at 1 January 2016 - as restated		3,206,420,305	10,341,569,221	500,000,000	11,645,986,459	28,399,856	4,229,015,786	103,397,836	14,355,875	(607,916)	4,374,561,437	30,068,537,422	
Changes in equity for the year													
Dividends		-	-	-	(14,721,380,655)	-	-	-	-	-	-	(14,721,380,655)	
Shared - based payment	25	-	6,294,171	-	-	8,295,803	-	-	-	-	8,295,803	14,589,974	
Unrealised gain on dilution of investments in a subsidiary and an associate	12	-	-	-	-	-	(11,782,377)	-	-	-	(11,782,377)	(11,782,377)	
Comprehensive income for the year													
Profit for the year		-	-	-	12,706,970,284	-	-	-	-	-	-	12,706,970,284	
Other comprehensive income for the year	26	-	-	-	-	-	-	-	-	-	-	-	
Items that are or may be reclassified to profit or loss		-	-	-	-	-	-	(30,757,276)	(10,662,519)	-	(41,419,795)	(41,419,795)	
Items that will never be reclassified to profit or loss		-	-	-	-	-	-	-	-	37,545,680	37,545,680	37,545,680	
Total comprehensive income for the year		-	-	-	12,706,970,284	-	-	(30,757,276)	(10,662,519)	37,545,680	(3,874,115)	12,703,096,169	
Balance at 31 December 2016		3,206,420,305	10,347,863,392	500,000,000	9,631,576,088	36,695,659	4,217,233,409	72,640,560	3,693,356	36,937,764	4,367,200,748	28,053,060,533	

Unit: Baht

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 2017

		Separate financial statements										Unit: Baht
		Other components of equity										
Notes	Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments	Translating financial statement	Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity	Total equity	
			Legal reserve	Unappropriated								
For the year ended 31 December 2017												
Balance at 1 January 2017 - as previously reported	3,206,420,305	10,347,863,392	500,000,000	102,044,113	27,841,966	-	-	4,132,183	-	31,974,149	14,188,301,959	
Impact of changes in accounting policies	-	-	-	9,529,531,975	8,853,693	4,217,233,409	72,640,560	(438,827)	36,937,764	4,335,226,599	13,864,758,574	
Balance at 1 January 2017 - as restated	3,206,420,305	10,347,863,392	500,000,000	9,631,576,088	36,695,659	4,217,233,409	72,640,560	3,693,356	36,937,764	4,367,200,748	28,053,060,533	
Changes in equity for the year												
Dividends	-	-	-	(9,168,175,788)	-	-	-	-	-	-	(9,168,175,788)	
Share - based payment	-	-	-	-	8,182,361	-	-	-	-	8,182,361	8,182,361	
Unrealised gain on dilution of investments in a subsidiary	-	-	-	-	-	155,339	-	-	-	155,339	155,339	
Comprehensive income for the year												
Profit for the year	-	-	-	10,664,053,042	-	-	-	-	-	-	10,664,053,042	
Other comprehensive income for the year												
Items that are or may be reclassified to profit or loss	-	-	-	-	-	-	(118,586,002)	5,625,839	46,227	(112,913,936)	(112,913,936)	
Items that will never be reclassified to profit or loss	-	-	-	336,769,766	-	-	-	-	19,313,705	19,313,705	356,083,471	
Total comprehensive income for the year	-	-	-	11,000,822,808	-	-	(118,586,002)	5,625,839	19,359,932	(93,600,231)	10,907,222,577	
Balance at 31 December 2017	3,206,420,305	10,347,863,392	500,000,000	11,464,223,108	44,878,020	4,217,388,748	(45,945,442)	9,319,195	56,297,696	4,281,938,217	29,800,445,022	

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

Unit: Baht

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016 (Restated)
Cash flows from operating activities					
Profit for the year		9,310,191,890	17,708,858,493	10,664,053,042	12,706,970,284
Adjustments for					
Depreciation and amortisation	14, 15, 16	3,104,710,878	2,971,996,514	19,859,312	23,111,407
Past and current service costs of employee and share-based payment expense	20, 25	67,855,127	71,002,882	17,856,311	17,993,113
Gain from disposal of investments	28	-	(31,426,929)	-	(31,426,929)
Interest income	28	(227,603,432)	(214,646,388)	(39,304,982)	(43,219,303)
Interest expense		381,326,596	338,086,270	1,685,400	1,535,282
Tax income (expense)	31	(376,253,191)	354,658,349	-	-
Share of profit (loss) of subsidiaries	12	-	-	1,127,566,738	(580,974,519)
joint ventures	12	(140,908,685)	(106,490,365)	-	-
associates	12	(12,139,676,349)	(12,527,827,827)	(12,139,676,349)	(12,527,827,827)
Impairment loss on investment in associates - net	8, 12	6,400,000	68,125,998	6,400,000	68,125,998
Reversal of provision for interest of unpaid operating agreement fee	36.2	-	(3,866,486,414)	-	-
Unrealised gain on foreign exchange		(297,171,290)	(125,457,532)	-	-
Allowance for doubtful accounts		494,032,966	137,085,242	-	-
Allowance for obsolete inventory		12,931,779	15,749,802	-	-
Impairment loss on assets		3,308,681,047	-	-	-
Loss from write-off equipment		2,650,255	1,201,043	-	-
Amortisation cost of loans	18	1,065,891	1,065,891	-	-
Others		(9,506,598)	14,197,253	(3,639,060)	(546,107)
		3,498,726,884	4,809,692,282	(345,199,588)	(366,258,601)
Changes in operating assets and liabilities					
Trade and other receivables		(272,132,075)	9,614,926	(2,559,698)	3,273,854
Inventories		147,918,136	(109,830,084)	-	-
Other non-current assets		6,848,943	278,325,051	(1,500)	-
Trade and other payables		(364,137,251)	64,491,963	(70,407)	(32,688,177)
Accrued operating agreement fees		(52,878,113)	(17,178,769)	-	-
Other non-current liabilities		(77,557,065)	(100,699,062)	-	(21,630,001)
Interest received		230,924,393	210,718,623	6,627,453	9,422,908
Dividend received		9,381,153,600	14,769,303,360	9,701,763,219	15,072,369,397
Income tax paid		(245,453,441)	(537,183,735)	-	-
Net cash from operating activities		12,253,414,011	19,377,254,555	9,360,559,479	14,664,489,380

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Unit: Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2017	2016	2017	2016 (Restated)
Cash flows from investing activities					
Cash paid for acquisition of associates - net	12	(88,073,427)	(59,999,448)	(88,073,427)	(59,999,448)
Additional investment in long-term investment	8	(24,097,551)	(17,555,000)	(24,097,551)	(17,555,000)
Purchase of property, plant and equipment		(316,457,465)	(1,101,089,222)	(6,017,083)	(3,837,756)
Purchase of other intangible assets		(34,111,704)	(11,002,770)	(653,009)	(1,704,213)
(Increase) decrease in current investments		(141,874,585)	(1,741,034,601)	(135,634,009)	160,333,616
Increase in amounts due from, advances and loans to related parties		52,837,004	65,350,804	-	-
Cash proceed from disposal of investments		-	63,114,251	-	63,114,251
Net cash received from disposal of equipment		14,700,894	17,416,701	7,470,954	1,668,336
Net cash (used in) provided from investing activities		(537,076,834)	(2,784,799,285)	(247,004,125)	142,019,786
Cash flows from financing activities					
Proceeds from short-term borrowings		480,000,000	2,433,672,382	-	-
Repayments of short-term borrowings		(460,000,000)	(3,854,192,970)	-	-
Repayments of long-term borrowings		(2,036,861,589)	(72,076,314)	-	-
Interest paid		(403,054,153)	(328,148,604)	-	-
Liquidating distribution of a subsidiary		-	(41,921,918)	-	-
Dividend paid		(9,771,298,727)	(15,285,322,890)	(9,168,175,788)	(14,721,380,655)
Net cash used in financing activities		(12,191,214,469)	(17,147,990,314)	(9,168,175,788)	(14,721,380,655)
Net increase (decrease) in cash and cash equivalents before effects of exchange rate		(474,877,292)	(555,535,044)	(54,620,434)	85,128,511
Effects of exchange rate changes on cash and cash equivalents		41,881	8,806	-	-
Reclassified cash and cash equivalents of non-current assets or disposal groups classified as held for sale		(329,573,477)	-	-	-
Net increase (decrease) in cash and cash equivalents		(804,408,888)	(555,526,238)	(54,620,434)	85,128,511
Cash and cash equivalents at 1 January		3,065,097,194	3,620,623,432	260,238,220	175,109,709
Cash and cash equivalents at 31 December	7	2,260,688,306	3,065,097,194	205,617,786	260,238,220

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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 349 SJ Infinite One Business Complex 29th – 30th floor, 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 2017, the principle shareholder of the Company is Singtel Global Investment Pte. Ltd., holding 21.0%, Anderton Investments Pte. Ltd., (“Anderton”) holding 15.9% and Aspen Holdings Limited (“Aspen”) 3.6% (2016: *Singtel Global Investment Pte. Ltd., 21.0% and Aspen Holdings Limited 19.5%*).

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 2017 and 2016 were as follows:

Name of the entity	Type of business	Country of incorporation	Unit: %	
			Ownership interest	
			2017	2016
Subsidiaries				
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 other 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 (notes 35 and 36) 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

Name of the entity	Type of business	Country of incorporation	Unit: %	
			Ownership interest	
			2017	2016
Matchbox Company Limited ("MB")	At present, MB has ceased its operation and is in liquidation process (<i>note 11</i>) having previously provided advertising services and production of advertisements for radio and television broadcast.	Thailand	99.99	99.99
Associates				
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
Associates under Venture Capital (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	21.48
Meditech Solution Company Limited ("Meditech")	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	16.66	16.66
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	9.99
Digio (Thailand) Company Limited (“Digio”)	Service provider of electronic payment	Thailand	8.05	-
Event Pop Holdings Pte. Ltd. (“Event Pop”)	Service provider for technology development and other services in connection with event management	Singapore	17.96	-

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 2017, the remaining minimum payment as specified in the agreement is Baht 327 million in the consolidated financial statements (2016: Baht 405 million), excluding ITV due to the dispute as discussed in notes 35 and 36. In addition, certain companies in the Group, according to their agreements, must procure property and equipment for their operations and must transfer the ownership of such property and equipment to the relevant government agencies and entities regulated by government agencies within the periods specified in the agreements.

The significant principal agreements for operation and authorisations held by subsidiaries, joint ventures and associates at 31 December 2017 include:

Operating Agreement and License	Country	Held by	Expiry
Subsidiaries of INTOUCH			
Satellites	Thailand	Thaicom Plc.	September 2021
Telecom Operation License Type I	Thailand	Thaicom Plc.	August 2021
Telecom Operation License Type III	Thailand	Thaicom Plc.	September 2032
Internet Operation License Type I	Thailand	Thaicom Plc.	May 2020
Radio-television broadcasting-under UHF system	Thailand	ITV Plc. (the dispute discussed in notes 35 and 36)	July 2025
Subsidiaries of THAICOM			
Broadcasting Operation License	Thailand	DTV Service Co., Ltd.	January 2028
Broadcasting Operation License (Lao Star & D-Channel)	Thailand	DTV Service Co., Ltd.	January 2021

Broadcasting Operation License (Lao PSTV, LNTV 3)	Thailand	DTV Service Co., Ltd.	July 2018
Broadcasting Operation License (TV Lao)	Thailand	DTV Service Co., Ltd.	November 2022
Broadcasting Operation License	Thailand	TC Broadcasting Co., Ltd.	March 2028
Telecom Operation License Type III	Thailand	TC Broadcasting Co., Ltd.	November 2030
Joint venture of THAICOM			
Fixed phone, mobile phone, International facilities and internet	Lao PDR	Lao Telecommunications Co., Ltd.	2046
Subsidiaries of AIS			
2.1-GHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	December 2027
1800-MHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	September 2033
900-MHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	June 2031
Datakit Virtual Circuit Switch	Thailand	Advanced Datanetwork Communications Co., Ltd.	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 and format 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 format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements".

In according to TFRS, the assumption has affected to the application of policies and reported amounts of assets, liabilities, income and expenses which require 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 and critical assumption 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 estimation and underlying assumptions
8, 9, 10, 12, 14, 15 and 16	Measurement of the recoverable amounts of each asset or cash-generating units such as past experience, future expectations of customer payments, price and the economic or industrial at that point of time
12	Assessment of controls over investee company.
14, 15 and 16	Estimation of useful lives of property and equipment including property and equipment under operating agreements and intangible assets
12, 14, 15 and 16	Impairment tests – key assumptions underlying recoverable amounts such as expected cash inflow, discount rate and the economic or industrial at that point of time.
17	Assumption on future taxable profit to utilize deferred tax assets.
20	Measurement of provisions for employee benefit, in regard of actuarial assumptions:- discount rate, salary growth rate, employee turnover rate and demographic assumptions etc.
25	Measurement of share-based payment such as fair value of shares to be issued, volatility index and risk free rate etc.
34	Assumptions used to measure fair value of financial instruments for non-observable assets or liabilities such as discount rate.
35 and 36	Recognition and measurement of provisions and contingent liabilities such as assumptions used to assess probability that INTOUCH Group's resources will be required to settle and discount rate.

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

As at 31 December 2017, ITV's current liabilities exceed its current assets by an amount of Baht 1,671 million and deficit in excess of its share capital by an amount of Baht 1,673 million (2016: Baht 1,692 million and Baht 1,693 million, respectively).

The consolidated financial statements of the Company have consolidated the financial statements of ITV. Accordingly, the recorded assets amounting to Baht 1,225 million represent 2.4% of consolidated total assets (2016: Baht 1,201 million, represented 2.2%) and liabilities amounting to Baht 2,898 million represent 21.3% of consolidated total liabilities (2016: Baht 2,894 million, represented 17.1%), and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 1,673 million (2016: Baht 1,693 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 2017 and 2016 would be adjusted to reduce by Baht 1,673 million and Baht 1,693 million, respectively. The retained earnings and shareholders' equity as at 31 December 2017 and 2016 would be increased by Baht 1,673 million and Baht 1,693 million, respectively.

3 Changes in accounting policies

From 1 January 2017, INTOUCH Group has adopted TAS 27 (revised 2016) Separate Financial Statements, which includes the equity method as an accounting option in addition to the cost method or the fair-value method (has not effective yet). The equity method is applied in accordance with TAS 28 Investments in Associates and Joint Ventures, and the change in accounting policy is to be applied retrospectively.

INTOUCH Group has elected to change accounting policy relating to investments in subsidiaries, joint ventures and associates in the separate financial statements from cost method to equity method. This has impacted to the accounting policy applied to the financial statements for the year ended 31 December 2016.

The change of the accounting policy has affected to the restatement of particular items shown below (however, there has been no impact on the consolidated financial statements).

Unit: Million Baht

	As previously reported	Impacts of change in accounting policy	As restated
<i>Statements of financial position</i>			
<i>Opening balance as at 1 January 2016</i>			
Assets			
Non-current assets			
Investments in subsidiaries	3,952	3,800	7,752
Investments in associates	8,567	12,023	20,590
Equity			
Retained earnings			
Unappropriated	164	11,482	11,646
Other components of equity	33	4,341	4,374
<i>Statements of financial position</i>			
<i>Opening balance as at 31 December 2016</i>			
Assets			
Non-current assets			
Investments in subsidiaries	3,952	4,046	7,998
Investments in associates	8,523	9,819	18,342
Equity			
Retained earnings			
Unappropriated	102	9,530	9,632
Other components of equity	32	4,335	4,367

	Unit: Million Baht		
	As previously reported	Impacts of change in accounting policy	As restated
Statements of income for the year ended 31 December 2016			
Income			
Dividend income	15,072	(15,072)	-
Share of profit of investments in subsidiaries	-	581	581
in associates	-	12,528	12,528
Other incomes	71	5	76
Expenses			
Impairment loss on investment in associates and long-term investment - net	74	(6)	68
Net profit before finance costs and income tax expense	14,662	(1,952)	12,710
Profit for the year	14,659	(1,952)	12,707
Profit attributable to owners of the Company	14,659	(1,952)	12,707
Earnings per share attributable to owners of the Company (Baht per share)			
Basic earnings per share	4.57	(0.61)	3.96
Diluted earnings per share	4.57	(0.61)	3.96

Unit: Million Baht

	As previously reported	Impacts of change in accounting policy	As restated
<i>Statements of comprehensive income for the year ended 31 December 2016</i>			
Profit for the year	14,659	(1,952)	12,707
Items that are or may be reclassified to profit or loss			
Foreign currency translation differences for foreign operations	-	(31)	(31)
Net change in fair value of available-for- sale investments	(8)	(2)	(10)
	(8)	(33)	(41)
Items that will never be reclassified to profit or loss			
Share of other comprehensive income from associates	-	37	37
	-	37	37
Other comprehensive income, net of income tax	(8)	4	(4)
Total comprehensive income for the year	14,651	(1,948)	12,703
Total comprehensive income attributable to: Owners of the Company	14,651	(1,948)	12,703
<i>Statements of cash flow for the year ended 31 December 2016</i>			
Cash flows from operating activities			
Profit for the year	14,659	(1,952)	12,707
Adjustments for			
Gain from disposal of investments	(26)	(5)	(31)
Share of profit of investments in subsidiaries	-	(581)	(581)
associates	-	(12,528)	(12,528)
Impairment loss on investment in associates and long-term investment - net	74	(6)	68
Dividend income	(15,072)	15,072	-
Net cash from operating activities	14,664	-	14,664

4 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, 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 and available-for-sale investment in debenture through private funds, managed by independent fund manager, 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 be resulted in negative non-controlling interests.

Loss of control

Upon the loss of control, INTOUCH Group derecognises the assets and liabilities of the subsidiary, 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 joint ventures and 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. Gains from the purchase price lower than the fair value are recognised in profit or loss immediately.

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. Account receivables are written off when bad debt 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 or disposal groups classified as 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 non-current assets or disposal groups classified as 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 equity method.

Investments in subsidiaries, joint ventures and associates in the consolidated financial statements are disclosed in note 4 (a).

Investments in other debt and equity securities

Marketable equity securities which are classified as available-for-sale securities are carried at fair value in the statements of financial position using reference rates from the closing prices at the reporting date.

Increases/decreases in the carrying amount are charged against unrealised gains/losses from revaluation of investment in shareholders' equity.

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

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

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

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

(i) Property, plant and equipment

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

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

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

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

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

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

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

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

	Years
Leasehold land, buildings and improvements	5 - 30
Furniture, fixtures and equipment	5 - 18
Vehicles (<i>including vehicles under finance leases</i>)	5
Computers and equipment	2 - 5

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

(j) Intangible assets under operating agreements

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

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

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

(k) Intangible assets

Goodwill

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

Other intangible assets

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

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

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

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

(l) Impairment

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

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

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

Calculation of recoverable amount

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

Reversals of impairment

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

(m) Leases

Long-term 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.

Long-term 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 using the projected unit credit method, calculated by actuarial, when there is a significant change in actuarial assumptions.

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 and contingency liabilities are recognised when there is a probability that INTOUCH Group's resources will be required to settle. They 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.

(t) Finance costs

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

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

(u) Income tax expense

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

Current tax

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

Deferred tax

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

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

5 Related party transactions and balances

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

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

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

Related parties increased/decreased during the year ended 31 December 2017 were as follows:

Name of entity	Type of business	Country of incorporation	Relationship
Companies under INTOUCH Group increased during the year			
Digio (Thailand) Co., Ltd. ("Digio")	Service provider of electronic payment	Thailand	Associate
Event Pop Holdings Pte. Ltd. ("Event Pop")	Service provider of technology development and other services in connection with event management	Singapore	Associate
Yellow Pages Commerce Co., Ltd.	Service provider of online advertising	Thailand	Indirect subsidiary

Significant transactions with related parties were as follows:

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Sales of goods and services				
<i>Subsidiaries</i>				
Interest income	-	-	3	2
<i>Joint ventures</i>				
Interest income	90	87	-	-
Rental income	15	33	-	-
Consultant income and others	11	12	-	-
	116	132	-	-

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Associates				
Mobile content services	138	225	-	-
Accounting program services	121	123	-	-
Transponder lease	62	65	-	-
Sales income from turnkey projects	-	37	-	-
Call center and voice services	61	68	-	-
Rental income and others	13	18	1	1
	395	536	1	1
Related parties				
Rental income	1	2	-	-
For the year ended 31 December	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2017	2016	2017	2016
Purchase of goods and services				
Subsidiaries				
Accounting program services and others	-	-	3	3
Joint ventures				
Rental and other expenses	6	7	-	-
Associates				
Management fee	1	-	1	-
Rental and others	25	22	1	1
	26	22	2	1
Related parties				
Rental and others	6	8	-	-
Dividend transactions				
Dividend received				
Subsidiaries	-	-	321	303
Associates	9,381	14,769	9,381	14,769
	9,381	14,769	9,702	15,072
Dividend paid				
Directors	1	1	1	1
Major shareholders	3,714	5,974	3,714	5,974
	3,715	5,975	3,715	5,975

Balances with related parties were as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Trade accounts and notes receivable				
Associates	5	38	-	-
Related parties	54	60	-	-
Total	59	98	-	-
Less allowance for doubtful accounts	(54)	(59)	-	-
Net	5	39	-	-
Accrued income				
Associates	13	50	-	-
Other receivable				
Subsidiaries	-	-	1	1
Associates	-	1	-	-
Total	-	1	1	1
Amounts due from, advances & loans to related parties				
Joint ventures	91	142	-	-
Associates	-	1	-	1
Total	91	143	-	1
Current investment in debenture through private funds, manage by independent fund manager				
Subsidiaries	-	-	118	60
Associates	23	39	23	39
Total	23	39	141	99
Current portion of long-term loans to related parties				
Joint ventures	245	-	-	-
Long-term loans to related parties				
Joint ventures	1,712	2,146	-	-

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	2017	2016
Opening balance at 1 January	18	169
Repayments	(18)	(150)
Unrealised gain (loss) on currency translation	-	(1)
Balance at 31 December	-	18

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	2017	2016
Opening balance at 1 January	2,146	2,162
Unrealised gain (loss) on currency translation	(189)	(16)
Balance at 31 December	1,957	2,146

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

Unit: Million Baht			
Consolidated		Separate	
financial statements		financial statements	
31	31	31	31
December	December	December	December
2017	2016	2017	2016
Trade accounts and notes payable			
Associates	1	2	-
Related parties	1	2	-
Total	2	-	-
Other payable			
Joint ventures	5	-	-
Associates	6	7	-
Related parties	-	1	-
Total	11	-	-

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	31	31	31	31
	December	December	December	December
	2017	2016	2017	2016
Amounts due to and loans from related parties				
Subsidiaries	-	-	-	1
Associates	2	-	1	-
	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>
Other non-current liabilities				
Associates	3	3	-	-
	<u>3</u>	<u>3</u>	<u>-</u>	<u>-</u>

Management compensation

Directors' remuneration and key management personnel compensation comprised of:

	Consolidated		Unit: Million Baht	
	Financial statements		Separate	
	2017	2016	2017	2016
For the year ended 31 December				
Short-term benefit				
Directors' remuneration	67	61	37	38
Key management compensation	106	137	31	48
Total management benefit expenses	<u>173</u>	<u>198</u>	<u>68</u>	<u>86</u>
Long-term benefit				
Included in administrative expenses				
Current service costs	4	4	2	2
Share-based payment	13	16	9	10
Included in finance costs				
Interest on obligation	2	2	1	1
Total long-term management benefit expenses	<u>19</u>	<u>22</u>	<u>12</u>	<u>13</u>
Total	<u>192</u>	<u>220</u>	<u>80</u>	<u>99</u>

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 2017, 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 2017, the Company and associates had no commitment to pay the subsidiary for services in respect of the agreements as the agreement had matured (2016: *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 2017, associates committed to pay the subsidiary for the service of the agreements at Baht 14 million (2016: *Baht 20 million and approximately USD 1 million*).

6 Additional cash flow information

Significant non-cash items were as follows:

	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
For the year ended 31 December	2017	2016	2017	2016
Purchase of property, plant and equipment and other intangible assets				
- by liabilities	26	18	4	3

7 Cash and cash equivalents

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Cash on hand	26	36	-	-
Deposit at banks - current and saving accounts	1,924	2,534	206	260
Deposit at banks - fixed accounts and highly liquid short-term investments	311	495	-	-
Total	2,261	3,065	206	260

The weighted average effective interest rate of bank deposits, time deposits, and highly liquid short-term investments was 0.6% per annum (2016: 0.6% per annum) in the consolidated financial statements and 0.3% per annum (2016: 0.3% per annum) in the separate financial statements.

8 Other investments

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Current investments				
Short-term deposit	2,819	3,115	316	180
Debt securities available for sale	3,338	2,981	1,347	1,311
	6,157	6,096	1,663	1,491
Other long-term investments (included investment in debt security of Venture Capital)				
Investment in other company	81	58	81	58
Less impairment loss on investment	(31)	(25)	(31)	(25)
	50	33	50	33
Total	6,207	6,129	1,713	1,524

The weighted average effective interest rate of short-term bank deposits was 1.5% per annum (2016: 1.6% per annum) in the consolidated financial statements and 1.5% per annum (2016: 1.53% per annum) in the separate financial statements.

The weighted average of the interest rate of current investments for debt available-for-sale securities is 2.3% per annum (2016: 2.0 % per annum) in the consolidated financial statements and 2.1% per annum (2016: 2.1% per annum) in the separate financial statements.

9 Trade and other receivables

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
<i>Trade receivables</i>				
Trade and notes receivable	1,769	1,817	-	-
Accrued income	435	655	-	-
Less allowance for doubtful accounts	(754)	(352)	-	-
	<u>1,450</u>	<u>2,120</u>	<u>-</u>	<u>-</u>
<i>Other receivables</i>	<u>356</u>	<u>357</u>	<u>11</u>	<u>7</u>
Total	<u>1,806</u>	<u>2,477</u>	<u>11</u>	<u>7</u>

	Note	Unit: Million Baht	
		Consolidated	
		31 December	31 December
		2017	2016
<i>Trade and notes receivable</i>			
Related parties	5	59	98
Other parties		1,710	1,719
Total		<u>1,769</u>	<u>1,817</u>
<i>Accrued income</i>			
Related parties	5	13	50
Other parties		422	605
Total		<u>435</u>	<u>655</u>
Total trade receivables and accrued income		<u>2,204</u>	<u>2,472</u>
Less allowance for doubtful accounts		(754)	(352)
Net		<u>1,450</u>	<u>2,120</u>

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

		Unit: Million Baht	
		Consolidated	
		financial statements	
		31 December	31 December
		2017	2016
Within credit terms		259	441
Overdue:			
Less than 3 months		427	461
3 - 6 months		395	498
6 - 12 months		390	166
Over 12 months		298	251
Total		1,769	1,817
Less allowance for doubtful accounts		(754)	(352)
Net		1,015	1,465

Other receivables were as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Prepaid expenses	52	179	4	4
Accrued interest income and other income	30	33	2	1
Advance payments	181	99	-	-
Deposits	27	20	1	-
Others	66	26	4	2
Total	356	357	11	7

10 Inventories

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Raw materials	47	52	-	-
Work in process	15	116	-	-
Finished goods	158	238	-	-
Goods in transit	-	1	-	-
	220	407	-	-
Less allowance for obsolete inventories	(95)	(83)	-	-
Net	125	324	-	-

11 Non-current assets or disposal groups classified as held for sale

The Company reclassified assets and liabilities of CS Loxinfo PLC (“CSL”), an indirect subsidiary of THAIACOM, and MB to Non-current assets or disposal groups classified as held for sale in the consolidated financial statements.

CSL

On 6 October 2017, DTV Services Co., Ltd. (“DTV”), a subsidiary of THAIACOM, has executed the Shares Tender Agreement for the sale of all ordinary shares that DTV held in CSL at the total number of 250,099,990 shares or equivalent to 42.07% of all the total issued and paid-up shares of CSL to Advanced Wireless Network Co., Ltd. (“AWN”), a subsidiary of AIS, at the offering price of Baht 7.80 per share, totalling Baht 1,951 million for the whole transaction. The disposal of CSL is accomplished on 25 January 2018. Thus, assets and liabilities of CSL as at 31 December 2017 are reclassified to non-current assets or disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale included in the consolidated financial position as follows:

	Unit: Million Baht
	Consolidated
	financial statements
	31 December 2017
The financial position of CSL	
Assets	
Cash and cash equivalents	330
Trade and other receivables	444
Inventories	44
Property, plant and equipment	873
Other intangible assets	69
Deferred tax assets	52
Other non-current assets	23
Total	1,835

Unit: Million Baht
Consolidated
financial statements
31 December 2017

The financial position of non-current assets held for sale

Liabilities

Short-term borrowings from financial institutions	250
Trade and other payable	562
Current portion of long-term borrowings	60
Income tax payable	7
Long-term borrowings	2
Non-current provisions for employee benefit	155
Other non-current liabilities	19
Total	1,055

MB

MB has been discontinued operation since 2015 and, at present, MB is in the liquidation process. Assets and liabilities of MB as at 31 December 2017 and 2016 are reclassified to non-current assets or disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale included in the consolidated financial position as follows:

Unit: Million Baht
Consolidated financial
statements

	31 December 2017	31 December 2016
The financial position of MB		
Assets		
Cash and cash equivalents	52	49
Trade and other receivables	1	4
Total	53	53

12 Investments in subsidiaries, joint ventures and associates

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

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<i>Investment in subsidiaries</i>				
Opening balance at 1 January – as previously reported	-	-	3,952	3,952
Impacts of change in accounting policy – note 3	-	-	4,046	3,800
Opening balance at 1 January – as restated	-	-	7,998	7,752
Share of profits – equity method	-	-	(1,128)	581
Dividend received	-	-	(321)	(303)
Share of other comprehensive income	-	-	-	(1)
Unrealised gain (loss) on currency translation and other	-	-	(119)	(31)
Balance at 31 December	-	-	6,430	7,998
<i>Investment in joint ventures</i>				
Opening balance at 1 January	1,555	1,440	-	-
Share of profits – equity method	141	106	-	-
Share of other comprehensive income	(78)	-	-	-
Unrealised gain (loss) on currency translation	(179)	9	-	-
Balance at 31 December	1,439	1,555	-	-
<i>Investment in associates</i>				
Opening balance at 1 January – as previously reported	18,342	20,590	8,523	8,567
Impacts of change in accounting policy – note 3	-	-	9,819	12,023
Opening balance at 1 January – as restated	18,342	20,590	18,342	20,590
Acquisition	88	60	88	60
Disposal	-	(24)	-	(24)
Share of profits – equity method	12,140	12,528	12,140	12,528
Dividend received	(9,381)	(14,769)	(9,381)	(14,769)
Share of other comprehensive income	350	14	350	14
Unrealised gain on dilution from investment	-	11	-	11
Impairment loss	-	(68)	-	(68)
Balance at 31 December	21,539	18,342	21,539	18,342

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

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Currency		(in Million)		(in Million Baht)		(in Million Baht)		(in Million Baht)	
Joint ventures										
SHEN	51.00	51.00	15	15	138	138	1,356	1,417	-	-
High Shopping	51.00	51.00	500	500	255	255	83	138	-	-
Total					393	393	1,439	1,555	-	-
Associates										
ALS	40.45	40.45	2,973	2,973	8,382	8,382	21,293	18,198	9,381	14,769
Venture Capital investments*					309	221	246	144	-	-
Total					8,691	8,603	21,539	18,342	9,381	14,769
Less impairment					(80)	(80)	-	-	-	-
Net					8,611	8,523	21,539	18,342	9,381	14,769

* Excluded investment in debt security of Venture Capital

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

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	(%)		(in Million)		(in Million Baht)		(in Million Baht)		(in Million Baht)	
Subsidiaries										
THAICOM	41.14	41.14	5,480	5,480	3,613	3,613	6,161	7,686	316	293
ITV	52.92	52.92	6,033	6,033	3,297	3,297	-	-	-	-
ITAS	99.99	99.99	10	10	10	10	119	107	5	10
MB	99.99	99.99	59	59	122	122	53	53	-	-
Intouch Media	99.99	99.99	279	279	279	279	97	152	-	-
Total					7,321	7,321	6,430	7,998	321	303
Less impairment					(3,369)	(3,369)	-	-	-	-
Net					3,952	3,952	6,430	7,998	321	303
Associates										
AIS	40.45	40.45	2,973	2,973	8,382	8,382	21,293	18,198	9,381	14,769
Venture Capital investments*					309	221	246	144	-	-
Total					8,691	8,603	21,539	18,342	9,381	14,769
Less impairment					(80)	(80)	-	-	-	-
Net					8,611	8,523	21,539	18,342	9,381	14,769

* Excluded investment in debt security of Venture Capital

Significant transactions during the year ended 31 December 2017 of INTOUCH Group was as follows:

Investment in Venture Capital Project

Date of investment	Name of company		Investment in newly share	
			Number of share (share)	Ownership interest (%)
29 June 2017	Digio (Thailand) Company Limited	("Digio")	402,500	8.05
4 September 2017	Event Pop Holdings Pte. Ltd.	("Event Pop")	103,052	17.96

Dissolution of MB

On 20 June 2017, MB, a subsidiary of the Company, registered its dissolution with the Department of Business Development, Ministry of Commerce. Currently, Matchbox is under liquidation process.

Investment in Yellow Pages Commerce Company Limited by Teleinfo Media PLC ("TMC"), a subsidiary of CSL

On 16 October 2017, TMC has purchased 9,994 ordinary shares (equivalent to 99.94% of paid-up capital) at Baht 85,948, of Yellow Pages Commerce Company Limited, which operates online advertising business.

The execution of the Share Tender Agreement to dispose ordinary share of CSL

On 6 October 2017, DTV, a subsidiary of THAICOM, has executed the Shares Tender Agreement for the sale of all ordinary shares that DTV held in CSL at the total number of 250,099,990 shares or equivalent to 42.07% of all the total issued and paid-up shares of CSL to AWN, a subsidiary of AIS, at the offering price of Baht 7.80 per share, totalling Baht 1,951 million for the whole transaction. The disposal of CSL is accomplished on 25 January 2018. Thus, assets and liabilities of CSL as at 31 December 2017 are reclassified to non-current assets or disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale included in the consolidated financial (note 11).

13 Financial summary of key joint ventures and associates

Investment in joint arrangement – joint ventures

Shenington Investment Pte Limited ("SHEN")

SHEN is a joint venture between THAICOM and Asia Mobile Holding Pte Limited ("AMH"). As at 31 December 2017 and 2016, the interest in SHEN of THAICOM and AMH is 51% and 49%, respectively.

High Shopping Company Limited ("High Shopping")

High Shopping is a joint venture between Intouch Media and Hyundai Home Shopping. As at 31 December 2017 and 2016, 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.

	SHEN		High Shopping	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Current assets	106	27	113	239
Non-current assets	6,702	7,379	112	148
Current liabilities	(669)	(248)	(62)	(116)
Non-current liabilities	(3,374)	(4,264)	(1)	-
Net assets	2,765	2,894	162	271

For the year ended 31 December	SHEN		High Shopping	
	2017	2016	2017	2016
	2017	2016	2017	2016
Revenue	659	655	215	114
Profit (loss) from continuing operations	385	389	(108)	(180)
Other comprehensive income	(362)	165	-	-
Comprehensive income	23	554	(108)	(180)

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		High Shopping	
	2017	2016	2017	2016
	2017	2016	2017	2016
Group's interest in net assets of investee at 1 January	1,417	1,210	138	230
Share of profits (loss) attributable to the Group	196	198	(55)	(92)
Share of other comprehensive income attributable to the Company	(257)	9	-	-
Group's interest in net assets of investee at 31 December	1,356	1,417	83	138
Carrying amount of interest in investee at 31 December	1,356	1,417	83	138

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 2017 and 2016 (other than investment in AIS, which is a listed company in the SET, INTOUCH Group does not have any other associates that are listed companies, consequently, they do not have published price quotations).

	Unit: Million Baht	
	AIS	
	31 December 2017	31 December 2016
Current assets	34,841	31,899
Non-current assets	249,226	243,771
Current liabilities	(69,601)	(69,328)
Non-current liabilities	(164,040)	(163,634)
Net assets	50,426	42,708
 Market value	 567,861	 437,045

	Unit: Million Baht	
	AIS	
	2017	2016
For the year ended 31 December		
Revenue	157,722	152,150
Profit (loss) from continuing operations	30,078	30,690
Other comprehensive income	816	-
Comprehensive income	30,894	30,690

14 Property, plant and equipment

Unit: Million Baht

	Consolidated financial statements					
	Land, buildings & improvements	Furniture, fixtures & equipment	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
As at 1 January 2016						
Cost	719	7,220	176	697	4,963	13,775
<u>Less</u> 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 and as at 1 January 2017						
Cost	743	13,184	142	662	42	14,773
<u>Less</u> Accumulated depreciation	(410)	(4,280)	(84)	(558)	-	(5,332)
Net book value	333	8,904	58	104	42	9,441
Transactions during the year ended 31 December 2017						
Purchases	11	152	10	53	115	341
Transfer- net	78	64	-	6	(153)	(5)
Disposals- net	-	(1)	(5)	-	-	(6)
Write-off- net	-	-	(1)	-	-	(1)
Depreciation charge	(44)	(825)	(21)	(56)	-	(946)
Foreign currency translations adjustment	-	(8)	-	-	-	(8)
Reclassified non-current assets held for sale	(307)	(521)	(3)	(42)	-	(873)
Closing net book value	71	7,765	38	65	4	7,943
As at 31 December 2017						
Cost	470	11,682	101	234	4	12,491
<u>Less</u> Accumulated depreciation	(399)	(3,917)	(63)	(169)	-	(4,548)
Net book value	71	7,765	38	65	4	7,943

Unit: Million Baht

Separate financial statements

	Buildings & improvements	Furniture, fixtures & equipment	Vehicles & equipment	Computers	Total
Balance at 1 January 2016					
Cost	26	26	53	34	139
<u>Less</u> 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
Disposals- net	-	-	(1)	-	(1)
Depreciation charge	(5)	(3)	(10)	(3)	(21)
Closing net book value	17	7	17	4	45
Balance at 31 December 2016 and as at 1 January 2017					
Cost	27	26	51	35	139
<u>Less</u> Accumulated depreciation	(10)	(19)	(34)	(31)	(94)
Net book value	17	7	17	4	45
Transactions during the year ended 31 December 2017					
Purchases	-	1	4	5	10
Transfer- net	-	-	-	3	3
Disposals- net	-	-	(3)	-	(3)
Depreciation charge	(5)	(3)	(7)	(3)	(18)
Closing net book value	12	5	11	9	37
As at 31 December 2017					
Cost	27	15	35	29	106
<u>Less</u> Accumulated depreciation	(15)	(10)	(24)	(20)	(69)
Net book value	12	5	11	9	37

15 Intangible assets under operating agreements

Unit: Million Baht
Consolidated
financial statements

At 1 January 2016	
Cost	26,423
<u>Less</u> Accumulated amortisation	(15,196)
Net book value	11,227
Transactions during the year ended 31 December 2016	
Amortisation charge	(2,022)
Closing net book value	9,205
At 31 December 2016 and at 1 January 2017	
Cost	26,233
<u>Less</u> Accumulated amortisation	(17,028)
Net book value	9,205
Transactions during the year ended 31 December 2017	
Amortisation charge	(2,022)
Loss from impairment	(3,196)
Closing net book value	3,987
At 31 December 2016	
Cost	26,233
<u>Less</u> Accumulated amortisation	(19,050)
<u>Less</u> Allowance for impairment	(3,196)
Net book value	3,987

Impairment of intangible assets under operating agreements

Regarding to the fierce competition in satellite industry has been impacted to the significant of market price erosion. Moreover, the major customers were churned both domestic and international with uncertainty of replacement. As a consequence, the operation result of THAICOM has been affected; THAICOM has assessed the impairment of intangible assets under operating agreements. The valuation determined by discounting the future cash flows using the discount rate of 10%. As a result, the book value is higher than the recoverable amount, the impairment losses was recorded in the amount of Baht 3,196 million, which presented as impairment loss on assets in the statement of income.

16 Other intangible assets

Unit: Million Baht

	Consolidated financial statements		
	Goodwill	Others	Total
At 1 January 2016			
Cost	1,703	2,850	4,553
<u>Less</u> Accumulated amortisation	-	(2,095)	(2,095)
<u>Less</u> 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
Disposals- 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 and at 1 January 2017			
Cost	1,702	2,219	3,921
<u>Less</u> Accumulated amortisation	-	(1,589)	(1,589)
<u>Less</u> Allowance for impairment	(1,474)	(9)	(1,483)
Net book value	228	621	849
Transactions during the year ended 31 December 2017			
Purchases	-	35	35
Transfer- net	-	(3)	(3)
Amortisation charge	-	(137)	(137)
Loss from impairment	(85)	(28)	(113)
Foreign currency translations adjustment	(4)	(4)	(8)
Reclassified non-current assets held for sale	-	(69)	(69)
Closing net book value	139	415	554
At 31 December 2017			
Cost	1,698	1,933	3,631
<u>Less</u> Accumulated amortisation	-	(1,481)	(1,481)
<u>Less</u> Allowance for impairment	(1,559)	(37)	(1,596)
Net book value	139	415	554

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

Impairment of goodwill and other intangible assets

Regarding to the declining of mining and construction sectors in Australia, which were the major customer of Orion Satellite Systems Pty Limited (OSS), the operating results of OSS, an indirect subsidiary of THAICOM group, has been affected. As a consequence, THAICOM has assessed the impairment of goodwill and intangible assets. The valuation determined by discounting the future cash flows using the discount rate of 10%. As a result, the book value is higher than the recoverable amount, the impairment losses was recorded in the amount of Baht 113 million, which presented as impairment losses.

Unit: Million Baht
Separate
financial statements

At 1 January 2016	
Cost	67
<u>Less</u> 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 and at 1 January 2017	
Cost	71
<u>Less</u> Accumulated amortisation	(64)
Net book value	7
Transactions during the year ended 31 December 2017	
Purchases	1
Amortisation charge	(2)
Closing net book value	6
At 31 December 2017	
Cost	20
<u>Less</u> Accumulated amortisation	(16)
Net book value	4

17 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	
	31 December 31 December
	2017 2016
Deferred tax assets	780 314
Total	780 314

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

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 1,828 million (2016: Baht 1,829 million) in the consolidated financial statements and Baht 1,645 million (2016: 1,573 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 2016	Gain or loss	Other comprehensive income	At 31 December 2016
Deferred tax assets				
Loss carry forward	32	39	(11)	60
Allowance for doubtful accounts	10	3	-	13
Allowance of obsolescence	9	4	-	13
Deposits	43	(6)	-	37
Advance receipt from customer	4	(16)	-	(12)
Employee benefits	83	4	-	87
Accrued expenses	19	49	(1)	67
Prepaid expense	22	9	-	31
Others	21	(4)	1	18
Total	243	82	(11)	314

Unit: Million Baht

Consolidated financial statements

	At 1 January 2017	Gain or loss	Other comprehensive income	Reclassified non-current assets held for sale	At 31 December 2017
Deferred tax assets					
Loss carry forward	60	(47)	(3)	(7)	3
Allowance for doubtful accounts	13	1	-	(10)	4
Allowance of obsolescence	13	3	-	-	16
Allowance for impairment	-	639	-	-	639
Deposits	37	(6)	-	-	31
Advance receipt from customer	(12)	35	-	(2)	21
Employee benefits	87	6	(18)	(36)	39
Accrued expenses	67	(48)	-	(1)	18
Prepaid expense	31	(31)	-	-	-
Others	18	(3)	(2)	(4)	9
Total	314	549	(23)	(60)	780

18 Interest bearing liabilities

Unit: Million Baht

Consolidated
financial statements

	31 December 2017	31 December 2016
Current liabilities		
Short-term borrowings from financial institutions	-	230
Current portion of long-term borrowings	415	721
Current portion of finance lease liabilities	7	8
	422	959
Non-current liabilities		
Long-term borrowings	2,490	4,685
Debenture	4,398	4,489
Finance lease liabilities	24	35
	6,912	9,209
Total	7,334	10,168

The movements in the borrowings were as follows:

Unit: Million Baht		
Consolidated		
financial statements		
For the year ended 31 December	2017	2016
Opening balance at 1 January	10,168	11,724
Additions	482	2,437
Repayments	(2,497)	(3,926)
Amortisation of finance cost	(1)	1
Investment in intercompany debenture	(92)	(31)
Foreign currency translation adjustment	(414)	(37)
Reclassified non-current assets held for sale	(312)	-
Balance at 31 December	7,334	10,168

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 (in million)	Amount (in million Baht)	Interest rate p.a.	Interest due	Principal due (Entire redeemable)	Outstanding as at 31 December	
							2017 (in million Baht)	2016 (in million Baht)
1	29 Sep 14	2.275	2,275	4.28%	Semi annually	2 Oct 19	2,275	2,275
2	29 Sep 14	2.275	2,275	4.68%	Semi annually	2 Oct 21	2,275	2,275
Total debenture							4,550	4,550
<i>Less Debenture issuing cost</i>							(3)	(4)
Net							4,547	4,546

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

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

		Unit: Million Baht	
		Consolidated financial statements	
		31 December 2017	31 December 2016
Total borrowings:			
at fixed rates		4,429	4,763
at floating rates		2,905	5,405
		7,334	10,168

		Unit: %	
		Consolidated financial statements	
		31 December 2017	31 December 2016
Weighted average interest rate			
Long-term borrowings		3.70	3.39
Debenture		4.48	4.48
Finance lease liabilities		3.30	3.45

Maturity of borrowings as at 31 December 2017 is as follows:

		Unit: Million Baht	
		Consolidated financial statements	
		Loan	Financial lease liabilities
Maturity			
2018		415	7
2019		2,689	11
2020 and after		4,199	13
Total		7,303	31

Borrowing facilities

As of 31 December 2017, INTOUCH Group has unutilised loan facilities made available by various financial institutions in an aggregate amount of Baht 5,593 million and USD 30 million (2016: Baht 6,969 million and USD 91 million) on the consolidated financial statements and Baht 1,010 million (2016: Baht 1,010 million) on the separate financial statements.

19 Trade and other payables

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<i>Note</i>				
Trade payables					
Related parties	5	2	4	-	-
Other parties		239	493	-	-
Total		241	497	-	-
Other payables		1,053	1,910	88	84
Total		1,294	2,407	88	84

Other payables are as follows:

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Accrued expenses		615	907	73	71
Deferred income and advance receipts		218	806	-	-
Other payables		62	94	14	10
Tax payable		42	50	1	3
Deposit from customers		52	35	-	-
Others		64	18	-	-
Total		1,053	1,910	88	84

20 Non-current provisions for employee benefit

Non-current provisions for employee benefit in the statements of financial position as follows:

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
Present value of unfunded obligations		247	496	53	51

Movement in the present value of the non-current provision for employee benefit is as follows:

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2017	2016	2017	2016
At 1 January	496	484	51	66
Benefits paid by the plan	(39)	(54)	-	(22)
<i>Recognised in profit or loss:</i>				
Past & current service costs of employee and interest on obligation	63	66	7	7
<i>Recognised in other comprehensive income:</i>				
Actuarial gain recognised during the year	(118)	-	(5)	-
Reclassified non-current assets held for sale	(155)	-	-	-
At 31 December	247	496	53	51

Expenses recognised in profit or loss is as follows:

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2017	2016	2017	2016
Past & current service costs of employee	46	50	5	5
Interest on obligation	17	16	2	2
Total	63	66	7	7

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

For the years ended 31 December	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2017	2016	2017	2016
Experience adjustment	(52)	-	(9)	-
Assumptions used in actuarial projections	(66)	-	4	-
Total	(118)	-	(5)	-

Principal actuarial assumptions are as follows:

	Consolidated		Unit: %	
	financial statements		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Estimate of discount rate (average)	3.0	3.5	3.0	3.5
Estimate of future salary increases (average)	5.0 – 7.8	7.0 – 8.0	7.8	7.8

At 31 December 2017, the weighted-average duration of the non-current provision for employee benefit was 15 years (2016: 22 years).

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for employee benefit to increase (decrease) as at 31 December 2017 by the amounts shown below.

	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in major assumptions				
Gain (loss) from changes in				
Discount rate (average)	(35)	41	(7)	9
Future salary growth (average)	39	(34)	8	7

21 Share capital and premium

Movements in share capital and premium were as follows:

	Issued and fully paid-up shares				
	Authorised number of shares	Number of shares	Ordinary shares	Share premium	Total
	(in Million shares)	(in Million shares)	(in Million Baht)	(in Million Baht)	(in Million Baht)
Balance at					
31 December 2016	5,000	3,206	3,206	10,348	13,554
Balance at					
31 December 2017	5,000	3,206	3,206	10,348	13,554

22 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.

23 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.

24 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					
	2017			2016		
	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	9,425	1,225		9,127	1,201	
Non-current assets	16,514	-		23,712	-	
Current liabilities	(2,929)	(2,896)		(3,612)	(2,893)	
Non-current liabilities	(7,730)	(2)		(10,306)	(1)	
Net assets (liabilities)	15,280	(1,673)		18,921	(1,693)	
Carrying amount of non-controlling interest	9,198	(787)	8,411	11,314	(796)	10,518

	Unit: Million Baht					
	For the year ended 31 December					
	2017			2016		
	THAICOM Group	ITV Group	Consolidated financial statement	THAICOM Group	ITV Group	Consolidated financial statement
Operating result						
Revenue	10,047	31		11,871	30	
Net profit (loss)	(2,461)	18		1,783	3,882	
Other comprehensive income	(272)	3		(82)	(4)	
Total comprehensive income	(2,733)	21		1,701	3,878	
Profit (loss) allocated to non - controlling interest	(1,371)	8	(1,363)	1,120	191	1,311
Other comprehensive income allocated to non - controlling interest	(1,528)	10	(1,518)	1,072	189	1,261

Unit: Million Baht				
For the year ended 31 December				
	2017		2016	
	THAICOM Group	ITV Group	THAICOM Group	ITV Group
Cash flows				
Cash flows from (used in)				
operating activities	3,141	20	4,847	13
investing activities	(207)	(40)	(2,830)	-
financing activities	(3,327)	-	(2,734)	-
Net increase (decrease) in cash and cash equivalents before effects of exchange rate	(393)	(20)	(717)	13
Reclassified cash and cash equivalents of non-current assets or disposal groups classified as held for sale	(330)	-	-	-
Net increase (decrease) in cash and cash equivalents	(723)	(20)	(717)	13
Opening cash and cash equivalents at beginning of year	2,684	28	3,401	15
Cash and cash equivalents at end of year	1,961	8	2,684	28

25 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	Grant V
Approved date:	29 March 2013	28 March 2014	27 March 2015	31 March 2016	31 March 2017
Number of warrants offered (units):	432,700	844,100	933,700	671,200	1,107,800
Exercise price (Baht/share):	68.072	72.732	81.276	55.241	53.806
Number of reserved shares (shares):	432,700	844,100	933,700	671,200	1,107,800
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 of the Company were as below:

	Grant I	Grant II	Grant III	Grant IV	Grant V
Weighted average fair value at the grant date (Baht/unit)	65.27	29.40	25.325	20.99	27.443
Share price at the grant date (Baht/share)	88.00	76.75	77.25	56.50	54.75
Exercise price (Baht/share)	68.07	72.73	81.28	55.24	53.81
Expected volatility	30.37%	26.62%	23.08%	26.84%	24.13%
Expected dividend	4.64%	5.90%	5.77%	8.62%	6.83%
Risk-free interest rate	3.07%	3.08%	2.34%	1.72%	2.01%

Movements in the number of outstanding warrants of the Company for the year ended 31 December 2017 were as follows:

	Opening balance at 1 January 2017	Transaction during the period Granted	Exercised	Unit: Thousand units Closing Balance at 31 December 2017 *
ESOP – Grant I				
- Directors	302	-	-	302
- Employees	113	-	-	113
	415	-	-	415
ESOP – Grant II				
- Directors	351	-	-	351
- Employees	451	-	-	451
	802	-	-	802
ESOP – Grant III				
- Directors	388	-	-	388
- Employees	459	-	-	459
	847	-	-	847
ESOP – Grant IV				
- Directors	171	-	-	171
- Employees	383	-	-	383
	554	-	-	554
ESOP – Grant V				
- Directors	-	245	-	245
- Employees	-	560	-	560
	-	805	-	805
Total	2,618	805	-	3,423

*Include ESOP of employees or executives who cannot exercise their rights under the terms and conditions specified.

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

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Opening balance at 1 January				
- as previously reported	49	38	28	21
Impacts of change in accounting policy – note 3	-	-	9	7
Opening balance at 1 January				
- as restated	49	38	37	28
Expense recognised in the statements of income	22	21	12	13
Items recognised in the statements of other components of equity	(20)	(4)	(4)	2
Decreased during the period	-	(6)	-	(6)
Balance at 31 December	51	49	45	37
Attributable to owners of the Company	45	37	45	37
Attributable to non-controlling interests	6	12	-	-
Balance at 31 December	51	49	45	37

26 Other comprehensive income

The components of other comprehensive income are as follows:

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translating financial statement	(288)	(75)	(119)	(31)
Gains (losses) on remeasuring investments held as available for sale				
Profit (loss) during the year	23	(23)	11	(10)
<u>Less</u> reclassification of (profit) loss recognised in the statements of income	(10)	4	(5)	(10)
Tax related to the component of other comprehensive income	(2)	1	-	-
	(277)	(93)	(113)	(41)

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2017	2016	2017	2016
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	118	-	14	-	
Share of other comprehensive income of a joint venture	(78)	-	-	-	
an associate	350	37	350	37	
Tax related to the component of other comprehensive income	(22)	-	(8)	-	
	368	37	356	37	
Total other comprehensive income for the year, net of income tax	91	(56)	243	(4)	

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

		Unit: Million Baht					
		Consolidated financial statements					
For the year ended 31 December		2017			2016		
	Amount before tax	Tax income (expense)	Net of tax		Amount before tax	Tax income (expense)	Net of tax
Exchange differences on translating financial statement	(288)	-	(288)		(75)	-	(75)
Gains (losses) on remeasuring investments held as available for sale	13	(2)	11		(19)	1	(18)
Share of other comprehensive income of a joint venture	(78)	-	(78)		-	-	-
Share of other comprehensive income of an associate	350	-	350		37	-	37
Gains on remeasurements of defined benefit	118	(22)	96		-	-	-
Total other comprehensive income	115	(24)	91		(57)	1	(56)

		Unit: Million Baht					
		Separate financial statements					
For the year ended 31 December		2017			2016		
	Amount before tax	Tax income (expense)	Net of tax		Amount before tax	Tax income (expense)	Net of tax
Exchange differences on translating financial statement	(119)	-	(119)		(31)	-	(31)
Gains (losses) on remeasuring investments held as available for sale	6	-	6		(10)	-	(10)
Share of other comprehensive income of an associate	350	-	350		37	-	37
Gains on remeasurements of defined benefit	14	(8)	6		-	-	-
Total other comprehensive income	251	(8)	243		(4)	-	(4)

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

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

Country	Principal areas of operation
Thailand	Local wireless telecommunications, satellite business services and business relating to satellite, internet services, media and advertising, and other activities.
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.
Myanmar	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 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
Share of profit (loss) of joint ventures	-	199	-	(92)	-	107
associates	12,548	-	-	(20)	-	12,528
Costs of sales and services	-	(7,354)	-	(115)	-	(7,469)
Distribution costs and administrative expenses	-	(2,225)	(407)	(25)	11	(2,646)
Profit (loss) from operating activities	12,548	2,137	(407)	(110)	(2)	14,166
Reverse of provision for interest of unpaid operating agreement fee	-	-	-	3,866	-	3,866
Net foreign exchange gain	-	152	-	-	-	152
Impairment loss on investment	-	-	(68)	-	-	(68)
Other income	-	202	76	30	-	308
Profit (loss) before finance costs and income tax	12,548	2,491	(399)	3,786	(2)	18,424
Finance costs	-	(359)	(3)	-	2	(360)
Income tax	-	(348)	-	(7)	-	(355)
Profit (loss)	12,548	1,784	(402)	3,779	-	17,709
Profit to non-controlling interest	-	(1,120)	-	(191)	-	(1,311)
Net profit (loss) for the year to owners of the parent	12,548	664	(402)	3,588	-	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 expenses	-	337	-	1	-	338
Depreciation	-	773	21	17	-	811
Amortisation	-	2,151	2	7	-	2,160
Depreciation & amortisation	-	2,924	23	24	-	2,971

Unit: Million Baht

Consolidated financial statement
For the year ended 31 December 2017

	Local wireless telecommu- nications business	Satellite & inter-national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Revenue	-	9,482	-	161	(16)	9,627
Share of profit (loss) of joint ventures	-	196	-	(55)	-	141
associates	12,126	-	-	14	-	12,140
Costs of sales and services	-	(7,022)	-	(125)	2	(7,145)
Distribution costs and administrative expenses	-	(2,356)	(381)	(25)	12	(2,750)
Profit (loss) from operating activities	12,126	300	(381)	(30)	(2)	12,013
Net foreign exchange gain	-	153	-	(1)	-	152
Impairment loss on investment	-	-	(6)	-	-	(6)
Impairment loss on assets	-	(3,309)	-	-	-	(3,309)
Other income	-	413	42	31	(3)	483
Profit (loss) before finance costs and income tax	12,126	(2,443)	(345)	-	(5)	9,333
Finance costs	-	(401)	(3)	-	5	(399)
Income tax	-	383	-	(7)	-	376
Profit (loss)	12,126	(2,461)	(348)	(7)	-	9,310
Profit to non-controlling interest	-	1,371	-	(8)	-	1,363
Net profit (loss) for the year to owners of parent	12,126	(1,090)	(348)	(15)	-	10,673
Other information						
Segment assets	-	24,665	14,537	1,457	(12,677)	27,982
Investments in equity method	21,292	1,357	-	329	-	22,978
Total consolidated assets	21,292	26,022	14,537	1,786	(12,677)	50,960
Segment liabilities	-	3,214	141	2,946	(3)	6,298
Borrowings	-	7,447	-	-	(112)	7,335
Total consolidated liabilities	-	10,661	141	2,946	(115)	13,633
Interest income	-	161	39	32	(4)	228
Interest expenses	-	384	2	-	(5)	381
Depreciation	-	910	18	18	-	946
Amortisation	-	2,150	2	7	-	2,159
Depreciation & amortisation	-	3,060	20	25	-	3,105

Financial information by business geographical areas

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

	Revenue		Unit: Million Baht Assets*	
	For the year ended		As at	
	31 December		31 December	
	2017	2016	2017	2016
Thailand	18,400	19,773	12,256	19,115
People's Republic of China	217	299	6	11
India	686	706	25	25
Japan	834	631	30	32
Myanmar	365	529	-	-
Others	1,405	2,343	167	312
Total continued operations	21,907	24,281	12,484	19,495

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

Major customers of INTOUCH Group

During the year ended 31 December 2017 and 2016, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

28 Other income

For the year ended 31 December	Consolidated		Unit: Million Baht Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Interest income	228	215	39	43
Penalty	195	11	-	-
Gain (loss) on sale of available-for-sale investment	-	(11)	-	-
Gain on sale of investment	-	31	-	31
Gain on sale of equipment	8	10	3	-
Other income	52	52	-	2
Total	483	308	42	76

29 Expenses by nature

The expenses by nature that have been charged in cost of sales of goods and rendering of services, distribution costs and administrative expenses can be classified are as follows:

For the year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Depreciation	946	811	18	21
Amortisation charge	2,159	2,160	2	2
Staff cost	1,718	1,828	214	230

30 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 year ended 31 December	Consolidated financial statements		Unit: Million Baht Separate financial statements	
	2017	2016	2017	2016
Contribution to provident fund	53	54	7	7

31 Income tax

Reconciliations of income tax are as follows:

For the year ended 31 December	Note	Consolidated financial statements		Unit: Million Baht Separate financial statements	
		2017	2016	2017	2016
Current tax		168	437	-	-
Deferred tax expense	17	(544)	(82)	-	-
Income tax (income) expense		(376)	355	-	-

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	
	2017	2016	2017	2016
Profits before tax	8,934	18,064	10,664	12,707
Tax rates	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates	1,787	3,613	2,133	2,541
Share of profit of associates and joint ventures	(2,456)	(2,527)	(2,202)	(2,622)
Effect of the different basis of income tax calculation on tax rates in other countries	23	(121)	-	-
Tax losses in current year not recognised as deferred tax assets	69	79	68	73
Effect of corporate income tax exemption, the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	201	(689)	1	8
Tax charge	(376)	355	-	-
Effective tax rate	-4.2%	2.0%	0.0%	0.0%

Income tax rate

Intouch group uses corporate income tax rate of 20% to calculate deferred tax assets as at 31 December 2017 and 2016.

32 Earnings per share

Basic earnings per share are calculated by dividing the profit for the period 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 were as follows:

Consolidated financial statements						
For the year ended 31 December	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2017	2016	2017	2016	2017	2016
	(in Million Baht)		(in Million shares)		(in Baht)	
Basic earnings per share	10,673	16,398	3,206	3,206	3.33	5.11
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	10,673	16,398	3,206	3,206	3.33	5.11

Separate financial statements						
For the year ended 31 December	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2017	2016	2017	2016	2017	2016
	(in Million Baht)		(in Million shares)		(in Baht)	
Basic earnings per share	10,664	12,707	3,206	3,206	3.33	3.96
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	10,664	12,707	3,206	3,206	3.33	3.96

33 Dividends

The 2017 Annual General Shareholders' Meeting on 31 March 2017 and the Board of Director's Meeting on 7 August 2017 passed the resolutions to pay the interim dividend detailed as follows:

	Interim dividend For the operation result of	Dividend ratio (Baht/Share)	Total dividend (in million Baht)	Payment date
The general shareholders' resolution	1 January – 30 March 2017 (Cost method)	1.61	5,162	28 April 2017
The board of director's resolution	1 January – 30 June 2017 (Equity method)	1.25	4,008	5 September 2017

34 Financial instruments

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

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

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:

Consolidated financial statements				
	As at 31 December 2017		As at 31 December 2016	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Assets				
US Dollars	38	1,223	91	3,261
Indian Rupees	446	212	448	222
New Zealand Dollars	0.1	3	0.1	3
Hong Kong Dollars	3	10	-	-
Total		1,448		3,486
Liabilities				
US Dollars	106	3,466	162	5,827
Indian Rupees	236	129	235	131
New Zealand Dollars	0.2	4	0.3	8
Total		3,599		5,966

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	Fair value Level 2	Level 3	Total
As at 31 December 2016					
Current assets					
Debt securities available for sale	2,981	-	2,981	-	2,981
As at 31 December 2017					
Current assets					
Debt securities available for sale	3,338	-	3,338	-	3,338

Unit: Million Baht					
Separate financial statements					
	Carrying amount	Level 1	Fair value Level 2	Level 3	Total
As at 31 December 2016					
Current assets					
Debt securities available for sale	1,311	-	1,311	-	1,311
As at 31 December 2017					
Current assets					
Debt securities available for sale	1,347	-	1,347	-	1,347

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	Level 1	Fair value Level 2	Level 3	Total
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
As at 31 December 2017					
Non-current liabilities					
Debenture	4,398	-	4,711	-	4,711
Long-term borrowings, excluded finance lease liabilities	2,490	-	-	2,488	2,488

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

35 Commitments

35.1 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 36.2 to the financial statements.
- 2. A case in which ITV is the defendant** whereby the PMO demanded that ITV make the payment of the program penalty, the unpaid operating fee, interest and the undelivered value of assets approximately totaling Baht 100,000 million in Black Case No. 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 Black Case No. 1/2550 and No. 46/2550. The progression of the dispute was disclosed in note 36.2 to the financial statements.

35.2 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, 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. 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 (“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. 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. 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.

35.3 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 Baht	
		Consolidated	
		financial statements	
		31 December	31 December
		2017	2016
Buildings and other constructions		-	22

35.4 Operating agreement commitments of THAIKOM

THAIKOM 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 agreements for operation have been transferred to the Ministry of Digital Economy and Society (“MDE”) (previously named Ministry of Information and Communication Technology (“MICT”)).

Under the aforementioned agreement, THAIKOM 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 2017, the remaining minimum operating agreement fee was Baht 327 million (2016: Baht 405 million). In addition, THAIKOM, 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.

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

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

Unit: Million Baht	
Consolidated	
financial statements	
	31 December
	2017
	2016
Not later than 1 year	32
Later than 1 year and not later than 5 years	18
Total	50
	184

36 Significant events, disputes and litigation of INTOUCH Group

36.1 The judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions

According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company and its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.

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

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

1. The Black Case No. 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 Black Case No. 1/2550 was entered into the process of appointing arbitration panel and will be under the consideration of arbitration proceeding.
2. The Black Case No. 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 Black Case No. 46/2550.

On 14 January 2016, the Arbitration Institute ruled that the termination of the PMO had been unlawful (the Red Case No. 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 CAC, which was accepted on 2 November 2016 (the Black Case No. 620/2559).

On 9 May 2017, ITV filed an answer against the PMO's petition, the Black Case No. 620/2559, to the CAC.

At present, the case is in the process of the CAC.

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 interest of unpaid operating fee in the consolidated financial statements of profit and loss since the three-month period ended 30 June 2016.

36.3 Assessment for income tax in India

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

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education and interest aggregating to Rs. 859 million (approximately Baht 439 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 289 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 303 million), in which part of the amount is substituted and paid by the Customer on behalf of THAICOM and used it as deposit. THAICOM had also deposited Rs. 480 million (approximately Baht 245 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, 1999-2001, 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 83 million).

Further to ITAT decision as stated in the preceding paragraphs, THAICOM is in the process of requesting the refund of the remaining deposit and withholding tax from the Tax Authority. Upon the final decision of the Supreme Court and the receipt of refund, THAICOM will forward the customer the amount they substituted on behalf of THAICOM.

On 28 September 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that THAICOM's income from transponder services in India was not a Royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

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

36.4 The major commercial disputes and significant litigation of AIS Group

AIS

1) The deduction of excise tax from the revenue sharing between AIS and TOT

On 22 January 2008, TOT submitted a dispute Black Case No. 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% 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 dismissed the case by giving the reason which can be summarised that AIS was not in breach of the Agreement since AIS had completely made the payment of the revenue sharing and all debt was fully paid. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On 22 September 2011, TOT has submitted the Black Case No. 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. Subsequently, TOT had appealed to the Central Administrative Court on 5 September 2016.

On 13 July 2017, the Central Administrative Court has read the Supreme Administrative Court's decision by dismissal the TOT's appeal for the reasoned that TOT's appeal was prohibited under section 45 of Arbitration Act which prohibit the appeal of the court order or the court judgment except for the award on this dispute matter against the public order or good morality. In this regard, this case is final and hereby terminated.

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. If 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 has 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 for operations (“the Agreement”), AIS has to pay the higher of stipulated annual minimum payment or the percentage of service revenues and other benefits that AIS should be received in each year prior to deducting expenses and taxes to TOT. 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 believes 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 legal counsel’s opinion, the management of AIS has 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 provision in force by issuing invoices to collect the interconnection charge from the contractual parties.

On 30 December 2008, AIS remitted the revenue sharing incurred from the interconnection of the telecommunication network for 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. 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 had 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 claim to TOT and AIS submitted the dispute to the Arbitration Dispute Resolution Office, the Arbitration Institute ref. Black Case No. 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 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 requested this case to be under the same consideration with the Black Case No. 19/2554 to the Arbitral Tribunal.

On 23 August 2016, AIS submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, under the Black Case No. 83/2559, requesting the Arbitral Tribunal to give an award on the ground that TOT had 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 amount for each year and AIS requested this case to be under the same consideration with the Black Case No. 55/2557. At present, the dispute has been considered by the Arbitration process.

3) Obligations of the bank guarantees in connection with the Agreement for Operation (“the Agreement”)

According to the Agreement, 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 past operation.

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. Currently, the dispute has been considered by the Arbitration process.

On 11 May 2011 and on 5 October 2012, AIS submitted the disputes to the Alternative Dispute Resolution Office, the Arbitration Institute under the Black Case No. 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to AIS because AIS had completely paid the revenue sharing for each operation year and had correctly complied with the law and the relating Agreements in all respects.

On 10 February 2014, the Arbitral Tribunal gave the arbitration award to order TOT to return the bank guarantees for the operation year 17th -21st to AIS. On 16 May 2014, TOT submitted the Black Case No. 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 19 May 2014, AIS submitted the Black Case No. 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 and plus 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 submitted a dispute under the Black Case No. 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 paid.

On 29 March 2016, TOT submitted the revision to amend the compensation amount from May 2013 to September 2015, the ending of the Agreement for Operations in the amount of Baht 32,813 million plus VAT and interest at 1.25% per month from June 2013 until the full amount is paid.

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 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 ("the Agreement")

On 30 September 2015, AIS submitted the dispute Black Case No. 78/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, court of justice to decide regarding the 6th Amendment dated 15 May 2001 and the 7th Amendment dated 20 September 2002 to the Agreement to conduct business of Cellular Mobile Telephone that the amendments bind AIS and TOT to comply with the amendments until the expiration of the 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 Agreement.

At present, the dispute has been considered by the arbitrators which the management of AIS believes that the 6th and the 7th Amendments to the Agreement are binding and effective until the expiration of the 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, the Black Case No. 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 Black Case No. 122/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice to decrease the amount of the revenue claimed by TOT to Baht 62,774 million according to the percentage adjustability of revenue sharing upon the Agreement. This case is the same as the dispute Black Case No. 78/2558.

6) *Space rental fee for tower and equipment for the service under the Operating Agreement (“the Agreement”)*

On 30 September 2015, TOT submitted the dispute Black Case No. 76/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice 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 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 place the money to the court.

At present, the dispute has been considered by the 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 Agreement because AIS has rightfully conducted everything in accordance with the Operating Agreement. Therefore, the outcome of the 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 filed a lawsuit against AIS to the Central Administrative Court as the Black Case No. 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 case has been considered by the Central Administrative Court process. The management of AIS believes that AIS has correctly complied with the related conditions of the Operating Agreement in all respects then the outcome of this case should not be considerable impact on the financial statements of AIS.

8) *The claim to the Central Administrative Court for revocation of the NTC order regarding to revenue incurred from the temporary service for 900MHz customer protection period after the Operating Agreement end*

On 1 May 2017, AIS filed a lawsuit against office of the National Broadcasting and Telecommunication Committee (“NBTC office”), the National Telecommunication Committee (“NTC”), the National Broadcasting and Telecommunication Committee (“NBTC”) and other five persons to the Central Administrative Court under the black case no. 736/2560 to revoke NBTC letter and NTC resolution of the NBTC office to demanded the company to pay revenue at remedy period from 1 October 2015 to 30 June 30 2016 in the amount of Baht 7,221 million plus interest.

On 15 June 2017, AIS received the indictment dated 21 April 2017 by the NBTC and the NBTC office which filed a lawsuit against AIS for the same amount to the Central Administration Court as Black case no. 661/2560 demanded AIS to pay revenue at remedy period.

AIS' management considered that AIS has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement and AIS has obliged to submit the revenue after deducting any expenses to NBTC office but AIS has the expenses more than the revenue incurred from the service. Therefore, AIS has no remaining revenue to submit to NBTC Office as stipulated in the announcement.

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

9) Claim for the additional revenue sharing from the rental charge for providing transmission services

TOT has submitted the dispute No. A1/2017 dated 15 December 2017 to the Arbitration Institute to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from January 2011 to September 2012 for the total amount of Baht 20 million and No. A1/2018 dated 12 January 2018 to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from October 2012 to September 2015 in the total amount of Baht 1,122 million (included VAT) including default interest rate at the rate 1.25% per month according to TOT view that AIS shall collect the rental charges for providing transmission services as the rate specified by TOT which is higher than the rental rate charged to the tenant.

Currently, the said disputes are in the Arbitration process. AIS's management believes that the rental rate charged at the reasonable market price by AIS and also approved by NBTC.

Digital Phone Company Limited ("DPC"), a subsidiary of AIS

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 Black Case No. 3/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice demanding DPC to pay additional payment of revenue sharing under the Digital Personal Communication Network Contract in the amount of Baht 2,449 million 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.

Later, on 1 October 2008, CAT 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 in the amount of Baht 790 million and value added tax in the amount of Baht 171 million.

This amount is the same as an excise tax that DPC had delivered to the 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 and DPC has correctly 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. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet's resolution.

On 1 March 2011, the Arbitral Tribunal 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 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 submitted the Black Case No. 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's award.

On 25 August 2015, CAT appealed such dismissal to the Supreme Administrative Court under the Black Case No. Or. 1070/2558. At present, this case has been considered by 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 Black Case No. 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 Black Case No. 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, court of Justice 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 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 submitted the Black Case No. 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. On 16 September 2014, the Central Administrative Court issued the dismissal order of this case. On 15 October 2014, CAT appealed such dismissal to the Supreme Administrative Court. At present, the case has been considered by the Supreme Administrative Court.

3) Claim for the access charge payment and the deduction of access charge from revenue sharing between DPC, CAT and TOT

On 9 May 2011, TOT submitted the Black Case No. 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 Black Case No. 68/2551 mentioned above but different in terms of the calculation period and interest.

Later, on 31 July 2014, TOT 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, this case has been considered by the Central Administrative Court. AIS's management believes that the outcome of this case shall be in favour of DPC and have no material impact on the consolidated financial statements of AIS Group since DPC has correctly 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 submitted a dispute under the Black Case No. 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to deliver and transfer ownership of 3,343 towers including 2,653 equipment of power supply under the Digital PCN ("Personal Communication Network Agreement"). In the case of incomplete delivery, 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 gave the arbitration award to dismiss the 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 submitted the Black Case No. 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 12 June 2017, the Central Administrative Court informed an order to approve CAT to draw the dispute 2757/2555 out from directory dated 9 June 2017.

5) The reduction of roaming fee between DPC and CAT

On 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 three-month period several times 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 approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 - 31 March

2009. Moreover, DPC 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 the Black Case No. 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 amount is paid by alleging that CAT approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; the Black Case No. 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 the full amount is paid.

At present, the dispute has been considered by the Arbitration process. AIS's management believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of AIS Group since DPC has correctly 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 under the Black Case No. 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) Service Agreement due to subscriber fraud on the Digital PCN 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 about breach of the Agreement but whether there has been a wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT submitted the Black Case No. 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case has been considered by 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 the Black Case No. 110/2555 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of the 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 amount is paid.

On 1 April 2014, CAT submitted a dispute under the Black Case No. 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of the 15th – 16th operation year amounting to Baht 203 million plus default interest at the rate of 7.5% per annum 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 dispute has been considered by the Arbitration procedures. AIS's management believes that the outcome of this 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 previous operation year.

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 submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, the Black Case No. 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 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 Black Case No. 1671/2558 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case has been considered by the Central Administrative Court.

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

On 20 May 2015, CAT 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, the Black Case No. 918/2558 to pay for the 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.

On 11 September 2015, CAT filed a lawsuit to the Central Administrative Court, the Black Case No. 1651/2558 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT 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 filed a lawsuit to the Central Administrative Court, the Black Case No. 741/2559, claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT 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 has been considered by the 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 due to DPC has 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 Group.

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 filed a lawsuit against the NBTC to the Central Administrative Court under case No. 1997/2558 to revoke NTC resolution which office of the NBTC 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") filed a complaint to the Central Administrative Court as the Black Case No. 1441/2559 requesting DPC to submit the revenue sharing during remedy period from 16 September 2013 to 17 July 2014 in the amount of Baht 680 million (including interest up to submitted date by Baht 52 million) 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.

AIS's management believes that DPC has complied with the NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Operating Agreement or Telecommunication Service Agreement 2013, and DPC has obliged to submit the revenue after deducting of any expenses to the NBTC. However, DPC has the expenses more than the revenue incurred from the service. Therefore, DPC has no revenue remaining in order 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 submitted a dispute under the Black Case No. 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, the dispute has been considered by 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 Group.

Advanced Wireless Network Company Limited (“AWN”), a subsidiary of AIS

- 1) *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 June 2016, CAT filed a lawsuit to the Central Administrative Court as the Black Case No. 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 accrued 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, the dispute has been considered by 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 AIS Group.

2) *The claim of payment for usage in telecom equipment and networks, internal building transmission and electricity co-user under the Agreement for operations between AIS and TOT*

On 11 February 2017, AWN received the Complaint Civil Black Case No. 454/2560 of 31 January 2017 which TOT filed a lawsuit against AWN to pay for the usage regarding telecom equipment & networks, internal building transmission and electricity co-usage which AWN has used of such assets during 1 October 2015 until 30 June 30 2016 in the amount of Baht 560 million from default date plus interest of Baht 16 million until the filing date including interest at the rate of 7.5% per annum of the claimed amount until full payment. Total principal and interest amount is Baht 575 million plus interest of 7.5% per annum of principal amounting of Baht 560 million, counting from the date of filing until the payment has been made in full.

Currently, the said case has been considered by the Civil Court process. AIS's management believes that the outcome of the said case should not be considerable impact on the consolidated financial statements of the AIS Group.

AIS and DPC

Withholding tax between AIS, DPC and the Revenue Department

Pursuant to the letter dated 18 January 2013, the Revenue Department 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 had paid the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. AIS and DPC have submitted the appeal to the Commission of Appeal. At present, the said cases are pending on the consideration process of the Commission of Appeal.

36.5 The major commercial disputes of THAICOM Group

THAICOM

Thaicom 7 and Thaicom 8 satellites under Operating Agreement on Domestic Communication Satellite

On 5 October 2017, the Company and THAICOM received letters from the Ministry of Digital Economy and Society (the "Ministry") stating that Thaicom 7 and Thaicom 8 satellites were the satellites under the Operating Agreement on Domestic Communication Satellite dated 11 September 1991 between the Company and the Ministry (formerly known as the Ministry of Information and Communication Technology (MICT)) (the "Agreement"), which the Company established THAICOM to operate works under the Agreement. In this regard, the letter from the Ministry stated a request for the full compliance with the Agreement on an urgent basis; e.g. transfer of ownership and delivery of assets, procurement of the backup satellite(s), payment of overdue revenue sharing, and property insurance.

The Board of Directors' Meetings of the Company and THAICOM on 18 October 2017 and on 24 October 2017, respectively, considered such letter and consulted with legal advisor and then opined that Thaicom 7 and Thaicom 8 satellites were not the satellites under the Agreement as the procedures of Thaicom 7 and Thaicom 8 satellites fell under the scope of license received from the National Broadcasting and Telecommunications Commission. Moreover, the Company and THAICOM have fully complied with the terms and conditions of the Agreement and have not proceeded with any operations against or violating the Agreement. Therefore, the Company and THAICOM had a different opinion from the Ministry on Thaicom 7 and Thaicom 8 satellites. Accordingly, the Meetings resolved that the Company and THAICOM submit to an arbitrator the dispute, resulting from the terms of and compliance with the Agreement and that the parties thereto have not been able to resolve it, for further settlement. This is in accordance with Clause 45.1 of the Agreement and the Company and THAICOM have submitted the dispute to the Arbitration Institute on 25 October 2017, as appeared in the Black Case No. 97/2560.

The Company and THAICOM do not have any duties to comply with any of the foregoing requests made by the Ministry until an award is rendered, pursuant to Clause 45.6 of the Agreement, stating that in the event where there is a dispute pending arbitration proceedings, the parties shall still be obligated to comply with terms of the Agreement until an award is rendered.

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

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

The CAC issued an order dated 8 April 2009 and 20 July 2010 making THAICOM the fourth respondent and the Company the fifth respondent in order to allow THAICOM and the Company to file the reply to the petitioner’s claim including evidence, documentary or otherwise to the CAC. THAICOM 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.

36.7 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 THAICOM, 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 22 December 2016, the Court had verdict that the subsidiary shall compensate for damages of AUD 5 million with interest. On 17 March 2017, the subsidiary has filed an appeal. Currently, the matter is in process, awaiting the Court. However, the impact of such expense was recorded in the financial statement for the year 2016.
- 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. All witnesses from both parties have been already cross-examined and the arbitrator ruled that the interpretation of THAICOM is correct and the case ended.

- 4) A subsidiary had a legal case in the Labor Department of the Supreme Court. Currently, the Supreme Court has ruling, therefore, the case ended. There is no impact to the consolidated financial statements of INTOUCH Group.

37 Bank guarantees

As at 31 December 2017, 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 92 million, USD 3 million (2016: Baht 546 million, USD 3 million and AUD 5 million) on a consolidated basis.

38 TFRS not yet adopted

The FAP has announced accounting standards, TFRS, TSIC and TFRIC that become effective for annual financial periods beginning on or after 1 January 2018. However, INTOUCH Group has not adopted the new and revised accounting standards as of the reporting date are not yet effective. Those accounting standards that applicable to the Group, which become effective for the financial report on or after 1 January 2018 are as follows:

TAS	Topic
TAS 1 (revised 2017)	Presentation of Financial Statements
TAS 2 (revised 2017)	Inventories
TAS 7 (revised 2017)	Statement of Cash Flows
TAS 8 (revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2017)	Events After the Reporting Period
TAS 11 (revised 2017)	Construction Contracts
TAS 12 (revised 2017)	Income Taxes
TAS 16 (revised 2017)	Property, Plant and Equipment
TAS 17 (revised 2017)	Leases
TAS 18 (revised 2017)	Revenue
TAS 19 (revised 2017)	Employee Benefits
TAS 21 (revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2017)	Borrowing Costs
TAS 24 (revised 2017)	Related Party Disclosures
TAS 26 (revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2017)	Separate Financial Statements
TAS 28 (revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2017)	Earnings Per Share
TAS 34 (revised 2017)	Interim Financial Reporting
TAS 36 (revised 2017)	Impairment of Assets
TAS 37 (revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2017)	Intangible Assets

TFRS	Topic
TFRS 2 (revised 2017)	Share-based Payment
TFRS 3 (revised 2017)	Business Combinations
TFRS 5 (revised 2017)	Non-current Assets Held for Sale and Discontinued
TFRS 8 (revised 2017)	Operating Segments
TFRS 10 (revised 2017)	Consolidated Financial Statements
TFRS 11 (revised 2017)	Joint Arrangements
TFRS 12 (revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2017)	Fair Value Measurement
TSIC	Topic
TSIC 15 (revised 2017)	Operating Leases – Incentives
TSIC 25 (revised 2017)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2017)	Disclosure – Service Operating Arrangements
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2017)	Intangible Assets – Web Site Costs
TFRIC	Topic
TFRIC 1 (revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2017)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2017)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2017)	Applying the Restatement Approach under TAS 29 (revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2017)	Service Operating Arrangements
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 14 (revised 2017)	IAS 19 (revised 2017) – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2017)	Transfers of Assets from Customers
TFRIC 21 (revised 2017)	Levies

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

39 Events after the reporting period

39.1 Significant Agreements

National Roaming Agreement

On 5 January 2018, AWN, a subsidiary of AIS, has entered into service agreement with TOT to receive the service relating to the national roaming service for the period from 1 March 2018 to 3 August 2025. AWN has letter of guarantee from commercial banks of Baht 720 million for the throughout the period of agreement.

Telecommunication Equipment Rental Agreement

On 5 January 2018, Super Broadband Network Co., Ltd. (“SBN”), a subsidiary of AIS, has entered into rental agreement with TOT to provide the telecommunication equipment rental for the period from 1 March 2018 to 3 August 2025. SBN has letter of guarantee from commercial banks of Baht 525 million for the throughout the period of agreement.

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

The Board of Directors of CSL, THAIKOM, AIS and INTOUCH passed resolutions to propose the dividend payments to the annual general shareholders meetings as follows:

Company	Date of Meeting	Dividend (Baht per share)	Interim dividend paid in 2017 (Baht per share)	Dividend to be paid (Baht per share)	Amount to be paid (in Million Baht)
Dividend from the operating results of 2017					
AIS	5 February 2018	7.08	3.51	3.57	10,614
INTOUCH	6 February 2018	2.52	1.25	1.27	4,072
Interim dividend from the operating results for the period 1 to 31 January 2018					
THAIKOM	31 January 2018	1.36	-	1.36	1,491
INTOUCH	6 February 2018	0.19	-	0.19	609

For the interim dividend from operational results for the period 1 to 31 January 2018 was due to the board of directors of THAIKOM, on 31 January 2018, resolved to pay an interim dividend for the period which included estimated gain on sale of CSL’s ordinary shares after deduction of related expenses. The Board of Directors of INTOUCH expects the Company to receive approximately Baht 613 million from this interim dividend. In addition, the Company will have recognised its share of the net profit from investment in subsidiaries, joint ventures and associates, and have adequate retained earnings at the end of the period. Thus, the Board of Directors of INTOUCH has resolved to propose the interim dividend payment for the period 1 to 31 January 2018.

The dividend payment from the operational result of 2017 and the interim dividend payment from the operational result for the period 1 to 31 January 2018 are subject to the resolutions of the Annual General Meeting of shareholders for the year 2018 of each company.

40 Approval of the financial statements

The financial statements were authorised for issue by the Board of Directors on 6 February 2018.

...Additional Information...



... Major Shareholders ...

The Company's shareholding structure as of 21 August 2017, 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	74,301	1,692,989,922	52.80
Foreign securities holders	150	1,513,430,383	47.20
Total	74,451	3,206,420,305	100.00

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

Name	Number of shares	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED ²⁾	509,766,840	15.90
3. THAI NVDR COMPANY LIMITED ³⁾	438,202,756	13.67
4. ASPEN HOLDINGS LIMITED ⁴⁾	115,485,120	3.60
5. LITTLEDOWN NOMINEES LIMITED	65,116,204	2.03
6. CHASE NOMINEES LIMITED	40,356,843	1.26
7. SOCIAL SECURITY OFFICE	38,298,100	1.19
8. KRUNGSRI DIVIDEND STOCK LTF	35,734,000	1.11
9. MR. PERMSAK KENGMANA	26,229,500	0.82
10. KRUNGSRI DIVIDEND STOCK FUND	16,162,100	0.50

Remarks: 1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd.
 2) Anderton Investments Pte Ltd. holds 509,766,840 shares in the Company, representing 15.90%, under the name of The Hongkong and Shanghai Banking Corporation Limited.
 3) The information of investors under Thai NVDR Co., Ltd. is shown on the website: www.set.or.th. Shareholders under Thai NVDR Co., Ltd. as of 21 August 2017 are as follows:

Name	Number of shares	Percentage of investment
1. CHASE NOMINEES LIMITED	51,710,100	1.61
2. LITTLEDOWN NOMINEES LIMITED	35,398,796	1.10
3. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	33,465,800	1.04
4. STATE STREET BANK EUROPE LIMITED	32,257,116	1.01
5. HSBC (SINGAPORE) NOMINEES PTE LTD	27,857,750	0.87
6. N.C.B. TRUST LIMITED-NORGES BANK 11	23,295,272	0.73
7. OTHER SHAREHOLDERS	234,217,922	7.30
Total	438,202,756	13.67

4) On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 3 January 2018, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

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



General Information of the Company

Company Name	Intouch Holdings Public Company Limited
Symbol	INTUCH
Registration No.	0107535000257
Year of Establishment	1983
First Trade Date	31 August 1990
Nature of Business	Intouch is a holding company with investments in the telecom, media and technology. There are presently three principal business units: Wireless Telecommunications, Satellite and International Businesses, and Other Businesses.
Head office	SJ Infinite One Business Complex, 29 th and 30 th Floors, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok, 10900 Tel: (66) 2118 6900 Fax: (66) 2118 6947
Website	www.intouchcompany.com
Registered Capital	5,000,000,000 baht
Paid-up Capital	3,206,420,305 baht including 3,206,420,305 common shares (as of 31 December 2017)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	180,361.41 million baht (as of 29 December 2017)
Total Shareholders	74,451 shareholders (as of 21 August 2017, the latest book closing date for the right to receive dividend)
% Free Float	59.49

American Depositary Receipt

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

General Information of the Company's Subsidiaries and Associates

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Wireless 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 service	4,997.46	2,973.10	1	2,973.10	40.45
Advanced Wireless Network Company Limited (AWN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Telecommunication service provider of 2.1 GHz, 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⁾
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 <i>* Advanced Wireless Network Co., Ltd. (AWN) acquired ordinary shares in CS LoxInfo Plc. (CSL), equivalent to 80.10% of the paid-up capital, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the office of the Securities and Exchange Commission.)</i>	148.63	594.51	0.25	148.63	80.10 ⁽²⁾
Teleinfo Media Public Company Limited (TMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899 Website www.teleinfomedia.co.th	Provide advertising platform through print, website, PC, mobile and laptop for business and individual users	156.54	15.65	10	156.54	99.99 ⁽³⁾
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 ⁽³⁾
Yellow Pages Commerce Company Limited (YPC) 1126/2 Vanit Building 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8823	Online advertising business	0.10	0.01	10	0.10	99.94 ⁽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
Wireless Device Supply Company Limited (WDS) 414 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⁾
AIN GlobalComm Company Limited (AIN) 414 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) 414 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. internet service (ISP), Dedicated Leased Line, IPLC & IP VPN, Voice Over IP, IP Television	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⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Advanced Broadband Network Company Limited (ABN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	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 Tel (66) 2029 5055 Fax (66) 2029 5019	Provide fiber optic network infrastructure in Amata industrial estate	100	1	100	100	60.00 ⁽⁵⁾
Information Highway Company Limited (IH) 52/1 Moo 5 Bang Kruai-Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi Tel (66) 2029 5055 Fax (66) 2029 5019	Transmission network provider	50	0.50	100	50	29.00 ⁽⁵⁾
Digital Phone Company Limited (DPC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of digital mobile phone network	914	91.4	10	914	98.55 ⁽¹⁾
Advanced Datanetwork Communications Company Limited (ADC) 414 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 ⁽⁶⁾
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⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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	1,096.06	5	5,480.33	41.14
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 ⁽⁷⁾
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 ⁽⁷⁾
IPSTAR Australia Pty Limited (IPA) 5 George Place, Artarmon, NSW 2064, Australia Tel (612) 8458 0500 Fax (612) 8006 5592	Sale of user terminal of IPSTAR and providing IPSTAR services in Australia	6.95 (million AUD)	6.95	1 (AUD)	6.95 (million AUD)	100 ⁽⁷⁾
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 ⁽⁸⁾
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 ⁽⁷⁾
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 ⁽⁷⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
IPSTAR 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 ⁽⁷⁾
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 ⁽⁷⁾
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 ⁽⁷⁾
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 (million USD)	100 ⁽⁷⁾
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	30 (million INR)	30	1 (INR)	30 (million INR)	100 ⁽⁷⁾
TC Global Services Company Limited (TCGS) 12 th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius	Providing technology services	0.05 (million USD)	0.01	1 (USD)	0.01 (million USD)	100 ⁽⁷⁾
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 ⁽⁷⁾
Lao Telecommunications Company Limited (LTC) Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel (856) 2121 6465-6 Fax (856) 2121 9690	Providing fixed line, mobile phone, public phone, public international facilities and internet services	96.84 (million USD)	96.84	1 (USD)	96.84 (million USD)	49.00 ⁽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
Internet and media services						
DTV Service Company Limited (DTV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2950 5005 Fax (66) 2591 0708 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 ⁽⁷⁾
Cambodian DTV Network Limited (CDN) 9A, Street 271, Tomnup Teuk, Chamkar Mon, Phnom Penh, Kingdom of Cambodia Tel (855) 023 305 990 Fax (855) 023 994 669 Website www.cdn.com.kh	DTV satellite dish sales	2,400 (million Riels)	0.001	2.40 (million Riels)	2,400 (million Riels) or equivalent to 0.60 million USD	100 ⁽⁷⁾
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-bookings	1.59	0.15	10	1.59	20.94
Golfdigg Company Limited (Golfdigg) 5 Ari 4, Phaholyothin Road, Samsennai, Phayathai, 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
Event Pop Holdings Pte Limited (Event Pop) 8 Cross Street#18-06 Pwc Building, Singapore 048424 Website www.eventpop.me	Service provider for technology development and other services in connection with event management	2.88 (million USD)	0.57	-	2.88 (million USD)	17.96
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) 117/8, 13, 16, 17 Panjit Tower 5 th , 10 th , 14 th and 15 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	3.80	0.38	10	3.80	9.54
Digio (Thailand) Company Limited (Digio) 972/1 Vorasubin Bldg. 4 th Floor, Soi Rama 9 Hospital, Rimklong Samsen Road, Bangkapi, Huaykwang, Bangkok Tel (66) 2641 5170 Fax (66) 2019 4499 Website www.digio.co.th	Service provider of electronic payment	25.01	5	5	25.01	8.05
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

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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 ⁽¹⁰⁾
High Shopping Company Limited (High Shopping) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok Tel (66) 2123 4555 Website www.highshopping.com	Operate a home shopping business in Thailand	500	50	10	50	51.00 ⁽¹⁰⁾
High Shopping TV Company Limited (High Shopping TV) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huay Kwang, Bangkok	Purchase products directly from their homes through various media, including the High Shopping TV Channel	10	0.25	10	2.50	99.99 ⁽¹¹⁾
ITV Public Company Limited (ITV) 349 SJ Infinite One Business Complex, 30 th Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6938 Fax (66) 2118 6943	Currently not in operation	7,800	1,206.70	5	6,033.49	52.92
Artware Media Company Limited (AM) 349 SJ Infinite One Business Complex, 30 th Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6938 Fax (66) 2118 6943	Currently not in operation	25	0.25	100	25	99.99 ⁽¹²⁾

Remark The information on registered capital, paid-up capital and percent of shareholding as of 31 December 2017.

- | | | | | |
|---|----------------------|------------------|-------------------|-----------------------------|
| (1) Owned by AIS | (2) Owned by AWN | (3) Owned by CSL | (4) Owned by TMC | (5) Owned by ABN |
| (6) Owned by DPC | (7) Owned by THAIKOM | (8) Owned by IPA | (9) Owned by SHEN | (10) Owned by Intouch Media |
| (11) Owned by High Shopping (12) 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

... Details of Subsidiaries' Directors ...

Company Director	Subsidiaries				Indirect Subsidiaries																			
	THAICOM	ITAS	Intouch Media	ITV ^{1/}	IPSTAR	IPN	IPA	OSS	IPIN	IPG	IPJ	STAR	TCB	ISC	IPI	TCGS	DTV	CDN	CSL ^{2/}	TMC ^{2/}	ADV ^{2/}	YPC ^{2/}	Touch TV	AM ^{1/}
1. Mr. Paron Israsena	★																							
2. Professor Hiran Radeesri	●																							
3. Mrs.Charintorn Vongspootorn	●																							
4. Professor Samrieng Mekkiengkrai	●																							
5. Mrs. Patareeya Benjapolchai	●																							
6. Mr. Somprasong Boonyachai	●																							
7. Mr. Kwek Buck Chye	●△																							
8. Mr. Prasert Bunsumpun	●△																							
9. Mr. Paiboon Panuwattanawong	●				●	●	●		●	●	●	●	●	●					●△	●△				
10. Mr. Virasak Kittivat	●																							
11. Mr. Anek Pana-apichon	●△	●	●																				●	
12. Mr. Patompob Suwansiri	△							●						●										
13. Mr. Kim Siritaweethai		●	●																				●	
14. Mr. Somchai Lertsutiwong		●	●																				●	
15. Mr. Somkid Wangcherdchuwong				★																				●
16. Mr. Supoch Vathitphund				●																				
17. Mrs. Rattaporn Nammontri				●																				
18. Mr. Somboon Wongwanich				●																				
19. Mr. Wutthiporn Diawpanich				●																				
20. Mr. Jitchai Musikabutr																								●
21. Mr. Anuwat Sanguansappayakorn					●	●	●		●	●	●	●	●	●				●	●△	●△				
22. Mr. Mark D. Thompson					●							●												
23. Dr. Supoj Chinveeraphan						●	●	●			●													
24. Mr. Robert Gibson								●																
25. Mr. Teh Kwang Hwee									●															
26. Mr. Salil Charuchinda										●		●	●				●	●	●					
27. Mr. Tommy Lo Seen Chong										●														
28. Ms. Smitha Algoo Bissonauth										●				●										
29. Mr. Seiji Sugiura											●													
30. Mr. Toru Ishii											●													
31. Mr. William L. Snell												●												
32. Mr. Ekachai Phakdurong													●				●	●						
33. Ms. Beatrice Lan Kung Wa														●										
34. Mrs. Pannee Nivassanda															●		●	●						
35. Dr. Sakon Kittivatcharapong																●	●							
36. Mr. Kevin Rodney Allagapen																●	●							
37. Mr. Yuvraj Kumar Juwaheer																●	●							
38. Mr. Gouri Prasad Das															●									
39. Mr. Rajendra Singh Rathore															●									
40. Mr. Pramote Boonnumasuk																	●							
41. Mr. Wichian Mektrakarn																			★					
42. Dr. Sillapaporn Srijunpetch																			●					
43. Mr. Hansa Chevapurke																			●					
44. Mr. Sitthichai Chantravadee																			●					
45. Mr. Suraphol Pluemarom																			●					
46. Mr. Goh Boon Huat																			●△	●△				
47. Mr. Anant Kaewruamvongs																			●△	●△	●			
48. Ms. Kamolkarn Niltasuan																				●	●	●		
49. Mrs. Wanida Yusamart																					●			
50. Mr. Somchai Kittichaikoonkit																					●			
51. Ms. Sarisorn Chandramanya																					●			
52. Mr. Pitch Panichtrakool																						●		

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

As of 31 December 2017

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

^{2/} Advanced Wireless Network Co., Ltd. (AWN) acquired ordinary shares in CS LoxInfo Plc. (CSL), equivalent to 80.10% of the paid-up capital, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the office of the Securities and Exchange Commission.)

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

REINVENT
THE FUTURE



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.

349 SJ Infinite One Business Complex,
29th and 30th Floors, Vibhavadi-Rangsit Road,
Chompol, Chatuchak, Bangkok, 10900

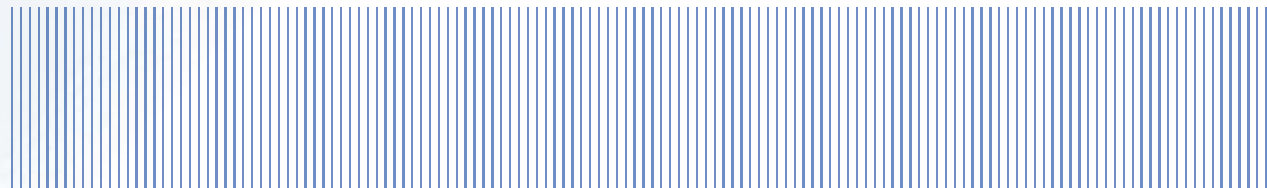
Tel : (66) 2118 6900

Fax : (66) 2118 6947

www.intouchcompany.com



REINVENT THE FUTURE

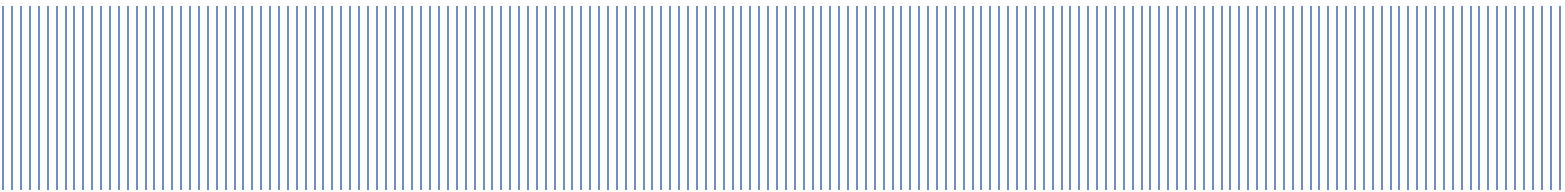


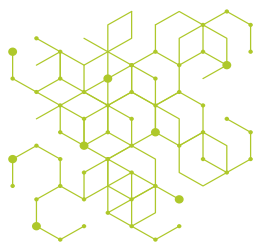
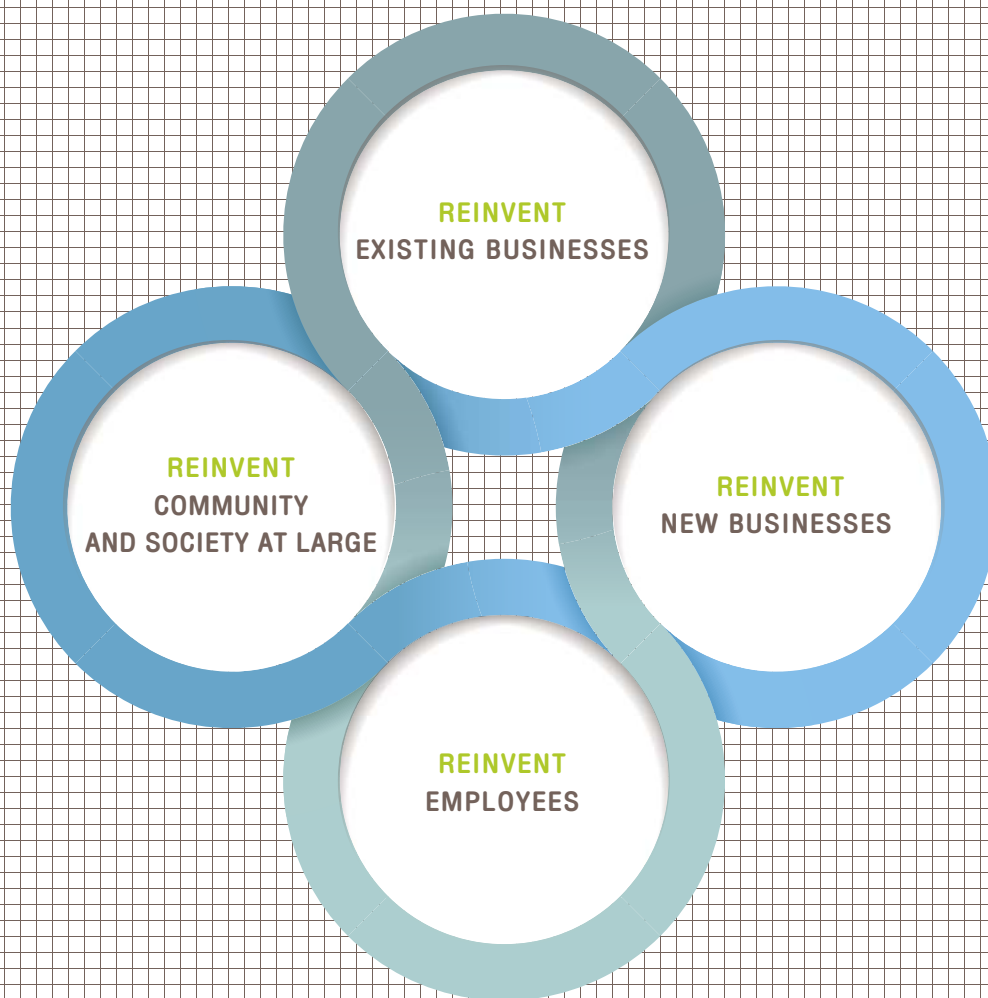
FTSE4Good



INTOUCH

SUSTAINABILITY REPORT 2017





**REINVENT
THE FUTURE**



Vision

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

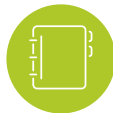
Mission



We strive to deliver sustainable growth and long-term value to shareholders by actively managing our existing portfolio, as well as exploring and investing in new business opportunities in Telecom, Media and Technology.



We are committed to good corporate governance practices.



We are committed to being a good corporate citizen that improves the quality of life for all members of society and demonstrates environmental responsibility.



We promote our employees' well-being and encourage them to realize their full potential.



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

Value : 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.

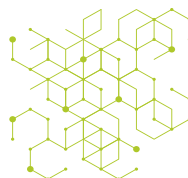
EXCELLENCE:

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.

Contents



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INTOUCH Sustainable Development

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Sustainable Development Framework	Sustainable Impact Investing	Human Capital Development	Social and Community Investment	Environmental Management

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REINVENT THE FUTURE

INTOUCH'S Sustainable Development Framework



Thriving
Business

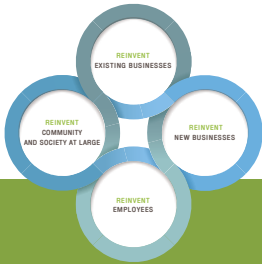


Robust
Organization

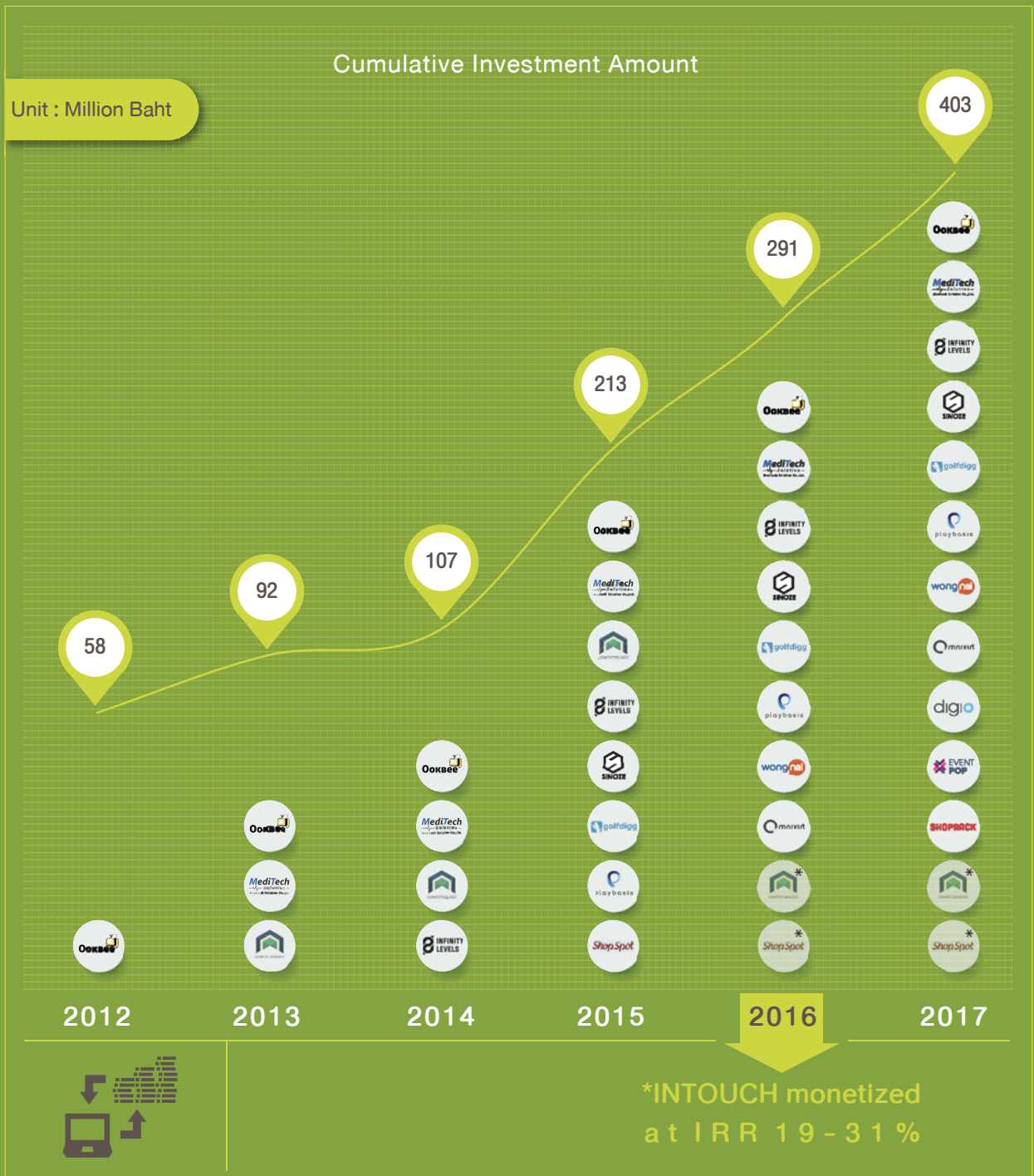


Happy
Society





... InVent Portfolio ...





Social and Community Investment

20,600,737 baht



The number of Beneficiaries

10,015 persons



337 Schools
12 Communities

Average hours of volunteer

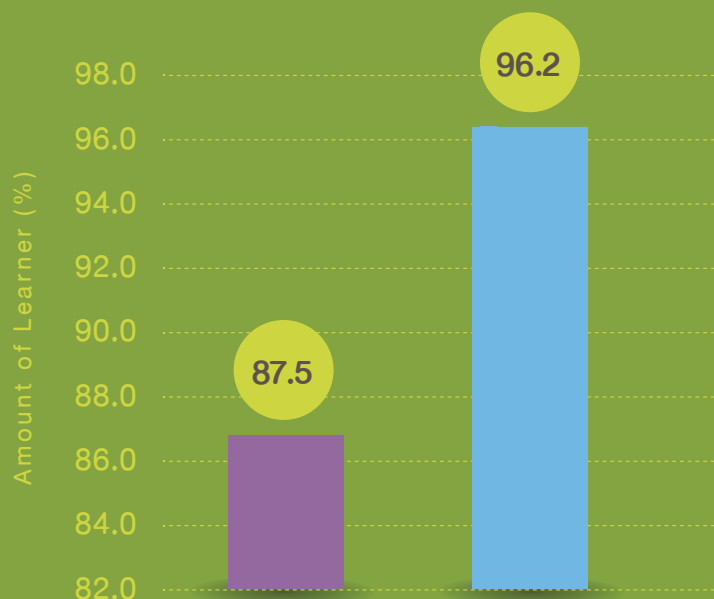
20 hours



per person



Employee Enhancing Learning



Message from the Acting ... Chief Executive Officer ...



INTOUCH considers every aspect of its businesses that may have an impact on their sustainable growth. The most important aspects for business success are as follows:

- 1) Sustainable profitability and growth in the Telecom, Media and Technology sector that will increase the positive impact on all the stakeholders and reduce any negative impact;
- 2) The well-being and skills development of all employees to match their talents and realize their full potential;
- 3) Good corporate citizenship and social empathy in order to improve the quality of life for people across the country.

These three core pillars are consistent with the Company's mission statement and support its Sustainability Framework. The operations within this framework are managed by adhering to the principles of good corporate governance and encouraging stakeholder engagement.

INTOUCH strives to create long-term growth by searching for new business opportunities as well as expanding its existing operations. This growth is driven by developing human capital, encouraging innovation, and contributing to society and the nation. As a company that invests in technology, INTOUCH should actively keep abreast of global changes and be open to new business trends in order to exploit the opportunities that will arise.

In 2017, INTOUCH declared a total dividend of 8,080 million baht from its net profit of separate statements of 10,664 million baht. The net profit declined by 16% from the previous year as some companies in INTOUCH Group, especially AIS, made major investments in infrastructure, resulting in a lower net profit contribution. However, these investments should improve customer expectations and future profitability.

Although THAICOM lost key customers during 2017, resulting in a decline in revenue and net profit, INTOUCH believes that the satellite platform is a significant

service for everyone, especially Thais as 73% of domestic households now receive television programs through satellite dishes. This year, THAICOM will focus on finding new customers, as well as studying emerging technology to improve its products and services in order to increase global competitiveness and future profit.

In 2017, INTOUCH was invited in the DJSI assessment (Dow Jones Sustainability Indices*) to measure its business sustainability. The related questionnaire provided greater understanding of external interests and expectations beyond net profit. The Company disclosed information on managing issues and improving sustainable business growth in line with the Global Reporting Initiatives (GRI-G4) and Sustainable Development Goals (SDGs), which are international reporting standards.

INTOUCH received numerous awards in 2017 for its commitment to operating under the principles of good corporate governance for sustainable growth. The Company was rated "Excellent" for the fifth consecutive year in the Corporate Governance Report of Thai Listed Companies 2017 by the Thai Institute of Directors Association (IOD). The Company was also recognized in Thailand's Top Corporate Brand Values 2017 (IT and Telecom category) by Chulalongkorn University, the Thailand Sustainability Investment Awards in the SET Sustainability Awards 2017 for the third consecutive year, the ESG 100 Certificate from Thaipat Institute, and FTSE4Good Index Certification from FTSE Russell for outstanding performance in terms of the Environmental, Social and Governance aspects.

INTOUCH believes in sustainable development planning that should be aligned with the Company's business direction and integrated into the day-to-day operations of each business unit. Not only profitability should be taken into account, but also the impact of business operations on everyone involved.

* The "Dow Jones Sustainability Indices" (DJSI) is a global benchmark for business efficiency and sustainability that focuses on economic, environmental and social factors that are relevant to a company's success, but are under-researched in conventional financial analysis. The assessment is regularly conducted by RobecoSAM, an international investment company based in Zurich. The DJSI is considered an important tool for building investor confidence that a company with a world-class ranking has a better capability to generate higher and more sustainable returns on investment.

Mr. Anek Pana-apichon
INTOUCH Holdings Plc.



“

As a company that invests in technology, INTOUCH should actively keep abreast of global changes and be open to new business trends in order to exploit the opportunities that will arise.

”



... About INTOUCH ...



INTOUCH operates its business by investing in telecommunications, media and technology, which provide the infrastructure to support the country's economic growth and global competitiveness in the digital era. The Company's investment policy is aligned with the government's national agenda for "Thailand 4.0", which is driven by creative and innovative technology. The investments are divided into the two categories described below.

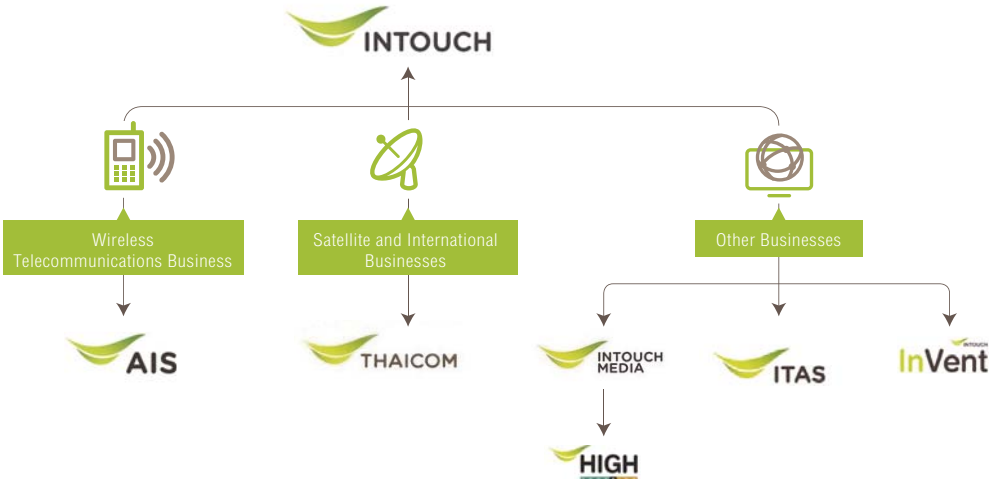
1. Major investments in other companies in which INTOUCH participates in the management, policy setting and business direction. These currently comprise Advanced Info Service Plc. (AIS), an associated company that operates a wireless telecommunication business, Thaicom Plc. (THAICOM), a subsidiary that operates satellite and international businesses, High Shopping Co., Ltd. (High Shopping), a joint venture that operates a home shopping business, and I.T. Applications and Services Co., Ltd. (ITAS), a subsidiary that provides IT-related services.
2. Investments in tech startup companies, under the InVent project, in which INTOUCH does not regularly



involve in daily operation. The Company has set a budget of 200 million baht a year, and does not limit these investments to Thailand, but also considers opportunities in other countries.

INTOUCH operates its business professionally, engaging specialists and experts, and striving to create benefit for all of its stakeholders and maximize returns to its shareholders within a defined sustainability framework.

The structure of INTOUCH Group



AIS Fibre 4 POWER แพ็กเกจเดียว คุ้ม ครบ ไม่อั้น
ครบทุกการใช้งานทั้งในบ้านและนอกบ้าน

ค่าบริการ (บาท/เดือน) (รวม VAT)	ความเร็วสูงสุด (ดาวน์โหลด/อัปโหลด)	ความบันเทิงระดับโลก นำเสนอ AIS PLAYBOX	เน็ตไม่อั้น ไม่ลดสปีด (ความเร็วสูงสุด)	WiFi ไม่จำกัด
599	30/10 Mbps	-	ความเร็วสูงสุด 1 Mbps	AIS WiFi
คุ้มค่าที่สุด 799	50/20 Mbps	แพ็คเกจ PLATINUM HBO ฟรี 3 เดือน	ความเร็วสูงสุด 4 Mbps	
ใหม่! 1,099	100/30 Mbps	แพ็คเกจ HBO ฟรี 12 เดือน	ความเร็วสูงสุด 6 Mbps	
1,799	100/40 Mbps	แพ็คเกจ PLATINUM HBO ฟรี 12 เดือน	ความเร็วสูงสุด 6 Mbps	
1,999	200/50 Mbps	แพ็คเกจ HBO ฟรี 12 เดือน	ความเร็วสูงสุด 6 Mbps	

Local Wireless Telecommunication Business operated by AIS: This business has been expanding from mobile to internet broadband services and digital content provision, and AIS has now become a Digital Life Service Provider. This expansion has guaranteed continuous service revenue (excluding IC charges) due to the growing market for fixed broadband and VDO-on-demand, with data usage almost doubling during 2017. The fixed broadband subscribership increased from around 300,000 at the end of 2016 to be more than 500,000 at the end of 2017. In addition, the exclusive partnerships with content providers such as HBO, NETFLIX and NBA, are another innovation that differentiates AIS from its competitors, thereby increasing customer satisfaction and engagement. This is another driving force for creating long-term revenue growth.

Satellite and International Business operated by THAICOM: The core business is satellite transponder leasing on both conventional and broadband satellites for domestic and international customers. However, the conventional satellite utilization rate has declined due to intense competition in the satellite TV business in Thailand, along with the launch of THAICOM's new satellite in 2016, increasing capacity to 111 transponders. THAICOM constantly strives to find new customers, especially potential customers in the Greater Mekong sub-region, to increase its utilization rates. As for the broadband satellite, although contracts with two major customers expired in 2017, there is still a demand in Japan, India, Indonesia and the Philippines for communications and internet use on land, at sea and in the air. THAICOM continues to develop new services in order to achieve sustainable growth, for example a television viewing platform via the LOOX TV mobile application for users to watch programs live and after they have been broadcast. This is a new source of income for television broadcasters to maintain their revenue as the industry becomes more competitive.



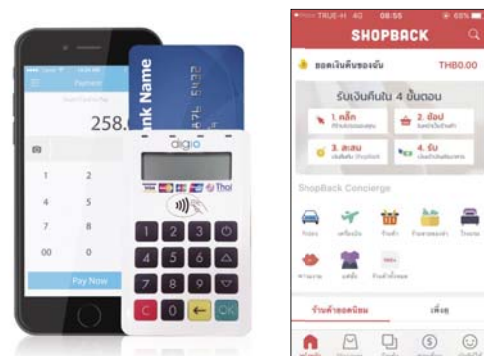
Home Shopping Business operated by High Shopping:

The average daily sales have increased to 1.8 million baht from approximately 1 million baht in 2016. High Shopping offers a variety of quality and popular products at reasonable prices, which are delivered to customers' homes so they can shop wherever they are. In addition to the characteristics of these products, High Shopping's sales strategy involves buying airtime on popular television channels and collaborating with online stores that have a large number of loyal followers, such as Lazada, 11street and Shopee. These strategies will attract a greater number of viewers, resulting in more sales and better recognition.

IT Business operated by ITAS: This business provides computer and SAP systems to all the companies in INTOUCH Group, as well as external clients, and continues to pay consistent dividends.

Venture Capital Business under the InVent project:

In 2017, INTOUCH invested in three new companies, namely Digio (Thailand) Co., Ltd, Event Pop Holdings Pte. Ltd. and Ecommerce Enablers Pte. Ltd. (Shopback), for a total amount of 112 million baht. As two InVent investments have been monetized, there are currently eleven companies in the portfolio.



InVent Project



INTOUCH continues to search for opportunities, both in new business and venture capital investments, to support its existing businesses and deliver sustainable growth.

... Awards and Recognition ...



2017

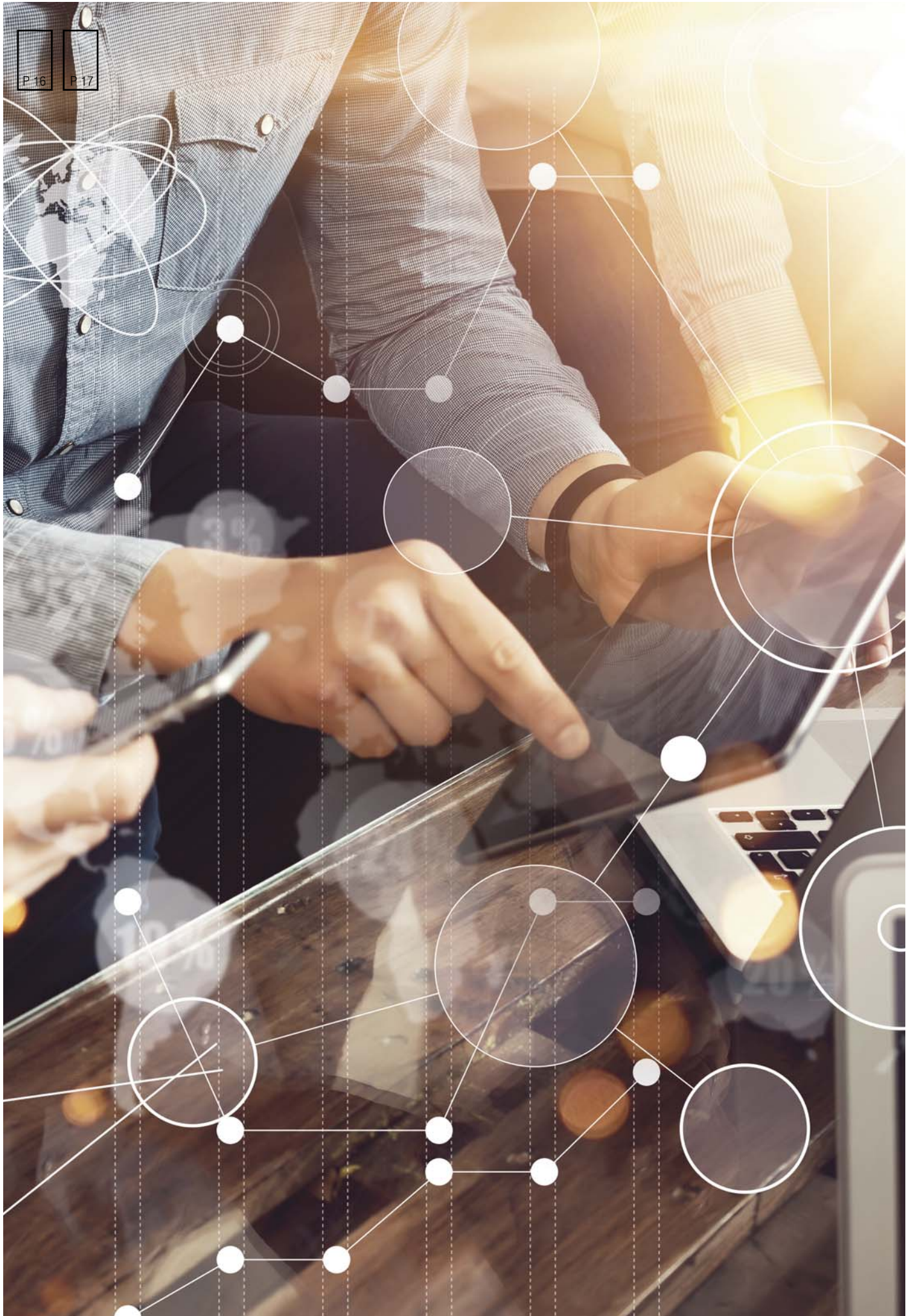


1. Thailand Sustainability Investment Awards in the SET Sustainability Awards for the third consecutive year (2015 - 2017) organized by the Stock Exchange of Thailand.
2. Outstanding Company Performance Awards in the SET Awards 2016 and 2017 organized by the Stock Exchange of Thailand in the category of market capitalization of more than 100,000 million baht
3. Thailand's Top Corporate Brand Values 2017 in the IT and Telecom category from Chulalongkorn University
4. CG rating of "Excellent" for the fifth consecutive year (2013 - 2017) in the Corporate Governance Report of Thai Listed Companies by the Thai Institute of Directors Association (IOD)
5. ESG 100 Certificate for the third consecutive year (2015 - 2017) from Thaipat Institute
6. FTSE4Good Index Certification in 2017 from FTSE Russell for outstanding performance in terms of the Environmental, Social and Governance aspects.
7. Prestigious Brand of Asia Awards 2017 - 2018 in the Telecom category from Herald Global (business success story portal and online business magazine)
8. Certificate for Excellence in Investor Relations in the sector of telecommunication services from IR Magazine Awards South East Asia 2017



1. Best Popular Stock Award and Best Popular Technology Stock Award organized by the Stock Exchange of Thailand and Khao Hoon Thurakit newspaper
2. ESG 100 Certificate from Thaipat Institute
3. Best Investor Relations Award from the Investment Analysts Association
4. Investors' Choice Award 2016 from the Thai Investors Association

5. CG rating of "Excellent" in the Corporate Governance Report of Thai Listed Companies 2016 by the Thai Institute of Directors Association (IOD)
6. Recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)
7. Professional Investor of the Year Award organized by the National Innovation Agency, Ministry of Science and Technology



... Sustainable Development Structure ...

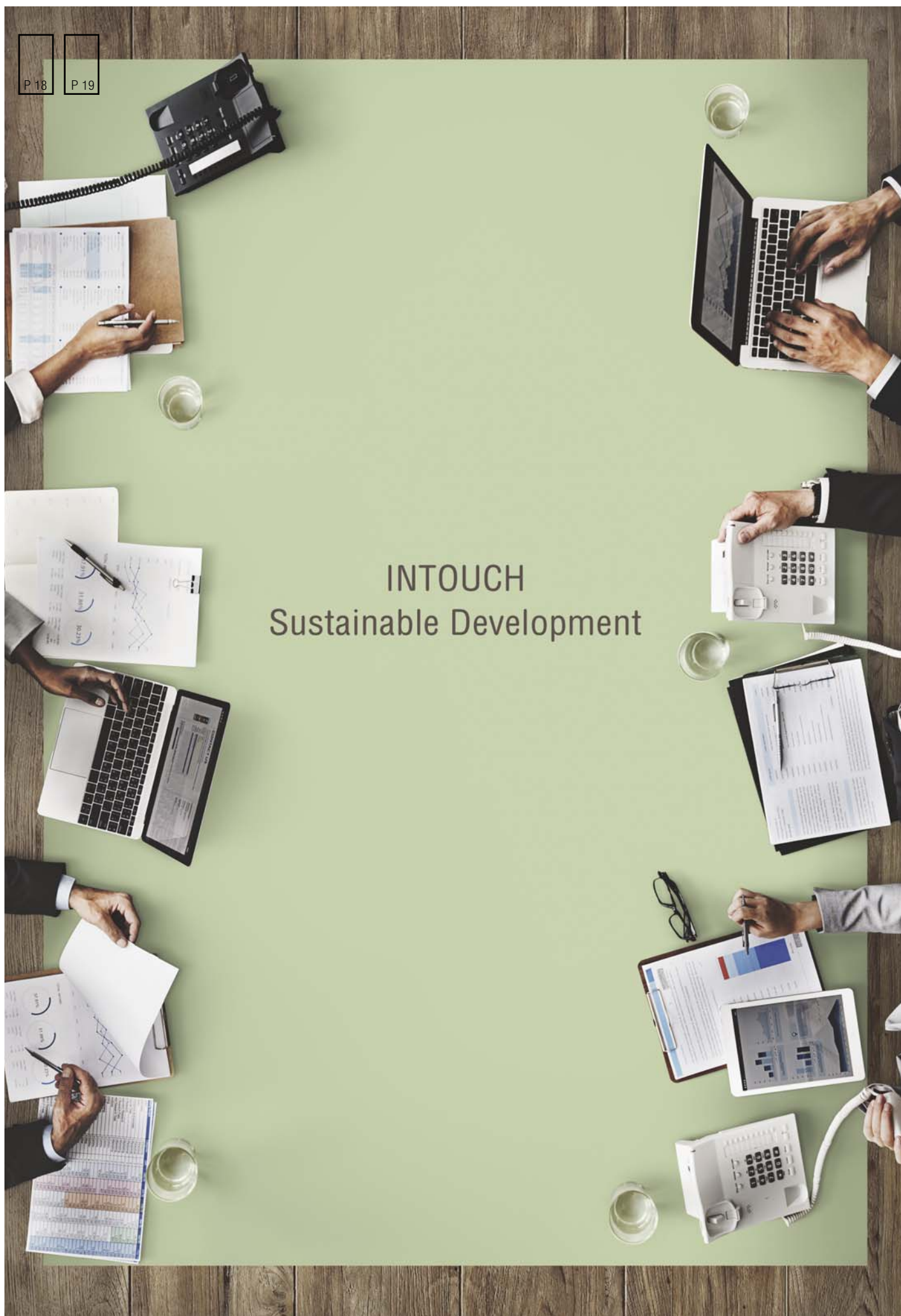


In addition to business operations in compliance with the Principles of Good Corporate Governance, INTOUCH has placed great importance on sustainability by establishing a Corporate Social Responsibility Committee for Sustainable Development. This is a sub-committee of the Board of Directors, comprising three members, that is responsible for ensuring that the Company follows its Sustainable Development Policy. (More information can be found in the Annual Report for Sustainable Development under The Roles and Responsibilities of the Corporate Social Responsibility Committee for Sustainable Development.)

Moreover, the Sustainable Development (SD) Working Group, which now comprises twelve executives from different functions, consults the Management Committee which follows up on its progress and reports to the Chief Executive Officer. The SD Working Group's key role is to propose policy and strategic plans with respect to the Company's sustainability, communicate and explain these to the employees, participate in the related activities, analyze the performance of companies in the group, and prepare the Sustainability Development Report in accordance with international standards.

Roles and Responsibilities of the SD Working Group





... Creating Shared Value ...



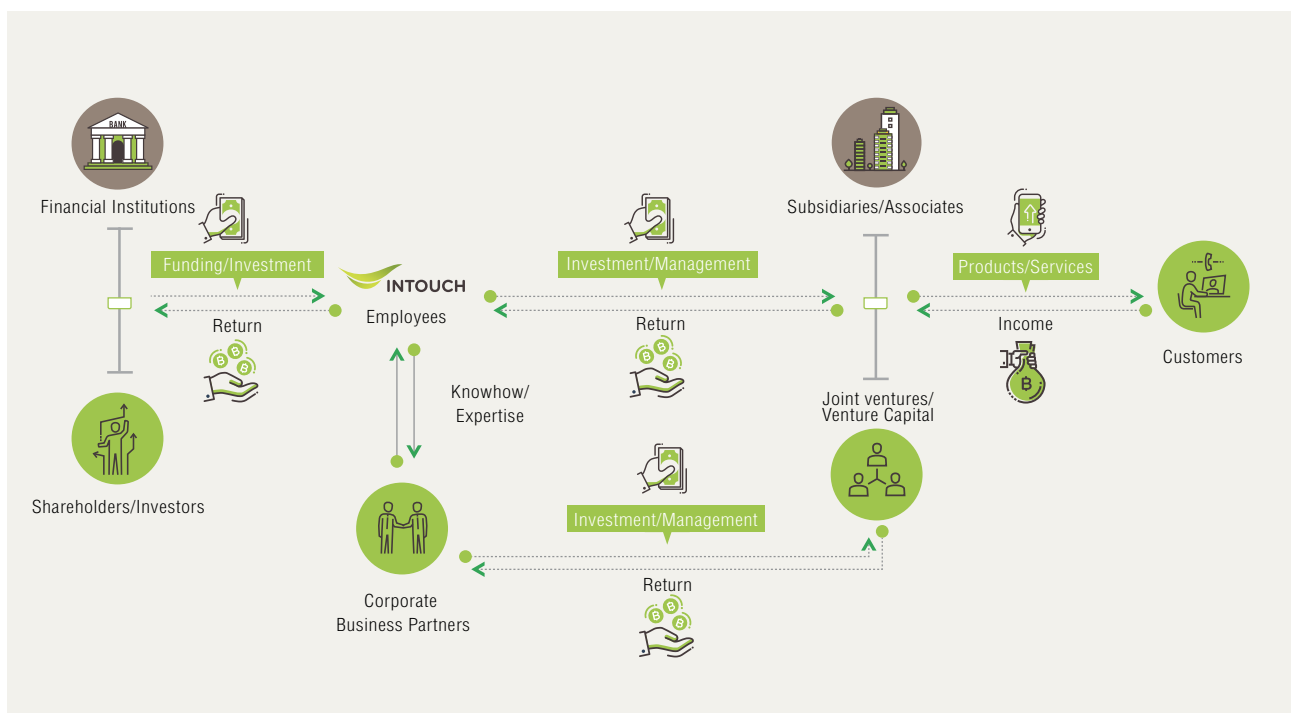
INTOUCH strives to create shared value between itself and society in order to sustain its business operations and provide tangible benefits to all of its stakeholders. As an asset management company in the Telecom, Media and Technology sector, the Company's strategy is to increase business growth, maximize returns to its shareholders, and forge solid long-term relationships with the communities in which it operates.

In 2017, INTOUCH was determined that it would play an important role in strengthening the telecommunication infrastructure in Thailand in order to raise the quality of life for everyone, including people in remote areas. Moreover, INTOUCH utilized its expertise in business

management and accounting, including experience gained from venture capital initiatives, to help both the educational and agricultural communities in various development projects in order to improve efficiency and reduce costs, as well as encourage creativity and increase motivation.

INTOUCH is ready to prove itself as a good prototype of a sustainable company for its subsidiaries and associated companies to emulate. The Company encourages all of these to follow its example under the concept of "Sustainable Value Creation" by building good relationships with their business partners, financial institutions, shareholders and the investor community.

INTOUCH's Value Chain



... Stakeholder Engagement ...



Stakeholder engagement is a really important process for the Company so that it is aware of all its stakeholders' requirements, concerns and expectations in order to respond to them appropriately and mitigate any negative impact that could arise, whilst improving the Company's reputation.

INTOUCH reviews its stakeholder engagement annually following the related engagement guidelines. In 2017, INTOUCH classified stakeholders into eight categories as follows: i) employees, ii) shareholders and investors, iii) financial institutions, iv) government and regulatory

bodies, v) corporate business partners, vi) local communities and society at large, vii) suppliers, and viii) customers. All these stakeholders are prioritized by considering the level of impact they could have on the Company's business operations. Consequently, the first five categories have been deemed the most important stakeholders that the Company needs to engage, analyze and involve closely to obtain information and understand their requirements and concerns in order to find the right solutions that will satisfy them and assure the Company's sustainability.



Communication with stakeholders during the last 12 months

Stakeholder	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2017
Employees	<ul style="list-style-type: none"> • Arrange staff meetings to keep employees updated on company status, e.g. strategic direction and employee guidelines. • Manage annual employee engagement survey and focus group interviews to gain insight into specific issues. • Establish the "Performance Evaluation" protocol and strengthened the feedback culture (dialogue sessions) • Conduct interviews (Stay & Exit) with First Line Management to gain more understanding of how the Company can develop. • Develop communication channels to receive complaints and reports of potential wrong-doing, fraud, etc. (ethics hotline and whistle-blowing). 	<ul style="list-style-type: none"> • Opportunity and career advancement along with Company prosperity • Fair compensation and treatment • Employee well-being 	<ul style="list-style-type: none"> • Increased the development opportunities for employees and the talent group to improve the skills required to support the Company's operations, achieve business goals, and create sustainability. • Reviewed the talent pool (AVP level and above) to identify suitable successors and create individual development plans. Supported the high-performance pool to improve successor readiness. • Managed the job rotation program to enhance employee capability and perception of the group as a whole, while providing opportunities for career advancement. • Revisited employee compensation to match it to the Company's performance. Benchmarked the salary rate structure against competitors and well-known companies in other industries to create attractive compensation packages. • Revisited the long-term compensation program for senior management in order to make it more competitive. • Supported employee welfare in the workplace as follows: disseminated information from healthcare professionals, paid for an annual medical checkup at a reputable hospital, provided an exercise area inside the workplace and membership of the fitness clubs, and arranged the annual retreat to a "Dhamma Camp". • Embed the Company core values & culture into employee thinking to enhance the engagement between staff members and with external parties in order to strengthen the foundation of Company sustainability. • Establish the Innovation Team to study new schools of thought that can increase synergy across business functions and with INTOUCH affiliates in order to create new ideas and initiatives that can lead to further development. • Support the Compensation & Benefits Committee by providing advice on employee benefits.

Communication with stakeholders during the last 12 months

Stakeholder	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2017
Shareholders and investors	<ul style="list-style-type: none"> Annual General Meeting INTOUCH Group meeting with analysts and institutional investors twice a year. Quarterly meeting with retail investors hosted by the Stock Exchange of Thailand. Annual survey of local investors and analysts One-on-one meetings with investors Annual corporate image survey Online feedback 	<ul style="list-style-type: none"> Dividend payout/policy Key driver of growth in existing businesses and inorganic growth from new businesses Competitive landscape Board structure, composition and expertise EES management for long-term returns 	<ul style="list-style-type: none"> Held 16 non-deal roadshows for both local and overseas investors, as well as hosted 24 in-house visits from investors, shareholders and analysts to elaborate on maintaining the pass-through dividend policy, the Company's strategy and the competitiveness of the companies it has invested in, including AIS, THAICOM, High Shopping, and VC investments under the InVent project. Also explained the investment policy and criteria for screening startup companies. Every year the Company reviews the structure, composition and expertise of the Board of Directors by taking into account international best practices and trends in various aspects of these, such as the number of board seats, age of directors, gender balance, independence, skill mix, and experience. This process has been disclosed in the Company's Annual Report for 2017 under the sections "Corporate Governance Report" and "Management Structure". Organized a sustainability business integration workshop, which was conducted by an external consultant to educate the executives and staff and raise awareness of sustainable day-to-day operational management and business direction integration. Participated in sustainable development surveys undertaken by financial institutions, the DJSI and a third-party EES rating agency.
Financial institutions	<ul style="list-style-type: none"> Semi-annual meetings with analysts and institutional investors Continually update information on the Company's website Meetings with both domestic and international financial institutions to provide information 	<ul style="list-style-type: none"> Corporate performance and growth Corporate governance Ability to fulfill financial obligations Transparent and up-to-date company information provided to investors to enable them to accurately analyze the Company's performance and ability to meet its obligations (e.g. financial information and company policies). 	<ul style="list-style-type: none"> Participated in a total of 61 meetings with domestic and international financial institutions to provide information, and invited them to join the biannual meetings for analysts and institutional investors.
Government and regulatory bodies	<ul style="list-style-type: none"> Meetings with government agencies 	<ul style="list-style-type: none"> Telecom and broadcasting regulations 	<ul style="list-style-type: none"> Put forward the viewpoint of the private sector with regard to ongoing changes in the law and regulations governing the telecom and broadcasting business.

Communication with stakeholders during the last 12 months			
Stakeholder	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2017
Government and regulatory bodies	<ul style="list-style-type: none"> • Ongoing dialogue • Joint events 	<ul style="list-style-type: none"> • Corporate governance • Anti-bribery and corruption measures 	<ul style="list-style-type: none"> • Published the Company's principles of good corporate governance in the annual report. • Published the Company's anti-bribery and corruption policy and practices in the annual report. • Joined a campaign arranged by the Anti-Corruption Organization of Thailand on the occasion of National Anti-Corruption Day on 6 September 2017.
Corporate business partners	<ul style="list-style-type: none"> • Monthly/quarterly meetings • Networking/events at least once a year 	<ul style="list-style-type: none"> • Acceleration of portfolio companies' business growth 	<ul style="list-style-type: none"> • Continued to create synergy among the companies in the group and encourage collaboration at the strategic level. • Supported networking activities among all related business parties in both Thailand and the international arena. • Attended over 60 meetings with both domestic and regional startup companies and related investors in order to build strong relationships and explore potential opportunities.
Society and the Nation	<ul style="list-style-type: none"> • Meetings/Seminars/Focus groups with local communities through social programs four times a year • Annual corporate image survey 	<ul style="list-style-type: none"> • Support community activities and make social contributions • Financial matters, business transparency, corporate governance, social responsibility and innovation 	<ul style="list-style-type: none"> • Analyzed the demands and expectations of society and local communities in order to design CSR projects that can raise people's standard of living and improve their quality of life. • Collated significant information on the Company's performance and CSR projects to be disseminated through different media. • Expanded communication channels through both online and social media in order to reach the largest number of target groups.
Suppliers	<ul style="list-style-type: none"> • Ongoing dialogue by phone and email • Meeting 	<ul style="list-style-type: none"> • Fair treatment • Anti-bribery and corruption measure 	<ul style="list-style-type: none"> • Auction required to select a vendor for significant transactions in order to promote the transparency • Randomly send questionnaires to vendors to ask about the business Code of Conduct • Encourage key business partners to develop and implement an anti-corruption program
Customers*	<ul style="list-style-type: none"> • Engaged through business units 	<ul style="list-style-type: none"> • AIS's network coverage and quality • Disclosure sufficient products and services information • Customers' data privacy • Safety of using products and services 	<ul style="list-style-type: none"> • AIS's network coverage is nationwide and also developed new technology such as Carrier Aggregation. • AIS disclosed the responsibility to customer in AIS's Annual Report for 2017 under the sections "Code of Conduct". • AIS disclosed the detail of information security and privacy in 2017 Annual Report.

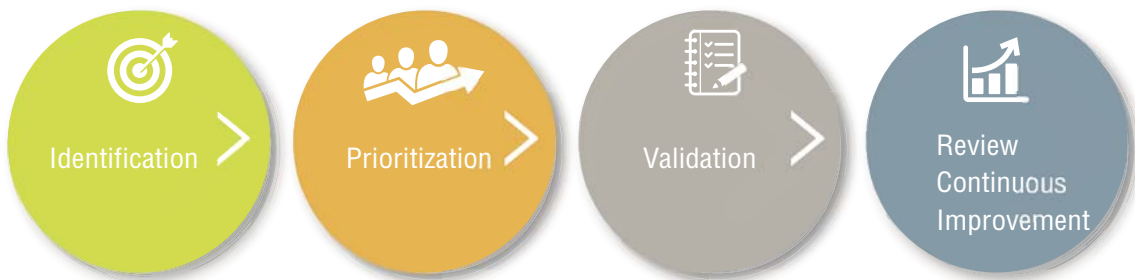
*INTOUCH is a holding company so that some important stakeholders of affiliated companies such as customers will be chosen to be its own.

... Material Sustainable Development Issues ...



INTOUCH considers all the material issues that arise during the stakeholder engagement process, and prioritizes the key issues that could have an impact on the Company through a proper selection process. The Company responds to its stakeholders with regard to each material issue through different communication channels, and manages these issues in a sustainable

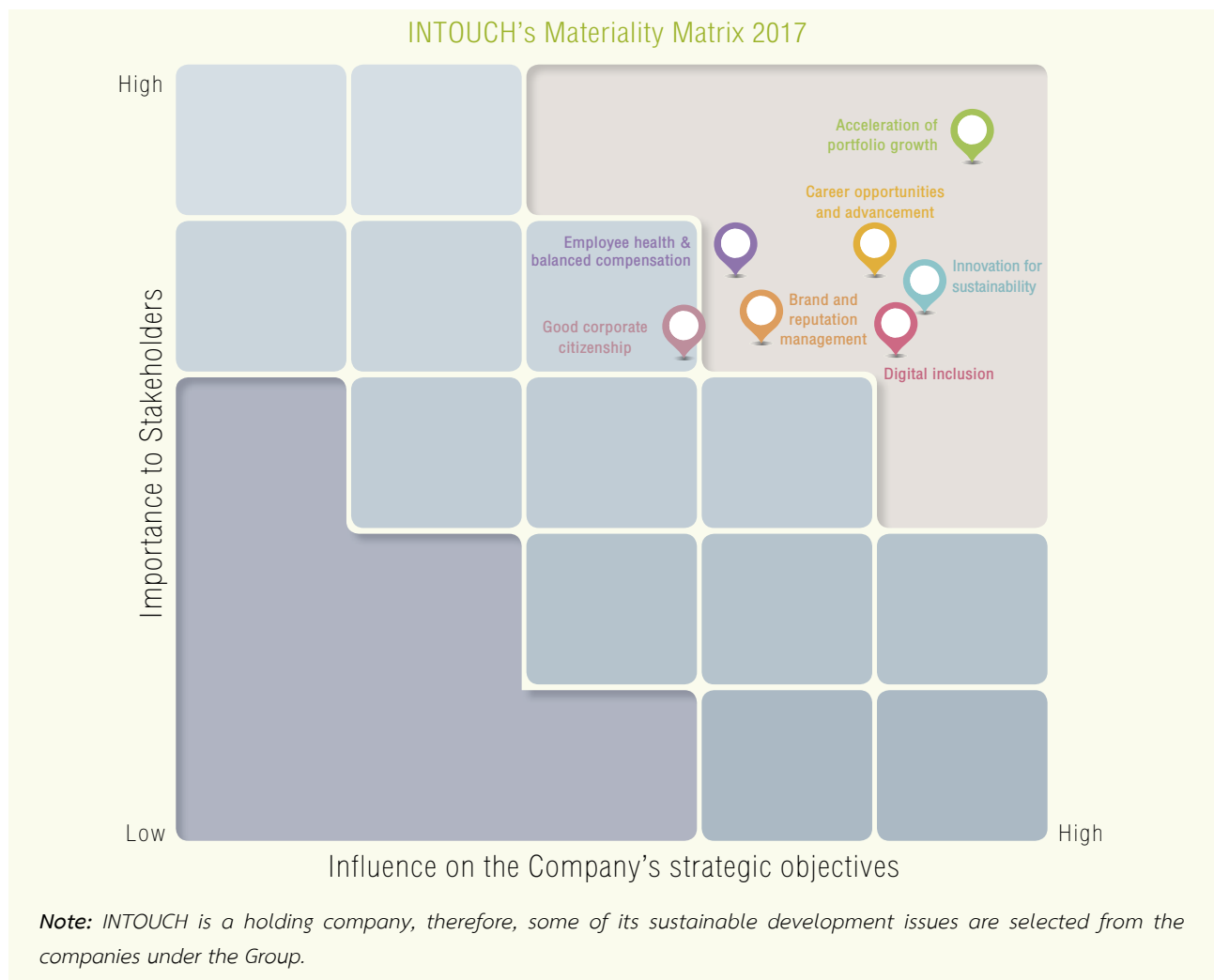
way. Information is disclosed to the public in line with the Global Reporting Initiatives (GRI-G4) guidelines. The prioritization of material issues is considered the most important factor in achieving sustainable business operations in order to meet both the direct and indirect requirements of stakeholders. The process of selecting material issues is as follows:



Identification During 2017, the working group identified the material issues and, together with the management team and heads of department, classified these as either having an impact on the Company (in terms of economic, social or environmental aspects) or an impact on its stakeholders and their interests. The following seven material issues were identified by using assessment tools:



Prioritization All seven material issues have been weighted and prioritized as shown in the matrix below.



INTOUCH is a holding company that invests in other businesses and helps to manage these assets. Therefore, the Company and its stakeholders rely solely on the growth of these businesses. However, the Company continues to explore new business opportunities that can drive growth, as well as improve operational efficiency through innovative thinking in order to achieve higher sustainable returns on investment.

INTOUCH places great importance on the role of its employees, believing that human resources are a significant factor in achieving business objectives. The Company provides opportunities for career development and advancement, along with appropriate and competitive compensation packages. Employee requirements are ascertained through engagement surveys and a focus group,

while compensation and benefits are benchmarked against competitors and other leading companies in Thailand.

In addition, INTOUCH strives to make a positive contribution to the nation and Thai society through its educational and innovative CSR projects in order to improve the quality of life in local communities. These projects have enabled people to properly adopt technology in their daily lives, which has increased awareness of the Company and enhanced its reputation.

Validation The sustainable development team submits the prioritized material issues to the CSR Committee for Sustainable Development, and then the Board of Directors, to acknowledge, review and validate by considering the sustainable aspects (economic,

social and environmental), as well as approve mitigation measures in order to manage each issue and limit its impact.

Continuous Improvement INTOUCH regularly improves the process of stakeholder engagement in order to determine precise requirements and expectations. Different communication channels are tailored to each particular group of stakeholders. This will improve the overall efficiency and allow the Company to respond effectively to every issue.



Materiality Aspect	Location in this Report	Scope of Reporting	Page
Material Issues			
Acceleration of portfolio growth	Sustainable Impact Investing	Investment of INTOUCH that focuses its investment on the positive impact to Thailand socio - economic that is measurable. In addition, INTOUCH emphasizes on the business scope that it has expertise. For the investment in startup companies, INTOUCH has contributed not only the financial aspect but also other kind of support.	28
Career opportunities and advancement	Human Capital Development	The Company enhances employees' capability as a holistic development by encouraging the motivation and inspiration in exploring the supportive skill set which will promote a new working opportunity, leading to career advancement in growing together with the Company.	33
Innovation for sustainability	Sustainable Impact Investing	The emphasis on innovation through investment that shall be passed on to employees and organization with the case example.	29
Employee health & balanced compensation	Human Capital Development	The Company applies the fair judgement in managing compensation plan based on the Company's environment. INTOUCH also emphasizes on preventive caring program that would encourage its employees to aware and take good care of its own health (both for body and mental). By this, it would lead to the time balancing between life and work among employees.	35
Brand and reputation management	Sustainable Impact Investing	INTOUCH has made communication management that is accurate, complete, timely, and directly addresses stakeholder demands and expectations.	30
Digital inclusion	Social and Community Investment	Demonstrate the case that INTOUCH can improve the quality of life of the people that are living their life under INTOUCH group business footprint by the group digital inclusion initiative.	39
Other Issues			
Good corporate citizenship	Social and Community Investment	Projects and activities that contribute to society and local communities in order to uplift quality of life.	40

... Sustainable Development Framework ...



INTOUCH recognizes the importance of sustainable development for long-term growth as its vision to be the leading sustainable value-creation asset management company in Telecom, Media and Technology. The areas in which the Company invests are fundamental to improving the quality of life for Thais as quickly as possible through access to information. Moreover, the Company and its subsidiaries and associated companies search for new products and services, as well as develop current ones, with new technology and innovation from startup companies, which are a key business driver for sustainable growth.

INTOUCH's sustainable development strategy should be consistent with its mission statement and core values, on which the Company's foundations are built. The companies in its portfolio should be aware of all the positive and negative impacts on the sustainable growth of their businesses.

INTOUCH has a clear direction for sustainable development, and continually improves its framework with respect to the economic, social and environmental aspects that directly affect the Company. The concept of "Creating Shared Value" has been divided into three areas within the framework, as described below.

1) Sustainable Impact Investing The Company aims to increase business growth and provide a good return on investment as well as contribute to the economy and society. Telecom, media and technology are all important to the country's present and future development. In addition, the Company encourages the other companies in its group to draw up guidelines for sustainable development in order to reduce negative impacts but increase positive ones.

2) Human Capital Development The Company places great emphasis on improving its employees' skills and knowledge in order to strengthen their competencies and enable them to meet international standards. Training programs are provided for professional development, which will benefit both the organization and society.

3) Social & Community Investment The Company invests in projects that will benefit society and improve the quality of life by enhancing people's skills and knowledge, as well as making technology more accessible. This will unlock the potential in every community to raise the standard of living in terms of education, health, employment and income, and help to create a sustainable future.



... Sustainable Impact Investing ...



INTOUCH focuses on delivering long-term business growth by helping to manage the companies in its group and seeking new investment opportunities with the potential to generate good returns, while taking socio-economic aspects into consideration. The Company invests in the Telecommunications, Media and Technology (TMT) sector, which is considered one of the building blocks of the country's infrastructure and future economic system, and encourages its subsidiaries and affiliates to pursue sustainable development practices in order to reduce negative externalities and increase positive ones. It also strives to maintain a good reputation and corporate image, which will create long-term value and sustain business growth.

Acceleration of Portfolio Growth

INTOUCH's core investments and major sources of income are AIS and THAICOM, in which it owns a significant number of shares. INTOUCH participates in the formulation of policy and business direction for both companies, and has representatives on their boards of director, and executive committee in order to ensure that they can achieve continuous growth and deliver the expected returns, in the form of dividends, which will be passed on to the Company's shareholders.

The companies in INTOUCH Group have created jobs, which have boosted the economy through increased household income and domestic consumption. Moreover, the government has benefited in the form of revenue-sharing and license fees, particularly from AIS. The latter has already paid approximately 41,600 million baht (including VAT) for the license and will pay

an additional amount of around 83,000 million baht (including VAT) for these during the specified period, which will contribute towards developing the country.

In addition to its existing businesses, INTOUCH also places great importance on exploiting new business opportunities in response to changes in customer behavior, technology, business landscape, and regulatory environment. The possible approaches are joint ventures or venture capital investments, including the acquisition of targeted companies in the TMT sector. The corporate venture capital, under the name of InVent, has invested in startup companies that have all the dimensions of innovation, namely products or services, business models and disrupt technologies.

In 2015, INTOUCH and South Korea-based Hyundai Home Shopping Network Corporation established a joint venture company called "High Shopping", which has received good feedback from its customers to date and is growing fast. In 2017, revenue doubled from the previous year, mainly due to the effective management of both partners. INTOUCH can use the home shopping business as a stepping stone to create other related businesses such as e-commerce, online media and e-logistics. This will be another way of increasing the opportunities to generate shareholder return. The Company continues to seek and study new business opportunities in order to achieve sustainable growth.

In 2012, INTOUCH launched the InVent project to support and promote startup companies that can enhance its core businesses in related areas. InVent invested in 13 companies, to date, InVent has 11 companies in the portfolio, most of which have played an important role in creating added value

for the group. In addition to investment funds, INTOUCH also provides managerial expertise in marketing, finance, accounting and legal matters, as well as participating in the capacity development of startup companies through a wide range of activities under InVent. Furthermore, INTOUCH is committed to helping to build the startup ecosystem so that more qualified entrepreneurs will emerge and enter the market.

INTOUCH has allocated up to 200 million baht a year for venture capital, and has invested a total of 400 million baht in startup companies since the InVent project began six years ago.

InVent has also helped to increase the competitiveness of new entrepreneurs in the international arena so the success of these companies will benefit INTOUCH in terms of both valuation and innovative products that can drive sustainable growth.



Innovations for Sustainability

Innovation and creativity lie at the heart of INTOUCH's value creation. The Company supports its employees and provides opportunities for them to acquire new business knowledge and ideas that will allow them to develop themselves and the organization.

In developing knowledgeable and competent personnel, as well as maintaining its leadership in the telecom industry, INTOUCH needs to propagate new

knowledge and innovative ideas to its business units and personnel at all levels of the group. This will enable them to develop new products and services that will not only benefit the group, but also society as a whole.

Innovations can be adopted by either establishing a research and development team or making direct investments in companies that has innovative product/service. To date, INTOUCH has focused on the latter, as they have already drawn up business plans, developed products and/or services, and acquired a customer base to some extent, so direct investments can expedite business expansion within the group at a faster pace. INTOUCH has not only benefited from the direct adoption of innovations in the group, but also gained a better understanding of market needs and met a variety of customer needs rapidly. The group's access to new innovations through direct investments include Ookbee Co., Ltd., Digio (Thailand) Co., Ltd., a mobile-point-of-sale system, and Golfdigg Co., Ltd., a mobile application developer for golf-course reservations.

Proven examples of how innovations have been utilized through these investments are the partnership between AIS and Ookbee to provide the AIS Bookstore for subscribers, along with the online golf-course reservation service for its Serenade customers that was pioneered by Golfdigg.

Throughout the investment process, from analyzing and screening target companies to helping to manage them, innovations have been the first priority as a number of corporates have failed due to a lack of these. INTOUCH believes that the development of innovations and their application to the appropriate businesses will make a significant contribution to sustainable growth. The Company has always striven to foster the development of its human capital and inculcate a mindset of innovation and creativity in order to increase competitiveness and drive the economic and social development of the country.

Brand and Reputation Management

As a leading holding company that invests mainly in telecom, media and technology businesses, with the aim of creating value, sustainable growth and benefits for all its stakeholders, INTOUCH strictly follows the principles of good corporate governance, conducts its business operations professionally and transparently, and acts as a good corporate citizen committed to making sound contributions to society and the nation.

In order to strengthen stakeholder confidence and trust, as well as secure long-term loyalty, the Company has made corporate reputation and image management a key strategy. This ensures that information, especially with regard to financial results, managerial decisions, innovative development and social responsibility programs, is accurate, complete, timely, and directly addresses stakeholder demands and expectations.

Various communication channels have been integrated to ensure that information is efficiently delivered to the right stakeholders. For offline media, namely newspapers, magazines and television, the Company regularly prepares and distributes press releases, photo captions and news scoops, as well as arranging executive interviews and press conferences when appropriate. In addition, the Company has expanded its online and social media outreach through its website, Facebook and LinkedIn, to allow target audiences easy access to information such as operational and performance



updates. These media also provide the opportunity to exchange information and ask questions.

As INTOUCH is a listed company, its Investor Relations Department considers regular communication with shareholders and potential investors a very important task under the information disclosure policy framework. To achieve the highest level of communication, the Company uses various channels; for example, analyst meetings, presentations at regular events held by the Stock Exchange of Thailand and financial institutions, and roadshows to meet with local and international investors. The Investor Relations Department reviews its communication channels every year to ensure continuity and efficiency. The Company listens to all the concerns raised by the investment community in order to improve its image and disseminate information more efficiently, which will build a strong and positive long-term reputation.

Investors can find more information in the Annual Report under the section titled “Communications with shareholders and investors”

Furthermore, INTOUCH conducts an annual corporate reputation survey to gain insight into all the stakeholders’ opinions and preferences in order to determine the right strategy with regard to managing its reputation.



... Human Capital Development ...



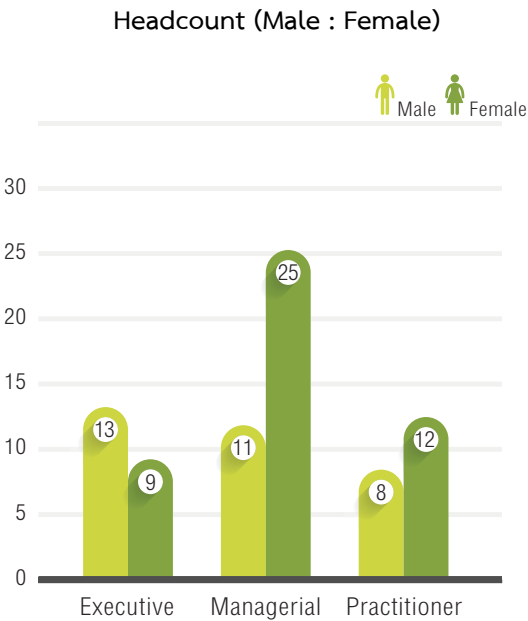
Personnel is a key driver for the Company's future success and sustainable growth. The Company has therefore strived to develop employee competencies based on each individual's learning capacity to create success they can be proud of, along with its own business success, thereby providing them with wider professional work experience. The Company also fosters organizational commitment and ethical behavior while appropriately taking care of employees' wellness in terms of both mental and physical health to help them deal with physical and emotional reactions resulting from exposure to future incidents in an effective manner through the Company's human resources management in different dimensions as follows:



Human Resources Data

In 2017, the Company's headcount was 78, comprising 77 permanent employees and 1 contract employee with the following breakdown:

A Graph Showing the Company's Headcount
(Male : Female)








A Graph Showing the Number of Newly Hired /Terminated
Employees



Fair and Equal Employee Recruitment and Selection

The Company's employee recruitment and selection policy is aligned with its organizational structure and business directions and conducted in a fair, equal, transparent and indiscriminate manner by considering personal qualifications that fit into job descriptions. The Employee Recruitment and Selection Committee is made up of members drawn from different departments to ensure fairness to all applicants. The effective applicant testing tools are used in the consideration process to ensure that the Company is hiring good and smart people who are suitable for job description, knowledge, culture and corporate values and ready for responsibility and future development, thus further becoming a significant contributor to the Company's sustainable growth. At present, the Company's headcount was 78 which can be detailed as below:

A Table Showing Details of the Company's Headcount

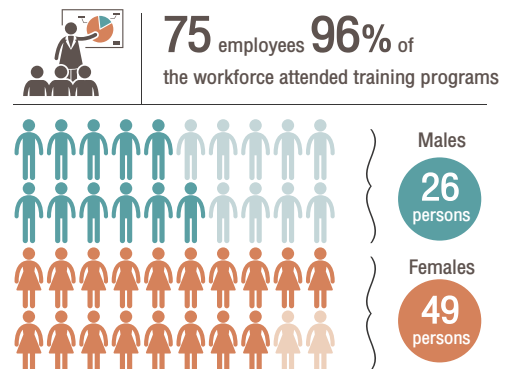
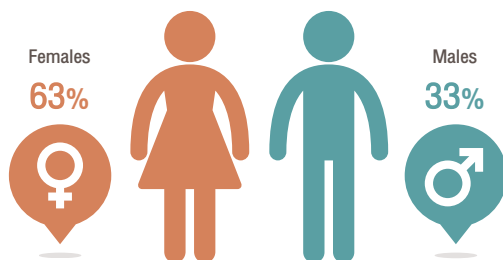
Details of Headcount		Unit	2017
Headcount			
	Total Headcount	Person	78
	Headcount Divided by Sex (Male : Female)	Person	32 : 46
Headcount Divided by Sex (Male : Female)			
	• < 50 years	Person	5 : 5
	• 30 - 50 years	Person	26 : 35
	• > 30 years	Person	1 : 6
Headcount Divided by Level (Male : Female)			
	• Executive	Person	13 : 9
	• Managerial	Person	11 : 25
	• Practitioner	Person	8 : 12
Newly Hired and Resigning Employees (Male : Female)			
	Number of Newly Hired Employees	Person	2 : 5
	Number of Employees who Voluntarily Resigned	Person	3 : 7
	Ratio of Employees who Voluntarily Resigned	Percent	14.1%
Number of Employees who Took Child Care Leaves			
	Employees who Took Child Care Leaves	Person	0
	Employees who Returned to Work after Taking Child Care Leaves	Person	0

Career Opportunities and Advancement

Capacity Development of Employees

The Company takes a holistic approach to employee development such as encouragement, morale and motivation building and value creation through knowledge and skills enhancement so that its employees are physically and mentally ready to perform work at their best and apply knowledge to work in order to meet the Company's goals and generate mutual growth as a foundation for future growth opportunities for themselves and their own families.

In 2017, the Company organized both in-house and external trainings and seminars held by lecturers with expertise in any given areas for the employees. There were 75 employees of executive, managerial and practitioner levels (96% of the workforce) attending training programs for an average of 69.17 hours or 8.65 days, divided into 26 males and 49 females.



The Company's key learning promotion projects were as follows:

1. The learning promotion project, in collaboration with Harvard Business Publishing Executive Education

Project goal: To promote learning among executives who were classified into Platinum and Diamond levels in leadership development to formulate business strategies as well as manage work that accommodated changes in today's circumstance so that the organization would further achieve effective and sustainable growth and development.

Target group: Selected executives in Platinum and Diamond levels

The program, which was mutually developed between the Company and Harvard Business Publishing, was a combination of classroom learning and e-learning, aiming to encourage the attendants to adapt themselves to today's technological changes as well as apply a new project and strategy acquired from the class into practice. The executives and facilitators as well as experts from Harvard Business School also gave advice and recommendations at the beginning and end of the project.

2. The learning promotion project, in collaboration with Massachusetts Institute of Technology Industrial Liaison Program

Project goal: The project was cooperation between INTOUGH group and MIT Industrial Liaison Program (ILP) to access news and information on evolution which was receiving attention and under study and development to be realized in the future. The access to the mentioned news and information would enable the employees of the companies under the group to see future trends that might occur or were occurring and plan for strategies and immediate actions and be able to keep pace with technological changes related to the businesses of the companies under the group.

Target group: Selected employees in innovation and technology line

3. The First Line Manager project was to lay a basic foundation for the first line managers and enhance understanding of new roles for employees who were promoted to the executive level. In 2017, the Company still focused on the project held for the companies under the group and received cooperation from the lecturers within the companies under the group to transfer the knowledge.

Development of High-potential Employees

In 2017, the Company still placed importance on succession plan and talent management. The existing succession plan and talent management and a list of employee names were consistently revised with an aim to increase employees' appropriate skills, experience and competencies so that they can always be ready and keep abreast of changes in circumstances, environments and society within the organization. All employees in the group were included in an individual development plan by setting an annual goal for each individual employee to ensure that all high-potential employees received all areas of good care from the Company. The talent was divided into the five groups described below.



Moreover, the Company still implemented a job rotation policy for INTOUCH Group by communicating this policy to its employees through HR Portal, which allowed the employees to transfer or rotate when appropriate. This aimed to broaden knowledge, capabilities and vision of employees, enhance organizational commitment as well as promote learning for new innovations and mitigate risks arising from loss of employees in major positions.

Information Technology Usage in Human Resource Management

Technology has currently played a crucial role in the business sector. For this reason, the Company has then developed appropriate human resources information technology that meets the needs and allows employees self-services. The information technology is also useful for knowledge management and the employees can access the system through knowledge sharing which generates endless opportunities for learning. In addition, the Company has planned to apply the learning system to the companies under INTOUCH group, namely AIS that has developed a learning system in the form of Digital Life, called

as AIS ReadDi or Digital Library Platform, which is a source of both physical and digital (e-book) books which the employees can return through smartphones and computers anytime, anywhere and any-device. This can create a culture of self-learning in an effective way.

Establishment of an Innovation Team to Promote Creativity

The Company pays close attention to all areas of organizational culture. New innovations are also crucial for mutual knowledge and cooperation. To develop new innovations in a concrete manner, the Company has established an innovation team to conduct a study and develop an understanding of techniques as well as new methods in innovation development to be applied for improvement of the Company's internal processes which will affect the Company's overall growth.

Employee Health and Balanced Compensation

Fair Compensation

The Company has a fair compensation policy in place. Salary and benefit surveys are conducted to benchmark the Company against the internal and external markets, while the cost-of-living index is taken into account to ensure that compensation packages and rewards are both fair and competitive. The Company has established criteria for determining the value or worth of jobs for each position based on responsibility and importance of a particular job on the organization. The compensation management is based on the "3P" principle (Position, Performance and Person) described below.



The Company's compensation philosophy is to reward the executives for their contribution. The Leadership Development and Compensation Determination Committee has annually revised and approved the compensation packages for executives, as assigned by the Board of Directors, by taking the following areas into account:

- Compensation management based on performance results
- Compensation management base on shareholders' expectations
- Compensation management based on competitiveness in related businesses

The Compensation philosophy has been disclosed in the Company's Annual Report for 2017 under the section "Compensation Philosophy" page 86 to 88.

Well-being at Work

The Company has promoted both mental and physical health of employees to create a work-life balance which will have impacts on the economy, society and environment of the Company and themselves.

The Company had a preventive caring policy to raise employees' awareness of the importance of good health which started with self-care. The Company had on-site fitness centers where employees could spend their free time to get adequate exercise to become healthy and enhance good relationship with their colleagues. The Company also hired healthcare experts to give its employees information and advice on the prevention of future illnesses.



Annual eye checks were catered for the employees based on age and aspect of the job at the leading hospitals and health, life and accident insurance programs were provided for the employees in response to their needs.



The Company offered workplace massages to employees to foster both physical and mental wellness and increase work efficiency as well as increase opportunities in taking care of visually impaired persons in collaboration with the Thailand Caulfield Foundation.





The Company also took care of mental health of employees such as organizing an alms giving ceremony in different occasions or raising philanthropy awareness such as freeing the lives of cows and buffaloes as well as promoting meditation practices for a calm and peaceful state of mind.

Welfare and Organization of Activities for Employees

Apart from the minimum employee benefits that are mandated by law, the Company still takes care of its employees through various activities, for example:

- A welfare committee to provide suggestions, opinions and guidelines for improving the Company's employee welfare benefit plan
- Contributions to the provident fund in which the employees can choose their own investment planning and contribution rate
- Contributions to the social security fund and compensation fund
- Extra money for various occasions such as employees' weddings and funeral payments for employees' families.
- Bonus and allowance, other than usual salary





- Life, health and accident insurance: the employees can choose their own insurance plans that fit into their needs.
- Study visits to other organizations to create new learning opportunities and apply new knowledge to the Company for the future benefits of the Company and society.
- The INTOUCH Group Sports Day to enhance good relationship among the companies under the group
- Scholarships for employees' children to celebrate the Company's anniversary
- Recognition Program through Intouch Play application to create incentives for the employees by integrating organizational culture to employees' participation and serve as an expression of gratitude for all mental and physical efforts of employees that contribute to the Company's success. The Company still adheres to the principle that it will always treat all employees as valuable human resources.
- Staff meeting as an employee communication channel and other parties in different occasions

Promoting Organizational Culture and Ethics

To ensure unity, well-being and harmony amongst the workforce, the Company has defined the following shared values and communicated them to all its employees to act as guidelines for their personal conduct. All employees must uphold ethics, as it is the Company's principle to operate its businesses with integrity, act in a responsible manner, and adhere to good corporate governance. All directors, executives and members of staff must perform their duties with the utmost integrity, fairness and diligence, and are required to take an ethics test every year.

The complete copy of ethics can be found in the Code of Ethics section, in Good Corporate Governance Documents subsection, on the Company's website (www.intouchcompany.com).

... Social and Community Investment ...



As a leading investor in the Telecommunications, Media and Technology (TMT) sector, INTOUCH recognizes its crucial role in helping to build the technological infrastructure necessary for national development, and strongly believes that sustainable growth involves local communities and society at large, as well as business entities. INTOUCH has therefore focused on supporting community projects that create positive impacts on people's lives in terms of economy, education and health. This will improve the quality of life and lay more foundations for sustainable development.

Digital Inclusion

The Telecommunications, Media and Technology (TMT) sector, including mobile & broadband services and communication satellites in which INTOUCH has invested, has enabled people to participate in Thailand's digital economy and interconnected society. Moreover, THAICOM's satellite services have allowed people living in remote areas and outside the country to communicate and access information smoothly. The aim of this investment is to facilitate rapid access to the internet anywhere, thus increasing convenience and efficiency for the users, while reducing costs for the operators and empowering domestic entrepreneurs.

Today, AIS operates mobile services for up to 40 million people and provides broadband services for nearly half a million subscribers. More than 20 million households in Thailand can access TV channels through THAICOM's satellites, which also provide services to other countries and both airborne and maritime communications.

However, INTOUCH has not stopped at these three fundamental building blocks (mobile services, broadband services and communication satellites), but has provided the necessary capital to tech start-up companies under the InVent project in order to deliver more digital services to the nation. As a result,

INTOUCH has directly and indirectly contributed digital service and value to the Thai economy. For example, Ookbee, one of the biggest e-book platforms in Thailand, has helped to cultivate a culture of literacy among Thais by providing access to books in a more affordable and environmentally friendly way. In addition to Professional Generated Content (PGC), Ookbee's platform also support the User Generated Content (UGC) by encouraging any user to publish their own content online. In 2017, monthly active users under all Ookbee's platform increased to approximately 3 million, up by roughly 1 million from the prior year.

Digio, a mobile-point-of-sale (mPOS) provider, has increased access to electronic payment systems, thereby reducing digital financial exclusion. Until today, Digio has sold approximately one hundred thousand devices into the market on cumulative basis. At present, Thailand has the Electronic Data Capture (EDC) device more than 500,000 in active, and the government expects approximately two million of these active in the near future.

In addition, the investment in Event Pop Holdings Pte.Ltd. which has technology-oriented services that will boost growth in the MICE business (Meetings, Incentive trips, Conventions & Exhibitions) and attract high-quality foreign visitors, thus improving income distribution in Thailand's tourism industry in both urban and rural areas, as evidenced by the number of foreign attendees through Event Pop's platform, totaling around 30,000 people in 2017.

The integration of services provided by startup companies in which INTOUCH has invested, along with the concept of AIS and THAICOM digital service, will contribute to a complete business ecosystem and benefit Thai society at large, allowing easy access to a variety of digital services simply at the touch of a finger.

INTOUCH will continue to move ahead and become one of the key driving mechanisms for all Thais to participate completely in the digital economy and interconnected society on a level playing field.

Good Corporate Citizenship

INTOUCH is committed to being a good corporate citizen that understands social responsibility. As well as investing in the TMT sector to create long-term fundamental infrastructure, **the Company also contributes to and engages with society under the theme “Strong Thais, Strong Thailand”**. The Company pays close attention to the needs of communities and the support they require to solve particular problems, with the objective of achieving sustainable self-reliance.

Approaches to Social Engagement Activities

1. Identify issues and social needs that need to be addressed, in terms of health, environment, education, employment and income.
2. Analyze problems and develop plans to address social needs, as well as consider the company’s capacity utilization.
3. Apply the Sufficiency Economy Philosophy to the development of projects and related activities as in line with the geosocial footprint.
4. Clearly define the goals, methods and desired outcomes of projects.
5. Conduct long-term social engagement activities to share knowledge and teach the skills required for communities to become self-reliant.

1. Improving the Quality of Life in Local Communities

Healthy Rice Growing Project by INTOUCH

Job insecurity is a major problem of basic needs that hinders human and national development. Farming is a livelihood that faces economic instability when the cost of production is greater than the revenue generated.



The objectives of the Healthy Rice Growing Project by INTOUCH are to build strong communities and a sound economy while creating an environmental balance. INTOUCH has promoted the cultivation of non-chemical rice and the formation of self-reliant networks by providing support in terms of financial knowledge and expertise related to investment and accounting. Members of the Company’s staff have also advised farmers’ groups on household budgets so they can live within their means and save money for the future.

This project has been developed and become successful over the last six years. Kaen Fang Healthy Rice Community Enterprise in Khon Kaen province produces and distributes rice under the “Kaen Fang Rice” brand, which has been selected by the Rice Department, Ministry of Agriculture and Cooperatives, as one of nine brands for promotion in a niche market.

Phitsanulok province

The community in Tha Ngam Sub-district, Wat Bot District, Phitsanulok province, is in an area reserved for agricultural conservation in the Kwai Noi Dam Royal Development Project. Consequently, its large number of fields can be cultivated throughout the year and have become a major source of rice seed production in the north. This has offered an opportunity for INTOUCH to extend the Healthy Rice Growing Project and share its knowledge with this community in order to enhance the farmers’ potential and promote the “Agriculture 4.0” model towards becoming the “Rice Seed and Organic

Rice Center” of Phitsanulok province. Rice seeds planted in the area include Thai Jasmine Rice 105, RD49 and Phitsanulok 2. This is a two-year project that will end in 2018.

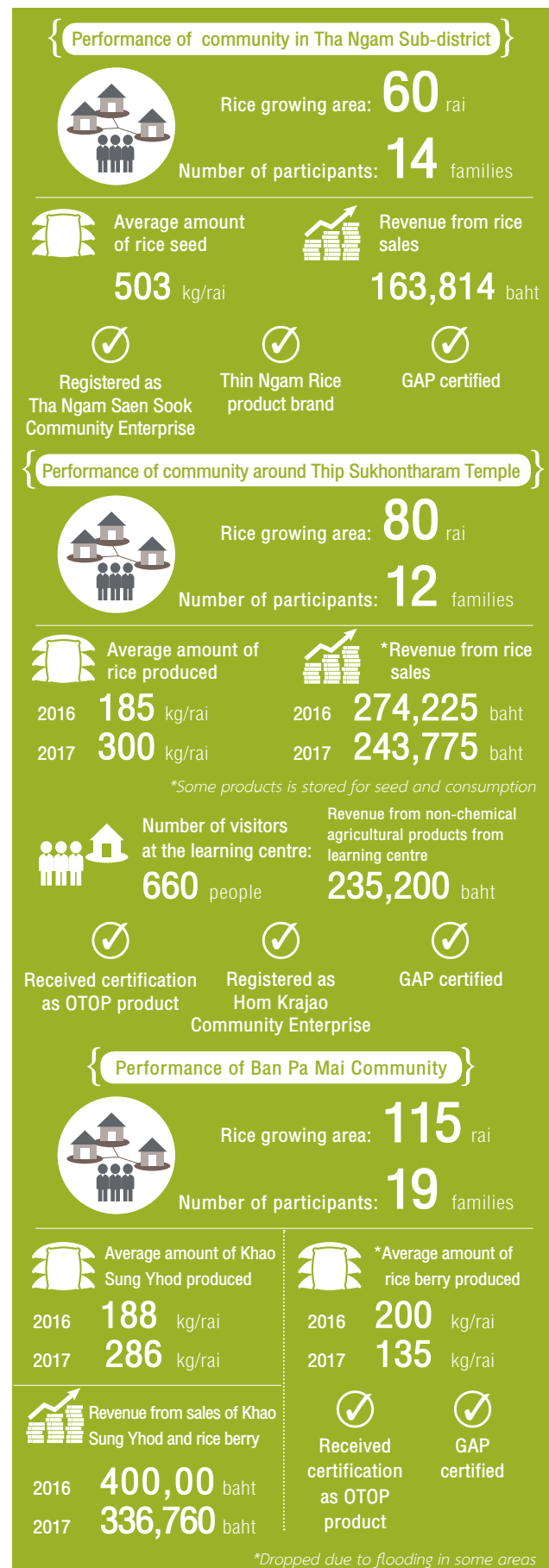
In 2017, INTOUCH’s goals were to strengthen the community and develop products that met acceptable standards by adopting agricultural mechanization technologies in order to increase yields and reduce costs. The Company has also provided knowledge in different areas, such as accounting system management, group management, packaging development, and how to build marketing and collaborative networks, as well as paid for study trips to prepare the farmers for the standard certification process.

Kanchanaburi province

The community around Thip Sukhontharam Temple, Don Salaeb Sub-district, Huai Krachao District, Kanchanaburi province, has been suffering from drought due to rain shadows and sandy soil. Since 2016, INTOUCH has shared its knowledge on the cultivation of non-chemical rice to help these people, as well as supported the establishment of a learning centre for farmers, distributed rice milling and packing machines. INTOUCH finally achieved its goal of developing 105 species of jasmine rice under the Khao Hom Krajao Jasmine Rice brand. The Company has also paid for study trips and the certification process, which has finally met the required standard, and helped to develop this community as a learning centre and tourist attraction, thereby increasing its income.

Nakhon Si Thammarat province

The community in Ban Pa Mai, Tha Ngew Sub-district, Mueang District, Nakhon Si Thammarat province, has been registered as a community enterprise under the name “Ban Pa Mai Farmers Enterprise” to cultivate Khao Sung Yhod with rice berry, and has developed the Chao Na Yim brand such as Khao Sung Yhod, rice berry and rice berry crackers. INTOUCH has continuously collaborated with these farmers for three years, combining local wisdom with modern methods, and extended its support to packaging development and marketing in order to increase sales opportunities.



Life Quality Development for Forest Guardians Project at Huay Kha Khaeng Wildlife Sanctuary, Uthai Thani province

INTOUCH realizes the importance of the forest rangers who dedicate themselves, physically and mentally, to taking care of the forest areas and animals at Huay Kha Khaeng Wildlife Sanctuary, Thailand's first Natural World Heritage Site. The Company initiated a program in 2016 to improve the quality of life for these rangers and increase their morale so they could carry out their duties more effectively. This program covers three areas, as described below.

1) Work

- Donated essential equipment, such as two 3.2kW solar panels, totaling over 2 million baht.
- Provided a fund of 500,000 baht to improve 12 km of wire fencing.
- Provided 100,000 baht through the Forest Ranger Welfare Fund to support the medical costs of rangers who are attacked by poachers or wild animals whilst on duty.
- Purchased 12,000 kg of organic jasmine rice from the Healthy Rice Growing Project for 183,500 baht, and donated it to the forestry officials.
- Organized workshops for the rangers on how to improve their work efficiency.



2) Community

- Provided a fund of 30,000 baht for activities to enhance the relationships with communities surrounding the sanctuary and teach them about natural resource conservation.

3) Family

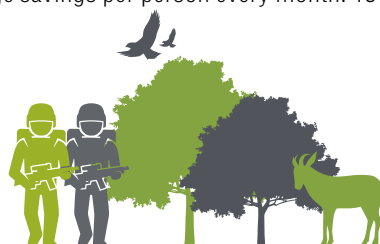
- Provided funding to support the education of the forestry officials' children up to graduate level by awarding ten scholarships, totaling 129,000 baht.

INTOUCH organized three workshops for the forest rangers and their families on how to apply the Sufficiency Economy Philosophy to their lives in order to become self-reliant and more efficient in their daily tasks. The Company is planning to hold two more workshops in 2018, which will cover various issues and help the rangers develop work processes to improve their quality of life.



Workshop on application of Sufficiency Economy Philosophy for a balanced way of life

- 24 rangers participating in the savings program, or 55% of the total participants (44)
- Achieved 100% of the targeted savings amount in 2017
- Average savings per person every month: 13% of income



Workshop on waste management



- 20 ranger offices in the waste management program, or 90% of the total ranger offices (22)
- Waste reduction: 7.2 tonnes in 2017

Workshop on increasing work efficiency in terms of communication skills within the community



- 18 rangers participating in the evaluation of communication skills, or 44% of the total participants (41)



- Proportion of rangers who have improved their communication skills: 34%

Employees with a Volunteer Spirit for Community Development Project

INTOUCH has encouraged its employees to participate in activities beneficial to society and propose creative projects that meet community needs and ensure maximum benefit for the public. The Company has provided financial support for these projects, and allowed its employees to participate in them on working days without considering this to be paid leave.

In 2017, INTOUCH arranged an activity to make sandalwood flowers for the Royal Creation of His Majesty the late King Bhumibol Adulyadej, involving young people at the Kredtrakarn Protection and Occupational Development Center, Pak Kret District, Nonthaburi province. The Company also supported four community development projects proposed by its employees as follows:

- Rebuilding toilets for monks and senior citizens at Ko Loi Temple, Mueang District, Ratchaburi province.
- Installation of a clean drinking water system at Ban Mae Lek community in Mae Tha District, Lamphun province.
- Improvements to Ban Pie Thong Child Development Center in Pa Mok District, Ang Thong province.
- Construction of roofs over the walkways along with improvements to the school playground at Wat Sawang School in Phothong District, Ang Thong province.



Number of volunteers:
46 employees, or **59%**
of the total **78**



Time devoted by
volunteers:
940 hours



Equivalent value of
employees' wages:
325,240 baht



Total financial support
provided by INTOUCH:
518,858 baht

2. Positive Youth Development

Thai Literature Conservation Contest with INTOUCH

For eleven consecutive years, INTOUCH has promoted reading and artistic creativity in young people by hosting an art contest that encourages them to read more literature and portray their impressions of it through different techniques of visual art. This contest is open to young people from primary school to undergraduate level.

In 2017, the theme of the contest was “One Picture Tells a Hundred Stories of the Reign of King Rama IX” to honour and commemorate the benevolence of our beloved late king. Young people were encouraged to read King Rama IX’s biography and other published works to learn about his royal duties, observations and guidance bestowed on different occasions, then convey their impressions of his life through visual art.

All of the entries that won awards were exhibited for sale and the proceeds, without any deduction for expenses, were donated to the Princess Maha Chakri Sirindhorn Foundation to support the education of underprivileged students in remote areas of the country.

In 2018, INTOUCH aims to promote this contest more widely and increase the number of entries by at least 5% in order to encourage reading and develop young people’s artistic skills.



Educational opportunities for young people

Scholarships for young academy award winners:

1,350,000 million baht



Reading support

Worthwhile material read to date:

56 stories



Building young people’s potential and creative thinking skills

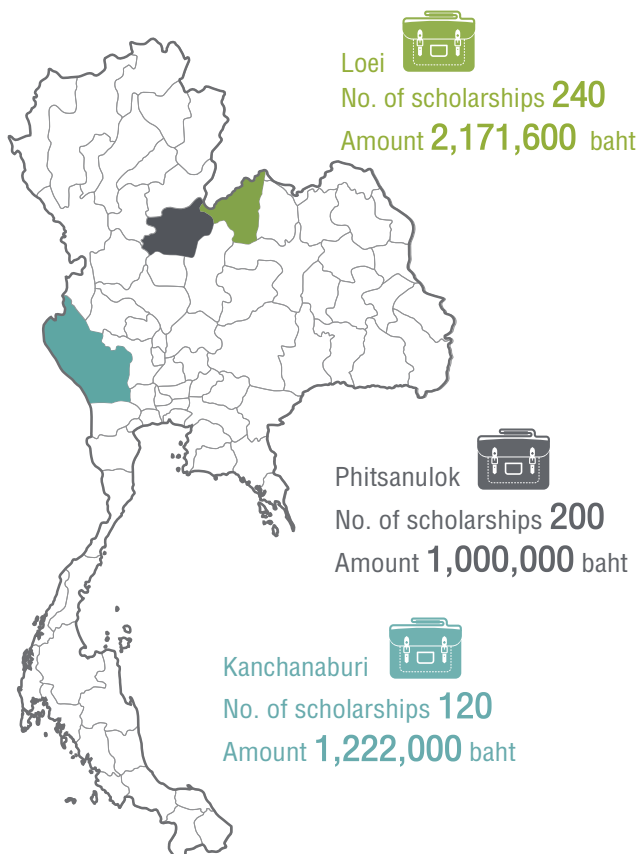
Participants in 2017:

924 entries



“ I have submitted entries to this contest for quite a few years. As the topic of the contest is different every year, I have studied a lot of Thai literature that I didn’t know and learned to read, practice, analyze and adapt it. ”

Mr. Tiewtas Kanama at Lankoon Art Academy
Winner of the High School category



INTOUCH Group's Educational Opportunity Creation Project

Education lays the foundation for all areas of development. Promoting equal access to educational opportunities for every child in the kingdom is an urgent matter which needs to be consistently pursued. INTOUCH implemented a program in 2014 to grant scholarships to underprivileged children in remote areas and encourage teachers to dedicate themselves to their duties. The Company has also provided funds for educational development.

In 2017, INTOUCH, in collaboration with the Primary Education Offices in Kanchanaburi province (District 2), Phitsanulok province (District 1), Loei province (Districts 1, 2 & 3) along with the Secondary Education Office (District 19), awarded scholarships to students from Prathom 1 to Mattayom 3, as well as financial rewards for dedicated teachers and funds for schools. The breakdown of scholarships is shown below.

A total of 560 scholarships,
amounting to 4,393,600 baht.



Quality of Life Improvement for Students in Underprivileged Schools, Loei province

INTOUCH has supported the government's policy on education reform and quality-of-life improvement for students in underprivileged schools for two consecutive years. In 2017, a survey of needs and problems at schools in Loei province indicated that three places, namely Ban Wang Kok Dua in Wang Sa Poong District, Ban Wang Lao Hua Fai in Erawan District and Ban Suan Po in Phu Luang District, suffered severely from a lack of fundamental infrastructure and instructional materials. The Company, therefore, donated over three million baht to make improvements to these schools and solve their problems, and collaborated with AIS, THAI COM and CSL to provide non-financial support, such as satellite dishes and receivers, digital books and other children's content, and water storage tanks.





Fundamental Infrastructure

Ban Wang Kok Duea School

- Repaired school buildings & toilets and improved landscape
- Provided desks and chairs

Ban Suan Po School

- Improved a playground and repaired recreational equipment



Knowledge and Learning Technology

Ban Wang Kok Duea School

- Provided computers and instructional materials

Ban Suan Po School

- Provided instructional materials



Number of Beneficiaries:



408 persons



Health and Sanitation

Ban Wang Kok Duea School

- Improved water filtration systems in schools and communities by using ceramic and solar systems

Ban Wang Lao Hua Fai School

- Paid for the construction of reinforced concrete driveways in the school grounds to reduce dust pollution, thus improving the health and traffic flow of the people using them



Number of Beneficiaries:



5,980 persons



Professional Skills

Ban Wang Kok Duea School

- Supported a car care business project to provide professional skills training to students and generate income for the school



Number of students receiving professional skills training: **12** persons



Revenue to date from the car care business: **7,540** baht

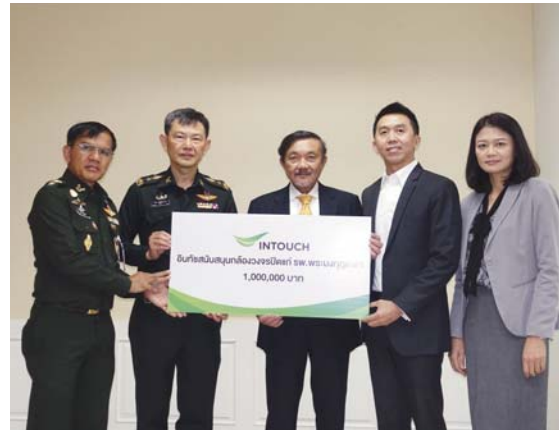
** Opened in October 2017*

“

Our school is an opportunity expansion school which is very far from the city. No paved driveways, just dirt tracks. During the rainy season, these became muddy, while in summer they became dusty. When we were on after-school cleaning duty, dust used to get into our noses and mouths. Some pupils suffered from allergies and sometimes had to miss classes. They could not catch up on their lessons and fell behind the rest of the class. Our parents also had difficulty in driving to and from the school. Thanks to INTOUCH's assistance, these difficulties have been overcome. From now on, nobody will suffer from conjunctivitis, fall behind their classmates, or have to walk through dust and mud. ”



Miss Sunisa Chintu,
Mattayom 2, Ban Wang
Lao Hua Fai School

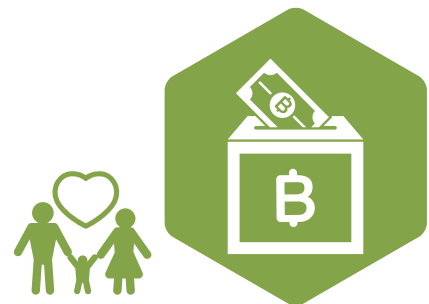


3. Charitable Donations

In addition to quality-of-life and educational improvement projects, INTOUCH made the following charitable donations in 2017:

- Two million baht for flood relief and restoration of the victims' water-damaged property.
- One million baht to purchase and install security cameras at Phramongkutklao Hospital in Bangkok.
- A large consignment of thick blankets, costing 503,000 baht, to the provincial government in Loei province for distribution to people unable to afford them during periods of cold weather.
- Financial and non-financial assistance, totaling 356,510 baht, to the Princess Mother's Medical Volunteer Foundation (PMMV) for necessities such as electric generators plus fuel, portable water filters, and leech protection socks.

- Two hundred thousand baht to schools in Nakhon Si Thammarat and Ratchaburi provinces for flood relief.
- Two hundred thousand baht to help support HIV-infected patients at Wat Phrabat Namphu in Lopburi province (paid every year).



Monetary Donations to Society	2015	2016	2017
• Donations (million baht)	2.54	0.95	3.71
• Community investment (million baht)	15.02	23.64	13.21
• Commercial investment (million baht)	1.60	0.34	3.68

... Environmental Management ...



As the Company takes its environmental responsibilities seriously, it focuses on efficient resource consumption and good environmental management in order to minimize possible negative impacts. The Company has drawn up an “Environment Policy” to provide guidelines for managing environmental issues. The Company strives to raise its employees’ awareness of environmental issues and understand the importance of conservation so they can realize how business operations ultimately affect our environment. Consequently, the employees will take the related environmental impacts into account when planning new business ventures and performing their daily duties.

The Company has informed its employees of the corporate environment policy. This policy covers both the internal and external activities. For the external activities, corporate social responsibility projects were implemented with details published under Social and Community Investment Section. The internal activities included a campaign to raise awareness among executives and employees on resource optimization, such as reducing the consumption of energy and other resources.



Reducing Energy Consumption

The Company has launched a campaign to improve the efficiency of energy consumption and utilization of resources in the office. Employees are encouraged to participate in reducing energy consumption in the operational process by, for example, turning off lights when they are not in use, switching off air-conditioning during lunch break, shortening air-conditioning period, Most of the office space set the thermostat to 25 degrees Celsius and changing to energy-saving light bulbs , Signs energy saving campaign.

Reducing Other Resources

The Company has a policy to procure environmentally -friendly services and select certified products to reduce resources consumption and environmental impact. The following measures have been implemented:

- The Company chooses green paper produced from environmentally-friendly pulp and low-tree cutting production process. It launches a campaign to encourage reduction of paper consumption, including reuse of paper, A board portal has been implemented to access meeting minutes and supporting documents in an electronic format, along with an online payslip system.
- The Company uses office furniture produced in environmentally-friendly process.
- Copying Machines certified with Green Label are used. Reducing toner consumption to a minimum.
- All ink cartridges must be certified under the appropriate hygiene, safety and environmental standards.
- A campaign to separate waste has been launched

Appendices

... Sustainability Performance ...

Economic Dimension (Consolidated Financial Statements)	Unit	2015	2016	2017
Total assets	Million Baht	57,827	54,607	50,960
Total revenue	Million Baht	29,268	24,741	22,543
Gross profit	Million Baht	5,124	4,177	2,482
EBITDA	Million Baht	20,937	21,396	12,438
Net profit	Million Baht	17,316	17,709	9,310
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	1,966	1,828	1,718
Financial costs	Million Baht	309	360	399
Tax paid to government (e.g. corporate income tax, local tax dues, property tax and special business tax)	Million Baht	315	566	270
Tax benefits and other promotional privileges under the Investment Promotion Act	Million Baht	-	-	-
Economic Dimension (Separate Financial Statements)	Unit	2015	2016	2017
Total assets	Million Baht	30,249	28,189	29,942
Total revenue	Million Baht	16,763	13,185	11,054
Net profit	Million Baht	16,295	12,707	10,664
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	260	230	214
Dividend paid to shareholder	Million Baht	14,833	14,721	9,168
Financial costs	Million Baht	3	3	3
Tax paid to government (e.g. corporate income tax, local tax dues, property tax and special business tax)	Million Baht	1	-	-
Tax benefits and other promotional privileges under the Investment Promotion Act	Million Baht	-	-	-
Investments and expenditures regarding community development, social infrastructure and environment	Million Baht	19	25	20

Social	Unit	2015	2016	2017
Total Number of Employees	Person	87	88	78
Number of Employees by Level				
• Executive Level	Person	22	26	22
• Managerial Level	Person	42	39	36
• Practitioner Level	Person	23	23	20
Number of Employees by Gender				
• Male	Person	38	36	32
• Female	Person	49	52	46
Number of Employees by Age				
• Less than 30 years	Person	11	10	7
• 30 - 50 years	Person	67	68	61
• More than 50 years	Person	9	10	10
The Female-to-Male Salary Ratio				
• Executive Level	Percentage	1 : 1.16	1 : 1.60	1 : 1.33
• Managerial Level	Percentage	1 : 1.1	1 : 1.12	1 : 1.18
• Practitioner Level	Percentage	1 : 1.16	1 : 0.77	1 : 0.80
Total Number of New Employees	Person	9	10	6
• Less than 30 years	Person	3	4	1
• 30 - 50 years	Person	6	6	5
• More than 50 years	Person	0	0	0
Total Number of New Employees Turnover by Age	Person	4	9	15
• Less than 30 years	Person	1	3	0
• 30 - 50 years	Person	3	3	14
• More than 50 years	Person	0	3	1
Maternity Leave	Person	1	0	0
Number of Employees return after taking Maternity Leave	Person	1	0	0

Social	Unit	2015	2016	2017
Proportion of Employee Leave				
• Sick Leave	Person/Year	1.50	1.77	2.05
• Leave Due to Work	Person/Year	0	0	0
Total Number of Accidents				
• Lost Time Injury	Person	0	0	0
• No Lost Time Injury	Person	0	0	0
Total Number of Training Hours	Hour	3,140	2,968	5,188
The Average Number of Training Hours by Level	Hour/ Person/Year	36	34	69.17
• Executive Level	Hour/ Person/Year	54	46	67.94
• Managerial Level	Hour/ Person/Year	29	38	70.09
• Practitioner Level	Hour/ Person/Year	32	17	49.33
Number of Complaints about Human Resource Management	Case	1	0	0
Environment	Unit	2015	2016	2017
Electricity Consumption	MWh	384.30	330.31	286.00
Electricity Consumption per area	MWh/Sqm	0.21	0.18	0.15
Electricity Consumption per employee	MWh/Person	4.42	3.75	3.66
Water Consumption	Cubic meter	25.93	15.00	14.00

... About this report ...



INTOUCH’s sustainability report for 2017 will be published together with the annual report. The reporting period covers the Company’s performance with regard to the economic, social and environmental aspects of sustainable development. The scope of the economic data covers the performance of all INTOUCH’s subsidiaries, associates, joint ventures and other investments, while the social and environmental data only cover the Company. Although the reporting period is from 1 January to 31 December 2017, it reflects the creation of shared value and mutual benefits between the Company, society and the nation that began a long time ago, as well as those that will continue into the future.

This report has been prepared in accordance with the sustainability reporting guidelines of the Global Reporting Initiatives - Version 4 (GRI G4) at Core level and identifies issues in line with the United Nations’ Sustainable Development Goals (SDGs).



More information on the disclosure of data in accordance with the indicators of the reporting guidelines can be found in the tables on page. 53 - 59 of this report.

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... GRI Content Index ...



.....

G4	Description	Page		Omission/ Note
		SD	AR	
GENERAL STANDARD DISCLOSURES				
Strategy and Analysis				
G4-1	Statement from the most senior decision-marker of the organization.	8		
G4-2	Provide a description of key impacts, risks, and opportunities.	28-29	50-55	
Organizational Profile				
G4-3	Report the name of the organization.	8	6	
G4-4	Report the primary brands, products, and services.	11-13		
G4-5	Report the location of the organization’s headquarters.	Back cover		
G4-6	Report the number of countries where the organization operates.	11		
G4-7	Report the nature of ownership and legal form.	11		
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	11		
G4-9	Report the scale of the organization.	11-13		
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization’s work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	31-32		
G4-11	Report the percentage of total employees covered by collective bargaining agreements.			Not reported

G4	Description	Page		Omission/ Note
		SD	AR	
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G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	13	38, 47-49, 162, 213	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	14-15		
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	14-15		
Identified Material Aspects and Boundaries				
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	24-25		
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	24-26		
G4-19	List all the material Aspects identified in the process for defining report content.	24-25		
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	24-25		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	24-25		
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	24-25		
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	24-25		
Stakeholder Engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization.	20-23		
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	20-23		
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	20-23		

G4	Description	Page		Omission/ Note
		SD	AR	
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G4-29	Date of most recent previous report	52		
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G4-31	Provide the contact point for questions regarding the report or its contents.	52		
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G4-36	Indicate if executive-level is appointed with responsibility for economic and social topics.	17	73, 63	
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	17		
G4-38	Composition of the highest governance body and its committees.		64-65	
G4-39	Report whether the Chair of the highest governance body is also an executive officer.		64-65	
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.		67	
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.		70	

G4	Description	Page		Omission/ Note
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G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.		67-68	
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.		70-71	
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G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.		78	
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.		62	
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	17	22-23	
G4-49	Report the process for communicating critical concerns to the highest governance body.		22-23	
G4-51	a. Report the remuneration policies for the highest governance body and senior executives.		21	
	b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.		86-88	

G4	Description	Page		Omission/ Note
		SD	AR	
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		SD	AR	
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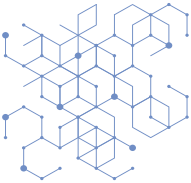
G4	Description	Page		Omission/ Note
		SD	AR	
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... SDGs Content Index ...



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 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	36-38
 4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	32, 42-43, 45-46
 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	31-32, 50
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	28-29, 32-34, 36, 41
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 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	28-29

REINVENT
THE FUTURE





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