

INFINITE PROGRESSION



ANNUAL REPORT
AND SUSTAINABILITY REPORT 2019



FTSE4Good

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**LEADING INVESTMENT
COMPANY IN TMT
AND DIGITAL BUSINESS
TO CREATE
SUSTAINABLE VALUE
TO ALL**

VISION

THE COMPANY'S OBJECTIVES AND LONG-TERM GOALS

INTOUCH strives to maximize shareholder wealth and generate sustainable returns by investing in the TMT sector, including digital businesses. The Company's policy is to continue passing through dividends from the companies in which it has invested after the deduction of operating expenses. The Company aims to deliver a total shareholder return that is at least 2% higher than the annual SET Index return, and increase its net asset value to over 300 billion baht by 2024.

SUSTAINABLE GROWTH

AND CREATE VALUE TO SHAREHOLDER

TO BE THAILAND LEADING TELECOM, MEDIA, TECHNOLOGY AND DIGITAL GROUP

{ GROWTH & CULTURE OF INNOVATION }

ASSET MANAGEMENT

NEW GROWTH

SUSTAINABLE DEVELOPMENT

MISSION

**STRATEGICALLY INVEST
AND GROW PORTFOLIO
BY OUR EXCELLENT EXPERTISE**

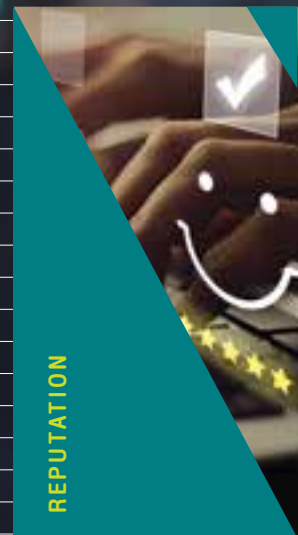
CORE VALUE
A.C.T.I.V.E

AGILITY

Be enthusiastic and
welcome changes
with speed



HOLDING OF EXCELLENCE



CREATIVITY

Generate great ideas and drive innovation

TEAMWORK

Work collaboratively to deliver extraordinary results as a team

INTEGRITY

Uphold professional standards of reliability, ethics and trust

VALUE

Committed to success to create value for all stakeholders

EXCELLENCE

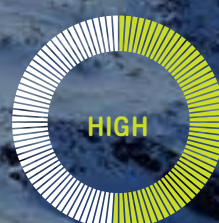
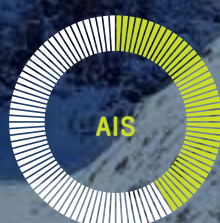
Strive passionately to be the best in everything we do

A S S E T

M A N A G E M E N T

Manage and grow the Company's portfolio value
for enhancing shareholder wealth

Investment structure

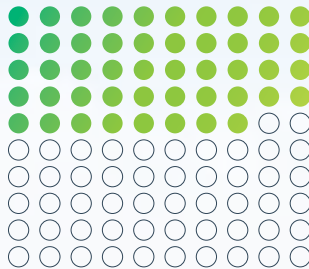


Enhance business growth for sustainable leadership



Mobile market leader
in Thailand,
Revenue market share 48%

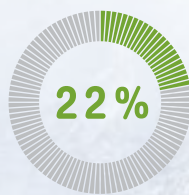
- AIS
- Other



Mobile network service covering

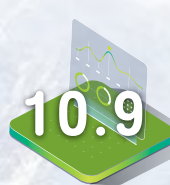


Subscriber
market share



The proportion
of postpaid
subscriber

Data usage
(GB/sub/month)



Q4/2018



Q4/2019

The leader of
FTTx technology
for

1,037,600
subscribers

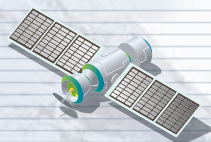


The only

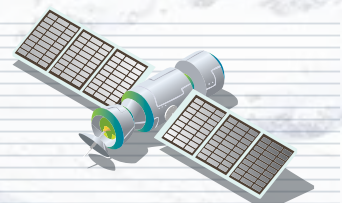
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satellite service provider
in Thailand

Satellite utilization rate



23% Broadband
Satellite



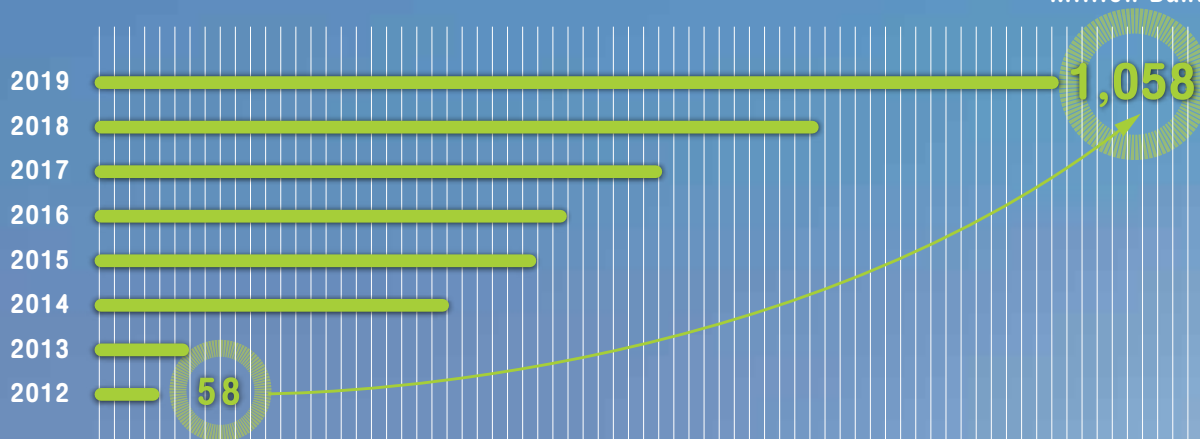
55% Broadcasting
Satellite

InVent Portfolio Value

7-Year Compound Annual Growth Rate +52%

INTOUCH
InVent

Million Baht



Investment by Sector



N E W

G R O W T H

Commit to invest in latest technology

H O L D I N G

O F

E X C E L L E N C E

PEOPLE

Encourage employees' capability development in all aspects to support technological advancement and organizational growth

PROCESS

Create innovation culture to work process development

GOVERNANCE

Uphold and comply with the principle of good corporate governance

REPUTATION

Manage corporate reputation and contribute to society



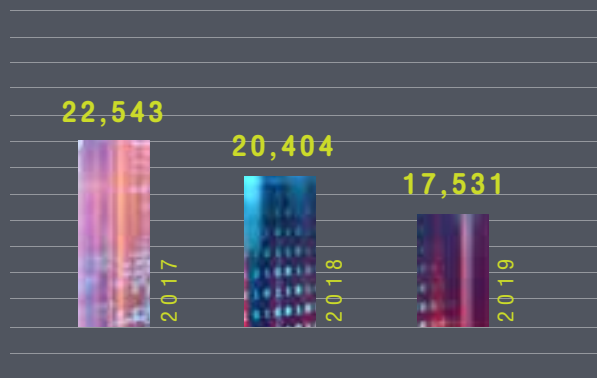
FINANCIAL HIGHLIGHTS

Intouch Holdings Public Company Limited and its Subsidiaries

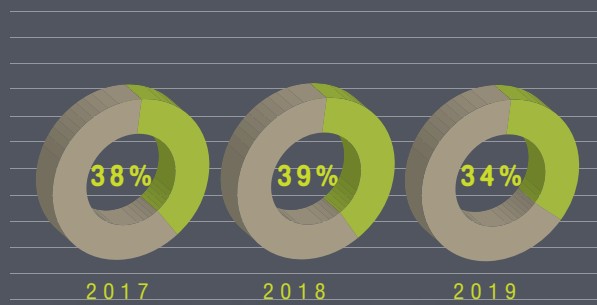
Million Baht

	2 0 1 9	2 0 1 8	2 0 1 7
OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED			
Revenues from sales of goods and rendering of services	4,878	6,371	9,627
Share of profits of associates and joint ventures	12,234	12,094	12,281
Total revenues	17,531	20,404	22,543
Gross profit	1,004	1,891	2,482
Profit for the year attributed to owners of the Company	11,083	11,491	10,673
Total assets	49,535	50,009	50,960
Total liabilities	9,086	12,068	13,633
Total equity attributable to equity holders of the Company	34,525	30,768	28,915
FINANCIAL RATIOS - CONSOLIDATED			
Net profit margin	63%	56%	47%
Return on equity	34%	39%	38%
Return on assets	22%	23%	20%
Debt-to-equity ratio (times)	0.26	0.39	0.47
Basic earning per share (Baht)	3.46	3.58	3.33
Book value per share (Baht)	10.77	9.60	9.02
Dividend per share (Baht)	2.65	2.71	2.52
Dividend payout ratio (calculated from the separate financial statements)	76.8%	75.7%	75.7%
Number of share (Million)	3,206.42	3,206.42	3,206.42
(at one Baht par value per share)			

[Million Baht]



Total revenues

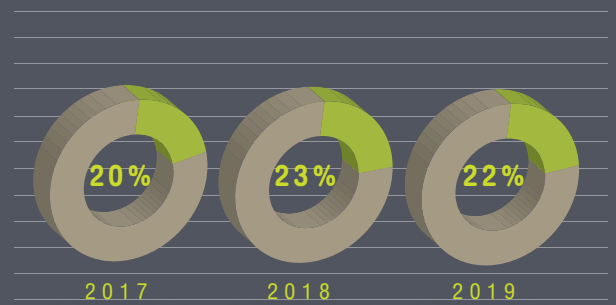


Return on equity

[Million Baht]



Total assets



Return on assets

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



Dr. Virach Aphimeteetamrong
Chairman of the Board



Mr. Anek Pana-apichon
Chief Executive Officer

“

INTOUCH continues to adhere to the principles of good corporate governance, and treats every group of stakeholders equitably by applying the principle of creating shared value based on a sustainability development framework. While every group of stakeholders is important, the employees are an essential factor in driving the business towards sustainable growth.

”

To: The Shareholders of Intouch Holdings Plc.

In 2019, the Thai economy grew less than the previous year due to both international and domestic factors, such as the global economic slowdown, the US-China trade war and the UK's decision to leave the European Union (Brexit), along with the continuing appreciation of the baht. However, the telecom and related technology industries have grown because customer needs have increased and new services have been developed to meet them, especially in the digital space. In 2019, INTOUCH reported a net profit from operations of 11,083 million baht, which has allowed the Company to maintain its dividend policy. The annual dividend for 2019 will be 2.65 baht per share.

AIS, in which INTOUCH owns 40.45%, is transforming itself into a digital life service provider. AIS's performance remains strong and continues to generate the highest return of INTOUCH's investments. As a result of maintaining a stable customer base and increasing revenue, AIS will be able to pay a dividend of 7.34 baht per share for 2019. Moreover, it is ready to implement 5G technology in the near future, which will create opportunities to develop and offer new services that will contribute to sustainable growth.

THAICOM reported a net loss of 2,250 million baht in the year 2019, when it faced business challenges from a slowdown in the satellite industry, intense competition, restrictive regulations, and the approaching expiry of the operating agreement (in 2021). Due to these challenges, THAICOM is determined to find new businesses in which it can invest its excess cash, which will reduce its reliance on government operating licenses. At the same time, it still has to manage its overheads in order to revive the satellite business in the future.

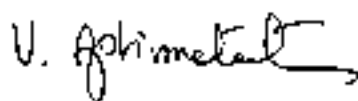
Besides its role of asset management, principally AIS and THAI COM, INTOUCH continues to seek new investment opportunities in the TMT sector, including the digital space, in order to strengthen and sustain business growth. The Company has a policy to invest in new companies with potential in Thailand and abroad, especially those related to 5G technology. Since INTOUCH launched the InVent project (its corporate venture capital arm) in 2012, it has invested a total of 652 million baht in 20 startups, including three in 2019. The total value of the investment portfolio rose to 1,058 million baht at the end of last year.

Moreover, the Company has focused on developing its employees, as well as encouraging them to prepare for rapid changes in technology and consumer behavior so they will be able to respond to these effectively. In addition, the Company has promoted its new core values under the concept of “A.C.T.I.V.E”, which stands for Agility, Creativity, Teamwork, Integrity, Value and Excellence. The objective is to build employee awareness of ethical standards, foster cooperation and improve business

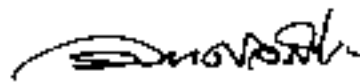
agility, so that everyone will do their best to create long-term growth.

INTOUCH continues to adhere to the principles of good corporate governance, and treats every group of stakeholders equitably by applying the principle of creating shared value based on a sustainability development framework. While every group of stakeholders is important, the employees are an essential factor in driving the business towards sustainable growth.

INTOUCH would like to thank its shareholders, employees, business partners and other stakeholders, all of whom play an important part in maintaining the Company’s position, for their continuing support and trust. All of the directors, executives and members of staff have shown great dedication and commitment. The Company pledges to continue following the principles of good corporate governance in order to create sustainable growth across INTOUCH Group, which will lead to long-term business success.



Dr. Virach Aphimeteetamrong
Chairman of the Board



Mr. Anek Pana-apichon
Chief Executive Officer

Audit and Risk Committee Report



To: The Shareholders of Intouch Holdings Plc.

As the Chairman of the Audit and Risk Committee (“the Committee”), I am pleased to present its report for the year 2019. This report details how the Committee fulfilled its responsibilities during the year.

Composition

The Committee consists of three independent directors, namely Mr. Somchai Supphatada (the Chairman), Mr. Chalaluck Bunnag and Ms. Sopawadee Lertmanaschai, which meets the qualification set by the Capital Market Supervisory Board. The head of the internal audit function acts as Secretary to the Committee. The Committee members have a wide range of skills and experience, while the Board considers that Mr. Somchai and Ms. Sopawadee have the relevant accounting and financial experience.

Roles and Responsibilities

The Committee’s roles and responsibilities are set forth in its charter approved by the Board, which can be viewed on the Company’s website (www.intouchcompany.com). In March 2019, the name of the Committee was changed from “Audit Committee” to “Audit and Risk Committee” to reflect its role in risk management.

The primary responsibilities of the Committee are to assist the Board in fulfilling its oversight with regard to: 1) the integrity of the Company’s financial reporting; 2) the effectiveness of the Company’s risk management and internal control systems; 3) the Company’s compliance with legal and regulatory requirements; 4) the performance of the internal audit function; and 5) the qualifications, performance and independence of the external auditor.

Meetings

The Committee held a total of six (6) meetings during 2019 with full attendance. The Chief Executive Officer, the Chief Financial Officer, the external auditors and the head of the internal audit function were invited to attend all of these meetings in whole or part. Key members of the management team were also invited to attend when it was considered appropriate.

In 2019, the Committee held one meeting with the external auditors and the head of the internal audit function without the presence of management. The Chairman reported the Committee’s activities to the Board every quarter.

Committee Effectiveness

The Committee conducted a self-evaluation of its own performance by using a questionnaire based on the SEC’s Audit Committee Handbook. The results were reported to the Board, which concluded that the Committee had carried out all its duties effectively throughout the year.

Key Activities

Financial Reporting

The Committee reviewed the Company’s interim and annual financial statements with the management and the external auditor, focusing on compliance with applicable financial reporting standards as well as key estimates and judgments made by the management in the preparation of these statements, along with key audit matters highlighted in the external auditor’s report.

The Committee also reviewed the management's preparation for the adoption of TFRS 9: *Financial Instruments*, TFRS 15: *Revenue Recognition*, and TFRS 16: *Leases*, all of which will apply to the Company's financial statements for the 2020 financial year onwards.

The Committee is of the opinion that the Company's financial statements for the year 2019 were presented fairly, in all material respects, in accordance with Thai Financial Reporting Standards.

Risk Management and Internal Controls

The Company has an ongoing process for identifying, evaluating and managing risks that could prevent the achievement of business objectives. The Committee reviewed the risk register every quarter, and discussed the mitigation measures with the management in order to ensure that the level of each risk was within the Company's risk appetite.

The Committee also reviewed the key findings of audits conducted by both the external and internal auditors, along with the results of the evaluation of the Company's internal control system that had been undertaken by the management.

The Committee is of the opinion that the Company's risk management and internal control systems are operating effectively.

Regulatory Compliance

The Committee reviewed the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws pertaining to the Company's business operations, as presented by the Legal, Compliance and other relevant departments.

The Committee is of the opinion that the Company had conducted its business in accordance with all the related laws and regulations throughout the year.

Connected Party Transactions

The Company and its subsidiaries entered into a number of connected party transactions during the year 2019, which have been disclosed in the annual report. The Committee reviewed these transactions, as presented by the management, and is of the opinion that all of them were reasonable, made in the best interests of the Company and its subsidiaries, and complied with all the related laws and regulations.

External Auditors

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. ("Deloitte") has been the Company's external auditor since 2016. The Committee has adopted a non-audit services policy that restricts the different types of service the external auditor can provide to ensure that its independence is not impaired. Deloitte also confirmed that its auditors were independent from the Company under the *Code of Ethics for Professional Accountants and the Accounting Profession Act, B.E.2547*. The Committee reviewed and agreed with Deloitte's audit plan for 2019 in order to ensure that the audit was appropriately focused, and monitored the performance of the external auditors in the execution of this plan.

The Committee was satisfied with the performance and independence of the external auditors in 2019, along with the appropriateness of the audit fees, and recommended to the Board that Deloitte be re-appointed as the Company's external auditor at the Annual General Meeting of Shareholders for 2020.

Internal Audit Function

The Company's Internal Audit department provides an independent and objective assessment of the effectiveness of the Company's governance, risk management and internal control processes. The Committee reviewed and approved the internal audit plan for 2019 to ensure that it was aligned with the Company's key risks. The Committee received quarterly updates on the execution of this plan, which included summaries of the key findings in each audit. The Committee was satisfied with the overall performance of the Internal Audit department throughout the year.

Anti-Bribery and Corruption

The Company has in place an Anti-Bribery and Corruption Programme to reflect its zero-tolerance approach to bribery and corruption of all kinds. The Committee reviewed this Programme after it had been revised to align it with good practices stipulated in the *Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials, and Agents of Public International Organizations* issued by the National Anti-Corruption Commission.

The Committee also reviewed the self-evaluation form for countering bribery so that the Company could apply for re-certification by Thailand's Private Sector Collective Action Coalition against Corruption (CAC). On 5 August 2019 the Company was re-certified as a member of CAC for the second consecutive time.

The Committee is of the opinion that, to date, the Company's Anti-bribery and Corruption Programme has been effective.

Whistle-blowing

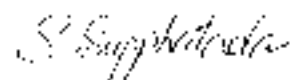
The Committee reviewed the Company's arrangements for its employees and other stakeholders to raise any concerns they may have about improprieties in financial reports or other matters in confidence. The Committee also received quarterly updates on issues raised through various channels, which included details of investigations and corrective actions that were taken.

The Committee is satisfied that the Company has an effective whistle-blowing procedure in place, including appropriate safeguards to protect whistle-blowers.

Corporate Governance

The Committee reviewed the Company's governance practices by applying the principles of the SEC's Corporate Governance Code, along with other best practice guidelines such as 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. The Committee was satisfied with the Company's corporate governance practices throughout the year.

Lastly, I am confident that the Committee has fulfilled all the responsibilities stipulated in its charter with the utmost care and independence. I would like to extend the thanks of the Committee to the management, along with the external and internal auditors, for all their help and support throughout the past year.



Mr. Somchai Supphatada
Chairman of the Audit and Risk Committee
30 January 2020

Nomination and Governance Committee Report

To: The Shareholders of Intouch Holdings Plc.

The Nomination and Governance Committee (“the Committee”) 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.

During the year 2019, the Committee held a total of three meetings to undertake the duties stipulated in its charter, as approved by the Board of Directors. The significant activities have been summarized below.

- The Committee reviewed the Company’s Corporate Governance (CG) practices during the year to assess compliance. Overall, the Committee believes that the Company had complied with the CG Policy and applied all the principles in the SEC’s CG Code, while the governance structure was suitable for the current business environment.
- The Committee reviewed the Company’s CG Policy, and endorsed amendments to ensure that the policy was aligned with other best practice guidelines.
- The Committee endorsed the Board Diversity Policy and submitted it to the Board of Directors for approval.
- The Committee revised the Board Skills Matrix, then used it 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 re-appointment.
- The Committee recommended that the Annual General Meeting of Shareholders for 2019 approve the re-appointment of three retiring directors for



another term of office, namely Mr. Somchai Supphatada (independent director), Ms. Sopawadee Lertmanaschai (independent director) and Mr. Kwek Buck Chye (director). Further to this, the Board of Directors approved one-year extensions to the terms of appointment for Mr. Somchai Supphatada and Mr. Chalaluck Bunnag as independent directors.

- The Committee nominated representative directors to sit on the boards at the Company's subsidiaries and associate.
- The Committee continued to develop succession plans for the Company's and its subsidiaries' directors to ensure that all the boards were run smoothly.
- The Committee facilitated continuous training and encouraged the other directors to participate. The board members took part in the "AIS Digital Intelligent Nation 2019" seminar, held on 1 February 2019 at Royal Paragon Hall, along with a business trip to Singapore on 27 & 28 June 2019 to visit
- "Innovfest Unbound 2019", Advanced Security Operations Centre and FutureNow Innovation Centre.
- The Committee reviewed the annual board, board-committee and director evaluations, organized by the Company Secretary Office, and concluded that the Board of Directors had operated in an effective manner throughout the year 2019.
- The Committee provided an opportunity for all the Company's shareholders to propose agenda items for the Annual General Meeting of Shareholders for 2020 and nominate candidates for directorship. This was done to recognize the importance of treating all the shareholders equitably.
- The Committee conducted a self-assessment, and agreed that it had completely discharged its duties during the year as assigned by the Board of Directors, had a suitable structure and composition, and was operating in an effective and consistent manner.



Mr. Prasert Bunsumpun
Chairman of the Nomination and Governance Committee
22 January 2020

Leadership Development and Compensation Committee Report



To: The Shareholders of Intouch Holdings Plc.

The Leadership Development and Compensation Committee (“the Committee”) currently comprises three directors, namely Mr. Kan Trakulhoon (the Chairman), Mr. Prasert Bunsumpun 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.

During the year 2019, the Committee held a total of six meetings to undertake the duties stipulated in its charter, as approved by the Board of Directors. The significant activities have been summarized below.

- The Committee considered the board remuneration policy, and proposed that it remain unchanged as it was appropriate and aligned with the top 30 listed companies. The Committee recommended that the budget remain the same as the previous year, not exceeding 42.5 million baht. The total directors’ remuneration in 2019 amounted to 36,149,484 baht.
- The Committee considered and evaluated the performance of the Company’s senior executives in order to determine their annual bonuses and merit-based salary increases.
- The Committee considered and set the annual KPI targets for the Company and the CEO.
- The Committee considered and approved the annual merit-based salary increases for the Company’s staff and the budget for these.
- The Committee reviewed the long-term incentive program for the Company’s senior executives to ensure that their interests were aligned with those of the shareholders, while the compensation was sufficient to attract, retain and motivate talented people.
- The Committee considered the succession plan for senior executives in the group.
- The Committee considered and approved the development plan for senior executives in the group.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties during the year as assigned by the Board of Directors, had a suitable structure and composition, and was operating in an effective and consistent manner.

Mr. Kan Trakulhoon
Chairman of the Leadership Development and Compensation Committee
22 January 2020

CSR Committee for Sustainable Development Report

To: The Shareholders of Intouch Holdings Plc.

The Corporate Social Responsibility Committee for Sustainable Development (“the Committee”) currently comprises three directors, namely Mr. Chalaluck Bunnag (the Chairman), Mr. Kan Trakulhoon and Mr. Anek Pana-apichon. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2019, the Committee held a total of two official meetings, along with five informal follow-up meetings, to undertake the duties stipulated in its charter, as approved by the Board of Directors. The Committee undertook the following significant activities.

1. The Committee reviewed and agreed with the Company’s Social Responsibility and Sustainable Development policies, strategies, operational plans and annual budgets. The Committee focused on creating sustainable value by utilizing business methods, resources and expertise to help solve problems in local communities in line with their requirements, improve the quality of life, and nurture young people. Moreover, the Committee members attended CSR activities on a regular basis in order to act as role models for the employees and encourage them to participate. The Committee also stressed that project continuity should provide sustainable benefits to the communities in the program. The key activities have been summarized below.
 - Expanded the scope of the Healthy Rice Growing Project by INTOUCH at the community enterprise at Huai Krachao district in Kanchanaburi province. Huai Krachao district is an important location and Buddhist spiritual centre, in which stands the memorial statue of Phra Buddha Metta Pracha Thai Trai Lokanat Gandhara Anusorn. This site, which is under the Royal Patronage of Her Majesty Queen Sirikit, the Queen Mother, was opened to the public in 2015.
 - Expanded the range of products at Ban Pa Mai community enterprise in Nakhon Si Thammarat province. The Company, in collaboration with Walailak University, has developed and added more value to Sangyod rice. Local plant foods have been developed into new products in order to generate more revenue for the community outside the rice growing season.
 - Initiated an organic farming project. The knowledge and technology are being applied at Chan Ngam farm in Nakhon Ratchasima province, which will be developed as an organic agriculture learning center. This project aims to improve the quality and standards of agricultural products, generate more revenue for the farmers and enrich the environment, as well as integrate knowledge into school curricula.



to make young people confident about an agricultural career.

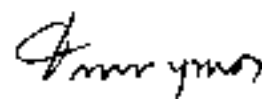
- Implemented a water management project through a scientific approach, in collaboration with the Hydro Informatics Institute, at Ban Wang Yao in Roi-Et province. This project has helped to reduce flooding and increase water retention for the farmers and surrounding communities so they can manage their water resources and have a better quality of life.
- Continued the Quality of Life Improvement Project for rural schoolchildren for the fourth consecutive year. In 2019, the project was implemented at Wat Lam Mahamek School at Lat Lum Kaew district in Pathum Thani province to improve the fundamental infrastructure, public utilities and landscape. This has created a better environment and quality of life for those students and school personnel in order to promote a happy learning and working place.
- Continued the Educational Opportunity Creation Project for students, teachers and schools in remote areas for the sixth consecutive year. In 2019, the project was extended to Nakhon Ratchasima province, covering 253 schools in seven educational districts, with 340 awards granted, totaling almost three million baht. The board members participated in the event and presented the awards themselves.
- Encouraged young people to read more and think creatively through the Thai Literature Conservation Project, which has now been running for 13 years. In 2019, the theme was "Home, temple and school - Happiness in Thai society". Since this project began, over 2,000 stories have been read and more than 16.5 million baht awarded to students and their schools in prizes. All the proceeds from the entries sold, without any deduction for expenses,

have been donated to the Princess Maha Chakri Sirindhorn Foundation to provide scholarships for underprivileged students, amounting to over eight million baht in the last 12 years.

(All the details can be found in the Sustainability Development section.)

2. The Committee endorsed the implementation of SD strategies under the approved framework, and assigned the Company's SD working team to collaborate with the relevant parties at the other companies in the group to ensure that all the operations were aligned across the organization.
3. The Committee encouraged employees to continuously participate in activities that benefit society, for example the Employees with a Volunteer Spirit for Community Development Project funded by the Company. The following projects were proposed and implemented during 2019: playground renovation at Wat Pramote School in Samut Songkhram province; and toilet renovations at Wat Po Rattanaram School in Ratchaburi province and Baan Nhong Faow School in Suphanburi province.
4. The Committee conducted a self-assessment and agreed that it had completely discharged its duties during the year as assigned by the Board of Directors, had a suitable structure and composition, and was operating in an effective and consistent manner.

On behalf of the Committee, I would like to thank all the directors, executives, employees and other stakeholders for their full cooperation. This has resulted in the Company's present success and recognition. We will continue to contribute to society in order to grow strong together, which will drive the economy and create long-term sustainable benefits for the country.



Mr. Chalaluck Bunnag
Chairman of the CSR Committee for Sustainable Development
22 January 2020

Strategic and Organizational Review Committee Report



To: The Shareholders of Intouch Holdings Plc.

The Strategic and Organizational Review Committee ("the Committee") currently comprises seven directors, namely Ms. Jeann Low Ngiap Jong (the Chairperson), Ms. Sopawadee Lertmanaschai, Mr. Prasert Bunsumpun, Mr. Kan Trakulhoon, Mr. Kwek Buck Chye, Mr. Somprasong Boonyachai and Mr. Anek Pana-apichon. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2019, the Committee held a total of five meetings to undertake the duties stipulated in its charter, as approved by the Board of Directors. The significant activities have been summarized below.

- The Committee reviewed the Company's half-year financial results, and monitored the performance of the Company's portfolio.
- The Committee considered new investment opportunities proposed by the management.
- The Committee considered key investment decisions concerning the Company's portfolio.
- The Committee reviewed the amendments to the Company's Approval Authority, concerning venture capital investment & management, before submitting them to the Board of Directors for approval.
- The Committee reviewed the Company's annual business plan, strategic objectives & direction, and budget before submitting these to the Board of Directors for approval.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties during the year as assigned by the Board of Directors, had a suitable structure and composition, and was operating in an effective and consistent manner.

Ms. Jeann Low Ngiap Jong
Chairperson of the Strategic and Organizational Review Committee
13 December 2019

Board of Directors



Dr. Virach Aphimeteetamrong



Mr. Somchai Supphatada



Mr. Chalaluck Bunnag



Ms. Sopawadee Lertmanaschai



Mr. Prasert Bunsumpun



Mr. Kan Trakulhoon



Ms. Jeann Low Ngiap Jong



Mr. Kwek Buck Chye



Mr. Somprasong Boonyachai



Mr. Anek Pana-apichon

Management Team



Mr. Anek Pana-apichon



Mr. Kim Siritaweechai



Mr. Wichai Kittiwittayakul



Ms. Kantima Lerlertyuttiham

Details of Directors and Executives

Dr. Virach Aphimeteetamrong
Age 76 / Thai



Title

Chairman of the Board of Directors and
Authorized Director

Appointment Date as the Director/Management

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

Position in the Company

2007 - Present • Chairman of the
Board of Directors,
Authorized Director,
Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2013 - Present • Independent Director and
Member of the
Audit Committee,
Thai Agro Energy Plc
- 2004 - Present • Independent Director and
Chairman of the

Audit Committee,
Bangkok Chain Hospital Plc

- Independent Director and
Chairman of the
Audit Committee,
Asia Plus Group Holdings Plc
- 1995 - Present • Independent Director and
Member of the
Audit Committee,
Metro Systems
Corporation Plc

1993 - Present • Director, Supalai Plc

Other Companies/Organizations

- 2003 - Present • Director,
TRIS Corporation Co., Ltd.
- 1988 - Present • Chairman (Main job),
Dr. Virach and Associates
Public Firm

Past Experience

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

Illegal Record in the past 5 years^{2/}

None

Mr. Somchai Supphatada
Age 60 / Thai



Title

Independent Director and Chairman of the
Audit and Risk Committee

Appointment Date as the Director/Management

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

Position in the Company

2007 - Present • Independent Director and
Chairman of the Audit and
Risk Committee,
Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

None

Other Companies/Organizations

- 2019 - Present • Director,
Thailand Post Co., Ltd.
- 2018 - Present • Chairman of the Working
Group on Education and

Curriculum Development for
Prevention of Fraud,
Money Laundering and
Terrorism Support,
Federation of Accounting
Professions

- Present • Asst. Prof., Department
of Accounting (Main job),
Faculty of Commerce and
Accountancy,
Thammasat University

Past Experience

- 2014 - 2019 • Chairman of the
Audit Committee,
Police Printing Bureau
- 2007 - 2018 • Member of Accounting
Standards Setting Committee,
South-East Asia University
- 2014 - 2017 • Subcommittee on Monitoring
of Accounting Standard,
Federation of Accounting
Professions
- 2013 - 2016 • Associate Dean for Finance
and Planning,
Faculty of Commerce and
Accountancy,
Thammasat University

Illegal Record in the past 5 years^{2/}

None

Mr. Chalaluck Bunnag

Age 72 / Thai

**Title**

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

Appointment Date as the Director/Management

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

Position in the Company

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

Other Positions at Present**Other Listed Companies in SET**

None

Other Companies/Organizations

- 2011 - Present • Managing Director (Main job), 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.

Illegal Record in the past 5 years^{2/}

None

Ms. Sopawadee Lertmanaschai

Age 66 / Thai

**Title**

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

Appointment Date as the Director/Management

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

Position in the Company

2014 - Present • Independent Director and Member of the Audit and Risk Committee, Intouch Holdings Plc

Other Positions at Present**Other Listed Companies in SET**

- 2019 - Present • Independent Director, Dohome Co., Ltd.
- 2018 - Present • Independent Director and Member of the Audit Committee, Central Plaza Hotel 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

Other Companies/Organizations

- 2019 - Present • Director, The Stock Exchange of Thailand (SET)
- Director, Nationals Saving Fund
- 2018 - Present • Chairman of the Board of Directors and Independent Director, KTBST REIT Management Co., Ltd.
- 2017 - Present • Director, Orthopeasia Co., Ltd.
- Director, General Hospital Products Plc

Past Experience

- 2015 - 2018 • Director, Nationals Saving Fund
- Director, Metropolitan Electricity Authority
- 2014 - 2018 • Director, Government Pharmaceutical Organization
- 2016 - 2017 • Chairman of the Board of Directors, Aisance Co., Ltd.
- 2015 - 2017 • Director, EcoEnergy Group Corporation Co., Ltd.
- Apr - Oct 2016 • Director, Thai Herbal Products Co., Ltd.
- 2014 - 2016 • Director, Provincial Waterworks Authority
- 2013 - 2016 • Expert Commissioner in Finance, Securities and Exchange Commission, Thailand
- 2014 - 2015 • Independent Director and Member of the Audit Committee, CIMB Thai Bank Plc

Illegal Record in the past 5 years^{2/}

None

Mr. Prasert Bunsumpun
Age 67 / 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/Management

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, Suan Sunandha Rajabhat University
- Master Degree in Business Administration, Utah State University, USA

Governance Training of IOD/Others

- RCP: Role of the Chairman Program Class 27/2012
- DAP: Directors Accreditation Program Class 26/2004

Position in the Company

2011 - Present • Independent Director, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2019 - Present • Chairman of the Board of Directors, AIRA Property Plc.
- Independent Director and Member of the Audit Committee, T.K.S. Technologies Plc.

- 2018 - Present • Independent Director and Chairman of Risk Management Committee, PTT Global Chemical Plc.
- Chairman of the Board of Directors, Thaicom Plc
 - Chairman of the Board of Directors and Independent Director, Nok Airlines Plc
- 2017 - Present • Chairman of the Board of Directors and Independent Director, SVI Plc
- 2015 - Present • Independent Director, Thaicom Plc
- 2012 - Present • Chairman of the Board of Directors and Chairman of the Executive Committee, Thoresen Thai Agencies Plc

Other Companies/Organizations

- 2019 - Present • Chairman of the Board of Directors, Yuanta Securities (Thailand) Co., Ltd.
- 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

- 2014 - 2019 • Member, The National Legislative Assembly
- 2011 - 2018 • Chairman of the Board of Directors, PTT Global Chemical Plc
- 2013 - 2017 • Independent Director, PTT Plc
- 2011 - 2015 • Director and Chairman of the Executive Committee, Krung Thai Bank Plc

Illegal Record in the past 5 years^{2/}

None

Mr. Kan Trakulhoon
Age 64 / Thai



Title

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

Appointment Date as the Director/Management

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 Engineering, Mahasarakham University

Governance Training of IOD/Others

- DCP: Directors Certification Program Class 29/2003

Position in the Company

2017 - Present • Director, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2017 - Present • Independent Director, Bangkok Dusit Medical Services Plc
- 2016 - Present • Chairman of the Board of Directors, Advanced Info Service Plc
- Director, Siam Commercial Bank Plc
- 2015 - Present • Independent Director, Advanced Info Service Plc
- Director (Main job), The Siam Cement Plc

Other Companies/Organizations

- 2016 - Present • Director, Advance Wireless Network Co., Ltd.

Past Experience

- 2015 - 2019 • Member of Advisory Board, Nomura Holdings Inc.
- 2011 - 2019 • Global Advisor, Kubota Corporation (Japan)
- 2006 - 2015 • President, The Siam Cement Plc

Illegal Record in the past 5 years^{2/}

None

Ms. Jeann Low Ngiap Jong
Age 59 / Singaporean



Title

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

Appointment Date as the Director/Management

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

None

Position in the Company

2016 - Present • Director, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

2013 - Present • Director,
Advanced Info Service Plc

Other Companies/Organizations

2017 - Present • Director,
Advance Wireless Network Co., Ltd.

2015 - Present • Group Chief Corporate Officer (Main job),
Singapore Telecommunications Ltd.

Past Experience

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

Illegal Record in the past 5 years^{2/}

None

Mr. Kwek Buck Chye
Age 66 / Singaporean



Title

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

Appointment Date as the Director/Management

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

Position in the Company

2015 - Present • Director,
Authorized Director,
Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

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

Other Companies/Organizations

2017 - Present • Director and Member of Audit and Risk Management Committee,
Accuron Technologies Ltd.

2016 - Present • Director and Chairman of Audit Committee,
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.

2000 - 2001 • Chief Financial Officer, Vickers Capital Ltd. & Group

Illegal Record in the past 5 years^{2/}

None

Mr. Somprasong Boonyachai
Age 64 / Thai



Title

Director, Member of the Strategic and Organizational Review Committee

Appointment Date as the Director/Management

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

Position in the Company

2007 - Present • Director, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2017 - Present • Director, BEC World Plc
• Independent Director, Dusit Thani Plc
- 2016 - Present • Vice Chairman of the Board of Directors and Independent Director, Osotspa Plc.
- 2008 - Present • Vice Chairman of the Board of Directors, Advanced Info Service Plc

- 2006 - Present • Director, Thaicom Plc
- 2002 - Present • Independent Director and Member of the Audit Committee, Power Line Engineering Plc

Other Companies/Organizations

- 2017 - Present • Director, National Strategic Committee for the Development and Capacity Building and Human Resources
- 2016 - Present • Director, Advance Wireless Network Co., Ltd.

Past Experience

- 2017 - 2018 • Chairman of the Executive Committee, BEC World Plc
- 2016 - 2017 • Advisor to the Chief Executive Officer, Intouch Holdings Plc
• Independent Director, Prukha Real Estate Plc
- Jan - Dec 2016 • Independent Director, Prukha Holding Plc
- 2014 - 2016 • Director, Praram 9 Hospital Co., Ltd.
- 2008 - 2016 • Chairman of the Executive Committee, Intouch Holdings Plc
- 2008 - 2015 • Chief Executive Officer, Intouch Holdings Plc

Illegal Record in the past 5 years^{2/}

None

Mr. Anek Pana-apichon
Age 54 / Thai



Title

Director, Chief Executive Officer, Member of the Strategic and Organizational Review Committee, Member of the CSR Committee for Sustainable Development, Authorized Director

Appointment Date as the Director/Management

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

- Harvard Leadership Development Program: Harvard Business Publishing (2017-2018)
- Advance Management Program: The Wharton School of the University of Pennsylvania, USA
- DCP: Directors Certification Program Class 111/2008

Position in the Company

- 2019 - Present • Chief Executive Officer, Intouch Holdings Plc
- 2017 - Present • Director and Authorized Director, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2019 - Present • Director and Member of the Executive Committee, Advanced Info Service Plc
- 2018 - Present • Chairman of the Executive Committee, Thaicom Plc
- 2017 - Present • Director and Authorized Director, Thaicom Plc

Other Companies/Organizations

- 2019 - Present • Director, Thai Listed Companies Association
• Director, Advance Wireless Network Co., Ltd.
- 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

- 2018 - 2019 • Director and Member of the Executive Committee, CS LoxInfo Plc
• Director and Member of the Executive Committee, Teleinfo Media Plc
- 2017 - 2018 • Acting Chief Executive Officer, Intouch Holdings Plc
- 2010 - 2018 • Member of the Executive Committee, Thaicom Plc
• Executive Vice President - Finance & Accounting, Intouch Holdings Plc
- 2015 - 2017 • Director, High Shopping Co., Ltd.
- 2010 - 2015 • Director, Thaicom Plc

Illegal Record in the past 5 years^{2/}

None

Mr. Kim Siritaweechai
Age 51 / Thai



Title

Chief Financial Officer (the person taking the highest responsibility in finance and accounting)

Appointment Date as the Director/Management

1 January 2019

Shareholding^{1/} 0.0003%

Relationship with Directors and Management

None

Highest Education

- Master of Business Administration, Thammasat University

Governance Training of IOD/Others

- Harvard#1 Executive Learning Sustainment Program (2018-2019)
- Harvard Leadership Development Program: Harvard Business Publishing (2017-2018)
- DCP: Directors Certification Program Class 116/2009

Orientation Training and Continuing development course in accounting knowledge (Refresh Course)

- Strategic Financial Leadership Program (SFLP) 2019 Beyond Accounting: Strategies to improve performance and financial management for sustainable success organized by the Thai Listed Company Association, 27-29 May 2019 (24 hours)

Position in the Company

2019 - Present • Chief Financial Officer, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

None

Other Companies/Organizations

- 2018 - Present • Director, Wongnai Media Co., Ltd.
- Director, Shenington Investments Pte Ltd.
- 2017 - Present • Director, Little Shelter Co., Ltd
- Director, Event Pop Holdings Pte. Ltd.
- 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.

Past Experience

- 2012 - 2019 • Director, Ookbee Co., Ltd.
- 2014 - 2018 • Executive Vice President - Portfolio Management, Intouch Holdings Plc
- 2010 - 2016 • Member of the Executive Committee, Advanced Info Service Plc
- 2011 - 2014 • Senior Vice President - Portfolio Management, Intouch Holdings Plc

Illegal Record in the past 5 years

^{2/}

None

Mr. Wichai Kittiwittayakul
Age 58 / Thai



Title

Company Secretary and Executive Vice President - Governance, Risk and Compliance

Appointment Date as the Director/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

- Harvard#1 Executive Learning Sustainment Program (2018-2019)
- Harvard Leadership Development Program: Harvard Business Publishing (2017-2018)
- High Performance Board 2015, IMD
- DCP: Directors Certification Program Class 104/2008
- Company Secretary Program - 2005
- Board & CEO Assessment Program - 2003
- Board Policy - 2002
- Board Composition and Relations - 2002
- Board Practices - 2002
- Effective Audit Committee - 2002

Position in the Company

- 2018 - Present • Executive Vice President - Governance, Risk and Compliance, Intouch Holdings Plc
- 2008 - Present • Company Secretary, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

- 2018 - Present • Chief Audit Executive, Thaicom Plc

Other Companies/Organizations

None

Past Experience

- 2013 - 2018 • Executive Vice President - Company Secretary and Internal Audit, Intouch Holdings Plc
- 2011 - 2017 • Member of the Accounting Educational and Technology Committee, Federation of Accounting Professions
- 2010 - 2017 • Advisor, The Institute of Internal Auditors of Thailand (IIA)

Illegal Record in the past 5 years

^{2/}

None

Ms. Kantima Lerlerttitham
Age 49 / Thai



Title

Group Chief Human Resources Officer

Appointment Date as the Director/Management

25 August 2016

Shareholding^{1/} None

Relationship with Directors and Management

None

Highest Education

- Master of Psychology Counseling Service, Rider University, USA

Governance Training of IOD/Others

- Board Nomination and Compensation Program (BNCP) 9/2019
- DCP: Directors Certification Program Class 244/2017

Position in the Company

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

Other Positions at Present

Other Listed Companies in SET

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

Other Companies/Organizations

2018 - Present • Director, CS Loxinfo Plc

Past Experience

- 2012 - 2015 • Deputy Chief Operation Officer, MC Group Plc
- 2011 - 2012 • Chief Human Resources Officer, Prudential Life Insurance (Thailand) Plc

Illegal Record in the past 5 years^{2/}

None

Mr. Anan Chatngoenngam^{3/}
Age 52 / Thai

Title

Senior Vice President - Accountant (the person supervising accounting)

Appointment Date as the Director/Management

1 April 2016

Shareholding^{1/} 0.0016%

Relationship with Directors and Management

None

Highest Education

- Master of Accountancy, Chulalongkorn University

Governance Training of IOD/Others

None

Continuing development course in accounting knowledge (Refresh Course)

- TFRS version 2019 and 2020 Practical Implication organized by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd., 25 September 2019 (7 hours)

Position in the Company

2016 - Present • Senior Vice President - Accountant, Intouch Holdings Plc

Other Positions at Present

Other Listed Companies in SET

None

Other Companies/Organizations

None

Past Experience

- 2011 - 2016 • Assistant to Vice President - Accountant, Intouch Holdings Plc
- 2006 - 2011 • Vice President - Accountant, Intouch Holdings Plc

Illegal Record in the past 5 years^{2/}

None

- Remark: 1) As at 31 December 2019, the number of ordinary shares includes holding by spouse and children age under 20.
- 2) Offences under the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546 specified in the list of offences as follows:
- 2.1 acted or omitted to act, without good faith or with gross negligence, in executing any transaction.
 - 2.2 disclosed or disseminated false information or statement regarding the company or its subsidiary which may cause misunderstanding or concealing material facts that should have been stated which may affect decision making of shareholders, investors or other parties involved.
 - 2.3 engaged in any unfair practice or taking advantage of investors in trading securities or derivatives or aided or abetted thereof.
- 3) Mr. Anan Chatngoenngam is the Company's accountant, and meets the qualifications and conditions to perform the accounting function prescribed in the relevant notification of the Department of Business Development.

Awards and Recognition

01



Best Company Performance Awards in the category of market capitalization of more than 100,000 million baht, in the SET Awards 2019 organized by the Stock Exchange of Thailand.



02



Thailand Sustainability Investment Awards for the fifth consecutive year in the SET Awards 2019 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.



03

Best Public Company of the Year in the Stock Exchange of Thailand and Technology Industry categories organized by Money and Banking magazine, for the second consecutive year.

04

Thailand's Top Corporate Brand Value 2019 in the IT and Telecom category from Chulalongkorn University, for the third consecutive year.



05

CG rating of "Excellent" for the seventh consecutive year in the Corporate Governance Report of Thai Listed Companies 2019, compiled by the Thai Institute of Directors Association (IOD).



06

Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) Certification for the third time in succession organized by Thai Institute of Directors Association (IOD).

08

Sustainability Disclosure Recognition in the Sustainability Disclosure Award 2019 organized by Thaipat Institute.

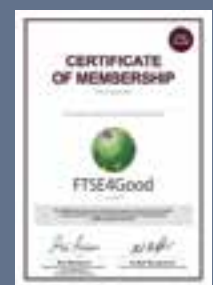


07



ESG 100 Certificate from Thaipat Institute for the fifth consecutive year, recognizing outstanding Environmental, Social and Governance performance.

09



FTSE4Good Index Certification in 2019 for the third consecutive year from FTSE Russell, the global index provider, for outstanding corporate performance in terms of the Environmental, Social and Governance aspects.

INTOUCH Group's Investment Structure

Intouch Holdings Plc ¹⁾



/ As of 17 January 2020

INFINITE PROGRESSION

Other Businesses

41.13%

Venture Capital²⁾

Others

Telephone Services Abroad

Shenington Investments Pte Ltd. **51.00%**

Lao Telecommunications Plc. **49.00%**

TPLUS Digital Co., Ltd. **100%**

Internet and Media Services

Thai Advance Innovation Co., Ltd. **99.99%**

Ookbee Co., Ltd. **20.49%**

Golfdigg Co., Ltd. **25.00%**

Doctor A to Z Co., Ltd. **20.00%**

Choco Card Enterprise Co., Ltd. **19.41%**

Event Pop Holdings Pte. Ltd. **17.96%**

Meditech Solution Co., Ltd. **16.66%**

Playbasis Pte. Ltd. **15.36%**

Peer Power Co., Ltd. **14.89%**

Ecartstudio Co., Ltd. **11.43%**

VVR Asia Co., Ltd. **10.00%**

Wongnai Media Co., Ltd. **8.68%**

YDM (Thailand) Co., Ltd. **8.11%**

I.T. Applications and Services Co., Ltd. **99.99%**

Intouch Media Co., Ltd. **99.99%**

Touch TV Co., Ltd. **99.99%**

High Shopping Co., Ltd. **51.00%**

High Shopping TV Co., Ltd. **99.99%**

Remarks :

1) Listed Company on the Stock Exchange of Thailand

2) Excluded investment in debt security

3) INTUCH has a stake of 52.92% in ITV, which ceased operations, and there are ongoing disputes with the Permanent Secretary of the Office of the Prime Minister.

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-19	2019		2018		2017	
			Million Baht	%	Million Baht	%	Million Baht	%
Local wireless telecommunications	AIS and its subsidiaries	40.45	12,401	111.89	12,043	104.80	12,126	113.62
Satellite and international businesses								
- Profit (loss) from operation	THAICOM and its subsidiaries	41.13	(233)	(2.10)	59	0.51	8	0.08
- Gain from sale of investment			-	-	463 ³⁾	4.03	-	-
- Loss from assets impairment ²⁾			(692)	(6.24)	(741)	(6.45)	(1,098)	(10.30)
Other businesses:	Operated by Intouch Holdings Plc, subsidiaries and associates ¹⁾		(393)	(3.55)	(333)	(2.89)	(363)	(3.40)
Net profit to owners of parent			11,083	100.00	11,491	100.00	10,673	100.00

Remark:

- ¹⁾ Comprised of ITAS Co., Ltd., Intouch Media Co., Ltd., which holds investment in High Shopping Co., Ltd. (a joint venture which operates home shopping in Thailand), ITV PLC. (ITV ceased operations on 7 March 2007) and business under Venture Capital Project.
- ²⁾ Due to the decrease of revenue from satellite after the slowdown of satellite industry from the change in consumer behaviour, together with fierce competition, and a technical incident on the status notification system of Thaicom 5 in 2019, THAICOM had booked impairment loss on satellites and other related assets. The Company recognized the share of these impairment losses at 692 million baht in 2019, 741 million baht in 2018 and 1,098 million baht in 2017 (net of non-controlling interest and tax).
- ³⁾ During 2018, Thai Advance Innovation Co., Ltd. ("Thai AI") (formerly DTV), a subsidiary of THAICOM, sold all ordinary shares in CSL to AWN, a subsidiary of AIS. The Company recognized the share of these gain at 463 million baht (net of non-controlling interest and tax).

INFINITE PROGRESSION



Digital Marketing

Milestones

2019

- High Shopping's revenue continued to grow through offering high-margin products and obtaining repeat orders. The number of sales channels increased on other platforms, namely digital TV, pay TV and satellite TV to reach more viewers. In addition, High Shopping started collecting delivery fees from its customers in the fourth quarter in order to increase revenue.
- INTOUCH invested in three more start-up companies, namely Peer Power Co., Ltd., Doctor A to Z Co., Ltd. and Ninja Logistics Pte. Ltd. In addition, the Company sold all its shares in Digio (Thailand) Co., Ltd. for a return of 30% (capital gain). As a result, there are currently fifteen companies in the InVent portfolio.
- On 5 March, ADD (a subsidiary of AIS) launched an online insurance brokerage service. By leveraging its technological and digital expertise, ADD has developed products and services to accommodate the lifestyle of Thais and support alliances with various industries in order to grow sustainably.
- On 8 May, AIS was awarded the "World's Strongest Telecoms Brand" by Brand Finance, based on survey and ranking results covering financial strength, investment, stakeholder equity and potential for business expansion. Brand Finance is the world's leading independent brand valuation consultancy.
- On 19 June, AWN (a subsidiary of AIS) was granted the right to obtain a license to use the 700MHz spectrum license (in the frequency range 723-733MHz paired with 778-788MHz) by the National Broadcasting and Telecommunications Commission (NBTC). This license will enable AIS to prepare for the future 5G service in order to become a Digital Life Service Provider for businesses and other entities.
- On 24 September, AIS and U-Tapao Rayong Pattaya International Airport jointly announced a new digital service to fulfill the potential of becoming a Smart Terminal in the future.
- On 13 November, AIS collaborated with Huawei Technology (Thailand) Co., Ltd., Nokia (Thailand) Co., Ltd. and ZTE Corporation to test 5G technology. AIS is the only operator to successfully test 5G nationwide.
- In January, LTC (a joint venture company of one of THAICOM's subsidiaries) entered into a Sale and Purchase Agreement to acquire Vimplecom Company Limited, which also operates a telecom business in Lao PDR. This acquisition will significantly enhance LTC's network efficiency and expand its target market, especially among the younger generation. After the acquisition, Vimplecom changed its registered name to TPLUS Digital Company Limited on 2 September.
- On 21 August, THAICOM sold all its shares in CDN, a distributor of satellite receiver sets in Cambodia, to Quality TV Shopping Co., Ltd. for 800,000 US dollars (24,640,320 baht). This disposal of investment was in accordance with a recent adjustment to THAICOM's business direction.
- On 20 September, THAICOM announced that it had signed an Agreement of Intention with Russian Satellite Communications Company (RSCC). According to the framework of the agreement, THAICOM and RSCC will initially study roaming options on their proprietary maritime VSAT networks. Roaming on THAICOM's network will be provided by Nava Roaming Solutions. Nava is THAICOM's new maritime broadband service platform, addressing the needs of ship owners and offshore operators for fast, reliable and secure satellite-enabled broadband connectivity and managed services. The RSCC maritime VSAT network is the largest satellite broadband network in Russia, connecting more than 300 maritime vessels operating in the waters near Russia and Europe.
- On 10 October, THAICOM announced that it had entered into a Memorandum of Understanding (MoU) with China Great Wall Industry Corporation (CGWIC). The two companies will cooperate in the area of application development for Unmanned Aerial Vehicles (UAV) and BeiDou - China's proprietary Global Navigation Satellite System (BDS). This deal is part of THAICOM's ambition to diversify its

business and enter the emerging next technology markets through the integration of space, air, ground and maritime networks.

2018

- High Shopping's revenue continued to grow as the company focused on offering a wider range of products, such as fashion, jewelry, and seasonal items. High Shopping increased its live broadcasting to improve sales, and continued its partnerships with satellite TV operators, in order to raise its profile and reach more viewers.
- INTOUCH invested in three more start-up companies, namely YDM (Thailand) Co., Ltd., Choco Card Enterprise Co., Ltd. and Ecartstudio Co., Ltd. In addition, the Company completed a share swap with VVR Asia Co., Ltd., exchanging its stakes in Infinity Levels Studio Pte. Ltd. and Sinoze Co., Ltd. for preferred shares in VVR Asia. Consequently, there are thirteen companies in the InVent portfolio at the end of 2018.
- In January, AWN and SBN (a subsidiary of AIS) entered into commercial agreements with TOT Public Company Limited (TOT) to strengthen network quality and efficiently serve over 40 million subscribers as data consumption grows. These commercial agreements will end in August 2025.
- In March, AMP (a subsidiary of AIS) signed a joint venture agreement with Rabbit Pay System Company Limited and Line Pay Corporation (Japan) to invest in Rabbit-Line Pay Company Limited ("RLP") with a stake of 33.33% each. The purpose of this investment was to expand into the e-money and e-payment business in response to consumer demand in the digital age.
- In July, AWN reported the results of a tender offer for CSL shares. After the tender offer was executed, AWN's shareholding increased from 81.47% to 98.96% and CSL was delisted from the Stock Exchange of Thailand.
- In August, AWN was granted an 1800MHz spectrum license for the 1740-1745MHz frequency band (paired with the 1835-1840MHz band) by the NBTC. This will align the voice and data services with the 4G standard and improve the user experience.
- THAICOM adjusted its strategy for becoming the leading Asian satellite and digital platform operator by focusing on three areas, namely the core satellite

business, new adjacent business, and business prototyping.

- THAICOM launched its new flagship mobility service in the satellite broadband business ("Nava maritime service platform") to provide maritime connectivity. This will increase the operational efficiency on board ocean-going vessels, and connect their crews and passengers to high-speed internet anywhere and at any time.
- THAICOM and Bangladesh Communication Satellite Company Limited (BCSCL), a satellite operator owned by the government of Bangladesh, signed a multi-year consulting services agreement. Under this agreement, THAICOM will provide comprehensive business and market development services to BCSCL for Bangabandhu Satellite-1, Bangladesh's first geostationary satellite, which was successfully launched in May 2018.

2017

- High Shopping transformed itself in the digital era by collaborating with Lazada and Shopee, the most popular e-commerce websites in Thailand, in order to increase the number of 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). At this point, there were eleven companies under venture capital management through the InVent project.
- In December, AWN (a subsidiary of AIS) acquired a 56.21% stake in CSL from THAICOM and Singtel through a Voluntary Tender Offer at 7.80 baht per share.
- AIS launched AIS NEXT G, a new network to serve high-data users by merging AIS 4G ADVANCED and AIS SUPER WIFI. This network offered 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. The objective of this collaboration was to create value-added services for the business, education, government and telecom sectors in Thailand.

INFINITE PROGRESSION



Nature of Business

INTOUCH operates its business by investing in the telecom, media and technology (TMT) sector, including digital businesses, which is currently one of the most important drivers of economic growth. This sector covers the daily life of consumers and provides services to a large number of users. Over the past 30 years, INTOUCH has supported the country's economic growth by adopting innovative technologies, creating jobs, and making life more convenient through technological developments that serve customer needs.

The Company's 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 home shopping business
 - **I.T. Applications and Services Co., Ltd. (ITAS)**, a subsidiary that provides IT-related services
2. Minor investments in start-up companies, under the **InVent project**, in which INTOUCH is not regularly involved in managing. The Company has set a budget of approximately 200 million baht a year, and does not limit these investments to Thailand but also considers opportunities in other countries. Over the

past eight years, investments have been made in twenty new companies.

INTOUCH operates its business professionally, focusing on asset management to create sustainable benefits for all the stakeholders and maximize shareholder returns, which are the Company's ultimate goals. There are three business segments as follows: 1) **Wireless Telecommunications Business operated by AIS**; 2) **Satellite and International Business operated by THAICOM**; and 3) **Other Businesses**. The major profit contribution currently comes from AIS, which generates the highest revenue and had a market value representing 99% of the Company's net asset value at the end of 2019.

Wireless Telecommunications Business operated by AIS

INTOUCH's biggest investment is in AIS, which had a market capitalization of 633,287 million baht at the end of 2019. INTOUCH's dividends are mostly those passed through from AIS. The latter is the leading digital life service provider in Thailand, operating in three key business areas: mobile (which contributed approximately 71% of total revenue in 2019), fixed-broadband, and digital services. AIS's goal is to be the best and most popular service provider in Thailand.

Mobile Business

At the end of 2019, AIS was still the market leader in terms of revenue and customer market share, with 48% and 45% respectively. The mobile business is operated under licenses granted by the NBTC to use the 900MHz, 1.8GHz & 2.1GHz frequency spectrums

and an agreement with TOT to use the 2.1 GHz frequency spectrum. In 2019, AIS obtained a license to use the 700MHz spectrum, thereby increasing its total bandwidth to 2x70MHz. AIS provides services using 2G, 3G & 4G technology, covering 98% of the population nationwide. The company has begun preparing to enter the 5G era by undertaking research and development with its equipment vendors and various partners, as well as testing the new technology on a trial network, assessing technical capability, and determining processes, future services and utilization across different industries.

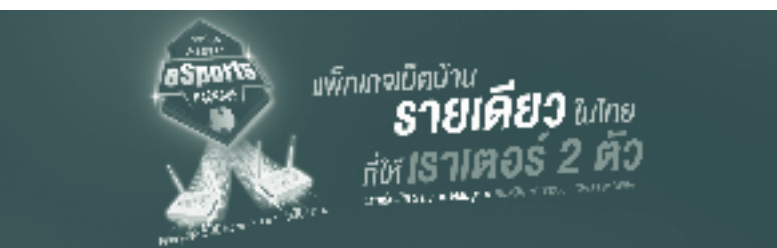
Fixed-Broadband Business

AIS launched its fixed-broadband business under the “AIS Fibre” brand in 2015, with the goal of creating a new source of revenue by utilizing the fibre-optic network that was already in place, and leveraging its mobile subscriber base. AIS Fibre is currently available in 57 cities across Thailand, covering 7 million households. AIS has used its strengths in the provision of FTTH technology to penetrate the market and connect homes to the internet, and is ready to support existing ADSL users who wish to upgrade to better equipment and a superior speed of up to

1 Gbps. In 2019, the fixed-broadband revenue grew by 29% YoY, contributing 4.1% of core service revenue. At the end of the year, there were 1,037,600 subscribers, accounting for more than 10% of the fixed-broadband subscriber market share.

Digital Service Business

This business involves the development of services using digital technology in a variety of formats, including communication networks, internet platforms and technical solutions, for both corporate and retail end-users. This is achieved via cooperation with various partners, along with the development of an integrated business ecosystem in which all of them can grow together and become successful. AIS is currently focused on five main business areas, namely VDO Platforms, Business Cloud, Mobile Money, Internet of Things (IoT), and other platform-based services. The company’s digital services are an important driver that will enable it to access new sources of revenue in addition to its current mobile internet charges. It also allows AIS to be an integrated service provider via the convergence of products and services from its three core businesses.





Industry Conditions and Competition in 2019

In 2019, the total revenue in the mobile industry continued to grow, as the number of subscribers rose to over 93 million by the end of the year, an increase of 2%, representing a penetration rate of approximately 140% of the population. The biggest rise was in the postpaid segment, following the key strategy of bundling attractive discounts on new handsets with data plans tailored to customer usage. At the end of 2019, the number of postpaid subscribers in Thailand accounted for 26% of the total market, an increase of 2% from the previous year, while 66% of the total number of subscribers used 4G, rise from approximately 60% in the previous year. The industry ARPU improved slightly from the previous year, mainly due to softer competition. Most of the competition in 2019 revolved around data price plans, with the continuation of fixed-speed unlimited ones.

In 2019, the NBTC awarded 700MHz spectrum licenses to AIS, TRUE and DTAC. Each company was allocated 2x10MHz bandwidth, which they can start using in October 2020, unless the NBTC specifies otherwise. The 700MHz spectrum is a standard low-band frequency for 5G, which has outstanding features in terms of coverage. As a result of the aforementioned allocations, the payment period for the 900MHz licenses has been extended until 2025.

The fixed-broadband market in Thailand has continued to grow as the nationwide demand for internet connectivity has increased from 43% of households in 2018 to approximately 47% in 2019.

However, the industry saw a total revenue growth of only 2% due to half-price discounts being offered to reduce churn, attract new users, and steal customers from other operators. Service providers continued to upgrade their internet speeds without raising the price and offer affordable high-speed packages. As a result, the industry ARPU saw a decrease from the previous year. Convergence packages continued to be offered, combining high-speed broadband, internet SIMs for mobile phones and various content, as the operators sought to acquire long-term quality customers.

Industry Outlook and Competition in 2020

During 2019, mobile service providers, in collaboration with equipment vendors and other partners, were actively preparing for 5G technology by conducting trials on potential commercial use cases. The operators were also seeking alliances in order to create new business models. For the consumer market, 5G technology is designed to support High-Definition video streaming services, cloud gaming, and the provision of interactive content. For the business market, there are potential new services for various

industries including manufacturing, service provision and agriculture, such as automated processes, remote-control machinery and smart home solutions. The 5G-supported devices will soon be available in the Thai market.

Growth in the mobile market is expected to continue in tandem with rising demand for 4G data packages with price plans that offer good value for money. However, not much growth is expected in the user base. The operators will focus on expanding their postpaid subscriber bases, which have a higher ARPU, by offering attractive price plans and handset discounts.

In the fixed-broadband business, the major services continue to be provided via FTTx technology, and revenue growth in the industry will continue to be driven by consumer demand in urban areas. In certain suburban and remote rural areas there may be limitations due to the cost of installing fibre-optic cables. However, the new 5G network, known as WTTx or Fixed Wireless Access (FWA), will help to overcome these by providing additional broadband coverage. This will allow service providers to better manage network installation costs with regard to specific areas and customer needs.

Business Direction over the Next Three to Five Years

AIS aims to reinforce its goal of becoming a “Digital Life Service Provider” by enhancing its core businesses, namely mobile services, broadband services and digital solutions, and devising innovative products that will enrich people’s lives and support business operations, as well as increase Thailand’s

competitiveness. AIS can see that utilizing the latest technology creates a competitive edge that will strengthen capabilities and drive sustainable growth in Thailand.

Reinforce core businesses and maintain market leadership with quality services and operational excellence

Advancements in telecommunication networks will be necessary as technology becomes more interwoven in people’s everyday lives. AIS aims to maintain its position as the leading mobile service provider in Thailand by continuing to invest in its networks, including the current 4G service and the future 5G one, and improve its capabilities through collaborative research and development with various partners.

Progressing into 5G technology, AIS will strive to cultivate knowledge and study use cases in collaboration with industry experts in order to develop the 5G ecosystem in Thailand. As the prime features of 5G include extremely high speed, ultra-low latency and massive capacity, it will spawn many new services for both the consumer and corporate segments of the market. For consumers, AIS will take the lead in offering rich media (3D video) and entertainment, tailored to personal tastes and preferences through the use of enhanced data analytics.

For enterprises, AIS aims to facilitate the use of 5G technology in industry-specific process automation and customer data management. The company intends to use its network expertise and knowledge to address particular needs, as well as create innovative revenue-generating models.



Increasing access to home broadband and leveraging both fixed and mobile infrastructure

Quality broadband has become essential in Thai households as digital services have become more important. There has been a growing demand for ultra-high-resolution streaming of video content and games, requiring a faster, more reliable and higher-capacity network. AIS plans to continue expanding its broadband network into urbanizing areas, leveraging its currently available infrastructure. With the capability of 5G technology, home broadband can benefit from deploying 5G as FWA, which enables connectivity in areas where installing fiber-optic cables is prohibitively expensive or where there are geographic limitations in building and maintaining the infrastructure. FWA can reduce the set-up cost and time, as connections via mobile equipment make physical cables unnecessary. With growing home access, AIS aims to provide more domestic services in the future, such as entertainment, security and automation.

Adapt new value-added digital services to changing consumer lifestyles, and strengthen enterprise competencies

AIS aims to expand its digital service offerings and make them real-time, predictive and more personalized. These services include video streaming, mobile payments, IoT, cloud computing, gamification and online insurance broking. By building strong business partnerships, increasing convenience and improving platform usability, AIS intends to expand its digital service user base.

AIS also aims to play a major role in addressing the growing needs of corporate digital transformation. The company will reinforce the advanced services it offers, which will include improving its cloud computing capability, looking for partnerships with leading ICT providers, and expanding the capacity of its data centers to capture the rising demand for cloud services. These services will allow enterprises to optimize cost efficiency, ensure system reliability & security, and

strengthen their capabilities, which will complement Thailand's competitive advantage in economic development.

Integrating technology to improve business process efficiency and human resource development

Heading into the digital age, AIS aims to utilize technology to enhance its competitiveness. Firstly, it will not only offer the right product mix with existing services and platforms, but also be able to personalize bundles through the use of data analytics in order to meet increasingly diversified needs. Secondly, AIS will integrate technologies such as Robotic Process Automation (RPA), Artificial Intelligence (AI) and Machine Learning (ML) to enhance its customer services and internal processes, as well as optimize costs. And finally, the AIS Innovation Center and digital learning platform, which provides a variety of courses on demand, have been established to increase the knowledge and skills of AIS's employees. Reinforced by these programs, the employees will be ready to use the latest technological innovations in their work processes, and collectively move towards AIS's goal of becoming a "Digital Life Service Provider" with ease.

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 is focused on long-term return on investment, as its businesses are capital intensive and require specific capabilities. Nearly all the current revenue comes from the Satellite and Related Services business (99% of the total) and 48% of the revenue is generated in Thailand. THAICOM, one of the Company's significant investments, has been established for almost 30 years. Its market capitalization at the end of 2019 was 4,231 million baht.

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 satellite, conventional ones (Thaicom 5, 6, 7 & 8) and a broadband one (Thaicom 4).

The conventional satellites provide end-to-end broadcasting satellite services, in Standard Definition (SD), High Definition (HD) and Ultra-High Definition (UHD) formats, to terrestrial and satellite TV operators, content providers and direct-to-home broadcasters. Its distribution services are the perfect choice for pay-TV and satellite TV operators to transmit television programs and other content to end users.

The broadband satellite is primarily designed to provide broadband internet access (point-to-point). It enables Internet Service Providers (ISPs) to deliver satellite broadband services to groups of residents and small businesses in remote or rural areas of the Asia-Pacific region. THAICOM also provides end-to-end satellite broadband services that allow mobile operators to backhaul their traffic via satellite in the areas not covered by terrestrial networks. The broadband satellite allows businesses, which require dependable connectivity, to run their operations smoothly and safeguard themselves 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 already helped governments during natural disasters, 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 an end-to-end maritime broadband service platform (NAVA) for connectivity at sea, including offshore operators. Passengers and crew members on ships now expect a reliable broadband service, which can also increase safety on board and support operational efficiency.

Other services include a consultancy for satellite service operators and government agencies that want to operate their own satellites. THAICOM recently provided this service to a government agency in Bangladesh, and is currently looking for opportunities to expand it to other countries in South Asia.



Industry Conditions and Competition in 2020

Conventional satellites - Although there is an upward trend in consumer behavior to access video content via internet devices, the impact on demand for satellite bandwidth is limited. This is mainly due to the transition of content resolution from SD to HD & UHD. In the Asian market, the satellite demand in India is growing



due to a higher number of channels and a resolution upgrade to HD, while the growth in Myanmar is mainly from a government drive to provide nationwide communications, especially in rural areas. Mobile backhaul is another key application that has contributed to the growth in demand in order to provide 4G services across Myanmar.

The high demand in Asia has drawn other satellite operators to this market and brought competitive pricing pressure to bear on the existing ones. However, THAICOM does not expect the competition to have a significant impact on its performance, due to its long-term relationships with many customers, along with the high demand for its satellite transponders. There is also a high demand in the African market, as this covers the second-largest continent in the world, with a high population density in some areas but a low penetration rate for telecom services. Africa has a huge potential demand so the impact from the competition will be limited. Intelsat, Eutelsat and SES currently have over 50% of the market share.

Broadband satellite - The global demand for broadband services is expected to increase exponentially. The Asia-Pacific region has the second-highest demand, after North America, and most of its revenue is from mobile backhaul operators and government projects.

The broadband satellite industry is in a transition phase with multiple ongoing developments - including incumbent operators extending to new geographic areas, the emergence of GEO/MEO/LEO High Throughput Satellites (HTS), innovative space - and ground - segment designs, and new business models

& solutions - resulting in a more competitive environment. Nevertheless, it is likely that Thaicom 4 will maintain its competitiveness, as the first mover in the Asia - Pacific market with over ten years of hands-on experience and landing rights in more than ten countries around the region.

Strategies in 2020

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. As of 31 December 2019, there were 972 satellite TV channels (of which 190 were HD channels). As for Thaicom 7 & 8, the company is focused on long-term partnerships with its existing customers in order to continue generating revenue, especially in India. Moreover, the company is concentrating on collaboration with its partners in Myanmar to support mobile backhaul services.

In the African market, THAICOM's strategy is to form strategic partnerships with regional operators to provide broadcasting and telecommunications services such as mobile backhaul, VSAT systems, and full/back-up IP trunking. In addition, the company has entered a partnership with a European teleport services provider to broadcast European TV channels on its Africa platform.

As for the broadband service, THAICOM has placed importance on enhancing the bandwidth efficiency on both the Thaicom 4 platform and its business partners' platforms. This will increase the utilization rate through the sale of wholesale bandwidth to telecom operators, businesses and government sectors in the region, and broadband internet to individual users in potential markets. In addition, THAICOM plans to extend its NAVA services to new geographic areas in international markets. With regard to its long-term plan, THAICOM is considering potential partnerships to operate a Next Generation High Throughput Satellite in order to provide broadband services at very competitive prices.

Internet and Media Services

This service is operated by Thai Advance Innovation Co., Ltd. for the sale and lease of internet platforms and the sale of DTV's satellite dishes, along with broadband & television network and system integration services in Thailand, both installation and consultancy.

Telephone Business Abroad

This service is provided through Lao Telecommunication Public Company (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 operator in Lao PDR, with approximately 1.4 million subscribers at the end of 2019.



Other Businesses

The Home Shopping Business operated by High Shopping has various sales channels, namely satellite, cable & terrestrial TV, and e-commerce. However, most of the revenue is still generated through satellite TV. In 2019, High Shopping enhanced its revenue through various strategies, including business partnerships with channel operators, collection of delivery fees from customers, and the new one of offering products through telesales.



In 2019, High Shopping's revenue was 937 million baht, an increase of 8% from the previous year but lower than the forecast of one billion baht. The revenue

growth was softer than the company had expected due to a slowdown in the satellite TV industry, especially on key platforms.



In 2020, High Shopping will continue to use its business model of partnerships, collecting delivery fees and direct sales, while strengthening competitiveness, differentiating itself through its advertising content, and controlling costs. By using this strategy, the company expects high single-digit revenue growth in 2020, the same as previous year growth due to the economic slowdown, a change in consumer behavior and intense competition.

All of High Shopping's products can be viewed on the satellite television platforms PSI, DTV & BIG4, on the High Shopping channel, as well as other satellite TV channels on airtime rental. The online channel at www.highshopping.com and the mobile application "HIGHSHOPPING" are other options to reach the company and order its products.

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

Corporate Venture Capital under the InVent Project is a separate investment arm of INTOUCH that searches for opportunities in emerging technology in order to generate new growth and supplement the existing business units. The Company continues to follow its policy of investing in the TMT sector, including digital businesses, with a budget around 200 million baht a year. The territory is not limited to Thailand, and the Company currently has investments in Singapore and the United States as well. Under the InVent investment policy, the maximum shareholding in any company is 30% so INTOUCH recognizes profit or loss in proportion

of these investments. Some of the investments are made in the form of convertible loans. The Company decides on the form of investment by analyzing the related risks and the target company's stage in the business cycle.



INTOUCH strives to support and strengthen the start-up community by helping to fund new companies with innovative ideas, promoting collaboration amongst the companies in the group, and standardizing their internal processes such as accounting and legal compliance. In addition, INTOUCH promotes entrepreneurship through various activities, which include coaching, helping to judge local competitions, advising incubator units in both the public and private sectors, participating in the equity market and start-up communities, such as Innovation Thailand Expo (ITE) 2019 by the National Innovation Agency (NIA) and Digital Thailand Big Bang (DTBB) 2019 by the Digital Economy Promotion Agency (DEPA), and joining related associations. The Company also arranges the "InVent Portfolio Meet Up" every year for the founders of companies in which it has invested to share innovative ideas and collaborate. These activities are an opportunity for knowledge-sharing, and allow the Company's staff to build good relationships with the new generation of innovators.



In 2019, INTOUCH invested a total of 111 million baht in three more companies, as described below.



Peer Power Co., Ltd. is a debt crowd funding platform that enables business owners to access funds, while providing investors with alternative options. PeerPower can facilitate unsecured loans for various purposes using flexible financing schemes, which can benefit SMEs. Moreover, loans can be arranged more quickly than through banks, while the potential yield for investors is higher than traditional sources of fixed income and the terms are shorter.







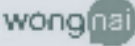



Doctor A to Z Co., Ltd. is a healthcare management platform where healthcare meets technology to facilitate medical treatment and reduce costs. By utilizing its strong network of JCI hospitals and highly-qualified medical specialists, Doctor A to Z aims to provide an easy, quick and convenient way to find the right doctor at any time of the day or night, and thus receive the right treatment.



Ninja Logistics Pte. Ltd. is a provider of innovative logistics technology and services, designed to help e-commerce businesses optimize their logistics and meet their needs. Ninja Logistics currently operates in six countries in South East Asia, namely Singapore, Malaysia, the Philippines, Indonesia, Thailand and Vietnam.

The Company not only made new investments in 2019, but also sold all of its shares in Digio (Thailand) Co., Ltd., in which it had invested in 2017, for a return of 30% (capital gain) or IRR of 13.5%. Therefore, the value of the active InVent portfolio rose to 950 million baht at the end of 2019 (excluding companies that were monetized or impaired), from 728 million baht at the end of 2018, mainly due to additional funding rounds held by some of the companies and the new investments made during the year.

There are now 15 companies under the InVent project (excluding three that were monetized and two that were swapped). The other 12 companies are listed in the table below.

	Company	Nature of Business
2012	 Ookbee Ookbee Co., Ltd.	<ul style="list-style-type: none"> A leading digital publishing platform in Thailand, which has expanded its business to User Generated Content (UGC) including novels and comics.
2013	 MediTech Meditech Solution Co., Ltd.	<ul style="list-style-type: none"> A manufacturer and distributor of eye-tracking communication devices for paralytics and other disabled people, which allows them to communicate with medical staff and relatives clearly and more conveniently.
2015	 playbasis Playbasis Pte. Ltd.	<ul style="list-style-type: none"> A gamification platform for websites and mobile applications, providing innovative digital marketing to connect consumers to brands.
	 golfdigg Golfdigg Co., Ltd.	<ul style="list-style-type: none"> The developer of an online golf-course reservation and payment application, along with golf course websites. A seller of golf-related business products and services, such as spa treatment, golf cart rental, and golf equipment & apparel.
2016	 wongnai Wongnai Media Co., Ltd.	<ul style="list-style-type: none"> An online food and lifestyle review portal for restaurants, beauty salons, travel destinations, etc., along with related services such as meal deliveries through a partnership with LINEMAN. A POS platform provider for restaurants. A news website through a company called Brand Inside. An IT content creator and job-hunting platform through a company called Blognone.
	 OmniVirt Social Nation, Inc.	<ul style="list-style-type: none"> A developer of VR and 360-degree video distribution, along with an online platform for advertisers and publishers under the OmniVirt brand.
2017	 eventpop Event Pop Holdings Pte. Ltd.	<ul style="list-style-type: none"> Thailand's leading end-to-end event management platform with comprehensive technology-oriented services, from ticketing and site access control to related cashless payment solutions and CRM suites.
	 SHOPBACK The Smarter Way Ecommerce Enablers Pte. Ltd.	<ul style="list-style-type: none"> An integrated e-commerce platform called "Shopback" that now operates in eight countries, namely Singapore, Taiwan, Malaysia, Indonesia, the Philippines, Thailand, Australia and Vietnam.

2018	Company	Nature of Business
	 VVR Asia Co., Ltd.	<ul style="list-style-type: none"> A leading provider of premium Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality (MR) solutions on mobile devices. These solutions have been used in various sectors, including healthcare, telecom, entertainment, transportation and education.
	 YDM (Thailand) Co., Ltd	<ul style="list-style-type: none"> A leading digital marketing group in Thailand that provides related services, such as consulting, media hosting, and marketing solutions & platforms.
	 Choco Card Enterprise Co., Ltd.	<ul style="list-style-type: none"> A leading CRM and POS digital platform services provider that develops systems for businesses in the SME sector in order to increase the returning visitor rate and create sustainable revenue growth.
	 Ecartstudio Co., Ltd.	<ul style="list-style-type: none"> A leading designer, developer and provider of location-based information systems, which also offers a consulting service on digital map systems and location-based technology.

INTOUCH can foresee that venture capital investments increase the opportunities for business growth by exploiting new innovations that will generate more profit. The total value of the InVent portfolio has jumped over the past eight years, while most of the companies in which INTOUCH has invested have grown and developed their financial acumen and business skills. If the amounts received for the companies that were monetized were included, totalling 108 million baht, the InVent portfolio would now be worth over one billion baht. The Company aims to continue increasing the value of the portfolio in order to contribute to its shareholder returns in the future.

Moreover, with these new proficiencies, the Company will be able to educate people about the latest technology that can improve their quality of life and add economic value to the country. INTOUCH is aware that the adoption of the latest technology must be appropriate, and tries to choose the best options available to help the communities under its corporate social responsibility program. For example, in 2019 the Company initiated a project with Wongnai Media Co., Ltd. in the rice-growing area of Huai Krajaio in Kanchanaburi province. This project promotes tourist activities and local agricultural products in order to raise awareness of the area and generate more income for the farming community, which will improve their quality of life.



Risk Management and Risk Factors

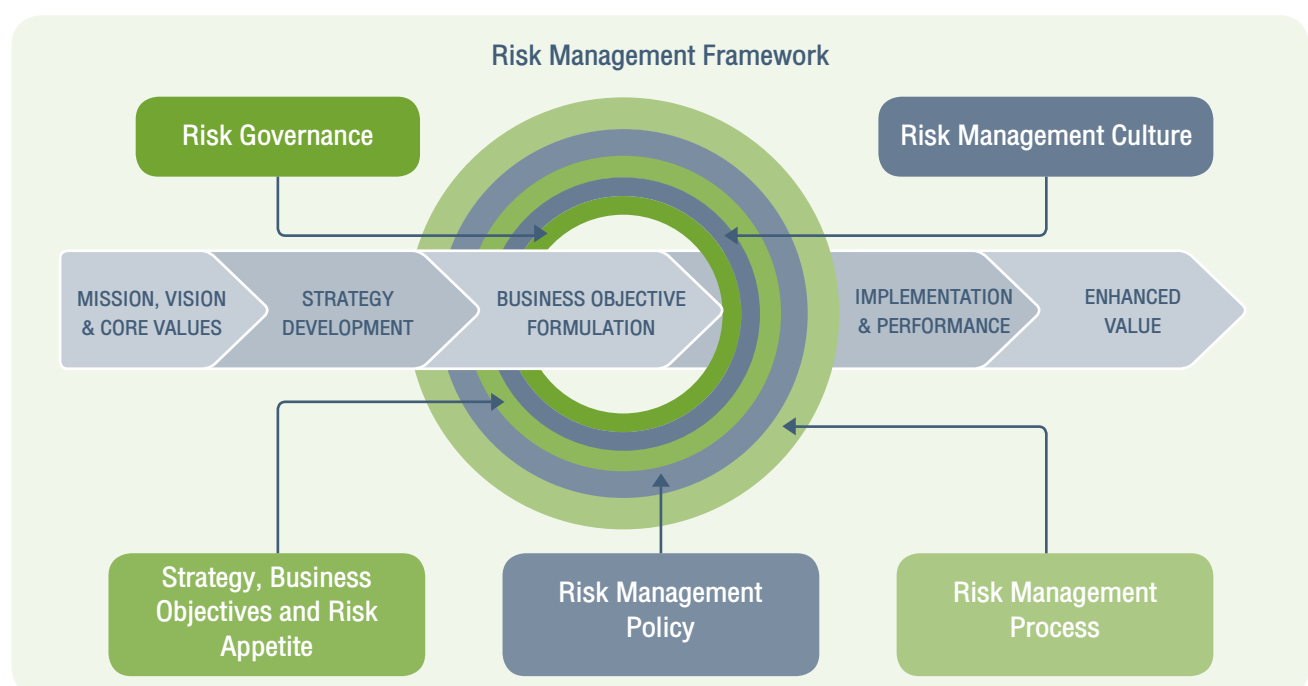
Risk Management

INTOUCH Holdings Plc. (“the Company”) recognizes risk management is an important part of good corporate governance, which provides a basis for the Company to achieve its sustainability objectives, build confidence among stakeholders and the investment community, enable better executive decision-making, and exploit opportunities to create more value. As well as preparing the Company to deal with new risks that are always emerging and any crises that may occur, the implementation of risk management throughout the organization makes it possible to visualize risks that are linked to different departments. This will lead to mutual risk management cooperation, help to reduce performance volatility, and increase the efficiency of the Company’s resource utilization.

The Company is committed to having an Enterprise Risk Management system that meets international standards, by applying the principles and methods defined under the COSO ERM Framework and ISO 31000 guidelines to its risk management framework. This will enable the management and staff to manage risks in a way that is consistent across the Company.

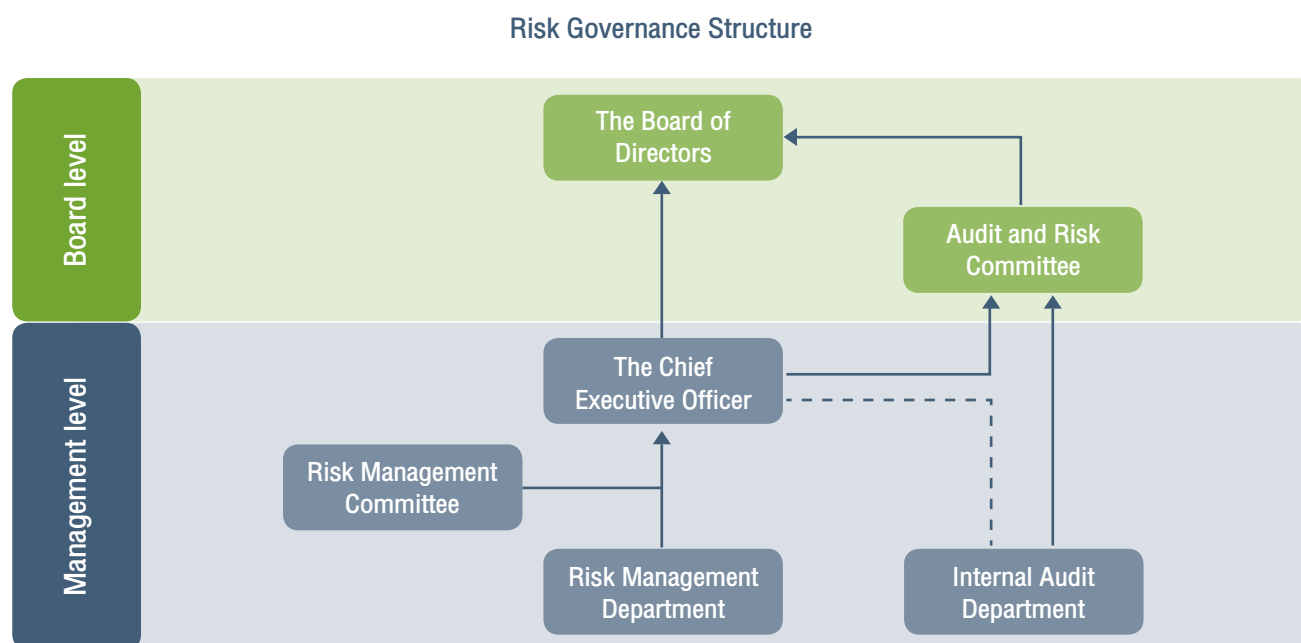
The framework for risk management consists of the following components:

1. Risk Governance
2. Risk Management Culture
3. Strategy, Business Objectives and Risk Appetite
4. Risk Management Policy
5. Risk Management Process



1. Risk Governance

The Company has determined that risk governance is a part of its management at every level. In order to ensure that the structures of supervision and responsibility are appropriate, as well as encourage effective risk management.*



2. Risk Management Culture

The Company realizes that a risk management culture is an important component of its risk management framework. Therefore, the Company is committed to creating and promoting a strong culture of continuous risk management. The objective is to ensure that all of the employees are aware of the risks in their daily operations and take responsibility for managing these appropriately. This will encourage the growth of ideas about risk management and improve the Company's performance and sustainability. The following guidelines have been drawn up for creating and promoting a risk management culture.*



3. Strategy, Business Objectives and Risk Appetite

Strategic planning involves setting out all the Company's strategies and objectives in the overall business plan in order to fulfill its mission and vision, as well as live up to its core values. A good strategic plan must contain clearly defined objectives that are communicated to the relevant business unit to achieve. Risk management is not part of how the Company creates its strategy, but is integrated into its strategic and business objectives through the provision of risk information in order to choose a strategy that is aligned with the Company's risk appetite. Risk appetite is defined as the type and number of overall risks that the Company will accept to create value, as there are various levels of risk involved in different strategies. Therefore, the risk appetite is important in helping the Company decide which strategy to choose and, after making a decision, determining the level of risk tolerance. This is the range of performance that the Company can accept in its business targets within the defined risk appetite levels.

The Company will review its risk appetite levels every year or when significant changes in the internal or external environments lead to changes in business strategies and objectives. This will ensure that the risk appetite levels remain consistent with the Company's strategic plan and objectives.

4. Risk Management Policy

The formulation of a risk management policy provides the direction and support for risk management to be consistent with the Company's strategy and objectives, by providing guidelines for all the executives and employees that can be applied in the same direction.*

5. Risk Management Process

Risk management is integrated into the annual business plan. The risk management process must be applied to the Company's strategic plan and set objectives in order to ensure that any risk events that may occur and affect the achievement of these are managed accordingly. The Company's risk management process involves the following five steps:

1. Determine the risk assessment criteria and risk appetite in parallel with the Company's strategy and objectives.
2. Assess each risk in three sub-steps:
 - 2.1 Identify inherent risk.
 - 2.2 Analyze inherent risk.
 - 2.3 Evaluate inherent risk.
3. Assess the existing mitigation measures and the residual risk.
4. Manage the residual risk.
5. Monitor and review.

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

Risk Factors

The Company is a holding company with investments in the Telecom, Media and Technology (TMT) sector, including digital 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 associates, most of which are paid by AIS. These companies face their own internal and external business risks, such as loss of key personnel, changes in various areas (including technology, legal & regulatory requirements, and customer behavior & needs), and other factors in the business environment, 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 mitigation: The Company requires each company in the group to prepare an annual business plan that sets out its objectives and strategy, which includes exploring business opportunities that arise from innovation and changes in technology such as create new business or revenue in new streams, which will help the companies in the group achieve long-term growth. The annual plan must be considered and approved by the respective business unit's executive

committee and board of directors, on which a representative of the Company sits, prior to implementation. In addition, the Company's Risk Management Committee closely monitors and reviews the risks faced by the business units, while the Management Committee considers the progress of each business plan every month, including the competition, marketing strategies, and financial management. This helps the Company to plan for any risks that might arise in order to ensure that appropriate mitigation measures are implemented in time.

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. With advances in technology, there are increasing investment opportunities in new ventures that utilize digital innovation in non-TMT industries. In all investment cases, the Company aims for appropriate financial returns and is determined to strengthen all the businesses in its portfolio. However, 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 skills, 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 mitigation: The Company has a policy to manage the strategic risk in new business expansion by mainly investing in areas of the TMT sector that have the potential for high growth and in which the Company

has expertise. When investing in non-TMT ventures, the Company takes a precautionary approach and seeks to collaborate with other venture capital firms, as well as government or independent organizations, for the purpose of sharing knowledge and expertise. Co-investment is also considered in order to diversify risk. Every investment case must be approved by the Board of Directors, and there is a pre-determined total annual budget. Each case is carefully considered, taking into account the market size, business model, competitive advantage, interviews with the related management, and valuation of the target company.

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 related sectors proactively and thoroughly in order to discover new trends, technology and business models, as well as keep up to date with the related laws and regulations.

The Company continually updates its organizational structure and talent management & employee development plans, 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 associates 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 mitigation: The Company has a strong financial status and sustainable cash inflow from dividend income, which should maintain its liquidity. The Company

also places a strong emphasis on preserving good relationships with its investors and the financial community, both local and foreign, in order to facilitate future financing requirements.

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 mitigation: The Company has drawn up a HR Policy which supports the engagement and retention of valuable people in the organization through a fair compensation structure and 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 has implemented a systematic succession plan. The Leadership Development and Compensation Committee is responsible for the effectiveness of this plan, assessing the criteria and identifying leadership competencies. Including the individual development plans are drawn up to support the nominated successors, which cover the areas of Managerial Knowledge and Skills, Leadership, Professional/Functional Knowledge & Skills, and Perspective Development. The progress of each successor is continually monitored. The Company is currently focused on developing digital literacy and understanding so that each person will have the necessary skills to work in the digital age.

All of the 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 the telecommunications business involves foreign currency, both in terms of trade and funding, INTOUCH Group is, by necessity, exposed to the risks related to foreign exchange and interest rates. There is currently a rising trend in global interest rates. On 31 December 2019, the Company and its subsidiaries had outstanding foreign currency assets and liabilities totaling 2,347 million baht and 2,510 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 35 to the financial statements.)

Risk mitigation: INTOUCH Group has consistently been very conservative in foreign exchange management, which is based on the net foreign-currency-dominated transactions, revenue and cash-flow structures. The Company closely monitors different factors that influence foreign exchange and interest rates, and implements appropriate risk mitigation measures and hedging instruments that correspond to different situations, in accordance with the hedging policy approved by the Board of Directors, such as foreign exchange forward and swap contracts, and interest rate swap agreements (from a floating rate to a fixed one).

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

Risk: The Thai economy continued to slow down in 2019, with the government cutting the GDP forecasts several times. This was partly due to the impact from the global economic slowdown and international issues, such as the US-China trade war and Brexit uncertainty, along with the continuing appreciation of the baht (which rose 7% against the US dollar over the year).

The latter has affected both Thai exports and inbound tourism.

In 2020, the Thai economy is predicted to be stagnant due to low government investment, the contraction in exports, less private consumption and baht appreciation against regional currencies, which could lead to large capital outflows.

Risk mitigation: INTOUCH Group has prudently managed its own liquidity by maintaining excess cash on hand, diversifying its source of funding in the form of short-term working capital from many banks, 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 of Directors.

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. In 2014, a committee 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*. ("PPS Act") was appointed to reconsider these matters.

Risk mitigation: 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 has been considered by the committee under Section 72 of the PPS Act but has not yet been concluded for the Ministry to take appropriate action.

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 *Telecommunications 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 Type 3 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 as they had been used for transmissions during the concession period. 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 mitigation: 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 Black Case No. 97/2560. The Ministry then submitted a request to the Administrative Court for an interim injunction against the arbitration proceedings so that it could file a lawsuit at the Administrative Court instead. However, the court did not accept this request and ruled that the case must be heard by an arbitral tribunal. The arbitral proceedings began in February 2019, and an award is expected to be issued in one to two years. Either party will be entitled to appeal against the award at the Central Administrative Court if it meets the stipulated legal criteria.

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 mitigation: The Company has established a cyber-security framework and Information Security Policy, under which processes and tools have been implemented, along with protective measures that meet the latest standards for system security and threat detection. In addition, continuous penetration testing is conducted to identify security weaknesses. Moreover, the IT department continually informs the employees of 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 risks. However, these risks may arise from the Company's investment in a business that creates a negative impact on society or the environment.

Risk mitigation: 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 good environmental management and strives to mitigate the material impact

from its operations. 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.

Management of emerging risks

Emerging risks are those that arise from changes in the business environment or various other factors, which may be new risks or related to existing ones, but are still uncertain so their potential impact on the Company's operations cannot be clearly assessed.

The Company invests in the TMT sector, including digital businesses, which involves innovation and rapid changes in technology. Moreover, consumer behavior and the related laws and regulations tend to change often, which can lead to new risks that might have a significant impact on the Company's business operations. On the other hand, some changes could have a positive outcome by creating future business opportunities. In this regard, the Company regularly monitors changes in the business environment, while the Risk Management Committee uses reliable external data to identify emerging risks and choose appropriate mitigation measures.

In the year 2020, there will be significant changes in the law regarding personal data protection. The *Personal Information Protection Act, B.E. 2562*, will come into effect in May. This is a new law for Thailand and the responsible agencies have not yet established clear guidelines in some sections. However, the Company has managed this emerging risk by appointing a working group to monitor the progress made on formulating the relevant guidelines so they can be implemented in accordance with the law.


Corporate Governance Report

Introduction

The Board of Directors (“the Board”) is committed to maintaining good corporate governance and ethical business practices, and demonstrating responsibility to society, the environment and every group of stakeholders. The Board believes that good corporate governance is essential for the Company to uphold probity, maintain credibility, improve transparency and accountability, and create sustainable value. Moreover, it enables the Company to compete ethically in a changing business environment, maximize shareholder returns, and make a long-term beneficial contribution to society.

The Board has adopted and continues to develop the Company’s Corporate Governance (CG) Policy to assist it in discharging its duties in a proper manner. This policy is reviewed periodically to align it with amendments to the SEC’s *Corporate Governance Code for Listed Companies*, and ensure that the Board’s corporate governance practices are effective. Any changes to the policy are communicated to all the directors, executives and employees. The last revision was undertaken on 13 March 2019.

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 2019.

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

The Company’s Corporate Governance in 2019

The Board annually reviews the Company’s corporate governance practices, and monitors those of other leading organizations, both domestic and international, in order to analyze improvements and apply them to

its own business activities. The Company’s CG practices which deviate from the recommended standards are submitted to the Nomination and Governance Committee every year for review. In 2019, INTOUCH made the following improvements:

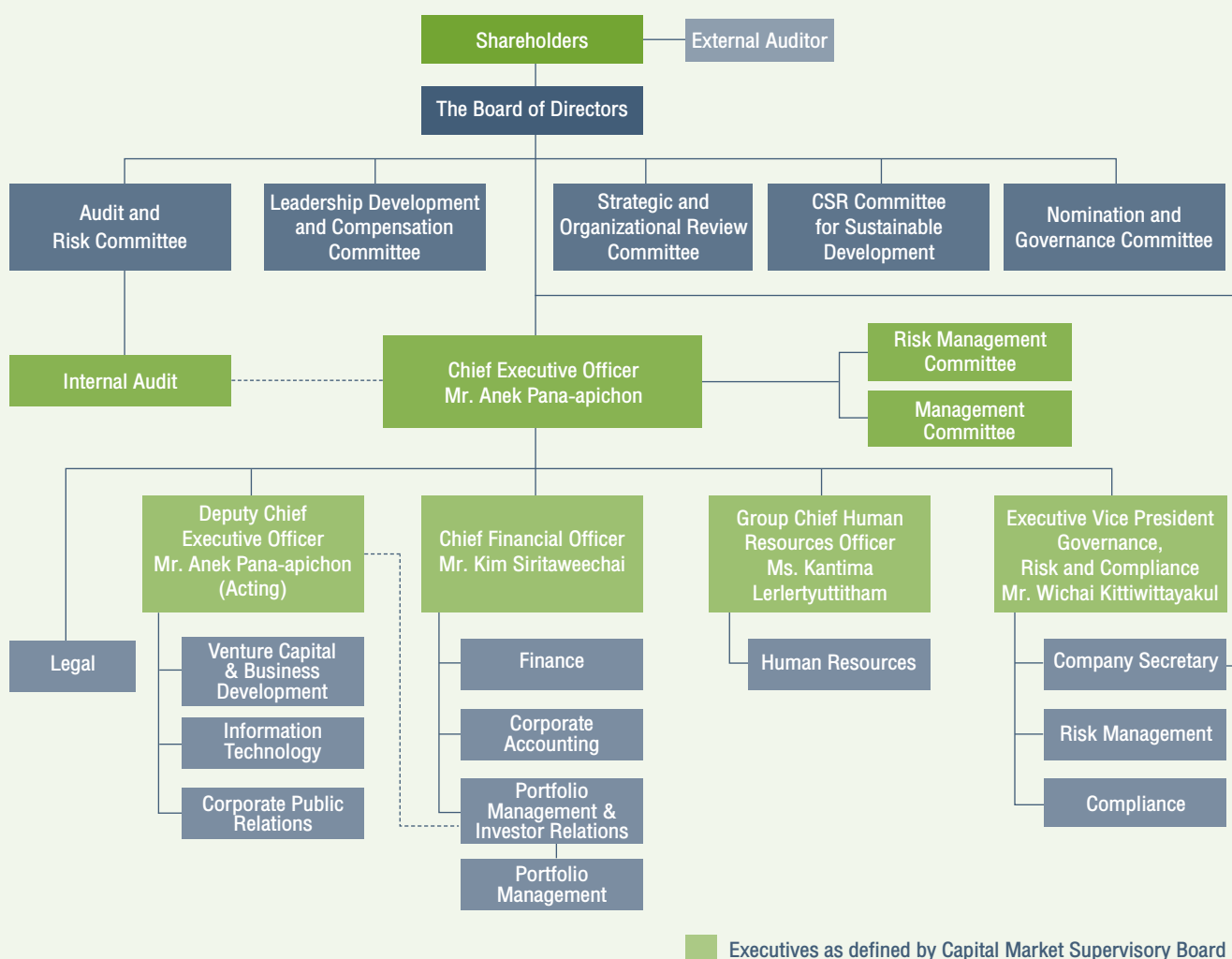
- Reviewed the application of the SEC’s *Corporate Governance Code for Listed Companies* to the Company’s CG practices, which was approved by the Board on 13 March 2019.
- Drew up the Company’s Board Diversity Policy, as a separate document from the CG Policy.
- Expanded the role of the Audit Committee in risk management and changed its name to the Audit and Risk Committee.
- Re-applied for membership of Thailand’s Private Sector Collective Action Coalition against Corruption, and was recertified for the second consecutive time on 18 October.
- Reviewed and amended the Company’s Anti-Bribery and Corruption Program and Policy, and drew up the Procedures for Engaging Third Parties, in order to align the Company’s practices with Section 176 of the *Organic Act on the Prevention and Suppression of Corruption, B.E. 2561* and the *Guidelines on Appropriate Internal Control Measures for Juristic Persons* issued by the National Anti-Corruption Commission.
- Reviewed and amended the Company’s Approval Authority with regard to venture capital investment & management.
- Drew up a Risk Management Framework, which replaced the former Risk Management Policy, in order to comply with the guidelines in the COSO ERM Framework and ISO 31000.

The Corporate Governance Code for Listed Companies

The Securities and Exchange Commission (SEC) developed the *Corporate Governance Code for Listed Companies* (the "CG Code") as principles for boards of directors to apply to their governance practices as deemed suitable in their business contexts. A board of directors may select different practices it considers appropriate, but those practices must achieve the same objectives as the recommendations in the SEC's CG Code (the "Apply or Explain" principle).

In 2019, the Board assessed its application of the principles stipulated in the SEC's CG Code, and concluded that it had applied all of these.

Governance Structure



The diagram above shows the Company's governance structure. Shareholders exercise their decision-making rights through the shareholders' meetings. The Board represents all the shareholders and is responsible for governing the operations of the Company. The Board has delegated responsibility for managing the Company's day-to-day business and operations to the management through the Chief Executive Officer ("CEO"). The Company's external auditor is appointed by the Annual General Meeting of Shareholders.

Shareholders

Capital Structure and Major Shareholders

The Company's registered capital was 5,000,000,000 baht, consisting of 5,000,000,000 ordinary shares with a par value of one (1) baht each. The paid-up capital of 3,206,420,305 baht consists of 3,206,420,305 ordinary shares.

As of 20 August 2019, there were three shareholders that held more than 5% each of the Company's total issued share capital, as shown in the table below.

	No. of shares	%
SINGTEL GLOBAL INVESTMENT PTE LTD	673,348,264	21.00
THAI NVDR COMPANY LIMITED	532,380,897	16.60
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	320,283,660	9.99

Voting Rights

The Company 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, institutional or major shareholders, and provides them with appropriate information and facilities to exercise those rights effectively. Every shareholder receives equitable treatment and is entitled to the following rights, as stipulated in the relevant laws and the Company's Articles of Association:

- 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 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.
- The right to call extraordinary general meetings of shareholders as stipulated in Section 100 of the Public Limited Companies Act.

In addition, every shareholder is entitled to the following:

- The right to participate in shareholders' 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 and the acquisition or disposal of significant assets.

- The right to propose agenda items for the annual shareholders' meeting.
- The right to nominate candidates for directorship.
- The right to use the established channels listed on page 82 to contact the Board.
- The right to discuss business-related matters with members of the Investor Relations department while attending the Company's events, as stipulated on page 82-84 of "Communication with Shareholders and Potential Investors".

Agenda Proposal

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

Shareholders Meetings

Shareholders' meetings are an important part of 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 Company encourages its shareholders, including institutional ones, to attend and participate in all shareholders' meetings. In order to encourage the shareholders to attend, the Company selects a venue that is convenient and easy to access. 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. The details and documents required are stipulated in the notice of the meeting.

The notice of the meeting and related documents are published on the Company's website at least 30 days before the meeting and sent to all the shareholders at least 21 days before. Shareholders are encouraged to submit questions in advance.

The Chairman of the Board, board committee members, the CEO and other executives, and the external auditor 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, the meeting and voting procedures, and their rights under the Company's Articles of Association, 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 the shareholders to express their opinions and ask questions.

The minutes of each 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 eligible 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.

Any shareholders with a conflict of interest in a particular agenda item are not allowed to vote on that item.

Annual General Meeting of Shareholders for 2019

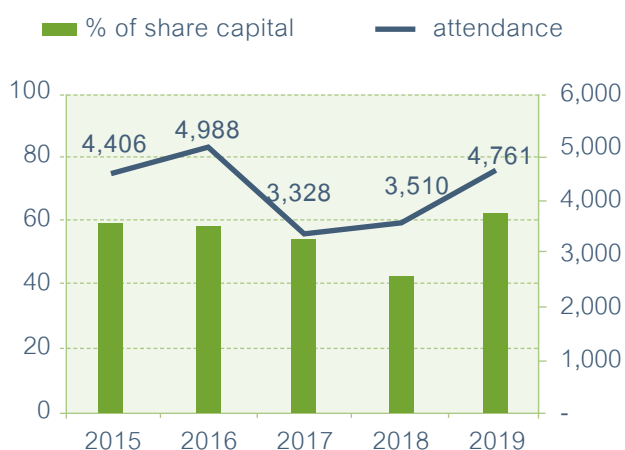
In order to encourage the shareholders to attend, the Company holds its annual shareholders' meetings at a venue in a convenient location. The Annual General Meeting of Shareholders for 2019 was held at Centara Grand Central Plaza Ladprao in Bangkok on 3 April 2019.

The invitation letter, along with the agenda and related documents, was sent to every shareholder prior to the meeting so they had enough time to consider each item. A proxy form was included for shareholders who were unable to attend the meeting in person. These shareholders could choose their own proxies, or one of the Company's five independent directors, to vote on their behalf.

At the Annual General Meeting of Shareholders for 2019, there were 4,761 shareholders present in person, along with proxies acting for absent shareholders, representing 63.82% of the Company's issued share capital. All of the Company's directors and executives attended, along with the external auditor.

Before the meeting started, the shareholders were informed of the rules, the meeting and voting procedures, and their rights under the Company's Articles of Association. The meeting proceeded without any change to the sequence of the agenda items listed in the notice, and no other items were added. The Chairman of the meeting allowed the shareholders to freely express their opinions and ask questions about every item on the agenda.

AGM Attendance from 2015 to 2019



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 key roles of the Board are to set the Company's strategic direction, provide the necessary leadership and oversight to build long-term shareholder value, set the right tone from the top, lead by example, and ensure that good standards of

The meeting passed the following resolutions:

- Approved the financial statements for the year ended 31 December 2018.
- Approved the appropriation of the net profit in 2018 as the annual dividend of 1.17 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 2019 at an amount not exceeding 2.04 million baht.
- Re-appointed Mr. Somchai Supphatada, Ms. Sopawadee Lertmanaschai and Mr. Kwek Buck Chye to the Board for another term of office.
- Approved the remuneration for the Board and its committees in 2019 at not more than 42.5 million baht.

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

Number of Shares Held

As at 20 August 2019	Number of registered shareholders	Registered share capital (%)
1-1,000	24,189	0.37
1,001-10,000	26,378	3.26
10,001-100,000	8,866	8.08
100,001-1,000,000	1,141	9.68
1,000,001-5,000,000	163	11.09
Over 5,000,000	47	67.52
Total	60,784	100.00

behavior permeate all levels of the organization. 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 it has approved while reserving key matters for itself.

The roles and responsibilities of the Board are as follows:

- Provide leadership and set strategic objectives for the Company that promote sustainable value creation, responsible business and good corporate citizenship.
- Review and approve the Company's vision and mission statements, organizational culture, core values and ethical standards.
- Review and approve the Company's strategic direction, business plan, budget and key performance indicators (KPIs), ensure the business plan is implemented accordingly, and monitor the performance against budget and set targets.
- Consider and approve major transactions such as new business investments, acquisition or disposal of assets, major capital expenditure, and any other transactions as prescribed by law.
- Approve and/or agree to all major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand (the SET).
- Appoint the CEO and other senior executives, assess their performance, determine appropriate remuneration, and replace them if deemed necessary.
- Approve the Company's Remuneration Policy and Framework.
- Oversee the Company's process for making timely and balanced disclosure of all material information.
- Ensure that the Company has appropriate and effective risk management and internal control

frameworks, which include a proper IT governance framework, competent IT management and cyber security measures, as well as set the Company's risk appetite and monitor IT risk assessments.

- Oversee the integrity of the Company's accounting and reporting systems, including external audits.
- Ensure avoidance of conflicts of interest amongst the Company's stakeholders.
- Annually review the Company's CG Policy, and assess its effectiveness along with due compliance.
- Ensure that the CG Policy is extended to, and accepted by, all the Company's subsidiaries, associates and joint ventures.
- 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 as defined under the SET's *Code of Best Practices for Directors of a Listed Company*.

Key matters reserved for the Board's approval:

- Strategic direction, business plan, key performance indicators and budget
- Capital expenditure and expenses exceeding certain material limits
- Strategic investments in new businesses, and any 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

Tasks undertaken by the Board in 2019

- Approved the Company's business plan, KPI targets and budget for the year 2019
- Reviewed the operating results for the year 2018 and approved the financial statements
- 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
- Reviewed the Company's risk management report and internal control evaluation results
- Considered the annual 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 2019
- Nominated representative directors at the Company's subsidiaries
- Nominated the Company's representative on a subsidiary's executive committee
- Considered the appointment of the Company's external auditors and fixed the audit fees for 2019
- Called the Annual General Meeting of Shareholders for 2019
- Considered how to vote at each annual shareholders' meeting held by the Company's subsidiaries
- Considered the annual board performance evaluation results
- Monitored the performance of the VC portfolio
- Monitored the pending litigation and regulatory issues at the companies in the group
- Reviewed the Company's Corporate Governance Policy
- Approved a significant policy

Q1

Q2

- Reviewed the operating results for the first quarter of the year and approved the financial statements
- Approved the KPI targets for the CEO
- Monitored the performance of the VC portfolio
- Monitored the pending litigation and regulatory issues at the companies in the group
- Approved amendments to a significant policy

Q3

- 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 2019
- Reviewed the Company's risk management report
- Approved the interim dividend payment
- Approved amendments to the Company's Approval Authority
- Monitored the progress of succession plans for the CEO and senior executives
- Monitored the performance of the VC portfolio
- Monitored the pending litigation and regulatory issues at the companies in the group

Q4

- Reviewed and approved the Company's vision and mission statements, along with the strategic objectives and direction for the year 2020
- Reviewed the vision and mission statements of the Company's major subsidiary and associate, along with their strategic directions
- Reviewed the operating results for the third quarter of the year and approved the financial statements
- Monitored the performance of the VC portfolio
- 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 effectively fulfills its role in every aspect. The 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	The Chief Executive Officer
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Establishes and prepares the Company's vision & mission statements, 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 a 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 2019, the Board comprised ten (10) members as listed below. (All the directors' biographies are shown in the Annual Report for 2019, pp. 22-29.)

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 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.

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.

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.

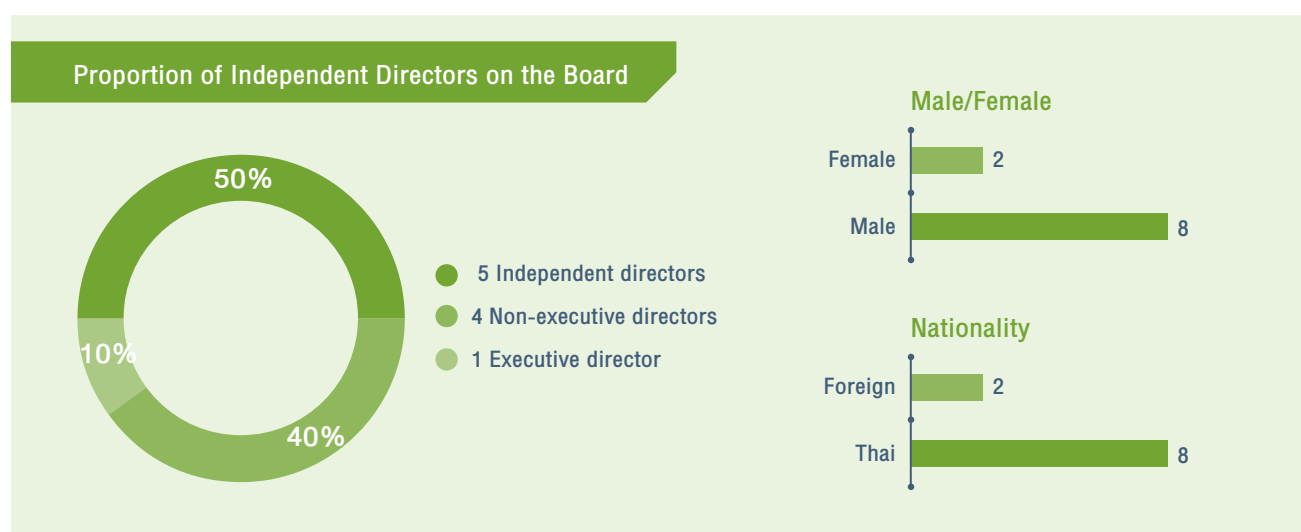
7. Board Diversity

The Board recognizes the benefits of diversity and considers it an important element in effective decision-making and management.

The Board Diversity Policy requires that the Nomination and Governance Committee has at least one female director. Female candidates are included for consideration whenever the Company seeks to appoint a new director. This is to ensure that there is a significant and appropriate female representation on the Board, recognizing that the Board's needs will change over time and taking into account the skills and experience on the Board.

Board diversity has not been limited to gender alone, but it is considered from a number of aspects such as ethnicity, age, cultural and educational background, professional experience, skills, knowledge and attitude. The search for board candidates is conducted by using objective selection criteria and with due regard for the benefits of diversity. All appointments are based on suitability and merit.

In 2019, the Nomination and Governance Committee agreed that a Board Diversity Policy be drawn up, separate from the CG Policy, which the Board of Directors approved on 13 March 2019. Moreover, the committee is currently searching for director candidates among young entrepreneurs and people who have experience in investment banking or M&A or legal.



Skills and Experience (Number of Directors)



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 Supervisory Board 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 will proceed 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 2019, the Board did not nominate or appoint any new directors. Only one of the ten current directors, Ms. Sopawadee Lertmanaschai, was recommended by an external search firm.

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, continuity, attendance at and participation in meetings, and other contributions to the activities undertaken by the Board.

This procedure was followed in 2019 when Mr. Somchai Supphatada, Ms. Sopawadee Lertmanaschai and Mr. Kwek Buck Chye 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 for one to two days 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. These cover the following aspects of the different businesses in the group and their support functions.

Topics	Responsible department
INTOUCH Group's investment structure	Company Secretary
Board and sub-committee matters	Company Secretary
Corporate governance and the Company's other policies	Company Secretary
Strategic direction and the Company's KPIs	Portfolio Management
Overview of the businesses in the group	Portfolio Management
New business investment	Business Development
Relevant regulatory issues and pending litigation	Legal
Risk management	Risk Management
Financing and accounting methods	Finance & Corporate Accounting
Social responsibility programs and corporate image	Corporate Public Relations
Human resource management and development	Human Resources

11.2 Continuous Training and Development Program

A continuous training and development program, paid for by the Company, is provided to all directors to ensure they are adequately prepared to discharge their duties and govern the Company efficiently. The Company Secretary discusses this matter with each director in order to create an individual program suitable for his or her needs. This program may take a variety of forms such as internal and external courses, site visits and overseas trips.

Details of the training and development program during 2019 are shown below.

Name	Training / Seminars / Exhibitions					Board Seminars
	IOD ¹	AIS Digital Intelligent Nation 2019 ²	APSCC 2019 Satellite Conference & Exhibition ³	Overseas trip ⁴	Overseas trip ⁵	Annual Board Education Program ⁶
1. Dr. Virach Aphimeteetamrong	✓	✓				✓
2. Mr. Somchai Supphatada		✓				✓
3. Mr. Chalaluck Bunnag						✓
4. Ms. Sopawadee Lertmanaschai						✓
5. Mr. Prasert Bunsumpun						✓
6. Mr. Kan Trakulhoon		✓		✓	✓	✓
7. Ms. Jeann Low Ngiap Jong					✓	✓
8. Mr. Kwek Buck Chye			✓			✓
9. Mr. Somprasong Boonyachai				✓	✓	✓
10. Mr. Anek Pana-apichon		✓		✓	✓	✓

Remarks:

1. CAC National Conference 2019 : Innovations in the Fight against Corruption
2. AIS Digital Intelligent Nation 2019, held by Advanced Info Service Plc. on 1 February 2019.
3. APSCC 2019 Satellite Conference & Exhibition, held by the Asia-Pacific Satellite Communications Council from 19-21 November 2019.
4. Attended a workshop on collaboration of 5G technology and devices trends organized by Huawei and ZTE, held in China.
5. Attended the Consumer Electronics Showcases 2019 and a workshop on collaboration of 5G technology and devices trends organized by Microsoft and Amazon, held in the USA.
6. Attended the Innovfest Unbound 2019, Advanced Security Operations Centre and FutureNow Innovation Centre in Singapore from 26-29 June 2019.

12. Board Meetings

12.1 Number of Meetings and Schedules

The Board schedules meetings in every quarter, at least eight (8) meetings a year, and meets at other times as necessary. The schedule for the year's meetings is drawn up before the end of the previous year and sent to all the board members in advance so they are able to attend each meeting in order to act in the best interests of the Company.

12.2 Quorum and Meetings

The Company's Articles of Association define the quorum as at least half of the total directors. However, in practice, the Board follows the quorum stipulated in the Company's CG Policy and will only pass resolutions if a minimum of two-thirds of its members are present (excluding those with conflicts of interest). 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.

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 propose agenda items and raise other matters to be discussed.

12.4 Distribution of Meeting Notices and Supporting Documents

The Company Secretary is responsible for distributing the meeting notice and supporting documents at least seven (7) days before the date of each 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 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, and were present at the Annual General Meeting of Shareholders for 2019.

The meeting attendance in 2019 is recorded in the table below.

Name	2019 Annual General Meeting	Board	Audit and Risk Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	CSR Committee for Sustainable Development	Strategic and Organizational Review Committee
1. Dr. Virach Aphimeteetamrong	Yes	8/8					
2. Mr. Somchai Supphatada	Yes	8/8	6/6				
3. Mr. Chalaluck Bunnag	Yes	6/8	6/6			2/2	
4. Ms. Sopawadee Lertmanaschai	Yes	8/8	6/6				5/5
5. Mr. Prasert Bunsumpun	Yes	8/8		3/3	6/6		5/5
6. Mr. Kan Trakulhoon	Yes	6/8		3/3	6/6	2/2	5/5
7. Ms. Jeann Low Ngiap Jong	Yes	7/8		3/3	6/6		5/5
8. Mr. Kwek Buck Chye	Yes	8/8					5/5
9. Mr. Somprasong Boonyachai	Yes	7/8					5/5
10. Mr. Anek Pana-apichon	Yes	8/8				2/2	5/5

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 CG Policy, non-executive directors shall hold regular meetings to discuss matters related to the Company's business, or issues of common interest, without the presence of executive directors. Four meetings were held during 2019 (on 8 February, 10 May, 6 August and 1 November) to consider the CEO's performance evaluation and KPI targets, and discuss the progress made on the succession plan for senior executives.

13. Access to Management and Independent Advisors

Every director has 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 Interest

The Board has established rules and procedures for reporting of directors' and executives' interests in the Company and its affiliated companies to ensure that 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.

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 details of outside board memberships held by each director and the CEO can be found in the Annual Report for 2019, pp. 25-29.)

16. Board Evaluations

The effectiveness of the Board is vital to the success of the Company so it is current policy to conduct an evaluation 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 Board as a whole
2. Evaluation of the board committees
3. Self-evaluation by individual directors

In 2019, the board evaluation was conducted internally and covered the Board as a whole, the board committees and individual directors, with the following assessment areas:

The Board

- Board Composition & Independence
- The Roles of the Chairman
- Board Processes/Roles & Functions
- Board Strategy and Priorities
- Information Management
- Monitoring of Company Performance
- Management of Risks & Adversity
- Management of CEO Performance & Succession Planning
- Representation of Shareholders & Corporate Social Responsibility
- Director Development & Remuneration

Board Committees

- Fulfillment of responsibilities
- Compliance with regulatory requirements
- Effective communication & decisions
- Frequency of meetings and time management
- Suitable mix of capabilities, experience and skills
- Accessibility to other directors

Individual Members

- Contribution
- Knowledge and Abilities
- Teamwork
- Integrity

The Nomination and Governance Committee began the process by reviewing the assessment areas and revising the related questions. The questionnaires for the Board as a whole and for individual members were then distributed, and the completed forms sent to the Company Secretary to compile a report on the results. This report was considered by the Nomination and Governance Committee, which drew up a development plan that was submitted to the Board for consideration.

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 2019. Moreover, the Audit and Risk Committee also conducted an additional self-evaluation using a checklist prepared by the Securities and Exchange Commission.

In 2019, the evaluation revealed that the Board and its sub-committees were operating in an effective manner. The detailed scores are shown in the table below.

Board/Board Committee	Type of assessment	Results
Roles of the Chairman		4.13 out of 5
Board of Directors	The whole board	4.25 out of 5
	Self-assessment	4.12 out of 5
Audit and Risk Committee	The whole committee	4.06 out of 5
	Self-assessment	3.57 out of 5
Nomination and Governance Committee	The whole committee	4.11 out of 5
	Self-assessment	4.13 out of 5
Leadership Development and Compensation Committee	The whole committee	4.17 out of 5
	Self-assessment	4.13 out of 5
CSR Committee for Sustainable Development	The whole committee	3.89 out of 5
	Self-assessment	3.46 out of 5
Strategic and Organizational Review Committee	The whole committee	4.14 out of 5
	Self-assessment	4.04 out of 5

17. Board Committees

The Board has 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 2019	Key roles and responsibilities
Audit and Risk 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) Ms. Jeann Low Ngiap Jong Mr. Kan Trakulhoon	This committee assists the Board in ensuring that the nomination and governance processes are properly implemented with respect to director nomination, board composition & succession plan, board assessment & training, and the Company's compliance with corporate governance standards and best practices.

Board committees and members as at 31 December 2019	Key roles and responsibilities
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. 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.
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 Ngiap 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 achieve business success and 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.
<p> All the board committee charters can be found in the "Corporate Governance" section of our website at www.intouchcompany.com</p>	

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.
- 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 in matters related to the Board, members of management and shareholders.
- 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 issued by the Capital Market Supervisory Board.

The incumbent Company Secretary is Mr. Wichai Kittiwittayakul, who is 58 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.

In 2019, Mr. Wichai Kittiwittayakul attended the following events and seminars:

- Harvard Leadership and Development Program held by Harvard Business Publishing.
- AIS Digital Intelligent Nation 2019, held by Advanced Info Service Plc. on 1 February 2019.
- The Project to Promote Moral and Transparency Standards in Private Entities, held by the National Anti-Corruption Commission on 10 June 2019.
- Analytics and Forensic Technology Showcase, held by Deloitte on 13 June 2019.
- Innovfest Unbound 2019, Advanced Security Operation Centre and FutureNow Innovation Centre in Singapore from 26 - 29 June 2019.
- Risk Management Program for Corporate Leaders, held by the Thai Institute of Directors on 10 - 11 September 2019.
- Re-inventing Internal Controls in the Digital Age, held by PWC on 4 November 2019.
- Economic Sharing with Krungsri Bank on 20 November 2019, with Dr. Somprawin Manprasert and Ms. Roong Sanguanruang as speakers.

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 business plan, strategy and long-term objectives approved by the Board. In addition, the Board approves the CEO's short-term and long-term performance indicators, and considers the CEO's annual performance in order to approve his or her remuneration.

The Board has authorized the Leadership Development and Compensation Committee to determine the CEO's KPIs, and evaluate the results of his or her performance before these are considered by the Board. The CEO's KPIs cover key dimensions, in accordance with the balanced scorecard system, such as portfolio performance, reputation and governance, internal processes, and human resource development. In addition, there are long-term indicators that focus on Total Shareholder Return (TSR) and the Company's Economic Value (EV).

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. Eighteen meetings were held in 2019. The Management Committee consists of the following senior executives (whose biographies are shown in the Annual Report for 2019, pp. 29-31).

Name	Position
1. Mr. Anek Pana-apichon	Chief Executive Officer
2. Mr. Kim Siritaweechai	Chief Financial Officer
3. Mr. Wichai Kittiwittayakul	Executive Vice President - Governance, Risk and Compliance
4. Ms. Kantima Lerlertyuttitham	Group Chief Human Resources Officer

Succession Plan for the CEO and top management

The Board recognizes the importance of the succession planning for top management, especially for the CEO, and has assigned the LDCC, together with the CEO, to develop a succession plan for the CEO (N), the persons who report directly to him or her (N-1), and executive positions at the level below (N-2). Moreover, an external consultant is engaged to assess this plan and help develop it.

In addition, the Company has also developed a succession plan for the lower management level (AVP) by identifying existing personnel. For positions with no potential successors, a development program has been established to train suitable candidates, while external candidates will also be considered. The aim of this program is to guarantee a smooth transition without any impact on the Company's operations in order to maintain stakeholder confidence.

The Company draws up individual development plans (IDPs) for all the designated successors at every level to improve their readiness. If an internal successor is not ready to take up a vacant position, external candidates will be recruited. The succession plan and the IDPs are included in the Company's KPIs.

In 2019, 88% of the approved IDPs were successfully completed.

Role to Stakeholders

The Company respects the rights of every group of stakeholders and has set guidelines within the Code of Conduct, Human Resources Policy and Corporate Social Responsibility for Sustainable Development Policy to ensure that appropriate priorities are maintained for all shareholders, executives, employees, 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 represents all of the Company's shareholders by overseeing every aspect of the business in order to create long-term growth and maximize shareholder value, as well as ensure transparency and the timely disclosure of accurate information. The Board ensures that the Company treats all of its shareholders equally and respects their rights, by applying the related principles and guidelines for good corporate governance. The Company has provided communication channels, such as ir-intouch@intouchcompany.com and companysecretary@intouchcompany.com.

Employees

The workforce is a valuable asset and a critical success factor, so the Company places strong emphasis on developing and promoting a good culture and working atmosphere, teamwork, courtesy, and respect for individuality. All decisions about the hiring, promotion and transfer of employees are based on ethical standards and unlocking employee potential for the benefit of the Company.

The Company is responsible for implementing and maintaining a safe working environment in order to protect the lives and property of all its employees. Moreover, the Company strictly adheres to all the labour laws and regulations in Thailand.

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 about 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, as a Thai company, it has a responsibility to Thailand and Thai society. Therefore, the Company is committed to making social contributions by supporting activities of public interest, and cooperating with the communities in which those activities occur. Information on the Company's CSR program is provided on page 245.

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 annual environmental awareness session for all the employees, and has a policy to purchase and promote the use of products that are environmentally friendly.

Business Partners

The Company's dealings with its business partners are conducted in a manner that upholds the reputation of the Company and all relevant laws. All employees are made aware of the common interests that the Company has with its business partners in order to treat them equitably. The selection of business partners is both fair and transparent, and the Company considers them to be the key factor in jointly creating value for its customers.

The Company has drawn up and implemented a Supplier Code of Conduct, which has been communicated to all its business partners in order to emphasize transparency in every business relationship.

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 in a timely manner, even though it may have a negative impact on the Company's business.

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 and Risk Committee through the channels below.

Mail to:

Intouch Holdings Plc.
Company Secretary Office
SJ Infinite One Business Complex 30F,
349 Vibhavadi-Rangsit Road,
Chompol, Chatuchak, Bangkok 10900

E-mail at:

auditandriskcommittee@intouchcompany.com
(to contact the Audit and Risk Committee)
companysecretary@intouchcompany.com
(to contact the Board of Directors)

All suggestions, complaints or reports will be forwarded to the relevant parties and all actions taken reported to the Audit and Risk 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 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 promptly and directly to the SET, then 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 Potential Investors

Recent developments in technology have made corporate communication more convenient, allowing the Company's stakeholders to access clear and precise information easily and quickly. INTOUCH regularly reviews and updates its disclosure policy in order to ensure that it is appropriate for the current business environment. The information provided to shareholders for the annual general meeting can be viewed via QR codes or website links instead of CDs, while electronic documents have reduced both internal and external paper usage.

Moreover, the Company has promoted itself online through its Facebook page, which is another communication channel for stakeholders. The information on this page includes the Company's performance results, new technology trends, and social & community activities. By the end of 2019, there were more than 10,000 followers, twice the number of the previous year. INTOUCH will continue to develop more effective communication channels to accommodate changing stakeholder behavior.

However, the main communication channels are still available, widely-used and effective. These comprise answering telephone inquiries, regularly posting information on the Company's website, sending e-mail updates to the investment community, and various meetings. In 2019 the Company held two public meetings with analysts and fund managers, eight private on-site meetings with analysts, potential investors and shareholders, and twelve local and international non-deal roadshows (attended by a total of 145 fund managers). The Company was also represented at the SET Opportunity Day every quarter, and published its annual newsletter with details of the half-year performance.

All shareholders and potential investors can submit enquiries through the Company's website under "Request for more information". Every year, the Investor Relations department asks the shareholders, investment community and analysts for feedback on the Company's operations so that it can develop a communication strategy to help them understand the business better and address any concerns. These enquires enable the Company to identify and prioritize issues so that appropriate communication activities can be arranged to resolve them, which will allow the business to proceed smoothly. All the Investor Relations activities in 2019 have been summarized below.

February	<ul style="list-style-type: none"> • 2019 INTOUCH Group Analyst Meeting • 1Q19 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public • Non-deal roadshows in Hong Kong arranged by Thanachart Securities Public Company Limited and Daiwa Securities Group Inc.
March	<ul style="list-style-type: none"> • Non-deal roadshows in Singapore arranged by Kasikorn Securities Public Company Limited • Local fund non-deal roadshow arranged by TISCO Securities Company Limited
May	<ul style="list-style-type: none"> • 2Q19 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public • Local fund non-deal roadshow arranged by KGI Securities (Thailand) Public Company Limited • Participated in dbAccess Asia Conference in Singapore organized by TISCO Securities Company Limited
June	<ul style="list-style-type: none"> • Non-deal roadshows in the United States of America arranged by Maybank Kim Eng Securities (Thailand) Public Company Limited
July	<ul style="list-style-type: none"> • Local fund non-deal roadshow arranged by Country Group Securities Public Company Limited
August	<ul style="list-style-type: none"> • 2019 INTOUCH Group Half Year Analyst Meeting • 3Q19 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public • Participated in Thailand Focus 2019 in Bangkok organized by the Stock Exchange of Thailand

September

- Participated in Thailand Corporate Day in Kuala Lumpur and Singapore organized by Maybank Kim Eng Securities (Thailand) Public Company Limited
- Non-deal roadshows in London, Edinburgh, Copenhagen and Helsinki arranged by Maybank Kim Eng Securities (Thailand) Public Company
- Non-deal roadshows in Tokyo arranged by Thanachart Securities Public Company Limited and Daiwa Securities Group Inc.

November

- 4Q19 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public
- Participated in Thailand Corporate Day in Bangkok organized by Maybank Kim Eng Securities (Thailand) Public Company Limited

Investor Relations arranged engagement activities to help analysts and potential investors, both local and foreign, discuss many topics with the Chief Executive Officer, Chief Financial Officer, and Senior Vice President of Portfolio Management & Investor Relations. The discussions covered changes in technology, the Company's performance and strategic direction, corporate governance policy, environmental and social management, 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.

Frequently asked questions in 2019

INTOUCH	AIS	THAICOM
<ul style="list-style-type: none"> • Share disposal by major shareholder • High discount to NAV gap • Investment strategy • Long-term business objectives • Best performing start-up companies in the InVent portfolio • Dividend policy and ability to increase dividend payout ratio 	<ul style="list-style-type: none"> • Sustainable growth of revenue and profit • Mobile network quality • Competitive landscape in both prepaid and postpaid segments of the mobile business • Spectrum auction to provide a 5G service; future 5G use cases; and CAPEX • Probability of increase in dividend payout 	<ul style="list-style-type: none"> • Satellite industry trends • Revenue turnaround • New business plan to compensate for revenue downtrend in satellite business • LTC's growth prospects



For more information about the Company and its activities, please contact Ms. Tomyantee Kongpoolsilpa in the Investor Relations department through one of the following channels: Tel: (66) 2118 6909 or Email: ir-intouch@intouchcompany.com or the Company's website at www.intouchcompany.com

Company Website

The Company's website (www.intouchcompany.com) is available in both Thai and English. It is regularly updated in order to maintain effective communication with the shareholders and other stakeholders.

Risk Management and Internal Controls

Board Responsibility

Risk management and internal control are essential parts of corporate governance. The Board is ultimately responsible for ensuring that the Company establishes and maintains effective risk management and internal control systems. The Audit and Risk Committee has been delegated this responsibility to assist the Board in fulfilling its duties, while the management is responsible for designing and implementing these systems.

Risk Management

Risk management has been integrated into all areas of the Company's day-to-day operations in order to facilitate the achievement of the Company's business objectives and to safeguard its assets and interests. The Company has drawn up a risk management framework that sets out the risk management governance, risk culture, risk policy and risk appetite, including the ongoing process for identifying, analyzing, evaluating and mitigating material risks, enabling the Company to respond to changes in the business environment. This process is regularly reviewed by the Audit and Risk Committee to ensure that the Company's risk management is functioning effectively.

The key risks faced by the Company have been disclosed in this annual report under the section "Risk Management and Risk Factors".

Internal Controls

The Company has put in place an effective internal control system, which will enable it to respond appropriately to key risks that might affect the achievement of business objectives. This system has been developed based on the COSO (Committee of the Sponsoring Organizations of the Treadway Commission) Internal Control Integrated Control Framework. The key elements of the internal control system include:

- An appropriate organizational structure with clearly defined responsibilities, accountability and approval authority, all of which underpin a proper segregation of duties.
- Policies and procedures covering key business processes, which are communicated to all the employees and reviewed regularly to ensure continued relevance, effectiveness and improvement.
- Relevant information, which is communicated to both internal and external parties to support the achievement of the Company's business objectives.
- Continual monitoring, which is undertaken to ascertain that the internal control system is present and functioning properly or whether changes need to be made.

The Audit and Risk Committee reviews the effectiveness of the internal control system across the Company (which includes financial, operational and compliance controls) by means of regular updates from and discussions with the management, along with the key audit findings submitted by the external and internal auditors. In addition, the Board assesses the effectiveness of the internal control system on an annual basis by using guidelines from COSO's Internal Control-Integrated Framework and the Office of the Securities and Exchange Commission.

The Effectiveness of the Company's Risk Management and Internal Control Systems

Based on the work performed by the Audit and Risk Committee and the results of the internal control assessment, the Board is satisfied that the risk management and internal control systems were adequate and effective throughout the year 2019 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. The latest version 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 and Risk 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

The Company has a Whistle-blowing Policy to encourage all employees and other stakeholders to report any activities or behaviour that may be unlawful or unethical, through secure and confidential channels as shown on page 82.

Every report will be investigated in a manner that is confidential and fair. If the investigation shows that wrongdoing has occurred, the Company will take the necessary disciplinary action and/or legal proceedings against the persons involved and improve its business processes accordingly. The Company provides protection for those who report wrongdoing in good faith and/or assist in an investigation, and will not tolerate threats or intimidation of any kind.

In 2019, one case concerning another company in the group was reported directly to INTOUCH. This case was processed in accordance with the Company's defined procedures, and did not have any material impact on the Company's operations.

 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 prohibit the Company's directors, executives and employees from trading INTOUCH Group's securities and other financial instruments if they possess inside information, as well as 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, senior 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 those held by their spouses/cohabitees and/or minor children, as well as any juristic person in which the aforementioned persons hold an aggregated amount of shares exceeding 30% of its total voting rights if this amount constitutes the largest proportion of the overall shareholding) 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 and Risk Committee and the CEO within seven (7) business days of receipt, and reports the details at the next board meeting.
- 3) Any designated person who intends to trade INTOUCH Group’s securities must notify the Board at least one day in advance.

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

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

Anti-Bribery and Corruption

The Company is committed to conducting its business in a transparent, ethical and lawful manner. As part of this commitment, the Company has a zero-tolerance

policy towards bribery and corruption, and will not pay or accept bribes of any kind, either directly or indirectly. 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.

Moreover, the Company was first certified by Thailand’s Private Sector Collective Action Coalition against Corruption (CAC) in 2013, re-certified in 2016, and re-certified for the second consecutive time on 5 August 2019. The Company also encourages its executives and employees to participate in regular related activities with external parties, such as the Anti-Corruption Day 2019 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 has provided a clear statement of its commitment to conducting business fairly, honestly and transparently, which has been communicated to all of the Company’s 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 that they are appropriate.

- 3) **Policy and Procedures:** The Company has a clear Anti-Bribery and Corruption Policy with detailed guidance and procedures. This covers the areas of political contributions, charitable contributions & sponsorships, facilitation payments, gifts & hospitality, and business relationships.

Moreover, in the year 2019, the Board revised the Anti-Bribery and Corruption Policy and drew up the Procedures for Engaging Third Parties in order to align the Company's practices with those stipulated in the *Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials, and Agents of Public International Organizations* issued by the National Anti-Corruption Commission.

- 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. In the year 2019, the Company held two knowledge-sharing

sessions for executives and employees to discuss the Anti-Bribery and Corruption Policy and Procedures for Engaging Third Parties in order to increase their understanding and encourage strict adherence.

- 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 for reporting 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



IT Governance

The Board has the responsibility for IT governance by ensuring that the Company's IT strategy is properly managed and corresponds with the Company's strategic direction and objectives.

The management has been delegated the decision-making responsibility for significant IT matters, such as the purchases of hardware and software, along with the consideration of other matters, including IT security and technology risks & potential impacts.

The Board has assigned the Audit and Risk Committee to review the Company's technology risks & potential impacts. The processes are detailed in the section on Risk Management and Risk Factors in this report.

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 and Risk Committee will consider prospective auditors and the fees charged by their firms beforehand, and submit its recommendation to the Board for proposal to the shareholders. The Company has a policy to rotate the external auditor in accordance with a notification issued by the Capital Market Supervisory Board, and invites tenders from the leading international audit firms every time this occurs.

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

Audit Fees

The Company's financial statement for 2019 was audited by Mr. Suphamit Techamontrikul (CPA No. 3356) of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (DTTJ), who expressed his opinion. The details of the audit fees paid by the Company and its subsidiaries in the year 2019 are shown in the table below.

(Unit: million baht)

Company	The external auditor under DTTJ	The other auditors under DTTJ and its related firms
Intouch Holdings Plc.	2.04	-
Thaicom Plc. and its group	-	5.94
ITV Plc. and its group	0.46	0.05
Other subsidiaries	-	0.18
Total audit fees	2.50	6.17
Out-of-pocket expenses	0.06	0.36
Total audit fees and out-of-pocket expenses	2.56	6.53

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 stipulates certain services that the external auditor cannot 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 and Risk 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 Service Fees

In 2019, one of the Company's subsidiaries engaged the external auditor to provide a non-audit service, namely auditing a revenue report and other related information. The non-audit service fees for 2019 are shown in the table below.

(Unit: million baht)

Company	DTTJ	DTTJ's related firms
Intouch Holdings Plc.	-	-
Other subsidiaries	0.18	-
Total	0.18	-

Internal Audit

The Company has an Internal Audit department (IA) that functions as a separate unit independent of management. Its primary role is to provide independent and objective assurance services to the Board of Directors and the management on the effectiveness of the Company's risk management, control and governance systems. IA carries out risk-based audits under an annual plan approved by the Audit and Risk Committee. The work of IA is guided by the International Standards for the Professional Practice of Internal Auditing published by the Institute of Internal Auditors.

The head of IA reports functionally to the Audit and Risk Committee and administratively to the CEO. The appointment, rotation or removal of the head of IA is subject to the approval of the Audit and Risk Committee. The current head 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) with over 20 years of work experience in this field. His areas of expertise include corporate governance, compliance, internal control, internal audit and risk management. The Audit and Risk Committee is satisfied that Mr. Adisak has the appropriate qualifications, experience and training to perform this role.

Compliance Unit

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

Corporate Governance of Subsidiaries and Affiliates

Corporate Governance Practices

As INTOUCH is a holding company, the Board protects the Company's interests by overseeing its subsidiaries and affiliates in the following ways:

- Encourages them to adopt good corporate governance principles.

- Appoints the Company's representatives to their boards or management teams in proportion to the Company's shareholding.
- Monitors 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 their operating results through its representative directors, the Company's management and the Management Committee.
- Monitors compliance with the rules and regulations regarding related-party transactions, acquisition or disposal of assets, and adequate and timely disclosure of information. This 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 external audits 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., both parties stated that they did not have any mutual intention 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 listed companies of a similar size by benchmarking with the top 30 listed companies by market cap. The compensation is also commensurate with the Company's performance, and each director's responsibility and performance, in order to attract and retain qualified people.

The Annual General Meeting of Shareholders for 2019, held on 3 April 2019, 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 retainer (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 retainer (bonus) is 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.

The Company has not provided any other remuneration to its directors. However, all of them are covered by Directors & Officers Liability insurance as well as health and life insurance. Every director is provided with training courses, along with mobile devices to facilitate communication and access to the Board Portal system in order to ensure that they can discharge their duties effectively. The Chairman of the Board is provided with a car and driver to facilitate the performance of his duties. The Company is responsible for all work-related expenses, as set out in the relevant policies.

Details of Monthly Retainers & Meeting Fees

Unit: baht

	Monthly Retainer	Meeting Fee	Annual Retainer (Bonus)
The Board of Directors			
Chairman	300,000	-	✓
Member	75,000	25,000	✓
Audit and Risk Committee			
Chairman	25,000	25,000	✓
Member	-	25,000	✓
Other Board Committees			
Chairman	10,000	25,000	✓
Member	-	25,000	✓

During 2019, the total compensation paid to the Board and board committee members was 36,149,484 baht (including accrued annual retainer [bonus] of 21,084,000 baht paid in February 2020), an increase of 185,484 baht, or 0.52%, from 35,964,000 baht in 2018. The payments to each individual are shown below.

Name	Position	Compensation for 2019 (baht)
1. Dr. Virach Aphimeteetamrong	> Chairman of the Board	5,291,256
2. Mr. Somchai Supphatada	> Director > Chairman of the Audit and Risk Committee	3,983,563
3. Mr. Chalaluck Bunnag	> Director > Chairman of the CSR Committee for Sustainable Development > Member of the Audit and Risk Committee	3,804,415
4. Ms. Sopawadee Lertmanaschai	> Director > Member of the Audit and Risk Committee > Member of the Strategic and Organizational Review Committee	3,808,563
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	4,003,563
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	4,003,563

Name	Position	Compensation for 2019 (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 	3,970,500
8. Mr. Kwek Buck Chye	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	3,650,500
9. Mr. Somprasong Boonyachai	<ul style="list-style-type: none"> > Director > Member of the Strategic and Organizational Review Committee 	3,633,563
	Total	36,149,484

Note: The remuneration for Ms. Jeann Low Ngiap Jong was paid to Singtel Global Investment Pte. Ltd. in accordance with the Singtel Group Framework.

1.2 Executives' Compensation

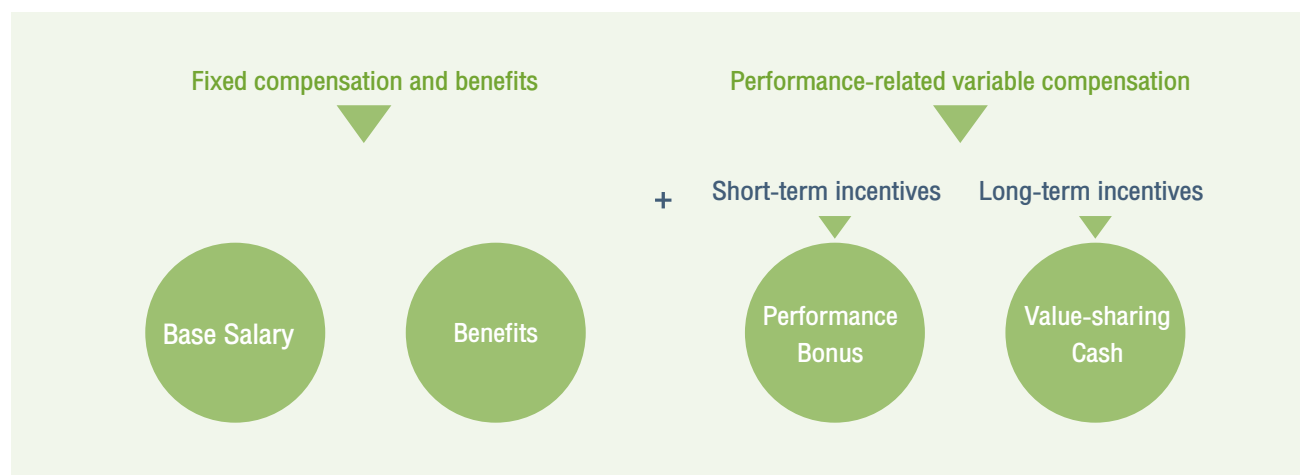
1.2.1 Compensation Philosophy

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	Shareholder Alignment	Competitive Compensation
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Appropriate performance metrics are selected for short- 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. 	<ul style="list-style-type: none"> • 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 CEO and 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

This incentive drives fundamental performance and encourages the executives to create growth and value for the shareholders. It is based on the Company's long-term performance and economic profit, with the aim of fostering sustainable growth and aligning the interests of the executives with those of the shareholders. 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.

	CEO	Executives	All Employees	Description	Objectives & 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 the Company's long-term performance and economic profit in order to drive fundamental performance, as well as create sustainable growth and value for shareholders.

In 2019, the total monetary compensation for the four (4) members of the management team (as defined by the Capital Market Supervisory Board) was 30.94 million baht, which comprised salaries, bonuses, provident fund contributions and other benefits.

In addition to the above compensation, warrants have been issued and offered to some of the executives to purchase the Company's ordinary shares under a Performance Share Plan for five consecutive years, from 2013 (Grant 1, which ended on 1 June 2018; and Grant 2, which ended on 1 June 2019) to 2017 (Grant 5, which will end in 2022). Four executives have been offered these warrants, as detailed in the table below.

	Grant 3		Grant 4		Grant 5	
Exercise Price (per share)	81.276 baht		55.241 baht		53.806 baht	
Name	Units	%	Units	%	Units	%
1. Mr. Anek Pana-apichon	70,662	7.57	70,076	10.44	92,160	8.32
2. Mr. Kim Siritaweechai	70,662	7.57	70,076	10.44	115,200	10.40
3. Mr. Wichai Kittiwittayakul	70,662	7.57	70,076	10.44	92,160	8.32
4. Ms. Kantima Lerlertyuttitham	-	-	-	-	-	-

2. Compensation for the Core Subsidiary's Directors and Executives

2.1 Compensation for THAICOM's Directors

During 2019, THAICOM paid its directors total compensation of 14,208,167 baht (including accrued annual bonuses of 4,397,250 baht paid in February 2020 and other benefits), a decrease of 1,545,132 baht, or 9.81%, from 15,753,299 baht in 2018. The payments to each individual are shown below.

Name	Position	Compensation for 2019 (baht)
1. Mr. Prasert Bunsumpun	> Chairman of the Board	3,877,500
2. Mrs. Patareeya Benjapolchai	> Director > Chairman of the Audit Committee > Member of the Governance and Nomination Committee	2,264,750
3. Prof. Samrieng Mekkiengkrai	> Director > Chairman of Governance and Nomination Committee > Member of the Audit Committee > Member of the Compensation Committee	2,052,500
4. Mrs. Charintorn Vongspootorn	> Director > Chairman of the Compensation Committee > Member of the Audit Committee	1,952,500
5. Mr. Kwek Buck Chye	> Director > Member of the Governance and Nomination Committee > Member of the Executive Committee	1,832,500
6. Mr. Somprasong Boonyachai	> Director	1,407,500
7. Dr. Phuwieng Prakhammintara*	> Director	820,917
	Total	14,208,167

Remark: * Dr. Phuwieng Prakhammintara was appointed a director to replace Mrs. Arthidaya Sutatam, effective 2 April 2019.

2.2 Compensation for THAIKOM's Executives

In 2019, the total monetary compensation for the seven (7) members of THAIKOM's management team (as defined by the Capital Market Supervisory Board) was 41.64 million baht, which comprised salaries, bonuses and other benefits.

In addition, warrants have been issued and offered to THAIKOM's executives (in accordance with the management structure as of 16 May 2019) to purchase THAIKOM's ordinary shares under a Performance Share Plan, as detailed in the list below.

Grant 3			Grant 4	
Exercise Price (per share)				
37.626 baht			25.918 baht	
Name	Units	%	Units	%
1. Mr. Anant Kaewruamvongs	-	-	-	-
2. Mr. Patompob Suwansiri	97,611	8.99	96,738	9.00
3. Mr. Anuwat Sanguansappayakorn	-	-	-	-
4. Mr. Wichai Kittiwittayakul	-	-	-	-
5. Dr. Sakon Kittivatcharapong	35,335	3.26	35,019	3.26
6. Mr. Ekachai Phakdurong	38,849	3.58	38,502	3.58
7. Mrs. Pannee Nivasnanda	23,622	2.18	21,282	1.98
8. Mr. Salil Charuchinda	21,477	1.98	21,282	1.98

Note: Warrants under the Performance Share Plan in Grant 1 expired on 1 June 2018, and Grant 2 on 1 June 2019.

Name	Intouch Holdings Plc				Advanced Info Service Plc				Thaicom Plc			
	Ordinary Shares		Changes during 2019		Ordinary Shares		Changes during 2019		Ordinary Shares		Changes during 2019	
	31 Dec 2018	Increase	Decrease	31 Dec 2019	31 Dec 2018	Increase	Decrease	31 Dec 2019	31 Dec 2018	Increase	Decrease	31 Dec 2019
1. Dr. Virach Aphimeteetamrong Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	1,000	- - -	(1,000)	- - -
2. Mr. Somchai Supphatada Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
3. Mr. Chalaluck Bunnag Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
4. Ms. Sopawadee Lertmanaschai Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
5. Mr. Prasert Bunsumpun Spouse Minor children	- - -	- - -	- - -	- - -	80,000	- - -	- - -	80,000	- - -	- - -	- - -	- - -
6. Mr. Kan Trakulhoon Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
7. Ms. Jeann Low Ngiap Jong Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
8. Mr. Kwek Buck Chye Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
9. Mr. Somprasong Boonyachai Spouse Minor children	181,459 - -	- - -	- - -	181,459 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
10. Mr. Anek Pana-apichon Spouse Minor children	70,000 - -	- - -	- - -	70,000 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
11. Mr. Kim Sirtaweetchai Spouse Minor children	10,500 - -	- - -	- - -	10,500 - -	1,000	- - -	- - -	1,000	- - -	- - -	- - -	- - -
12. Mr. Wichai Kittiwittayakul Spouse Minor children	87 - -	- - -	- - -	87 - -	- - -	- - -	- - -	- - -	50	- - -	- - -	- - -
13. Ms. Kantima Lerlertutthitham Spouse Minor children	- - -	- - -	- - -	- - -	- - -	4,246	- - -	4,246	- - -	- - -	- - -	- - -

Securities held by Directors and Executives

Name	I.T. Applications and Services Co., Ltd.				Intouch Media Co., Ltd.				ITV Plc. ^{1/}			
	Ordinary Shares				Ordinary Shares				Ordinary Shares			
	31 Dec 2018	Changes during 2019		31 Dec 2019	31 Dec 2018	Changes during 2019		31 Dec 2019	31 Dec 2018	Changes during 2019		31 Dec 2019
		Increase	Decrease			Increase	Decrease			Increase	Decrease	
1. Dr. Virach Aphimeteetamrong Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
2. Mr. Somchai Supphatada Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
3. Mr. Chalaluck Bunnag Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
4. Ms. Sopawadee Lertmanaschai Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
5. Mr. Prasert Bunsumpun Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
6. Mr. Kan Trakulhoon Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
7. Ms. Jeann Low Ngiap Jong Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
8. Mr. Kwek Buck Chye Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
9. Mr. Somprasong Boonyachai Spouse Minor children	4 - -	- - -	- - -	4 - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
10. Mr. Anek Pana-apichon Spouse Minor children	2 - -	- - -	- - -	2 - -	- - -	- - -	- - -	- - -	20 - -	- - -	- - -	20 - -
11. Mr. Kim Siritaweechai Spouse Minor children	- - -	- - -	- - -	- - -	1 - -	- - -	- - -	1 - -	20 - -	- - -	- - -	20 - -
12. Mr. Wichai Kittiwitayakul Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
13. Ms. Kantima Lerlerttyuttham Spouse Minor children	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -

Remarks ^{1/} Currently not operation.

Related-Party Transactions

The policy and approval of related-party transactions of INTOUCH Group

The policy of related-party transactions

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 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, transparency besides reasonably in order to create the highest benefit for the Company. The Policy is intended to:

- Ensure that all related-party transactions of 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.

The 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 and Risk 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

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 Company will compare to the price with the same business which according to normal business conditions.

The Audit and Risk Committee’s opinion on related-party transactions was expressed in the Audit & Risk Committee Report for each year, 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 of the Company and subsidiaries with companies that could be seen as conflicts of interest and necessity/reasoning during the years are described in the table below.

Name of related-party / Relationship	Transaction	Transaction Value (million baht) For the years ended 31 December			Necessity / Reasoning
		2017	2018	2019	
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.	Income: INTOUCH Group had income from AIS as follows:				
	1. Income from HR management	-	1.20	2.22	AIS appointed an executive of INTOUCH to manage human resources in order to support normal business of AIS. The service fee was determined by the market rate and based on the proportion of overall work and responsibility.
	2. Income from development and maintenance services of computer program	120.72	103.31	166.59	A subsidiary (ITAS) develops and provides maintenance services of computer program. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
	3. Income from transponder rental, sale of equipment and others	74.37	85.48	60.39	A subsidiary (THAICOM), the only satellite operator in Thailand, provides satellite transponder leasing services for transmission of television and communications signals. The related-party transactions were normal business practice. The internal customers pay the same prices as external customers.
	4. Income from sale of investment in CSL	-	1,951	-	A subsidiary, Thai Advance Innovation co., Ltd. ("Thai AI") (formerly DTV) sold all ordinary shares in CSL to AWN, a subsidiary of AIS. This is to enhance the enterprise data service business of AWN, and its competitive position as well as increase AWN's market share in the enterprise data service market. Thai AI sold at the offering price of Baht 7.80 per share, which was within the range of market price considered by the financial advisor and in accordance with the Notification of the Capital Market Supervisory Board.

Name of related-party / Relationship	Transaction	Transaction Value (million baht) For the years ended 31 December			Necessity / Reasoning
		2017	2018	2019	
	5. Service income from providing mobile contents and outsource call center	199.60	14.36	-	<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, call center services and advertising in yellow pages business.</p> <p>The related-party transactions with both companies were normal business practices. The prices and business condition are the same as external customers.</p> <p>*During 2018, Thai AI sold all investments in CSL (a major shareholder of ADV and TMC) to AWN, therefore, the status of CSL was changed from a subsidiary to an associate.</p>
	Expenditure: INTOUCH Group used services of HR management, mobile phone, datanet and leased line internet provided by AIS				
	1. HR management	1.18	1.28	1.28	INTOUCH appointed an executive of AIS to manage human resources in order to support normal business of the Company. The service fee was determined by the market rate and based on the proportion of overall work and responsibility.
	2. Airtime, datanet and leased line internet	24.87	9.65	8.00	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.

Name of related-party / Relationship	Transaction	Transaction Value (million baht) For the years ended 31 December			Necessity / Reasoning
		2017	2018	2019	
2. 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 2. Interest income 3. Income from development and maintenance services of computer program	8.07 89.96 0.02	7.72 101.60 0.03	7.39 103.26 0.03	A subsidiary (THAICOM) has a policy to govern its investments to derive maximize benefits. SHEN paid consultancy and management fees to THAICOM on a monthly basis, which is calculated at actual staff costs. A subsidiary (THAICOM) provides shareholder loan (in proportion to its investment) to support SHEN. The interest rate was charged at actual cost plus margin on an arm's length basis. A subsidiary (ITAS) develops and provides maintenance services of computer program. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
3. Singapore Telecommunications Limited and its group (Singtel) Singtel and the Company have the same indirect major shareholders.	Income: INTOUCH Group provides internet services and server co-location	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. *During 2018, Thai AI sold all investments in CSL to AWN, therefore, the status of CSL was changed from a subsidiary to an associate.

Name of related-party / Relationship	Transaction	Transaction Value (million baht) For the years ended 31 December			Necessity / Reasoning
		2017	2018	2019	
	Expenditure: INTOUCH Group paid for the gateway rental and international link	1.29	0.10	-	Singtel is specialized in International Private Leased Circuit domestic and international connectivity. The related-party transactions were normal business practice of CSL. The internal customers are normally charged the same rates as external customers. *During 2018, Thai AI sold all investments in CSL to AWN, therefore, the status of CSL was changed from a subsidiary to an associate.
4. 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. *During 2018, Thai AI sold all investments in CSL to AWN, therefore, the status of CSL was changed from a subsidiary to an associate. The transaction of INTOUCH Group with CSL will be presented under AIS.	Income: INTOUCH Group had income from CSL as follows: Income from accounting program maintenance services and software developing	3.54	-	-	A subsidiary (ITAS) develops and provides maintenance services of computer program. 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.
	Expenditure: INTOUCH Group used leased line internet and data link. Rental and other services	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.

Future related-party transaction

The Company will continue to have related-party transactions which are synchronized among its business units with the fairness of price and conditions as the main consideration of the connected transactions or related transactions of the Company and INTOUCH Group.

Management Discussion and Analysis of Financial Results of Operations

Executive Summary

In 2019, INTOUCH's total shareholder return was 25% (comprising capital gain on investment of 20% and dividend yield of 5%), much higher than the SET Index return of 1%. The Company strives to deliver the best possible shareholder returns in order to create sustainable wealth. The Company is currently studying 5G technology in depth, as well as exploring new opportunities in the digital space, so that it can invest in the related technology and realize its vision and business objectives. In 2019, INTOUCH made three new investments in start-up companies, as well as supported its associate and subsidiaries in 5G use cases in order to exploit the emerging technology and build a digital ecosystem that will benefit both corporate and individual customers.

INTOUCH reported a net profit of 11,083 million baht in 2019, a drop of 4% YoY, although this was mainly due to recording a gain on the sale of CSL in 2018 and recognized an impairment loss on satellites and related equipment in 2019 from THAICOM; however, the amount was lower than the loss recognition in 2018. Excluding that gain and loss, the normalized net profit was flat YoY (compared to 11,775 million baht in 2018); the profit contribution from AIS was 12,401 million baht in 2019, an increase of 3% YoY, which was offset by a loss contribution from THAICOM of 233 million baht (compared to a profit contribution of 59 million baht in 2018). The financial results of AIS and THAICOM are described below.

AIS reported a net profit of 31,051 million baht in 2019 (excluding the impact from TFRS 15), an increase of 4.6% YoY. The core service revenue grew by 5.3% YoY, following an increase in the number of postpaid subscriptions to the mobile and FBB services. Competition softened during the year, although it was still intense in

the prepaid subscriber segment. As a result, monthly ARPU increased from 255 baht during 4Q18 to 260 baht during 4Q19. Even though the price competition in the FBB market was still intense, as the operators sought to acquire new subscribers and retain existing ones, AIS passed its target of one million by the end of the year. However, monthly ARPU dropped to 533 baht during 4Q19. Other service revenues continued to grow, driven by the data center and specific solutions for customers. Costs also continued to increase, with higher 4G & FBB network expenses and more marketing. In addition, there was a one-time provision for the new severance pay rate, as well as the cost of AIS's 30th anniversary celebration. EBITDA in 2019 rose by 6.3% while the EBITDA margin was 42.8%, in line with the previous year. AIS contributes net profit to INTOUCH pro rata to the current shareholding of 40.45%.

THAICOM reported a net loss of 2,250 million baht in 2019, compared to a net profit of 230 million baht in 2018, when it recorded a gain on the sale of CSL of 1,950 million baht. In 2019, THAICOM recognized impairment losses on satellites and related equipment amounting to 1,623 million baht, due to a technical incident on the status notification system of Thaicom 5 and a slowdown in the satellite industry leading to fierce competition.

As a result, the utilization rates of the conventional satellites and broadband satellite decreased to 55% and 23% respectively at the end of 2019, from 59% and 30% at the end of 2018. The normalized loss was 432 million baht, compared to a profit of 82 million baht in the previous year, as a result of lower revenue from the satellite business. In 2019, THAICOM provided a discount to a major customer in Thailand in return for the extension of a long-term contract, while some digital TV operators using the conventional satellites cancelled their contracts.

Moreover, the revenue from the broadband satellite dropped as foreign customers ramped down transponder utilization. Costs also declined, although the percentage was lower than the drop in revenue because most of these in the satellite business are fixed costs.

Although THAIKOM's revenue and profit declined in 2019, it still has a healthy balance sheet. The net borrowing was 4,203 million baht, down from 7,023 million baht at the end of 2018, while cash and cash equivalents stood at 5,703 million baht and net borrowing-to-equity was 0.38x, lower than 0.53x at the end of the previous year.

The operational results of the other companies are described below.

Share of profit of joint ventures: This contribution is from LTC and High Shopping pro rata to the Company's investment proportion.

- **LTC**, an indirect joint venture of THAIKOM, reported mobile subscriber market share of 55.3% at the end of 4Q19, a slight decrease from 56.1% at the end of 2018 due to a price war during the year.
- **High Shopping** reported total revenue of 937 million baht in 2019, or average daily sales of 2.6 million baht, an increase of 8% YoY. High Shopping enhanced its revenue through various strategies, including business partnerships with channel operators, collection of delivery fees from customers, and the new one of offering products through direct sales. However, the revenue growth was softer than the company had expected due to a slowdown in the satellite TV industry, especially on key platforms.

InVent Project: In 2019, INTOUCH invested a total of 111 million baht in three more companies, namely Peer Power Co., Ltd., Doctor A to Z Co., Ltd. and Ninja Logistics Pte. Ltd. The Company also sold all of its shares in Digio (Thailand) Co., Ltd. for a return of 30% (capital gain). Therefore, the value of the active InVent portfolio rose to 950 million baht at the end of 2019 (excluding companies that were monetized or written-

off), from 728 million baht at the end of 2018. At the end of 2019, there were 15 companies under the InVent project.

In 2020, the Company will continue to follow its policy of investing in the TMT sector, including digital businesses. It will continue exploring emerging technologies and the deep tech sector, as well as looking for new businesses that can support 5G services in the future, with a budget of around 200 million baht. The investment territory is not limited to Thailand so the Company also considers opportunities abroad. Under the InVent investment policy, the maximum shareholding in any company is 30% so INTOUCH recognizes profit or loss in proportion of these investments, some of which are made in the form of convertible loans. The Company decides on the form of investment by analyzing the related risks and the target company's stage in the business cycle.

The Company's standalone performance: In 2019, INTOUCH had a share of the net result from subsidiaries and associates of 11,432 million baht, a decrease of 3% YoY due to a higher net loss contribution from THAIKOM. Total administrative expenses were 357 million baht, an increase of 26% from 2018, mainly due to a provision for the new severance pay rate. The budget for administrative expenses in 2020 remains at 400 million baht, part of which will be spent on staff costs and exploring new investment opportunities.

Dividend payout: INTOUCH has a policy of paying dividends based on 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 its 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 these investments has been disclosed in the Management Discussion & Analysis sections of the Annual Registration Statement for 2019 submitted by AIS (ADVANC) and THAI COM (THCOM).

Significant events

Change in accounting policy

On 1 January 2019, INTOUCH Group adopted TFRS 15: *Revenue from Contracts with Customers*. This had an impact on the accounting policy applied to the financial statements for the year ended 31 December 2018. INTOUCH Group chose to recognize the cumulative effect of initially applying this standard as an adjustment to the balance of retained earnings at the beginning of the reporting period. This change had an impact on the Company's consolidated and separate financial statements due to a change in accounting policy at AIS. (For more details, please see Note 3 to the financial statements for YE19.)

Local wireless telecommunication business

In the mobile business, AIS was allotted the 700MHz spectrum (2x10MHz bandwidth) in June 2019. The license is expected to commence in 4Q20. Moreover, in 3Q19, AIS entered into two dispute settlements with TOT regarding telecom towers and equipment rental. The cost of tower rental (net of tax) was reduced by 100 million baht per month, while equipment rental was discontinued and AIS incurred a one-time expense of 121 million baht.

During 2019, competition in the overall mobile market softened from the previous year, with price adjustments seen in both the postpaid and prepaid segments in the first half of the year. However, prepaid unlimited data plans re-emerged in 2H19, while bundling attractive discounts on mobile handsets with postpaid data plans remained a key strategy for operators to draw customers looking to purchase handsets in conjunction with packages.

By the end of 2019, the total number of mobile subscribers was approximately 42 million, a growth of 2.1% from the end of 2018. The postpaid subscriber base had net increased by approximately 918,000, driven by promotional handset discounts and prepaid-to-postpaid migration, while the number of prepaid subscribers remained about the same. The proportion of postpaid subscribers at year-end was 22%, while blended ARPU increased 2.2% YoY to 260 million baht.

In the fixed-broadband and digital service businesses, the competition remained intense, both in pricing and aggressive customer acquisition. The operators continued to offer half-price discounts in order to reduce churn and acquire new subscribers. In addition to the attractive pricing, operators offered packages with higher speeds for the same prices as other marketing tools, for example, the speed of the monthly plan was doubled to 200Mbps, while the tariff remained around 600 baht. The FBB subscriber base grew 42% YoY to approximately 1 million. However, due to intense pricing competition, ARPU declined 7.2% YoY to 533 baht.

Satellite business

On 17 December 2019, Thaicom 5 experienced a technical anomaly, which resulted in technical limitations to monitoring the status of the satellite. THAI COM, together with the satellite manufacturer and related specialists, have made many attempts to recover the system but without success. However, in order to continue providing broadcast and media services, THAI COM has been cooperating with all the relevant customers in order to migrate them to other satellites. Because of this situation, THAI COM recognized an impairment loss on Thaicom 5 and all the related equipment, totaling 222 million baht.

Moreover, due to a slowdown in the satellite business arising from changes in customer behavior, along with intense competition, THAI COM also recognized an additional impairment loss on other satellites and equipment totaling 1,401 million baht. However, this impairment was considered a non-cash item, and does not affect THAI COM's cash management.

At the end of 2019, the overall utilization rate of THAICOM's conventional satellites (Thaicom 5, 6, 7 & 8), was 55%, down from 59% in 2018, mainly due to losing some customers during 1Q19, although from 2Q19 onwards it was stable. The utilization rate of the broadband satellite (Thaicom 4) was 23%, down from 30% at the end of 2018, mainly due to foreign customers ramping down and customer churn.

In 2019, THAICOM secured a long-term contract with True Visions Group Co., Ltd. for several Ku-band transponders on Thaicom 8. True Visions delivers pay TV services in Thailand, which include premier sports and entertainment events. THAICOM also secured new contracts with customers from Myanmar and Africa to replace those that had not renewed their contracts.

As the operational agreement to provide satellite services on Thaicom 4, 5 & 6 will expire in September 2021, THAICOM wishes to engage in constructive cooperation with the Thai government to enhance national security. THAICOM is open to discussion on various forms of collaboration, such as the public-private partnership (PPP) model, in order to guarantee service continuity both at home and abroad.

By integrating its core satellite services, THAICOM will continuously focus on developing its new businesses, with the aim of being an Asian provider of space-to-ground platforms and smart solutions for a better future.

Telecom services in Lao PDR

Lao Telecommunications Co., Ltd. (LTC) had a total of 1.42 million mobile subscribers (excluding fixed-wireless) at year-end 2019, and was still ranked No.1 in the country with approximately 55.3% of the market share, a slight decrease from 56.1% at year-end 2018 due to a price war during the year.

Overview of consolidated operational results

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				
	2018		2019		%YoY
The Company	(284)	-2%	(357)	-3%	26%
Local Wireless Telecommunication Business	12,043	105%	12,401	112%	3%
Satellite & International Businesses	(219)	-2%	(925)	-8%	322%
Other Businesses	(48)	0%	(36)	0%	-25%
Elimination	(1)	0%	-	0%	-100%
Net Profit	11,491	100%	11,083	100%	-4%
Normalised Net Profit *	11,769	102%	11,775	106%	0%

* Excluded shares of impairment loss in 2018 & 2019 in satellite & international businesses, and a gain on sale of investment in CSL in 1Q18.

The consolidated financial statements for 2019 showed a net profit of 11,083 million baht, a decrease of 4% from 2018, even though there was a higher profit contribution from the local wireless telecommunications business. This was because the contribution from the satellite & international businesses was lower than 2018, due to an impairment loss on assets, while in 2018 a gain was recorded on the divestment of CSL, although this was partially offset by an impairment loss. However, if this was excluded, the normalized net profit would have remained stable.

Key operational results

The Company (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Expenses	(338)	(412)	22%
Others	54	55	2%
Net expenses	(284)	(357)	26%

Net expenses increased 26% from 2018, mainly due to the impairment loss on investment in associates and a loan to an associate under the Invent project, along with the recognition of the additional provision for past service costs of employees who have worked with the company for more than 20 consecutive years. Under *the Labor Protection Act (No. 7), B.E. 2562* (the new Labor Protection Act), these employees must receive at least 400 days' compensation at their current pay rate. This law became effective in May 2019.

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Share of net result from investment in AIS Group using equity method	12,043	12,401	3%

The share of the net results from AIS Group increased from 2018 mainly due to higher sales and service revenue from an increase in the number of mobile subscribers and postpaid ARPU after the fixed-speed unlimited data plans were discontinued. Fixed-broadband revenue rose, due to a growing subscriber base, even though ARPU dropped from the highly competitive environment. However, there was an increase in sales and service costs in depreciation & amortization, following the expansion of both the mobile and fixed-broadband networks and a rise in network OPEX from higher 4G network expenses, although there was a drop in the cost of the partnership with TOT after the settlement of disputes. **Distribution costs & administrative expenses** rose, mainly from the one-time recognition of past service costs under the new Labor Protection Act in 2Q19, special remuneration for employees in 4Q19, and additional activities to build brand awareness.

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Sales and service revenue	6,233	4,663	-25%
Sales and service costs	(3,438)	(2,968)	-14%
Operating agreement fees	(918)	(703)	-23%
Distribution costs & administrative expenses	(1,572)	(1,068)	-32%
Loss from impairment on assets	(2,253)	(1,623)	-28%
Gain on sale of investment in CSL	1,950	-	-100%
Share of profit (loss) of investments in joint ventures	119	(116)	-197%
Other income	200	337	69%
Net foreign exchange gain (loss)	5	(128)	-2,660%
Finance cost and tax	(79)	(643)	714%
Net Profit (Loss)	247	(2,249)	-1,011%
Contributed to INTOUCH Group	(219)	(925)	322%
Normalized contributed to INTOUCH Group *	59	(233)	-493%

* Excluded share of loss from impairment in 2018 & 2019, and gain on sale of investment in CSL in 1Q18.

THAICOM's net result in 2019 was a net loss of 2,249 million baht, compared to a net profit of 247 million baht in 2018. Excluding the divestment gain and impairment loss on assets, THAICOM would have had an operational loss of 566 million baht in 2019, compared to a gain of 157 million baht in 2018. This was mainly due to a drop in **sales and service revenue** after THAICOM had provided a discount on an existing contract to a major customer in Thailand that had signed another long-term contract, along with a lower utilization rate of Thaicom 4 due to foreign customers ramping down. **The share of profit (loss) of investment in joint ventures** decreased, due to high competition in the telecom industry in Lao PDR. **Net foreign exchange loss** and **income tax** rose from deferred tax assets that were written off, but this was offset by a drop in **sales and service costs**, following a decline in revenue and amortization. **Distribution costs & administrative expenses** also dropped, mainly due to a reduction in marketing expenses, along with lower staff costs and provision for doubtful debts.

Other Businesses (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Service revenue	146	223	53%
Service costs	(124)	(203)	64%
Distribution costs & administrative expenses	(20)	(20)	0%
Share of loss of investments	(67)	(51)	-24%
Other income	32	29	-9%
Finance cost and income tax expense	(6)	(7)	17%
Net Loss	(39)	(29)	-26%
Contributed to INTOUCH Group	(48)	(36)	-25%

Other businesses include information technology, a home shopping business, and investments under the InVent project. The net loss contributed to INTOUCH Group was mainly from the operational results of High Shopping and businesses under the InVent project, although High Shopping's performance was better than the previous year.

Summary of Financial Position

Key financial position data

Consolidated Financial Position	As at 31 December 2018		As at 31 December 2019		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	3,072	6%	3,426	7%	354	12%
Current investments	7,141	14%	5,652	11%	(1,489)	-21%
Trade receivables	1,556	3%	1,578	3%	22	1%
Current portion of long-term loans to related parties	486	1%	631	1%	145	30%
Inventories	122	0%	124	0%	2	2%
Other current assets	524	1%	503	1%	(21)	-4%
Long-term loans to related parties	1,457	3%	1,127	2%	(330)	-23%
Investment in associates and joint ventures	25,761	52%	30,182	61%	4,421	17%
Property, plant & equipment	4,876	10%	3,358	7%	(1,518)	-31%
Intangible assets under operating agreements	3,007	6%	1,366	3%	(1,641)	-55%
Other non-current assets	1,954	4%	1,588	3%	(366)	-19%
Non-current assets or disposal groups classified as held for sale	53	0%	-	0%	(53)	-100%
Total Assets	50,009	100%	49,535	100%	(474)	-1%
Liabilities and Equity						
Current portion of long-term borrowings	2,652	5%	392	1%	(2,260)	-85%
Provision for unpaid operating fees and interest	2,890	6%	2,890	6%	-	0%
Other current liabilities	1,463	3%	1,243	3%	(220)	-15%
Long-term borrowings	4,306	9%	3,768	8%	(538)	-12%
Other non-current liabilities	757	2%	793	2%	36	5%
Total Liabilities	12,068	24%	9,086	18%	(2,982)	-25%
Total Equity	37,941	76%	40,449	82%	2,508	7%
Total Liabilities and Equity	50,009	100%	49,535	100%	(474)	-1%

Total consolidated assets dropped slightly from the end of 2018, mainly from property, plant & equipment and intangible assets under operating agreements, due to the provision for an impairment loss and the depreciation & amortization recorded in 2019. In addition, current investments decreased after the redemption of the first tranche of a long-term debenture in October 2019. However, this was partially offset by an increase in the operational results of associates and joint ventures in 2019.

Total consolidated liabilities and equity: Total liabilities decreased 25% from the end of 2018, after the repayment of loans in the satellite business. Equity increased 7% from the end of 2018, due to better operational results in the group during 2019, net of dividend payments.

Liquidity and cash flow: At the end of 2019, the current ratio was 2.6, compared to 1.8 at the end of 2018, mainly due to a decrease in current liabilities after THAICOM redeemed the first tranche of a long-term debenture it had issued. 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 rose by 354 million baht from the end of 2018 (excluding the impact from foreign currency fluctuations), mainly due to an increase in cash inflow from operating activities, dividends received and a decrease in current investments. However, this was partially offset by the repayment of long-term loans plus interest in the satellite business along with dividend payments.

Accounts receivable: At the end of 2019, INTOUCH Group had accounts receivable equivalent to 3% of total assets, the same percentage as year-end 2018. The group has reserved an appropriate allowance for bad debt.

Inventory: At the end of 2019, INTOUCH Group's inventory was stable compared to year-end 2018. The group assesses the allowance for obsolete inventories on a regular basis to ensure that it is appropriate. 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 and return on equity: INTOUCH Group's net profit margin in 2019 was 63.2%, higher than 2018, while the return on equity was 33.9%, a decrease from the previous year due to recording a gain from the divestment of CSL in 1Q18.

Debt-to-equity ratio: At the end of 2019, the group had a debt-to-equity ratio of 0.3 times, the same as 2018. 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 contained the following conclusion:

"In our opinion, the consolidated and separate financial statements of INTOUCH for the year 2019 have been presented fairly in all material respects and in accordance with Thai Financial Reporting Standards."

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2018		As at 31 December 2019		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investments	1,913	6%	2,078	6%	165	9%
Investment in subsidiaries and associates	29,764	94%	33,285	94%	3,521	12%
Other assets	103	0%	190	1%	87	84%
Total Assets	31,780	100%	35,553	100%	3,773	12%
Liabilities and Equity						
Other liabilities	131	0%	160	0%	29	22%
Total Equity	31,649	100%	35,393	100%	3,744	12%
Total Liabilities and Equity	31,780	100%	35,553	100%	3,773	12%

Separate Statements of Profit or Loss (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Share of net results from investments in:-			
Subsidiaries	(253)	(953)	277%
Associates	12,019	12,385	3%
Other income	57	59	4%
Total revenue	11,823	11,491	-3%
Administrative expenses	(277)	(345)	25%
Management benefit expenses	(61)	(67)	10%
Total expenses	(338)	(412)	22%
Profit before finance costs	11,485	11,079	-4%
Finance costs	(3)	(4)	33%
Net Profit	11,482	11,075	-4%

Consolidated Statements of Profit or Loss (in million baht)	For the year ended 31 December		
	2018	2019	%YoY
Sales and service revenue	6,371	4,878	-23%
Construction revenue under operating agreements	18	-	-100%
Share of profit (loss) of investments in joint ventures	76	(151)	-299%
Share of profit of investments in associates	12,019	12,385	3%
Gain on sale of investment in CSL	1,635	-	-100%
Net foreign exchange gain	5	-	-100%
Other income	280	419	50%
Total revenue	20,404	17,531	-14%
Sales and service costs	(3,562)	(3,171)	-11%
Construction cost under operating agreements	(18)	-	-100%
Operating agreement fee	(918)	(703)	-23%
Distribution costs	(113)	(50)	-56%
Administrative expenses	(1,684)	(1,255)	-25%
Loss from impairment on investment in associates and loan to a related party	-	(55)	100%
Loss from impairment on assets	(2,253)	(1,623)	-28%
Net foreign exchange loss	-	(128)	100%
Management benefit expenses	(120)	(130)	8%
Total expenses	(8,668)	(7,115)	-18%
Profit before finance costs & income tax expense	11,736	10,416	-11%
Finance costs	(340)	(301)	-11%
Profit before income tax expenses	11,396	10,115	-11%
Income tax income (expense)	255	(349)	-237%
Net profit	11,651	9,766	-16%
Attributable to:			
Owners of the Parent	11,491	11,083	-4%
Non-controlling interests	160	(1,317)	-923%
Net profit	11,651	9,766	-16%

Consolidated source and use of Cash Flows *

For the year ended 31 December 2019

million baht

Source of funds		Use of funds	
Dividends received	8,515	Dividend paid	8,080
Operating Cash Flow	1,621	Loan repayments	2,813
Decrease in current investments	1,573	Invested in associates and long-term investments	113
Decrease in loans and advances to related parties	68	Purchase of CAPEX & Fixed assets	218
Cash proceed from disposal of an investment	64	Interest paid	325
Cash proceed from liquidation of a subsidiary	53		
Disposal of Fixed assets	9		
		Cash increased	354
Total	11,903		11,903

* Consolidated cash flows consisted of cash and cash equivalents before effects of exchange rate and reclassification on cash and cash equivalents.

Material financial ratios

(based on consolidated financial statements)

For the year ended 31 December

	2018	2019	Changed
Net profit margin (%)	56.3	63.2	6.9
Current ratio (times)	1.8	2.6	0.8
Return on equity attributed to owners of the parent (%)	38.5	33.9	(4.6)
Return on assets (%)	22.8	22.3	(0.5)
Debt to equity attributed to owners of the parent (times)	0.4	0.3	(0.1)
Interest bearing debt to equity attributed to owners of the parent (times)	0.2	0.1	(0.1)
Basic earnings per share (baht)	3.58	3.46	(0.12)
Book value per share (baht)	9.60	10.77	1.17

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.

INFINITE PROGRESSION



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 and Risk Committee to be responsible to reviewing the integrity of the Company's financial reporting, risk management, internal controls, internal audit and connected transactions. All the Audit and Risk Committee's opinions on these issues have been presented in the Audit and Risk Committee Report for 2019 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 2019. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations, and are true and fair in all material respects.



(Dr. Virach Aphimeteetamrong)
Chairman of the Board



(Mr. Anek Pana-apichon)
Chief Executive Officer

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, 2019, 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 consolidated and separate 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, 2019, and its financial performance and its 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.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

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
Litigation <p>As at December 31, 2019, the Group has 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, respectively.</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.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

Key Audit Matters	Audit Responses
<p>Recognition of revenue from rendering of services</p> <p>One of the group subsidiaries has revenue from rendering of services in its satellite business for the year ended December 31, 2019 which is quantitatively significant to the consolidated financial statements. The key audit matter is whether the Group has correctly recognized the revenue from 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 auditor of the subsidiary included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process related to rendering of services 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. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Examine terms and condition of the service agreements and recalculate the revenues whether it has been recorded appropriately and examine the related supporting documents of those revenues from rendering of services; and • Perform substantive analytical procedures relating to the revenue from 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 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 auditor 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; and • Verify the calculation and record of a share of profit in an investment in AIS.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

Key Audit Matters	Audit Responses
<p>Impairment of equipment and intangible assets under operating agreement</p> <p>The consideration of impairment of equipment and intangible asset under operating agreement of one of the group subsidiaries is depended on the management judgements and assumptions of the group subsidiaries. Therefore, the key audit matter is whether the valuation of equipment and intangible asset under operating agreement and impairment of equipment and intangible asset under operating agreement have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and detail of property, plant and equipment and intangible assets under operating agreement were disclosed in the Notes 4, 14 and 15 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditor of the subsidiary included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Review the design and implementation of the internal control procedures. • Performing the operating effectiveness testing over the internal control procedures around impairment consideration process. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Examining the supporting documents in relation to the management consideration of impairment indicators for equipment and intangible asset under operating agreement. • Involving our internal specialists in assessing and testing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for equipment and intangible asset under operating agreement. • Examining the correctness of the data used in the estimation of the impairment provision for equipment and intangible asset under operating agreement with supporting documents and relevant report. • Examining the correctness of the calculation of the impairment provision for equipment and intangible asset under operating agreement.

Deloitte Touche Tohmatsu Jaiyos Audit

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

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

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

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

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัทสึ ไชยยศ สอบบัญชี

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 consolidated and separate 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 separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Deloitte Touche Tohmatsu Jaiyos Audit

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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 7, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Unit: Baht

		Consolidated		Separate	
		financial statements		financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
	Notes				
Assets					
Current assets					
Cash and cash equivalents	7	3,425,570,413	3,071,828,950	589,290,581	144,092,612
Current investments	8	5,651,698,735	7,141,082,068	1,488,726,001	1,768,650,903
Trade and other receivables	5, 9	2,066,869,564	2,024,879,692	7,525,411	14,907,214
Amounts due from, advances and loans to related parties	5	14,790,160	54,549,087	9,220,000	12,200,000
Current portion of long-term loans to a related party	5	630,634,826	485,724,816	-	-
Inventories	10	124,027,672	122,483,562	-	-
Non-current assets or disposal groups classified as held for sale	11	-	53,301,223	-	-
Total current assets		11,913,591,370	12,953,849,398	2,094,761,993	1,939,850,729
Non-current assets					
Long-term loans to a related party	5	1,127,498,629	1,457,174,448	-	-
Investments in subsidiaries	12	-	-	4,515,566,598	5,486,837,806
Investments in joint ventures	12	1,412,870,803	1,483,297,586	-	-
Investments in associates	12	28,768,784,799	24,277,562,465	28,768,784,799	24,277,562,465
Other long-term investments	8	143,138,618	41,652,551	143,138,618	41,652,551
Property, plant and equipment	14	3,357,901,648	4,875,988,213	23,583,047	27,013,573
Intangible assets under operating agreements	15	1,365,689,010	3,007,340,364	-	-
Other intangible assets	16	336,695,518	442,136,314	2,466,844	3,167,929
Deferred tax assets	17	802,977,140	1,121,511,511	-	-
Other non-current assets		305,394,453	348,671,794	4,266,446	4,022,757
Total non-current assets		37,620,950,618	37,055,335,246	33,457,806,352	29,840,257,081
Total assets		49,534,541,988	50,009,184,644	35,552,568,345	31,780,107,810

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 2019

Unit: Baht

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 December	31 December	31 December
		2019	2018	2019	2018
Notes					
Liabilities and equity					
Current liabilities					
Trade and other payables	5, 19	1,060,080,344	1,167,372,345	76,985,806	70,556,802
Amounts due to related parties	5	4,288,712	785,424	4,068,651	620,707
Current portion of long-term liabilities	18	392,001,950	2,651,841,281	-	-
Accrued operating agreement fees		171,654,806	258,340,350	-	-
Provision for unpaid operating agreement fee and interest	37.2	2,890,345,206	2,890,345,206	-	-
Current income tax payable		5,943,171	36,361,005	-	-
Liabilities included in disposal groups classified as held for sale	11	-	88,430	-	-
Total current liabilities		4,524,314,189	7,005,134,041	81,054,457	71,177,509
Non-current liabilities					
Long-term accounts payable - equipment		209,285,970	225,042,120	-	-
Long-term borrowings	18	3,767,724,091	4,306,010,715	-	-
Non-current provisions for employee benefits	20	338,554,243	241,540,681	79,003,828	60,010,934
Deferred tax liabilities	17	2,215,416	-	-	-
Other non-current liabilities		243,411,022	290,136,630	-	-
Total non-current liabilities		4,561,190,742	5,062,730,146	79,003,828	60,010,934
Total liabilities		9,085,504,931	12,067,864,187	160,058,285	131,188,443

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 2019

Unit: Baht

		Consolidated		Separate	
		financial statements		financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes					
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
Issued and paid-up share capital					
- ordinary shares		3,206,420,305	3,206,420,305	3,206,420,305	3,206,420,305
Additional paid-in capital	21, 22				
Share premium on ordinary shares		10,347,863,392	10,347,863,392	10,347,863,392	10,347,863,392
Retained earnings					
Appropriated					
Legal reserve	22	500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		16,794,717,670	13,069,450,816	17,666,415,526	13,949,293,132
Other components of shareholders' equity		3,676,169,662	3,644,560,507	3,671,810,837	3,645,342,538
Total equity attributable to equity holders of the Company		34,525,171,029	30,768,295,020	35,392,510,060	31,648,919,367
Non-controlling interests	24	5,923,866,028	7,173,025,437	-	-
Total equity		40,449,037,057	37,941,320,457	35,392,510,060	31,648,919,367
Total liabilities and equity		49,534,541,988	50,009,184,644	35,552,568,345	31,780,107,810

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Revenue	27				
Revenues from sales and revenues from services	28	4,877,536,978	6,371,309,379	-	-
Construction revenue under operating agreements		-	17,980,846	-	-
Share of profit (loss) of					
subsidiaries	12	-	-	(953,660,481)	(253,528,701)
joint ventures	12	(151,360,695)	75,614,560	-	-
associates	12	12,385,411,968	12,018,693,741	12,385,411,968	12,018,693,741
Gain from disposal of investment in a subsidiary		-	1,634,702,626	-	-
Net foreign exchange gain		-	5,583,154	-	-
Other income	29	419,360,458	280,611,538	58,887,628	56,508,510
Total revenue		17,530,948,709	20,404,495,844	11,490,639,115	11,821,673,550
Expenses	27				
Costs of sales of goods and costs of rendering of services		3,171,136,348	3,562,395,151	-	-
Construction cost under operating agreements		-	17,980,846	-	-
Operating agreement fee		702,808,759	917,473,311	-	-
Distribution costs		50,581,924	113,194,098	-	-
Administrative expenses		1,254,616,635	1,684,099,510	290,013,928	276,533,435
Net foreign exchange loss		128,312,616	-	-	-
Loss from impairment on investment in associates and loan to a related party	5, 12	55,191,963	-	55,191,963	-
Loss from impairment on assets	14, 15, 16	1,622,699,764	2,253,000,000	-	-
Directors and management benefit expenses	5	129,506,064	120,100,330	67,087,061	61,097,555
Total expenses		7,114,854,073	8,668,243,246	412,292,952	337,630,990
Profit before finance costs and income tax expense		10,416,094,636	11,736,252,598	11,078,346,163	11,484,042,560
Finance costs		(301,040,223)	(340,014,165)	(3,476,413)	(2,757,952)
Profit before income tax		10,115,054,413	11,396,238,433	11,074,869,750	11,481,284,608
Income tax income (expense)	32	(349,254,211)	255,038,886	-	-
Profit for the year		9,765,800,202	11,651,277,319	11,074,869,750	11,481,284,608
Attributable to:					
Owners of parent		11,083,014,210	11,490,679,427	11,074,869,750	11,481,284,608
Non-controlling interests	24	(1,317,214,008)	160,597,892	-	-
Profit for the year		9,765,800,202	11,651,277,319	11,074,869,750	11,481,284,608
Earnings per share					
to owners of parent (Baht per share)	33				
Basic earnings per share		3.46	3.58	3.45	3.58
Diluted earnings per share		3.46	3.58	3.45	3.58

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 2019

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit for the year		9,765,800,202	11,651,277,319	11,074,869,750	11,481,284,608
Other comprehensive income, net of income tax	26				
Components of other comprehensive income that will be subsequently reclassified to profit or loss					
Exchange differences on translating financial statement		(98,016,937)	(61,929,643)	(40,318,287)	(25,474,619)
Gains (losses) on remeasuring investments held as available for sale		38,908,631	(29,683,820)	19,290,278	(14,351,738)
Share of other comprehensive income of associates		-	(46,227)	-	(46,227)
Total components of other comprehensive income that will be subsequently reclassified to profit or loss		(59,108,306)	(91,659,690)	(21,028,009)	(39,872,584)
Components of other comprehensive income that will not be subsequently reclassified to profit or loss					
Gains (losses) on remeasurements of defined benefit plans		283,322,164	(4,017,885)	173,357,042	(1,652,717)
Share of other comprehensive income of associates		4,820,218	15,685,908	4,820,218	15,685,908
Total components of other comprehensive income that will not be subsequently reclassified to profit or loss		288,142,382	11,668,023	178,177,260	14,033,191
Other comprehensive income for the year, net of income tax		229,034,076	(79,991,667)	157,149,251	(25,839,393)
Total comprehensive income for the year		9,994,834,278	11,571,285,652	11,232,019,001	11,455,445,215
Total comprehensive income attributable to:					
Owners of parent		11,245,304,317	11,460,129,889	11,232,019,001	11,455,445,215
Non-controlling interests	24	(1,250,470,039)	111,155,763	-	-
		9,994,834,278	11,571,285,652	11,232,019,001	11,455,445,215

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 2019

	Notes	Consolidated financial statements											Unit: Baht		
		Equity attributable to owners of the Company													
		Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments and others	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				
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		
		-	-	(8,994,561,867)	-	-	-	-	-	-	(8,994,561,867)	(877,320,898)	(9,871,882,765)		
25	Share-based payment	-	-	-	8,991,953	-	-	-	-	8,991,953	8,991,953	1,737,691	10,729,644		
	Increased in share capital of a subsidiary	-	-	-	-	(19,982)	-	-	-	(19,982)	(19,982)	841,597	821,615		
	Change in non-controlling interest in an associate	-	-	-	-	(270,410,269)	-	-	-	(270,410,269)	(270,410,269)	-	(270,410,269)		
	Disposal of investment in a subsidiary	-	-	-	-	(350,970,688)	-	-	-	(350,970,688)	(350,970,688)	(474,757,088)	(825,727,776)		
26	Comprehensive income for the year														
	Profit for the year	-	-	11,490,679,427	-	-	-	-	-	-	11,490,679,427	160,597,892	11,651,277,319		
	Other comprehensive income for the year														
	Items that are or may be reclassified to profit or loss	-	-	-	-	(25,474,619)	(19,061,883)	(46,227)	(44,582,729)	(44,582,729)	(44,582,729)	(47,076,961)	(91,659,690)		
	Items that will never be reclassified to profit or loss	-	-	(1,652,717)	-	-	-	-	15,685,908	15,685,908	14,033,191	(2,365,168)	11,668,023		
	Total comprehensive income for the year	-	-	11,489,026,710	-	-	(25,474,619)	(19,061,883)	15,639,681	(28,896,821)	11,460,129,889	111,155,763	11,571,285,652		
	Balance at 31 December 2018	3,206,420,305	10,347,863,392	500,000,000	13,069,450,816	53,869,973	3,995,987,792	(71,420,061)	71,937,377	3,644,560,507	30,768,295,020	7,173,025,437	37,941,320,457		

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 2019

Consolidated financial statements													Unit: Baht	
Notes	Equity attributable to owners of the Company													
	Issued and paid-up share capital	Premium on share capital	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments and others	Translating financial statement	Other components of equity			Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated				Fair value changes in available-for-sale investments	Share of other comprehensive income of associates					
3	3,206,420,305	10,347,863,392	500,000,000	13,069,450,816	53,869,973	3,595,987,792	(71,420,061)	-	(5,814,574)	71,937,377	3,644,560,507	30,768,295,020	7,173,025,437	37,941,320,457
	-	-	-	548,522,898	-	-	-	-	-	-	-	548,522,898	-	548,522,898
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	3,206,420,305	10,347,863,392	500,000,000	13,617,973,714	53,869,973	3,595,987,792	(71,420,061)	-	(5,814,574)	71,937,377	3,644,560,507	31,316,817,918	7,173,025,437	38,489,843,355
	-	-	-	(8,079,627,296)	-	-	-	-	-	-	-	(8,079,627,296)	-	(8,079,627,296)
	-	-	-	-	4,937,847	-	-	-	-	-	4,937,847	4,937,847	1,310,630	6,248,477
26	-	-	-	-	-	37,738,243	-	-	-	-	37,738,243	37,738,243	-	37,738,243
	-	-	-	11,083,014,210	-	-	-	-	-	-	-	11,083,014,210	(1,317,214,008)	9,765,800,202
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	(40,318,287)	-	24,431,134	-	(15,887,153)	(15,887,153)	(43,221,153)	(59,108,306)
	-	-	-	173,357,042	-	-	-	-	-	4,820,218	4,820,218	178,177,260	109,985,122	288,142,382
	-	-	-	11,256,371,252	-	-	(40,318,287)	-	24,431,134	4,820,218	(11,066,835)	11,245,304,317	(1,250,470,039)	9,994,834,278
Balance at 31 December 2019	3,206,420,305	10,347,863,392	500,000,000	16,794,717,670	58,807,820	3,633,726,035	(111,738,348)	-	18,616,560	76,757,595	3,676,169,652	34,525,171,029	5,923,866,028	40,449,037,057

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 2019

Separate financial statements												Unit: Baht
Notes	Issued and paid-up share capital	Share premium	Retain earnings		Other reserves share-based payment	Unrealised gain on dilution from investments and others	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 2018												
Opening balance at 1 January 2018												
Changes in equity for the year												
	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	
	-	-	-	(8,994,561,867)	-	-	-	-	-	-	(8,994,561,867)	
25	-	-	-	-	8,991,953	-	-	-	-	8,991,953	8,991,953	
	-	-	-	-	-	(19,999)	-	-	-	(19,999)	(19,999)	
	-	-	-	-	-	(270,410,269)	-	-	-	(270,410,269)	(270,410,269)	
26	-	-	-	-	-	(350,970,688)	-	-	-	(350,970,688)	(350,970,688)	
Comprehensive income for the year												
	-	-	-	11,481,284,608	-	-	-	-	-	-	11,481,284,608	
	-	-	-	-	-	-	-	(14,351,738)	(46,227)	(39,872,584)	(39,872,584)	
	-	-	-	(1,652,717)	-	-	-	-	15,685,908	15,685,908	14,033,191	
Total comprehensive income for the year												
	-	-	-	11,479,631,891	-	-	(25,474,619)	(14,351,738)	15,639,681	(24,186,676)	11,455,445,215	
Balance at 31 December 2018												
	3,206,420,305	10,347,863,392	500,000,000	13,949,293,132	53,869,973	3,595,987,792	(71,420,061)	(5,032,543)	71,937,377	3,645,342,538	31,648,919,367	

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 2019

Unit: Baht

	Notes	Separate financial statements									
		Other components of equity									
		Issued and paid-up share capital	Share premium	Legal reserve	Retain earnings	Other reserves	Unrealised gain on dilution from investments and others	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 2019											
Opening balance at 1 January 2019		3,206,420,305	10,347,863,392	500,000,000	13,949,293,132	53,869,973	3,595,987,792	(71,420,061)	(5,032,543)	71,937,377	31,648,919,367
- as previously reported		-	-	-	548,522,898	-	-	-	-	-	548,522,898
Impact of changes in accounting policies	3	-	-	-	-	-	-	-	-	-	-
Balance at 1 January 2019		3,206,420,305	10,347,863,392	500,000,000	14,497,816,030	53,869,973	3,595,987,792	(71,420,061)	(5,032,543)	71,937,377	32,197,442,265
- as restated		-	-	-	-	-	-	-	-	-	-
Changes in equity for the year											
Dividends	34	-	-	-	(8,079,627,296)	-	-	-	-	-	(8,079,627,296)
Share - based payment	25	-	-	-	-	4,937,847	-	-	-	-	4,937,847
Change in non-controlling interest in associates		-	-	-	-	-	37,738,243	-	-	-	37,738,243
Comprehensive income for the year	26	-	-	-	11,074,869,750	-	-	-	-	-	11,074,869,750
Profit for the year		-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss		-	-	-	-	-	-	(40,318,287)	19,290,278	-	(21,028,009)
Items that will never be reclassified to profit or loss		-	-	-	173,357,042	-	-	-	-	4,820,218	178,177,260
Total comprehensive income for the year		-	-	-	11,248,226,792	-	-	(40,318,287)	19,290,278	4,820,218	11,232,019,001
Balance at 31 December 2019		3,206,420,305	10,347,863,392	500,000,000	17,666,415,526	58,807,820	3,633,726,035	(111,738,348)	14,257,735	76,757,595	35,392,510,060

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 2019

Unit: Baht

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Cash flows from operating activities					
Profit for the year		9,765,800,202	11,651,277,319	11,074,869,750	11,481,284,608
<i>Adjustments for</i>					
Depreciation and amortisation	14, 15, 16	1,853,737,008	2,020,018,836	17,480,605	19,703,092
Past and current service costs of employee and share-based payment expense	20, 25	105,231,676	34,716,374	26,849,559	13,139,205
Gain from disposal of investment in a subsidiary		-	(1,634,702,626)	-	-
Interest income	29	(269,985,402)	(249,484,509)	(39,727,887)	(36,396,786)
Interest expense		291,506,469	328,578,917	2,305,219	2,096,280
Income tax (income) expense	32	349,254,211	(255,038,886)	-	-
Share of (profit) loss of subsidiaries	12	-	-	953,660,481	253,528,701
joint ventures	12	151,360,695	(75,614,560)	-	-
associates	12	(12,385,411,968)	(12,018,693,741)	(12,385,411,968)	(12,018,693,741)
Loss from impairment on investment in associates and loan to a related party		55,191,963	-	55,191,963	-
Loss from impairment on assets	14, 15, 16	1,622,699,764	2,253,000,000	-	-
Unrealised loss on foreign exchange		237,489,584	12,343,798	-	-
Allowance for doubtful accounts		65,866,756	358,394,586	-	-
(Reversal) of allowance for obsolete inventory		(5,570,270)	9,996,089	-	-
Others		14,400,049	(10,484,826)	(11,539,914)	(13,874,074)
		1,851,570,737	2,424,306,771	(306,322,192)	(299,212,715)
Changes in operating assets and liabilities					
Trade and other receivables		(226,956,999)	(558,508,827)	5,577,075	(4,125,154)
Inventories		(5,494,623)	(25,841,158)	-	-
Other non-current assets		8,411,383	17,827,952	(243,689)	15,000
Trade and other payables		(42,395,179)	(208,381,432)	9,365,914	(18,254,779)
Accrued operating agreement fees		(86,685,543)	(5,004,497)	-	-
Other non-current liabilities		(70,713,397)	(66,510,925)	(1,404,888)	-
Interest received		278,474,873	239,441,755	9,178,541	5,899,267
Dividend received		8,515,200,890	8,839,933,200	8,525,200,890	9,463,117,670
Income tax paid		(85,464,107)	(66,055,321)	-	-
Net cash provided from operating activities		10,135,948,035	10,591,207,518	8,241,351,651	9,147,439,289

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Unit: Baht

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2019	2018	2019	2018
Cash flows from investing activities					
Cash paid for acquisition of associates	12	(11,999,870)	(109,999,880)	(11,999,870)	(109,999,880)
Additional investment in long-term investment	8	(101,486,066)	-	(101,486,066)	-
Purchase of property, plant and equipment		(215,635,713)	(92,930,343)	(12,611,566)	(9,879,453)
Purchase of other intangible assets		(2,206,761)	(3,145,966)	(395,526)	(1,686,341)
(Increase) decrease in current investments		1,572,295,418	(955,086,899)	322,709,277	(85,373,676)
(Increase) decrease in amounts due from, advances and loans to related parties		68,194,404	36,203,855	(14,000,000)	(12,000,000)
Cash proceed from disposal of investments, net		63,577,586	1,945,902,973	45,477,245	-
Cash proceed from liquidation of a subsidiary, net	11	53,241,837	-	53,241,837	-
Cash proceed from disposal of equipment		9,352,665	10,262,509	2,538,283	4,536,754
Net cash (used in) provided from investing activities		1,435,333,500	831,206,249	283,473,614	(214,402,596)
Cash flows from financing activities					
Repayments of long-term borrowings	18	(2,812,944,948)	(414,482,938)	-	-
Interest paid		(324,979,058)	(324,742,189)	-	-
Dividend paid	34	(8,079,627,296)	(9,871,882,765)	(8,079,627,296)	(8,994,561,867)
Net cash used in financing activities		(11,217,551,302)	(10,611,107,892)	(8,079,627,296)	(8,994,561,867)
Net increase (decrease) in cash and cash equivalents before impact of the following					
		353,730,233	811,305,875	445,197,969	(61,525,174)
Effects of exchange rate changes on cash and cash equivalents		11,230	(165,231)	-	-
Net increase (decrease) in cash and cash equivalents		353,741,463	811,140,644	445,197,969	(61,525,174)
Cash and cash equivalents at 1 January		3,071,828,950	2,260,688,306	144,092,612	205,617,786
Cash and cash equivalents at 31 December	7	3,425,570,413	3,071,828,950	589,290,581	144,092,612

The accompanying notes are an integral part of these financial statements

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
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Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
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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 2019, the largest shareholder of the Company is Singtel Global Investment Pte. Ltd., holding 21.0% (31 December 2018: Singtel Global Investment Pte. Ltd., 21.0%).

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

Detail of the Company’s subsidiaries and associates as at 31 December 2019 and 2018 were as follows:

Unit: %

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			31 December	
			2019	2018
Subsidiaries				
Thaicom PLC 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, satellite uplink-downlink services, broadcasting television service & telecommunication, telephone network services, and engineering development services on communication technology & electronics.	Thailand	41.13	41.13
I.T. Applications and Service Co., Ltd. (“ITAS”)	Providing computer program and other related services.	Thailand	99.99	99.99
Intouch Media Co., Ltd. and its Group (“Intouch Media”)	To do business in relation to broadcasting and television, including other related businesses.	Thailand	99.99	99.99
ITV PLC and its Group (“ITV”)	At present, ITV has ceased its operation (<i>notes 36 and 37</i>).	Thailand	52.92	52.92
Matchbox Co., Ltd. (“MB”)	At present, MB has ceased its operation and is in liquidation process (<i>note 11</i>).	Thailand	-	99.99
Associates				
Advanced Info Service PLC and its Group (“AIS”)	Mobile service provider on a 2.1-GHz, 1.8-GHz and 900MHz cellular telephone system, and was allotted 700MHz spectrum, service provider of online data communications via telephone land line & optical fiber, telecom & network operator, broadcasting network services or television, importer & distribution of handsets & accessories, internet data center services, distribute internet equipment, advertising and other related services.	Thailand	40.45	40.45

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Unit: %

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			31 December	
			2019	2018
Associates under Venture Capital				
(excluded investment in debt security and other investment of Venture Capital, shown in long-term investments)				
Ookbee Co., Ltd. (“OOKBEE”)	Service provider and developer of digital publication, e-booking and multimedia platform.	Thailand	20.49	20.94
Meditech Solution Co., Ltd. (“Meditech”)	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	16.66	16.66
Playbasis PTE Ltd. (“Playbasis”)	Service provider and developer for the digital gamification platform.	Singapore	15.36	15.36
Golfdigg Co., Ltd. (“Golfdigg”)	Service provider for the golf course booking platform and other golf-related services.	Thailand	25.00	25.00
Wongnai Media Co., Ltd. (“Wongnai”)	Developer of website and application to review and search for restaurants & lifestyle, including restaurant management systems.	Thailand	8.68	9.54
Digio (Thailand) Co., Ltd. (“Digio”)	Service provider of electronic payment. At present, the Company sold all investment in Digio (<i>note 12</i>).	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	17.96
YDM (Thailand) Co., Ltd. (“YDM”)	Service provider for online marketing solution.	Thailand	8.11	8.11
VVR Asia Co., Ltd. (“VVR Asia”)	Creation and development of virtual reality content for mobile phones, laptops and other devices.	Thailand	10.00	10.00
Choco Card Enterprise Co., Ltd. (“Choco Card”)	Develop customer relationship management (CRM) system for stores in the SME sector.	Thailand	19.41	20.00
Ecartstudio Co., Ltd. (“ECART”)	Designing, developing and providing consultation on digital map system and location-based technology for both mobile and web-based applications.	Thailand	11.43	11.43
Doctor A to Z Co., Ltd. (“ATOZ”)	Develop a medical platform for matching individuals & corporates with healthcare providers in Thailand and foreign countries, along with online healthcare management programs.	Thailand	20.00	-

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

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

As at 31 December 2019, the remaining minimum payment as specified in the agreement is Baht 159 million in the consolidated financial statements (2018: Baht 245 million), excluding ITV due to the dispute as discussed in notes 36 and 37. 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 2019 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 36 and 37)	July 2025
Subsidiaries of THAICOM			
Broadcasting Operation License	Thailand	Thai Advance Innovation Co., Ltd.	January 2028
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
Broadcasting Operation License	Thailand	Super Broadband Network Co., Ltd.	March 2032
Internet Operation License Type I	Thailand	CS Loxinfo PLC	September 2024
Internet Operation License Type II	Thailand	CS Loxinfo PLC	April 2022
Telecom Operation License Type I	Thailand	CS Loxinfo PLC	October 2024
Telecom Operation License Type III	Thailand	CS Loxinfo PLC	December 2022

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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 Thailand Federation of Accounting Professions ("TFAC"); 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".

INTOUCH Group has adopted the new and revised TFRSs that are announced by the TFAC and become effective for the financial statements for the period beginning on or after 1 January 2019 onwards. The TFRSs that have material impact on the presentation and/or disclosure in the current period financial statements of INTOUCH Group are disclosed in note 3.

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, plant and equipment including property, plant 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.
35	Assumptions used to measure fair value of financial instruments for non-observable assets or liabilities such as discount rate.
36 and 37	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.

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

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

As at 31 December 2019, ITV's current liabilities exceed its current assets by an amount of Baht 1,636 million and deficit in excess of its share capital by an amount of Baht 1,638 million (2018: Baht 1,664 million and Baht 1,664 million, respectively).

The consolidated financial statements of the Company have consolidated the financial statements of ITV. Accordingly, the recorded assets amounting to Baht 1,257 million represent 2.5% of consolidated total assets (2018: Baht 1,230 million, represented 2.5%) and liabilities amounting to Baht 2,895 million represent 31.9% of consolidated total liabilities (2018: Baht 2,894 million, represented 24.0%), and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 1,638 million (2018: Baht 1,664 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 2019 and 2018 would be adjusted to reduce by Baht 1,638 million and Baht 1,664 million, respectively. The retained earnings and shareholders' equity as at 31 December 2019 and 2018 would be increased by Baht 1,638 million and Baht 1,664 million, respectively.

3 Changes in accounting policies

From 1 January 2019, INTOUCH Group has initially adopted TFRS 15 Revenue from Contracts with Customers, which was announced in the Royal Gazette on 14 March 2018 and effective for the financial statements for the period beginning on or after 1 January 2019, onwards. This has impacted to the accounting policy, which was different from the policies used for the presentation of the financial statements for the year ended 31 December 2018.

The standard provides transition option, which INTOUCH Group selected to apply retrospectively with the cumulative effect of initially applying recognised as an adjustment to the opening balance of retained earnings at the date of current period.

The change of this accounting policy has affected to INTOUCH Group's revenue recognition. The revenue from contracts with customers should be allocated to the performance obligations in the contract by reference to their relative standalone selling prices. In addition, some part of additional disclosure is required.

The change in this accounting policy had been significantly impacted from the change of AIS Group accounting policy. Some items of the INTOUCH group were impacted as follows:

Unit: Million Baht						
	Consolidated financial statements			Separate financial statements		
	As previously reported	Impacts from change in accounting policy	As restated	As previously reported	Impacts from change in accounting policy	As restated
Statements of financial position						
Opening balance as at 1 January 2019						
Assets						
Non-current assets						
Investments in associates	24,277	549	24,826	24,277	549	24,826
Equity						
Retained earnings						
Unappropriated	13,069	549	13,618	13,949	549	14,498

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2019

Unit: Million Baht

	Consolidated financial statements			Separate financial statements		
	As previously reported	Impacts from change in accounting policy	As restated	As previously reported	Impacts from change in accounting policy	As restated
Statements of financial position						
As at 31 December 2019						
Assets						
Non-current assets						
Investments in associates	28,164	605	28,769	28,164	605	28,769
Equity						
Retained earnings						
Unappropriated	16,190	605	16,795	17,061	605	17,666
Statements of profit or loss						
For the year ended 31 December 2019						
Revenue						
Share of profit of associates	12,329	56	12,385	12,329	56	12,385
Profit for the year	9,710	56	9,766	11,019	56	11,075
Attributable to:						
Owners of parent	11,027	56	11,083	11,019	56	11,075
Profit for the year	9,710	56	9,766	11,019	56	11,075
Earnings per share to owners of parent (Baht per share)						
Basic earnings per share	3.44	0.02	3.46	3.43	0.02	3.45
Diluted earnings per share	3.44	0.02	3.46	3.43	0.02	3.45
Statements of profit or loss and other comprehensive income						
For the year ended 31 December 2019						
Profit for the year	9,710	56	9,766	11,019	56	11,075
Total comprehensive income attributable to:						
Owners of parent	11,189	56	11,245	11,176	56	11,232
Total comprehensive income for the year	9,939	56	9,995	11,176	56	11,232

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Unit: Million Baht

	Consolidated financial statements			Separate financial statements		
	As previously reported	Impacts from change in accounting policy	As restated	As previously reported	Impacts from change in accounting policy	As restated
Statements of cash flow						
For the year ended 31 December 2019						
Cash flows from operating activities						
Profit for the year	9,710	56	9,766	11,019	56	11,075
<i>Adjustments for</i>						
Share of profit of associates	(12,329)	(56)	(12,385)	(12,329)	(56)	(12,385)
Net cash provided from (used in)						
operating activities	10,136	-	10,136	8,241	-	8,241

The impact of the change in this accounting policy to AIS Group is due to:

Revenues from rendering of service, equipment rental and sale of goods

Revenue from contracts with multiple elements are allocated by fair value of standalone selling price which increasing in revenue from sale of goods and decreasing in revenue from rendering of service vice versa. The difference between revenue recognized and performance obligations of contracts is capitalized as contract assets and decrease according to monthly service billing to customers from rendering of services over the customer contract period.

Distribution costs

Subsidy of device paid to dealer is capitalized as contract assets and decrease according to monthly service billing to customers from rendering of services over the customer contract period.

Administrative expense

Contract assets that are terminated or expected to be terminated before end of customer contract period are reduced and recognized as loss from terminate contract assets.

Income tax expense

Deferred tax is recognized from temporary difference between the carrying amount of contract assets for financial reporting purposes and amount used for taxation purposes.

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.

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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 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 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.

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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 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 profit or loss.

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.

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Foreign operations

Statements of profit or loss 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 profit or loss and other 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 profit or loss.

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 receivables

Trade and other receivables 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, net of their deposit (if any). Account receivables are written off when bad debt incurred. Bad debts and doubtful accounts are recognised in the statement of profit or loss 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. 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.

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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. Loss from impairment 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 loss from impairment and gain or loss from re-measurement will be recognised in the statements of profit or loss. The gain recognition will not be exceeding the initial loss from impairment.

(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 loss from impairment is charged to the statements of profit or loss.

When disposing, the difference between the receipt from disposal and the book value of such investments is recognised in the statement of profit or loss. 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

Property, plant and equipment are initially recorded at cost and subsequently shown at cost less accumulated depreciation and losses from impairment.

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.

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

The cost of replacing a part of an item of property, plant 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, plant and equipment are recognised in profit or loss as incurred.

The residual value of an item of property, plant 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 profit or loss.

(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) Other 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 losses from impairment.

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 losses from impairment.

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.

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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.

A loss from impairment is recognised in the statement of profit or loss. The loss from impairment 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

A loss from impairment in respect of an asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the loss from impairment was recognised only to the extent that the reversal amount does not exceed the loss from impairment previously recognised. A loss from impairment 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 profit or loss 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 profit or loss 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, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment.

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(n) Trade and other payables

Trade and other payables 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 profit or loss 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 the statements of profit or loss and other comprehensive income and the employee benefits expenditure is recognised in the statement of profit or loss.

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 profit or loss in the year to which they relate.

(q) Share-based payment

Share-based payment is measured the expense by reference to the fair value of the equity instrument granted at the grant date.

The expense related to equity-settled share-based payments is charged to the statement of profit or loss, corresponding to increase of "Other reserves - share-based payment" in shareholders' equity, over the periods in which the service conditions are fulfilled. 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 related to cash-settled share-based payments is charged to the statement of profit or loss, corresponding to the increase of liabilities, over the periods that the employees become unconditionally entitled to the payment. The liability is re-measured at the reporting date and at settlement date. The change of the fair value is recognised as staff costs in the statement of profit or loss.

(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.

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(s) Revenue

Revenue recognition

Revenue is recognised when a performance obligation is satisfied by transferring a promised goods or services to a customer. The revenue from contracts with customer should be allocated to the performance obligations in the contract by reference to their relative standalone selling prices.

Revenue from sale of goods, including the equipment with installation is recognised in profit or loss when control over the goods has been transferred to the customer. This may indicate that customer has obtained the ability to direct the use of that goods, and obtain substantially all of the remaining benefits from that goods. Also, the group has a right to receive the payment for those goods. 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 rendering transponder services and other 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 long-term contract is recognized using the percentage of completion method.

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.

(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

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.

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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 2019 were as follows:

Name of entity	Relationship
Companies under INTOUCH Group increased during the year	
Doctor A to Z Co., Ltd. ("ATOZ")	Associate
Companies under INTOUCH Group decreased during the year	
Matchbox Co., Ltd. ("MB")	Subsidiary
Cambodian DTV Network Ltd. ("CDN").	Indirect subsidiary
Digio (Thailand) Co., Ltd. ("Digio")	Associate

Significant transactions with related parties were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
For the year ended 31 December	2019	2018	2019	2018
Revenue				
Subsidiaries				
Interest income and other incomes	-	-	6	6
Joint ventures				
Interest income	103	102	-	-
Rental income	11	12	-	-
Consultant and other incomes	10	10	-	-
	124	124	-	-

Unit: Million Baht

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		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2019	2018	2019	2018
Revenue					
Associates					
Mobile content services	-	11	-	-	-
Accounting program services	167	103	-	-	-
Transponder lease	45	51	-	-	-
Sale and installation of power generation system	1	16	-	-	-
TV uplink	-	4	-	-	-
Call center and voice services	-	4	-	-	-
Rental and other incomes	19	17	4	3	
	232	206	4	3	
Expenses					
Subsidiaries					
Accounting program services and others	-	-	2	2	
Joint ventures					
Rental and other expenses	-	5	-	-	
Associates					
Rental and other expenses	28	11	4	3	

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2019	2018	2019	2018
Dividend transactions					
Dividend received					
Subsidiaries	-	-	10	623	
Associates	8,515	8,840	8,515	8,840	
	8,515	8,840	8,525	9,463	
Dividend paid					
Directors of the Company	1	1	1	1	
Largest shareholders of the Company	1,697	2,180	1,697	2,180	
	1,698	2,181	1,698	2,181	

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Balances with related parties were as follows:

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade accounts and notes receivable				
Associates	17	37	-	-
Related parties	-	53	-	-
Total	17	90	-	-
Less allowance for doubtful accounts	-	(53)	-	-
Net	17	37	-	-
Accrued income				
Associates	28	5	-	-
Other receivable				
Subsidiaries	-	-	1	1
Associates	1	1	1	1
Total	1	1	2	2
Less allowance for doubtful accounts	(1)	-	(1)	-
Net	-	1	1	2
Amounts due from, advances & loans to related parties				
Joint ventures	6	43	-	-
Associates	27	12	27	12
Total	33	55	27	12
Less allowance for doubtful accounts	(18)	-	(18)	-
Net	15	55	9	12
Current investment in debenture through private funds, manage by independent fund manager				
Subsidiaries	-	-	80	68
Associates	93	63	54	63
Total	93	63	134	131
Current portion of long-term loan to a related party				
Joint venture	631	486	-	-
Long-term loan to a related party				
Joint venture	1,127	1,457	-	-

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

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Opening balance at 1 January	12	-	12	-
Lending	14	12	14	12
Total	26	12	26	12
Less allowance for doubtful accounts	(18)	-	(18)	-
Balance at 31 December	8	12	8	12

Short-term loans are convertible loans to associates, which are due within a year and bearing fixed interest rate at comparable market.

Movements of long-term loan to a related party were as follows:

For the year ended 31 December	Consolidated financial statements	
	2019	2018
Opening balance at 1 January	1,943	1,957
Repayments	(46)	-
Unrealised loss on currency translation	(139)	(14)
Total	1,758	1,943

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

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Trade accounts and notes payable				
Associates	2	2	-	-
Other payable				
Joint ventures	3	3	-	-
Associates	5	5	-	-
Total	8	8	-	-

	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Amounts due to related parties				
Associates	4	1	4	1
Other non-current liabilities				
Associates	1	2	-	-

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Director and management compensation

Directors' remuneration and key management personnel compensation comprised of:

For the year ended 31 December	Unit: Million Baht			
	Consolidated		Separate	
	Financial statements		Financial statements	
	2019	2018	2019	2018
Short-term benefit				
Directors' remuneration	54	60	36	36
Key management compensation	75	60	31	25
Total directors and management benefit expenses	129	120	67	61
Long-term benefit				
Included in administrative expenses				
Current service costs	2	3	1	2
Share-based payment	2	4	2	4
Included in finance costs				
Interest on obligation	2	2	1	1
Total long-term management benefit expenses	6	9	4	7
Total	135	129	71	68

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 2019, 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 to three years with an option to renew one to three years each. The parties have the right to terminate the agreement by giving at least three to six-month advance written notice. As at 31 December 2019, the Company and associates committed to pay to the subsidiary for services in respect of the agreements at approximately Baht 2 million on the consolidated financial statements and approximately Baht 0.2 million on the separate financial statements (*31 December 2018: approximately Baht 4 million on the consolidated financial statements and approximately Baht 0.5 million on the separate financial statements*).
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 2019, associates committed to pay the subsidiary for the service of the agreements at Baht 4 million (*2018: Baht 9 million*).

Intouch Holdings Public Company Limited and its Subsidiaries
Notes to the financial statements
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6 Additional cash flow information

Significant non-cash items were as follows:

For the year ended 31 December	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Purchase of property, plant and equipment and other intangible assets				
- by liabilities	2	15	1	-

7 Cash and cash equivalents

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
Cash on hand	2	105	-	-
Deposit at banks-current and saving accounts	2,456	2,432	589	144
Deposit at banks-fixed accounts and highly liquid short-term investments	968	535	-	-
Total	3,426	3,072	589	144
The weighted average effective interest rate (percentage per annum)	0.7%	0.7%	0.9%	0.3%

8 Other investments

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
Current investments				
Short-term deposit and investment	1,100	2,675	79	401
Debt securities available for sale	4,552	4,466	1,410	1,368
	5,652	7,141	1,489	1,769
Other long-term investments (included investment in Venture Capital which is not classified as investments in subsidiaries, joint ventures and associates)				
Investment in other company	168	67	168	67
Less impairment loss on investment	(25)	(25)	(25)	(25)
	143	42	143	42
Total	5,795	7,183	1,632	1,811

The weighted average effective interest rate of short-term bank deposits was 1.4% per annum (2018: 1.4% per annum) in the consolidated financial statements and 1.8% per annum (2018: 1.5% per annum) in the separate financial statements.

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The weighted average of the interest rate of current investments for debt available-for-sale securities is 2.7% per annum (2018: 1.7 % per annum) in the consolidated financial statements and 1.9% per annum (2018: 2.0% per annum) in the separate financial statements.

9 Trade and other receivables

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
	<i>Note</i>				
Trade receivables					
Trade and notes receivable					
Related parties	5	17	90	-	-
Other parties		1,911	1,893	-	-
Total		1,928	1,983	-	-
Accrued income					
Related parties	5	28	5	-	-
Other parties		558	645	-	-
Total		586	650	-	-
Total trade receivables and accrued income		2,514	2,633	-	-
Less allowance for doubtful accounts		(936)	(1,077)	-	-
Net		1,578	1,556	-	-
Other receivables		489	469	8	15
Total		2,067	2,025	8	15

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

		Unit: Million Baht	
		Consolidated financial statements	
		31 December 2019	31 December 2018
Within credit terms		106	156
Overdue:			
Less than 3 months		151	422
3 - 6 months		188	242
6 - 12 months		526	257
Over 12 months		957	906
Total		1,928	1,983
Less allowance for doubtful accounts		(936)	(1,077)
Net		992	906

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Other receivables were as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Prepaid expenses	60	55	4	3
Accrued interest income	32	40	2	2
Advance payments	127	181	-	-
Deposits	28	27	1	1
Others	242	166	1	9
Total	489	469	8	15

10 Inventories

	Unit: Million Baht			
	Consolidated		Separate	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Raw materials	27	45	-	-
Work in process	72	15	-	-
Finished goods	111	154	-	-
Goods in transit	1	-	-	-
	211	214	-	-
Less allowance for obsolete inventories	(87)	(92)	-	-
Net	124	122	-	-

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

INTOUCH Group reclassified assets and liabilities of MB to non-current assets or disposal groups classified as held for sale in the consolidated financial statements as at 31 December 2018. However, MB had completeness of liquidation on 25 February 2019 with the net assets, cash and cash equivalents, remaining at Baht 53 million of which was returned to shareholder at Baht 9.02 per share.

Intouch Holdings Public Company Limited and its Subsidiaries
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12 Investments in subsidiaries, joint ventures and associates

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

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Unit: Million Baht				
<i>Investments in subsidiaries</i>				
Opening balance at 1 January	-	-	5,487	6,430
Share of loss – equity method	-	-	(954)	(254)
Cash received from liquidation (<i>Note 11</i>)	-	-	(53)	315
Unrealised dilution gain from an investment	-	-	-	(351)
Dividend received	-	-	(10)	(623)
Share of other comprehensive income	-	-	86	(5)
Translating financial statements and others	-	-	(40)	(25)
Balance at 31 December	-	-	4,516	5,487
<i>Investments in joint ventures</i>				
Opening balance at 1 January	1,483	1,439	-	-
Share of profits – equity method	(151)	76	-	-
Share of other comprehensive income	208	-	-	-
Translating financial statements	(127)	(32)	-	-
Balance at 31 December	1,413	1,483	-	-
<i>Investments in associates</i>				
Opening balance at 1 January – as previously reported	24,278	21,539	24,278	21,539
Impacts of change in accounting policy	548	-	548	-
Opening balance at 1 January - as restated	24,826	21,539	24,826	21,539
Acquisition	12	110	12	110
Acquisition by exchange shares of investment in an associate and an other long-term investment	-	20	-	20
Disposals	(36)	-	(36)	-
Share of profits – equity method	12,385	12,019	12,385	12,019
Adjustment of intercompany sale of an investment	-	(315)	-	(315)
Unrealised dilution gain from an investment	38	-	38	-
Dividend received	(8,515)	(8,840)	(8,515)	(8,840)
Share of other comprehensive income	95	15	95	15
Change in non-controlling interest in an associate	-	(270)	-	(270)
Provision for impairment loss in investments	(36)	-	(36)	-
Balance at 31 December	28,769	24,278	28,769	24,278

Intouch Holdings Public Company Limited and its Subsidiaries
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For the year ended 31 December 2019

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

Consolidated financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(%)	(%)	(in Million)	(in Million)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)
Joint ventures										
SHEN	51.00	51.00	15	15	138	138	1,409	1,444	-	-
High Shopping	51.00	51.00	500	500	255	255	4	39	-	-
Total					393	393	1,413	1,483	-	-
Associates										
AIS	40.45	40.45	2,973	2,973	8,382	8,382	28,460	23,926	8,515	8,840
Venture Capital Investments*					394	417	309	352	-	-
Total					8,776	8,799	28,769	24,278	8,515	8,840
Less provision for impairment loss					(101)	(57)	-	-	-	-
Net					8,675	8,742	28,769	24,278	8,515	8,840

* Excluded investment in debt security and other investments of Venture Capital

Intouch Holdings Public Company Limited and its Subsidiaries
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Investments in subsidiaries and associates, and dividend income for the years then ended were as follows:

Separate financial statements

	Ownership interest		Paid-up capital		Cost method		Equity method		Dividend income for the	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(%)	(%)	(in Million)	(in Million)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)	(in Million Baht)
Subsidiaries										
THAICOM	41.13	41.13	5,481	5,481	3,613	3,613	4,381	5,262	-	613
ITV	52.92	52.92	6,033	6,033	3,297	3,297	-	-	-	-
ITAS	99.99	99.99	10	10	10	10	117	119	10	10
MB (Note 11)	-	99.99	-	59	-	122	-	53	-	-
Intouch Media	99.99	99.99	279	279	279	279	18	53	-	-
Total					7,199	7,321	4,516	5,487	10	623
Less impairment					(3,297)	(3,369)	-	-	-	-
Net					3,902	3,952	4,516	5,487	10	623
Associates										
AIS	40.45	40.45	2,973	2,973	8,382	8,382	28,460	23,926	8,515	8,840
Venture Capital Investments*					394	417	309	352	-	-
Total					8,776	8,799	28,769	24,278	8,515	8,840
Less provision for impairment loss					(101)	(57)	-	-	-	-
Net					8,675	8,742	28,769	24,278	8,515	8,840

* Excluded investment in debt security and other investments of Venture Capital

Intouch Holdings Public Company Limited and its Subsidiaries
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Significant transactions during the year ended 31 December 2019 of INTOUCH Group was as follows:

Contract of purchase shares in Vimpelcom Lao Company Limited

On 16 January 2019, Lao Telecommunication Public Company ("LTC"), an indirect joint venture of THAICOM, entered into the Sale and Purchase Contract with the Government of The Lao PDR ("LAOGOV") to purchase 500,000 shares, equivalent to 100%, of Vimpelcom Lao Co., Ltd. at USD 42 million.

LTC paid the entire amount to LAOGOV and, on 1 August 2019; LTC received the transfer of 500,000 shares, representing 100% of the total shares from LAOGOV. Afterwards, Vimpelcom Lao Co., Ltd. had changed its name to TPLUS Digital Co., Ltd.

The disposal of investment in Venture Capital Project

On 9 July 2019, the Company disposed all investment in Digio, 402,500 shares or 8.05%, to the Digio's founder at Baht 45.5 million.

The disposal of a subsidiary of THAICOM

On 17 September 2019, THAICOM disposed all of its investment in CDN, 1,000 shares or 100%, to a company in Cambodia at USD 0.8 million or Baht 25 million.

Investment in Venture Capital Project

During the year ended 31 December 2019, the Company had additional investments in Venture Capital project as follows:

Name of company	Share investment	
	Number of share (share)	Ownership interest (%)
Doctor A to Z Co., Ltd. ("ATOZ")	13,483	20.00

Provision for impairment loss in investments

In 2019, the Company booked the provision for impairment loss in Venture Capital investments at Baht 36 million in the separate and consolidated financial statements.

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 2019 and 2018, 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 2019 and 2018, 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.

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Unit: Million Baht

	SHEN		High Shopping	
	31 December	31 December	31 December	31 December
	2019	2018	2019	2018
Current assets	1,715	152	67	108
Non-current assets	4,591	6,702	51	82
Current liabilities	(1,355)	(89)	(108)	(112)
Non-current liabilities	(2,133)	(3,829)	(2)	(1)
Net assets	2,818	2,936	8	77

Unit: Million Baht

	SHEN		High Shopping	
	2019	2018	2019	2018
	For the year ended 31 December			
Revenue	257	534	327	300
Profit (loss) from continuing operations	(228)	234	(68)	(86)
Other comprehensive income	(298)	(73)	-	-
Comprehensive income	(526)	161	(68)	(86)

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

Unit: Million Baht

	SHEN		High Shopping	
	2019	2018	2019	2018
	For the year ended 31 December			
Group's interest in net assets of investee at 1 January	1,444	1,356	39	83
Share of profits (loss) attributable to the Group	(116)	120	(35)	(44)
Share of other comprehensive income attributable to the Company	81	(32)	-	-
Group's interest in net assets of investee at 31 December	1,409	1,444	4	39
Carrying amount of interest in investee at 31 December	1,409	1,444	4	39

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 2019 and 2018 (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).

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Unit: Million Baht

	AIS	
	31 December 2019	31 December 2018
Current assets	47,142	34,905
Non-current assets	242,527	255,600
Current liabilities	(105,255)	(72,764)
Non-current liabilities	(115,020)	(160,072)
Net assets	69,394	57,669
Market value	633,287	512,859

Unit: Million Baht

	AIS	
	2019	2018
For the year ended 31 December		
Revenue	180,894	169,856
Profit (loss) from continuing operations	31,192	29,714
Other comprehensive income	224	-
Comprehensive income	31,416	29,714

14 Property, plant and equipment

Unit: Million Baht

	Consolidated financial statements					
	Buildings & improvements	Equipment, furniture & fixtures	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
As at 1 January 2018						
Cost	470	11,682	101	234	4	12,491
Less Accumulated depreciation	(399)	(3,917)	(63)	(169)	-	(4,548)
Net book value	71	7,765	38	65	4	7,943
Transactions during the year ended 31 December 2018						
Purchases	2	72	17	10	5	106
Transfer-net	-	18	-	-	-	18
Disposals-net	-	(7)	(5)	-	-	(12)
Depreciation charge	(25)	(683)	(17)	(29)	-	(754)
Loss from impairment	-	(2,423)	-	-	-	(2,423)
Foreign currency translations adjustment	-	(2)	-	-	-	(2)
Closing net book value	48	4,740	33	46	9	4,876

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Unit: Million Baht

Consolidated financial statements						
	Buildings & improvements	Equipment, furniture & fixtures	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
As at 31 December 2018 and as at 1 January 2019						
Cost	442	11,651	97	226	9	12,425
<u>Less</u> Accumulated depreciation	(394)	(4,488)	(64)	(180)	-	(5,126)
<u>Less</u> Provision for impairment loss	-	(2,423)	-	-	-	(2,423)
Net book value	48	4,740	33	46	9	4,876
Transactions during the year ended 31 December 2019						
Purchases	3	187	9	7	12	218
Transfer-net	-	18	-	-	(10)	8
Decrease investment in a subsidiary-net	(3)	(15)	(1)	-	-	(19)
Disposal-net	-	-	(1)	-	-	(1)
Depreciation charge	(21)	(472)	(14)	(26)	-	(533)
Loss from impairment	-	(1,187)	-	-	-	(1,187)
Foreign currency translations adjustment	-	(3)	-	-	(1)	(4)
Closing net book value	27	3,268	26	27	10	3,358
As at 31 December 2019						
Cost	412	11,727	77	220	10	12,446
<u>Less</u> Accumulated depreciation	(385)	(4,849)	(51)	(193)	-	(5,478)
<u>Less</u> Provision for impairment loss	-	(3,610)	-	-	-	(3,610)
Net book value	27	3,268	26	27	10	3,358

Provision for impairment loss of equipment

Fierce competition in the satellite industry has led to significant market price erosion and affected THAICOM's operating results. THAICOM had assessed the provision for impairment loss recorded on equipment by discounting the cash flow it expected to receive by 31 December 2018, using a discount rate of 8%, which was increased to 8.3% for the assessment at 31 December 2019. The results showed that the book value of the assets was higher than the recoverable amount. Therefore, the losses from impairment were recorded in the amount of Baht 2,423 million and Baht 1,187 million (Baht 1,033 million was loss from impairment on satellites) in the consolidated statements of profit or loss for the years ended 31 December 2018 & 2019, respectively.

Unit: Million Baht

Separate financial statements						
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles	Computers & equipment	Assets under construction	Total
Balance at 1 January 2018						
Cost	27	15	35	29	-	106
<u>Less</u> Accumulated depreciation	(15)	(10)	(24)	(20)	-	(69)
Net book value	12	5	11	9	-	37
Transactions during the year ended 31 December 2018						
Purchases	-	-	9	-	-	9
Disposals- net	-	-	(1)	-	-	(1)
Depreciation charge	(6)	(2)	(6)	(4)	-	(18)
Closing net book value	6	3	13	5	-	27

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Unit: Million Baht

Separate financial statements						
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles	Computers & equipment	Assets under construction	Total
Balance at 31 December 2018 and as at 1 January 2019						
Cost	27	15	35	28	-	105
<u>Less</u> Accumulated depreciation	(21)	(12)	(22)	(23)	-	(78)
Net book value	6	3	13	5	-	27
Transactions during the year ended 31 December 2019						
Purchases	3	-	8	1	1	13
Depreciation charge	(6)	(2)	(5)	(3)	-	(16)
Closing net book value	3	1	16	3	1	24
As at 31 December 2019						
Cost	28	15	35	28	1	107
<u>Less</u> Accumulated depreciation	(25)	(14)	(19)	(25)	-	(83)
Net book value	3	1	16	3	1	24

15 Intangible assets under operating agreements

Unit: Million Baht

Consolidated financial statements	
At 1 January 2018	
Cost	26,233
<u>Less</u> Accumulated amortisation	(19,050)
<u>Less</u> Provision for impairment loss	(3,196)
Net book value	3,987
Transactions during the year ended 31 December 2018	
Transfer- net	1
Amortisation charge	(1,151)
Reversal of provision for impairment loss	170
Closing net book value	3,007
At 31 December 2018 and at 1 January 2019	
Cost	26,250
<u>Less</u> Accumulated amortisation	(20,217)
<u>Less</u> Provision for impairment loss	(3,026)
Net book value	3,007
Transactions during the year ended 31 December 2019	
Write-off-net	(1)
Amortisation charge	(1,214)
Loss from impairment	(426)
Closing net book value	1,366
At 31 December 2019	
Cost	26,013
<u>Less</u> Accumulated amortisation	(21,195)
<u>Less</u> Provision for impairment loss	(3,452)
Net book value	1,366

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Provision for impairment loss on intangible assets under operating agreements

On 17 December 2019, THAICOM found a technical incident on the status notification system of Thaicom 5. THAICOM, together with the satellite manufacturer and the related specialists are in the process of recovery. Then, the specialists will provide an opinion on the administrative procedure, which could lead to the cease of the service in the future. However, in order to continue providing services, THAICOM has been cooperating with all the relevant customers in order to migrate them to other satellites.

On 31 December 2019, Thaicom 5 and all the related equipment had a book value of Baht 222 million, which THAICOM has booked as a loss from impairment.

THAICOM assessed the provision for impairment loss on intangible assets under operating agreement by using the discounted cash flow approach with a discount rate of 8.3%. Then the book value was higher than the recoverable amount, a loss from impairment of Baht 205 million was recorded in the consolidated statement of profit or loss for the year ended 31 December 2019.

16 Other intangible assets

Unit: Million Baht

	Consolidated financial statements		
	Goodwill	Others	Total
At 1 January 2018			
Cost	1,698	1,933	3,631
<u>Less</u> Accumulated amortisation	-	(1,481)	(1,481)
<u>Less</u> Provision for impairment loss	(1,559)	(37)	(1,596)
Net book value	139	415	554
Transactions during the year ended 31 December 2018			
Purchases	-	3	3
Amortisation charge	-	(115)	(115)
Closing net book value	139	303	442

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Unit: Million Baht

	Consolidated financial statements		
	Goodwill	Others	Total
At 31 December 2018 and at 1 January 2019			
Cost	1,698	1,922	3,620
<u>Less</u> Accumulated amortisation	-	(1,585)	(1,585)
<u>Less</u> Provision for impairment loss	(1,559)	(34)	(1,593)
Net book value	139	303	442
Transactions during the year ended 31 December 2019			
Purchases	-	2	2
Transfer-net	-	10	10
Amortisation charge	-	(107)	(107)
Loss from impairment	-	(9)	(9)
Foreign currency translations adjustment	-	(1)	(1)
Closing net book value	139	198	337
At 31 December 2019			
Cost	1,698	1,922	3,620
<u>Less</u> Accumulated amortisation	-	(1,683)	(1,683)
<u>Less</u> Provision for impairment loss	(1,559)	(41)	(1,600)
Net book value	139	198	337

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

Unit: Million Baht

	Separate financial statements	
Balance at 1 January 2018		
Cost		20
<u>Less</u> Accumulated amortisation		(16)
Net book value		4
Transactions during the year ended 31 December 2018		
Purchases		1
Amortisation charge		(2)
Closing net book value		3

Intouch Holdings Public Company Limited and its Subsidiaries
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Unit: Million Baht

**Separate
financial statements**

**Balance at 31 December 2018
and as at 1 January 2019**

Cost	21
<u>Less Accumulated amortisation</u>	<u>(18)</u>
Net book value	3

**Transactions during the year
ended 31 December 2019**

Amortisation charge	(1)
Closing net book value	2

As at 31 December 2019

Cost	21
<u>Less Accumulated amortisation</u>	<u>(19)</u>
Net book value	2

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
2019 2018

Deferred tax assets	803	1,122
Deferred tax liabilities	(2)	-
Net	801	1,122

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 does not recognise the deferred tax assets in respect of unused tax loss carried forward to offset future tax income at Baht 1,607 million (2018: Baht 1,628 million) in the consolidated financial statements and Baht 1,599 million (2018: 1,592 million) in the separate financial statements.

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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 2018	Gain or loss	Other comprehensive income	At 31 December 2018
Deferred tax assets				
Loss carry forward	3	64	(6)	61
Allowance for doubtful accounts	4	2	-	6
Allowance of obsolescence	16	-	(1)	15
Provision for impairment loss	639	276	-	915
Deposits	31	(6)	-	25
Advance receipt from customer	21	(7)	(1)	13
Employee benefits	39	(5)	3	37
Accrued expenses	18	19	(3)	34
Others	9	6	1	16
Total	780	349	(7)	1,122

Unit: Million Baht

Consolidated financial statements				
	At 1 January 2019	Gain or loss	Other comprehensive income	At 31 December 2019
Deferred tax assets				
Loss carry forward	61	(60)	(1)	-
Allowance for doubtful accounts	6	2	-	8
Allowance of obsolescence	15	(1)	-	14
Provision for impairment loss	915	(261)	(2)	652
Deposits	25	(4)	-	21
Advance receipt from customer	13	1	(1)	13
Employee benefits	37	16	4	57
Accrued expenses	34	(10)	(2)	22
Others	16	6	(6)	16
Total	1,122	(311)	(8)	803
Deferred tax liabilities				
Gains (losses) on remeasuring investments held as available for sale	-	-	2	2
Total	-	-	2	2

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18 Interest bearing liabilities

			Unit: Million Baht
Consolidated financial statements			
	31 December 2019	31 December 2018	
Current liabilities			
Current portion of long-term borrowings	383	412	
Current portion of debenture	-	2,231	
Current portion of finance lease liabilities	9	9	
	392	2,652	
Non-current liabilities			
Long-term borrowings	1,533	2,061	
Debenture	2,229	2,227	
Finance lease liabilities	6	18	
	3,768	4,306	
Total	4,160	6,958	

The movements in the borrowings were as follows:

					Unit: Million Baht
Consolidated financial statements					
	Long-term borrowings	Debenture	Finance lease liabilities	Total	
Opening balance at 1 January 2018	2,905	4,398	31	7,334	
Cash changes					
Repayments	(404)	-	(10)	(414)	
Non-cash changes					
Additions	-	-	6	6	
Amortisation of finance cost	-	1	-	1	
Elimination of investment in intercompany debenture	-	59	-	59	
Foreign currency translation adjustment	(28)	-	-	(28)	
Balance at 31 December 2018	2,473	4,458	27	6,958	

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Unit: Million Baht

Consolidated financial statements				
	Long-term borrowings	Debtenture	Finance lease liabilities	Total
Opening balance at 1 January 2019	2,473	4,458	27	6,958
Cash changes				
Repayments	(527)	(2,275)	(11)	(2,813)
Non-cash changes				
Amortisation of finance cost	-	2	(1)	1
Elimination of investment in intercompany debtenture	-	44	-	44
Foreign currency translation adjustment	(30)	-	-	(30)
Balance at 31 December 2019	1,916	2,229	15	4,160

Debtenture

The current portion of long-term debtenture and long-term debtenture are from THAICOM. There are two tranches value of Baht 2,275 million each. The debtenture is registered, unsecured and unsubordinated as detailed below:

Tranche	Date of issue	Unit	Amount	Interest rate p.a.	Interest due	Principal due (Entire redeemable)	Outstanding as at 31 December	
			(in million Baht)				2019	2018
		(in million)					(in million Baht)	
1	29 Sep 14	2.275	2,275	4.28%	Semi annually	2 Oct 19	-	2,275
2	29 Sep 14	2.275	2,275	4.68%	Semi annually	2 Oct 21	2,275	2,275
Total debtenture							2,275	4,550
Less Debtenture issuing cost							(1)	(3)
Net							2,274	4,547

THAICOM must comply with the conditions in the debtenture issue and debtenture 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 2019	31 December 2018
Total borrowings:		
at fixed rates	2,244	4,485
at floating rates	1,916	2,473
	4,160	6,958

Intouch Holdings Public Company Limited and its Subsidiaries
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Unit: %

	Consolidated financial statements	
	31 December 2019	31 December 2018
Weighted average interest rate		
Long-term borrowings	4.28	4.79
Debenture	4.68	4.48
Finance lease liabilities	3.29	3.29

Maturity of borrowings as at 31 December 2019 is as follows:

Unit: Million Baht

	Consolidated financial statements	
	Loan	Financial lease liabilities
Maturity		
2020	383	9
2021	2,614	2
2022 and after	1,148	4
Total	4,145	15

Borrowing facilities

As of 31 December 2019, INTOUCH Group has unutilised loan facilities made available by various financial institutions in an aggregate amount of Baht 4,258 million and USD 30 million (2018: Baht 4,934 million and USD 30 million) on the consolidated financial statements and Baht 1,010 million (2018: 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 2019	31 December 2018	31 December 2019	31 December 2018
Trade payables	<i>Note</i>				
Related parties	5	2	2	-	-
Other parties		118	142	-	-
Total		120	144	-	-
Other payables		940	1,023	77	71
Total		1,060	1,167	77	71

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Other payables are as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Accrued expenses	448	522	67	60
Deferred income and advance receipts	350	275	-	-
Other payables	52	129	7	8
Tax payable	68	66	3	3
Deposit from customers	22	31	-	-
Total	940	1,023	77	71

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		Separate	
	financial statements		financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Present value of unfunded obligations	339	242	79	60

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

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
For the years ended 31 December	2019	2018	2019	2018
At 1 January	242	247	60	53
Benefits paid by the plan	(32)	(85)	(1)	-
<i>Recognised in profit or loss:</i>				
Past & current service costs of employee and interest on obligation	109	33	25	7
Loss due to settlement	-	42	-	-
<i>Recognised in other comprehensive income:</i>				
Actuarial (gain) loss recognised during the year	20	5	(5)	-
At 31 December	339	242	79	60

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Expenses recognised in profit or loss is as follows:

For the years ended 31 December	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Past & current service costs of employee	99	23	23	5
Interest on obligation	10	10	2	2
Total	109	33	25	7

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

For the years ended 31 December	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Experience adjustment	-	(4)	-	-
Assumptions used in actuarial projections	20	9	(5)	-
Total	20	5	(5)	-

Principal actuarial assumptions are as follows:

	Unit: %			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
	2019	2018	2019	2018
Estimate of discount rate (average)	2.4	3.0-3.2	2.4	3.0
Estimate of future salary increases (average)	5.0 – 6.5	5.0 – 7.8	6.5	7.8

At 31 December 2019, the weighted-average duration of the non-current provision for employee benefit was 11-16 years (2018: 11-15 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 2019 by the amounts shown below.

Change in major assumptions	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Gain (loss) from changes in				
Discount rate (average)	(35)	40	(7)	8
Future salary growth (average)	37	(33)	8	7

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21 Share capital and premium

Movements in share capital and premium were as follows:

	Authorised number of shares (in Million shares)	Number of shares (in Million shares)	Issued and fully paid-up shares		
			Ordinary shares (in Million Baht)	Share premium (in Million Baht)	Total (in Million Baht)
Balance at 31 December 2018	5,000	3,206	3,206	10,348	13,554
Balance at 31 December 2019	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"). This 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 (if any), 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					
	2019		Consolidated financial statements	2018		Consolidated financial statements
	THAICOM Group	ITV Group		THAICOM Group	ITV Group	
Non-controlling interest percentage	58.87	47.08		58.87	47.08	
Financial position						
Current assets	8,460	1,257		9,679	1,230	
Non-current assets	8,551	-		12,523	-	
Current liabilities	(1,526)	(2,893)		(4,046)	(2,894)	
Non-current liabilities	(4,490)	(2)		(5,019)	-	
Net assets (liabilities)	10,995	(1,638)		13,137	(1,664)	
Carrying amount of non- controlling interest	6,695	(771)	5,924	7,956	(783)	7,173

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Unit: Million Baht

	For the year ended 31 December					
	2019			2018		
	THAICOM Group	ITV Group	Consolidated financial statements	THAICOM Group	ITV Group	Consolidated financial statements
Operating result						
Revenue	5,000	28		8,174	31	
Net profit (loss)	(2,250)	15		247	18	
Other comprehensive income	106	10		(428)	(9)	
Total comprehensive income	(2,144)	25		(181)	9	
Profit (loss) allocated to non - controlling interest	(1,310)	7	(1,317)	153	8	161
Other comprehensive income allocated to non - controlling interest	(1,245)	5	(1,250)	107	4	111

Unit: Million Baht

	For the year ended 31 December			
	2019		2018	
	THAICOM Group	ITV Group	THAICOM Group	ITV Group
Cash flows				
Cash flows from (used in)				
operating activities	1,869	15	2,038	17
investing activities	1,182	(16)	1,055	(20)
financing activities	(3,110)	-	(2,223)	-
Net increase (decrease) in cash and cash equivalents before	(59)	(1)	870	(3)
Opening cash and cash equivalents at beginning of the year	2,831	5	1,961	8
Cash and cash equivalents at the end of the year	2,772	4	2,831	5

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25 Share-based payment

25.1 Share-based payment settled by equity

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"). Key information of warrants to purchase the ordinary shares of the Company which have not yet 5 years is listed below:

	Grant III	Grant IV	Grant V
Approved date	27 Mar'15	31 Mar' 16	31 Mar' 17
Number of warrants offered (units)	933,700	671,200	1,107,800
Exercise price (Baht/share)	81.276	55.241	53.806
Number of reserved shares (shares)	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 III	Grant IV	Grant V
Weighted average fair value			
at the grant date (Baht/unit)	25.33	20.99	27.44
Share price at the grant date (Baht/share)	77.25	56.50	54.75
Exercise price (Baht/share)	81.28	55.24	53.81
Expected volatility	23.08%	26.84%	24.13%
Expected dividend	5.77%	8.62%	6.83%
Risk-free interest rate	2.34%	1.72%	2.01%

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Movements in the number of outstanding warrants of the Company for the year ended 31 December 2019 were as follows:

				Unit: Thousand units
	Opening balance at 1 January 2019	Transaction during the period		Closing balance at 31 December 2019
		Granted	Expired	
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	3,008	-	(802)	2,206

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

Reconciliation of other reserves - Equity-settled share-based payments was as below:

					Unit: Million Baht
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2019	2018	2019	2018
Opening balance at 1 January		61	51	54	45
Expense recognised in the statements of profit or loss		6	11	4	8
Items recognised in the statements of other components of equity		-	(1)	1	1
Balance at 31 December		67	61	59	54
Attributable to owners of Parent		59	54	59	54
Attributable to non-controlling interests		8	7	-	-
Balance at 31 December		67	61	59	54

25.2 Performance incentive payment to management of THAIKOM, settled by cash

On 9 May 2018, the Board of Director of THAIKOM had a resolution to approve the revised amount of performance incentive payment to Baht 23 million; allocating to the managements of THAIKOM with the condition that if the Absolute Total Shareholder Return and Relative Total Shareholder Return meet the criteria at the third year of the project.

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26 Other comprehensive income

The components of other comprehensive income are as follows:

For the year ended 31 December	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Components of other comprehensive income that will be subsequently reclassified to profit or loss				
Exchange differences on translating financial statement	(98)	(62)	(40)	(25)
Gains (losses) on remeasuring investments held as available for sale				
Profit (loss) during the year	54	(26)	25	(13)
<u>Less</u> reclassification of (profit) loss recognised in the statements of income	(8)	(9)	(4)	(3)
	46	(35)	21	(16)
Tax related to the component of other comprehensive income	(7)	5	(2)	1
	(59)	(92)	(21)	(40)
Components of other comprehensive income income that will not be subsequently reclassified to profit or loss				
Gains on remeasurements of defined benefit plans	279	(5)	173	(2)
Share of other comprehensive income of an associate	5	16	5	16
Tax related to the component of other comprehensive income	4	1	-	-
	288	12	178	14
Total other comprehensive income for the year, net of income tax	229	(80)	157	(26)

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

Unit: Million Baht

For the year ended 31 December	Consolidated financial statements					
	2019			2018		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
Exchange differences on translating financial statement	(98)	-	(98)	(62)	-	(62)
Gains (losses) on remeasuring investments held as available for sale	46	(7)	39	(35)	5	(30)
Share of other comprehensive income of an associate	5	-	5	16	-	16
Gains on remeasurements of defined benefit	279	4	283	(5)	1	(4)
Total other comprehensive income	232	(3)	229	(86)	6	(80)

Unit: Million Baht

For the year ended 31 December	Separate financial statements					
	2019			2018		
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax
Exchange differences on translating financial statement	(40)	-	(40)	(25)	-	(25)
Gains (losses) on remeasuring investments held as available for sale	21	(2)	19	(16)	1	(15)
Share of other comprehensive income of an associate	5	-	5	16	-	16
Gains on remeasurements of defined benefit	173	-	173	(2)	-	(2)
Total other comprehensive income	159	(2)	157	(27)	1	(26)

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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 information technology businesses to the Group and third parties, home shopping, 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 & media services, and other activities.
Australia	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.
Malaysia	Sales and services relating to satellite.
Others	Sales and services relating to satellite.

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Financial information by business segment

Unit: Million Baht

Consolidated financial statements For the year ended 31 December 2018						
	Local wireless telecommu- nications business	Satellite & international businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Revenue	-	6,233	-	146	(8)	6,371
Construction revenue under operating agreements	-	18	-	-	-	18
Share of profit (loss) of joint ventures	-	119	-	(43)	-	76
associates	12,043	-	-	(24)	-	12,019
Costs of sales and services	-	(4,356)	-	(124)	-	(4,480)
Construction costs under operating agreements	-	(18)	-	-	-	(18)
Distribution costs and administrative expenses	-	(1,572)	(338)	(20)	13	(1,917)
Profit (loss) from operating activities	12,043	424	(338)	(65)	5	12,069
Net foreign exchange gain	-	5	-	-	-	5
Loss from impairment on assets	-	(2,253)	-	-	-	(2,253)
Gain on sale of an investment	-	1,950	-	-	(315)	1,635
Other income	-	200	57	32	(8)	281
Profit (loss) before finance costs and income tax	12,043	326	(281)	(33)	(318)	11,737
Finance costs	-	(340)	(3)	-	3	(340)
Income tax	-	261	-	(6)	-	255
Profit (loss)	12,043	247	(284)	(39)	(315)	11,652
Profit to non-controlling interest	-	(152)	-	(9)	-	(161)
Net profit (loss) for the period to owners of parent	12,043	95	(284)	(48)	(315)	11,491
Other information						
Segment assets	-	20,842	14,709	1,456	(12,759)	24,248
Investments in equity method	23,926	1,444	-	391	-	25,761
Total consolidated assets	23,926	22,286	14,709	1,847	(12,759)	50,009
Segment liabilities	-	2,046	131	2,936	(3)	5,110
Borrowings	-	7,023	-	-	(65)	6,958
Total consolidated liabilities	-	9,069	131	2,936	(68)	12,068
Interest income	-	182	37	32	(2)	249
Interest expenses	-	329	2	1	(3)	329
Depreciation	-	719	18	17	-	754
Amortisation	-	1,256	2	8	-	1,266
Depreciation & amortisation	-	1,975	20	25	-	2,020

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Unit: Million Baht

Consolidated financial statements						
For the year ended 31 December 2019						
	Local wireless telecommu- nications business	Satellite & international businesses	Corporate business	Other businesses	Consolidation adjustments & eliminations	INTOUCH Group
Revenue	-	4,663	-	223	(8)	4,878
Share of profit (loss) of joint ventures	-	(116)	-	(35)	-	(151)
associates	12,401	-	-	(16)	-	12,385
Costs of sales and services	-	(3,671)	-	(203)	-	(3,874)
Distribution costs and administrative expenses	-	(1,068)	(357)	(20)	10	(1,435)
Profit (loss) from operating activities	12,401	(192)	(357)	(51)	2	11,803
Net foreign exchange loss	-	(128)	-	-	-	(128)
Loss from impairment on investment in associates and loan to a related party	-	-	(55)	-	-	(55)
Loss from impairment on assets	-	(1,623)	-	-	-	(1,623)
Other income	-	337	59	29	(6)	419
Profit (loss) before finance costs and income tax	12,401	(1,606)	(353)	(22)	(4)	10,416
Finance costs	-	(300)	(4)	(1)	4	(301)
Income tax	-	(343)	-	(6)	-	(349)
Profit (loss)	12,401	(2,249)	(357)	(29)	-	9,766
(Profit) loss to non-controlling interest	-	1,324	-	(7)	-	1,317
Net profit (loss) for the year to owners of parent	12,401	(925)	(357)	(36)	-	11,083
Other information						
Segment assets	-	15,690	14,845	1,438	(12,620)	19,353
Investments in equity method	28,460	1,409	-	313	-	30,182
Total consolidated assets	28,460	17,099	14,845	1,751	(12,620)	49,535
Segment liabilities	-	1,819	160	2,949	(2)	4,926
Borrowings	-	4,203	-	-	(43)	4,160
Total consolidated liabilities	-	6,022	160	2,949	(45)	9,086
Interest income	-	203	40	29	(2)	270
Interest expenses	-	291	2	1	(3)	291
Depreciation	-	501	16	16	-	533
Amortisation	-	1,314	1	6	-	1,321
Depreciation & amortisation	-	1,815	17	22	-	1,854

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Financial information by business geographical areas

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

	Unit: Million Baht			
	Revenue		Non-current assets*	
	For the year ended		As at	
	31 December		31 December	
	2019	2018	2019	2018
Thailand	14,815	15,582	4,932	8,143
Australia	250	252	24	17
India	660	650	7	17
Japan	619	663	9	18
Myanmar	127	180	-	-
Malaysia	258	273	-	-
Others	383	884	88	130
Total	17,112	18,484	5,060	8,325

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

Major customers of INTOUCH Group

During the year ended 31 December 2019 and 2018, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

28 Disaggregation of revenue

	Unit: Million Baht	
	Consolidated	
	financial statements	
For the year ended 31 December	2019	2018
Segment revenue		
Revenue from satellite and international businesses	4,664	6,232
Revenue from other businesses	214	139
Total	4,878	6,371
Timing of revenue recognition		
At a point in time		
Revenue from satellite and international businesses	409	443
Revenue from other businesses	-	-
	409	443
Overtime		
Revenue from satellite and international businesses	4,255	5,789
Revenue from other businesses	214	139
	4,469	5,928
Total	4,878	6,371

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29 Other income

For the year ended 31 December	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Interest income	270	250	40	37
Compensation from customer	60	-	-	-
Bad debt recovery	52	-	-	-
Gain on sale of investment	9	11	9	11
Gain on sale of equipment	7	-	2	3
Other income	21	20	8	6
Total	419	281	59	57

30 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	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Depreciation	533	754	16	18
Amortisation charge	1,321	1,266	1	2
Staff cost	1,133	1,202	213	189

31 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	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Contribution to provident fund	34	36	7	7

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32 Income tax

Reconciliations of income tax are as follows:

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2019	2018	2019	2018
	Note				
Current tax		39	94	-	-
Deferred tax expense	17	311	(349)	-	-
Income tax (income) expense		350	(255)	-	-

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

		Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
For the year ended 31 December		2019	2018	2019	2018
Profits before tax		10,115	11,396	11,075	11,481
Corporate income tax rates		20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates		2,023	2,279	2,215	2,296
Share of profit of subsidiaries, associates and joint ventures		(2,447)	(2,419)	(2,286)	(2,353)
Effect of the different basis of income tax calculation on tax rates in other countries		132	(3)	-	-
Tax losses in current year not recognised as deferred tax assets		128	87	59	57
Written off deferred tax asset		269	-	-	-
Effect of corporate income tax exemption, the non-deductible tax expense and income and expense recognised in the different period between accounting and tax		245	(199)	12	-
Tax charge		350	(255)	-	-
Effective tax rate		3.5 %	(2.2) %	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 2019 and 2018.

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33 Earnings per share

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

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

The basic earnings per share and the diluted earnings per share 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 Parent	
	2019	2018	2019	2018	2019	2018
	(in Million Baht)		(in Million shares)		(in Baht)	
Basic earnings per share	11,083	11,491	3,206	3,206	3.46	3.58
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	11,083	11,491	3,206	3,206	3.46	3.58

Separate financial statements						
For the year ended 31 December	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Parent	
	2019	2018	2019	2018	2019	2018
	(in Million Baht)		(in Million shares)		(in Baht)	
Basic earnings per share	11,075	11,481	3,206	3,206	3.45	3.58
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	11,075	11,481	3,206	3,206	3.45	3.58

34 Dividends

The 2019 Annual General Shareholders' Meeting on 3 April 2019 and the Board of Director's Meeting on 6 August 2019 passed the resolutions to pay annual and interim dividends as follows:

Resolution of	From operational result of	Dividend (Baht per share)	Interim dividend paid in 2018 (Baht per share)	Dividend paid in 2019 (Baht per share)	Approx. amount paid as per announcement (in million Baht)	Date of payment
AGM	2018	2.71	1.54	1.17	3,752	24 Apr' 19
Board of Director	Six-month period ended 30 Jun' 19	1.35	-	1.35	4,329	4 Sep' 19

Remark: the actual amount of dividend paid might be less than the announcement since there were some ineligible shareholders as per TSD regulations on the record date.

35 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.

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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. The appropriate risk management is considered in accordance with the policy framework approved by the Board of Directors.

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 Officer. 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, approved by the Board of Directors, 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. Financial institute counterparties are considered in accordance with the policy for INTOUCH Group short-term investment.

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 2019		As at 31 December 2018	
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Assets				
US Dollars	71	2,130	115	3,705
EURO	0.12	4	0.11	4
Indian Rupees	463	183	446	194
Australian Dollars	0.06	1	0.1	2
New Zealand Dollars	0.95	19	0.14	3
Hong Kong Dollars	3	10	3	10
Total		2,347		3,918
Liabilities				
US Dollars	79	2,384	94	3,077
Indian Rupees	247	111	247	122
Australian Dollars	0.06	1	0.05	1
New Zealand Dollars	0.34	7	-	-
Vietnam Dong	51	7	-	-
Total		2,510		3,200

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The major foreign currency assets represent cash at bank and trade receivables. 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		Total
			Level 2	Level 3	
As at 31 December 2018					
Current assets					
Debt securities available for sale	4,466	-	4,466	-	4,466
As at 31 December 2019					
Current assets					
Debt securities available for sale	4,552	-	4,552	-	4,552

Unit: Million Baht

Separate financial statements					
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
As at 31 December 2018					
Current assets					
Debt securities available for sale	1,368	-	1,368	-	1,368
As at 31 December 2019					
Current assets					
Debt securities available for sale	1,410	-	1,410	-	1,410

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.

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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		Total
			Level 2	Level 3	
As at 31 December 2018					
Non- current liabilities					
Debtenture	2,227	-	2,329	-	2,329
Long-term borrowings, excluded finance lease liabilities	2,061	-	-	2,088	2,088
As at 31 December 2019					
Non-current liabilities					
Debtenture	2,229	-	2,367	-	2,367
Long-term borrowings, excluded finance lease liabilities	1,533	-	-	1,552	1,552

The Group determines Level 2 fair value for marketable debtenture, 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.

36 Commitments

36.1 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 37.2 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 37.2 to the financial statements.

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36.2 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. 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 which LTC had invested completely according to the agreement.

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.

36.3 Operating agreement commitments of THAICOM

THAICOM was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The agreements for operation have been transferred to the Ministry of Digital Economy and Society (previously named Ministry of Information and Communication Technology (“MICT”)).

Under the aforementioned agreement, THAICOM must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 December 2019, the remaining minimum operating agreement fee was Baht 159 million (2018: Baht 245 million). In addition, THAICOM, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MICT on the date of completion of construction and installation.

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36.4 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 2019	31 December 2018
Not later than 1 year	36	12
Later than 1 year and not later than 5 years	23	7
Total	59	19

36.5 Other service agreement

On 1 December 2017, THAICOM entered into the Services Agreement for life-extension service of the satellites for five years term with a minimum commitment until the end of operating agreement period at USD 9 million, with having a certain right of termination by THAICOM under term and condition specified in the agreement. Another service fee of USD 71 million will be incurred depends on certain conditions of the agreement, if THAICOM is allowed to operate the current operational agreement satellites after the operational agreement ends.

On 9 January 2020, THAICOM sent the letter to terminate the above contract due to the delay in compliance with the conditions.

37 Significant events, disputes and litigation of INTOUCH Group

37.1 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.

37.2 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 under the consideration of arbitration proceeding.

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However, on 25 October 2018, ITV received an order to appoint a person to be an arbitrator of ITV for the Black Case No. 1/2550 rendered by the Central Administrative Court ("CAC") dated on 18 October 2018. On 31 October 2018, ITV received the Arbitration Institute's order to hold down the Black Case No. 1/2550 until the final judgment of the Black Case No. 620/2559. On 14 November 2018, ITV submitted an objection against the appoint ITV's arbitrator to the Arbitration Institute but the Arbitration Institute informed that ITV's objection will be proposed for consideration after completion of Arbitration tribunal's appointment. On 21 November 2018, ITV submitted an appeal to the SAC against the CAC's order to appoint person as ITV's arbitrator in the Black Case No. 1466/2561 (the Red Case No. 2104/2561).

On 25 September 2019, the SAC rendered a verdict to reverse the CAC's decision on the Red Case No. 2104/2561, which ordered to appoint a person as ITV's arbitrator for the Black Case No.1/2550, by dismissal of PMO's petition and adjudicated that the Black Case No. 1/2550 was not a case under the arbitration process, thus, there is no need for the process of appointing arbitration. On 8 October 2019, the Arbitration Institute ordered the dispose of the Black Case No. 1/2550.

- 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 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).

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

37.3 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 363 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 239 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 251 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 203 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.

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As the consequence, THAICOM does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment year 1998-1999, 1999-2001, 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 69 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.

37.4 The major commercial disputes and significant litigation of AIS Group

AIS

- 1) *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 CAC to revoke the said announcement. On 15 September 2010, the CAC 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 SAC. On 4 February 2008, TOT sent a letter to AIS informing that the AIS 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.

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According to the Agreement for operations ("the Agreement"), AIS has to pay TOT 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. 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 operational year 23rd - 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding amount for each year subject to the request by TOT.

On 17 August 2018, the Arbitration Institute had an award for the Black Case No. 19/2554 that TOT has no right to claim AIS to pay the revenue sharing on the interconnection charges of the Agreement for operational year 17th - 20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month and to prohibit TOT from claiming for operational bank guarantee in accordance with the agreement and minimum payment guarantee for operational year 17th - 20th. Moreover, the Arbitration Institute had dismissed a dispute No. 55/2557 and had ordered TOT to pay AIS for overpayment in revenue sharing on the interconnection charges by Baht 111 million within 60 days from receiving such award together with additional interest payment at 7.5% per annum if TOT made payment after due date. TOT has filed a petition to revoke the Arbitral Tribunal's award to the CAC and under the process of consideration.

On 30 April 2019, the majority of arbitrators decided on the Black Case No. 83/2559 that AIS has to pay the net revenue sharing in the amount of Baht 224 million with interest, which AIS agreed to pay by using the revenue sharing of interconnection charges in the dispute 55/2557, amounting Baht 111 million plus interest to TOT, resulting to the remaining amount of Baht 144 million. However, TOT did not accept, therefore, on 22 May 2019, AIS put the money to the Property Office.

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On 6 August 2019, AIS received TOT's revocation the Arbitration's resolution, the Black Case No.1713/2562 dated 25 July 2019 which TOT had submitted to the CAC to revoke the above Arbitration's resolution. Currently, the case is in the process of the CAC.

AIS's management believes that it will not incur significant expense more than the recorded amount.

2) 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 CAC to revoke the Arbitral Tribunal's award.

On 19 May 2014, AIS submitted the Black Case No. 666/2557 to the CAC 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 CAC procedure.

3) 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 Alternative Dispute Resolution Office 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.

On 14 February 2019, the Arbitration Institute dismissed the said dispute by giving the reason that AIS was not in breach of the Agreement.

On 15 May 2019, TOT submitted the Black Case No. 951/2562 to the CAC to revoke the Arbitration's resolution. Currently, the said case is in the process of the CAC.

AIS's management believes that the outcome of the dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

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4) 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.

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. The Arbitral Tribunal have merged the two cases together.

AIS received the award of the Arbitral Tribunal by majority vote, dated 23 January 2020, ordering AIS to make the payment of Baht 31,076 million plus an interest of 1.25% per month after 30 November 2015 until the payment is complete.

AIS disagreed with the decision and will proceed to file a request for revocation of the award to the CAC within 90 days from the date of receiving the award. As the dispute has not yet been finalized, AIS considers that the result of the above ruling should not be considerable impact on the financial statements of AIS.

5) 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.

On 3 April 2019, TOT submitted a petition to the arbitrators to request the withdrawal of the above dispute.

On 18 June 2019, the arbitrators issued an order allowing TOT to withdraw the dispute Black Case No. 76/2558 and the case was dismissed and terminated.

6) 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 CAC, 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 to 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.

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On 19 March 2018, the CAC had an order on this said case to be transferred to the Civil Court, the Black Case No.1681/2561. Currently, the case is in consideration process of the Civil Court.

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.

7) The claim to the CAC 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 CAC, the Black Case No. 736/2560 to revoke NBTC letter and NTC resolution of the NBTC office to demand AIS 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 CAC as Black Case No. 661/2560 demanded AIS to pay revenue at remedy period.

AIS' management has 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 expenses which incurred from the service greater than the revenue. 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 CAC.

8) 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, Ministry of Justice ("THAC") 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.

On 8 February 2018, AIS has submitted the Black Case No. Kor. 1/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A1/2017. Later, on 2 March 2018, the CAC has dismissed the Black Case No. Kor. 1/2561.

On 5 March 2018, AIS has submitted the Black Case No. Kor. 2/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A1/2018. Later, on 16 March 2018, the CAC has dismissed the Black Case No. Kor. 2/2561.

Subsequently, on 5 and 11 April 2018, AIS had appealed the dismissal of the Black Case No. Kor. 1/2561 and the Black Case No. Kor. 2/2561, respectively.

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.

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9) Claim for the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Operation Agreement ended of Cellular Mobile Telephone

On 15 February 2018, TOT has submitted the dispute No. A3/2018 to the Arbitration Institute by Thailand Arbitration Center ("THAC") to claim for the payment regarding the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Operation Agreement ended in the total amount of Baht 183 million (included VAT) plus default interest rate at 1.25% per month.

On 5 April 2018, AIS submitted the Black Case No. Kor. 3/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A3/2018.

On 25 April 2018, the CAC dismissed the Black Case No. Kor.3/2561.

Subsequently, on 21 May 2018, AIS appealed the dismissal the Black Case No. Kor.3/2561.

On 29 October 2019, TOT has filed a petition to withdraw the dispute from THAC and further submitted to the CAC. Currently, there is no decision from Arbitration Tribunal and there is no legal proceeding to Administrative Court.

The said case is in the arbitration process

AIS's management believes that the company has correctly and complied with the relating conditions of the Agreement and the announcement of the NBTC in all respects then the outcome of the dispute should be settled favorably and has not considered to materially impact on the financial statements of AIS.

10) Claim for the revenue sharing from provision of roaming services

On 27 September 2018, TOT has submitted the dispute Black Case No. 67/2561 to the Arbitration Institute by the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice, to claim AIS for the additional revenue sharing from provision of roaming services which AIS had discount of service fees without prior consent from TOT since July 2013 – September 2015 in the total amount of Baht 16,253 million, VAT plus default interest rate at 1.25% per month.

Currently, the said case is in the arbitration process. AIS's management believes that AIS has correctly and complied with the relating conditions of the Agreement in all respects, therefore the outcome of the dispute should not materially impact the financial statements of AIS.

11) The transferring of tower under the agreement for operations between TOT and AIS

On 21 July 2014, AIS submitted the disputes no. 53/2557 to the Dispute Reconciliation, the Court of Justice to request the Arbitral Tribunal to give an award that the 13,198 towers transferred to TOT are not the property as stipulated in the Agreement which AIS had not need to transfer and requested for revenue sharing from that said assets by Baht 516 million.

On 12 March 2015, TOT opposed the dispute and made a counterclaim to request AIS to transfer additional 105 towers, which AIS has not transferred to TOT yet, plus default interest on related revenue sharing by Baht 16 million.

On 17 November 2018, AIS received TOT's petition and objection dated 15 February 2016, filing an objection and submitting additional counterclaims, by enforcing AIS to deliver additional 1,429 towers, which belong to AIS's subsidiary. If the delivery cannot be made, AIS will have to make a payment of Baht 1,200 million. During the period before 17 November 2018, AIS did not acknowledge such petition.

On 4 September 2019, AIS and TOT entered into a dispute resolution agreement and services regarding the delivery of telecommunication towers.

Later on 26 September 2019, the arbitrators issued an order to withdraw the claim and dispose of the Black Case No.53/2557 and counterclaim by TOT from the case list. The case is terminated.

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12) Withholding tax between AIS and the Revenue Department

Pursuant to the letter dated 18 January 2013, the Revenue Department challenged AIS to pay surcharge of Baht 128 million, 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 had paid the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. AIS submitted the appeal to oppose such surcharge payment notification to the Commission of Appeal which the Commission of Appeal has decided for AIS to pay for such surcharge payment.

On 10 November 2016, AIS has filed the case to Central Tax Court to appeal for the revocation of the decision by the Commission of Appeal.

On 29 September 2017, the Central Tax Court has decided to dismiss the cases by AIS, based on the same reason that the excise tax is a part of revenue sharing which AIS should pay to the concession grantor in accordance with the concession agreement. Therefore, AIS has the obligations to pay for the withholding taxes incurred to the Revenue Department, failure in such conduct has resulted in the penalty to pay surcharge at the rate of 1.5% per month, aggregately the total amount of Baht 128 million.

On 20 July 2018, AIS has filed an appeal for the decision of the Central Tax Court.

On 11 March 2019, the Central Tax Court read the decision of the Court of Appeal to dismiss the cases.

On 10 July 2019, AIS has filed a petition to the Supreme Court.

AIS recorded Baht 128 million as provision for such surcharge in the consolidated and separate financial statements for the year ended 31 December 2018.

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 CAC to revoke the Arbitral Tribunal’s award.

On 28 July 2015, the CAC 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 SAC under the Black Case No. Or. 1070/2558. At present, this case has been considered by the SAC.

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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").

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 demanded 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 VAT and interest at the rate 1.25% 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% 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 VAT.

On 25 June 2012, CAT submitted the Black Case No. 1016/2555 to the CAC to revoke the Arbitral Tribunal's award and on 16 September 2014, the CAC issued the dismissal order of this case.

On 15 October 2014, CAT appealed such dismissal to the SAC.

On 7 August 2019, the CAC read the judgment of the SAC which upheld the judgment of the CAC. The case is terminated.

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 CAC 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 VAT 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.

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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 included VAT and interest calculated up to 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.

On 31 May 2019, the CAC had decision to dismiss the Black Case No. 1099/2554 with the reason that the access charge is not in accordance with the law and the NBTC regarding the Use and Interconnect of Telecommunication Network by calculating from the access charge according to such notifications.

TOT and DPC did not appeal to the SAC so the case was terminated. Currently TOT and DPC are under negotiation to calculate network connection fees to be paid in accordance with the CAC's judgment.

AIS's management believes that the negotiation shall be in favour of DPC and have no material impact on the consolidated financial statements of the AIS Group.

4) The reduction of roaming fee between DPC and CAT

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 for three-month period started from 1 July 2006, onwards. DPC obtained the approval from CAT to renew 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.

On 5 April 2019, DPC received the Arbitration Institute's decision dated 28 March 2019 of all the aforementioned disputes which the majority had made decision that the agreement regarding the revenue sharing of Roaming fees (at the rate of Baht 2.10) is legitimate and the reduction of Roaming fees is CAT's rights and authority who may or may not give approval. Therefore, DPC has to pay additional payment of revenue sharing of 10th – 12th operation year totaling amount of Baht 1,749 million plus penalty in the amount of Baht 364 million at the rate of 1.25% per month of the principle amount from April 2010 until the full amount is paid.

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On 3 July 2019, DPC has submitted a petition to the CAC, the Black Case No. 1582/2562 to dismiss such award.

Currently, this case has been considered by the CAC process which the management of AIS believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of the Group.

5) 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 CAC to revoke the Arbitral Tribunal's award. Presently, the said case has been considered by the CAC process.

6) 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% 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% 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.

On 30 September 2019, DPC received the decision, dated 26 September 2019, for the Black Case No. 26/2557 by the Arbitration committee, and on 11 October 2019, DPC received the decision, dated 10 October 2019, for the Black Case No. 110/2555 by the Arbitration committee, with major votes to dismiss two CAT's disputes.

On 17 December 2019, CAT filed the Black Case No. 2754/2562 to revoke the Arbitral Tribunal's award in Black Case No. 110/2555 to the CAC.

Later on 25 December 2019, CAT filed the Black Case No. 2908/2562 to revoke the Arbitral Tribunal's award in Black Case No. 26/2557 to the CAC.

Currently, the two said cases are under the consideration of the CAC.

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.

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7) Obligations of the bank guarantees in connection with the Agreements for Operation

According to the Operating 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 CAC to revoke the Arbitral Tribunal's award.

On 13 September 2018, the CAC has dismissed the CAT's Black Case No. 1671/2558 that revoke the Arbitral Tribunal's award, on the reason that the award is correct and in compliance with law. The award by Arbitral Tribunal did not affect public interests and good morals; therefore such award by Tribunal Arbitral is perfectly effective. However, CAT has appealed to the SAC. Currently, it is under the consideration of the SAC.

AIS's management believes that the outcome of this dispute shall be settled favourably since DPC has correctly and fully complied with the related conditions of the Agreement in all respects as the Arbitral Tribunal and the CAC's decision.

8) 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 NBTC Office, NTC, NBTC, True Move and DPC to the CAC, 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 CAC, 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.

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On 27 May 2016, CAT filed a lawsuit to the CAC, 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.

During December 2019, DPC received a request to amend the petition filed by CAT dated 24 September 2019 from the CAC to revise the claim amount to be as follows:

The Black Case No. 918/2558

1. NBTC Office, NTC and NBTC in the amount of Baht 5,109 million plus interest at the rate of 7.5% per annum.
2. True Move, NBTC Office, NTC and NBTC in the amount of Baht 3,651 million plus interest at the rate of 7.5% per annum.
3. DPC, NBTC Office, NTC and NBTC in the amount of Baht 1,457 million plus interest at the rate of 7.5% per annum.

The Black Case No. 1651/2558

1. NBTC Office, NTC and NBTC in the amount of Baht 4,169 million plus interest at the rate of 7.5% per annum.
2. True Move, NBTC Office, NTC and NBTC in the amount of Baht 2,946 million plus interest at the rate of 7.5% per annum.
3. DPC, NBTC Office, NTC and NBTC in the amount of Baht 1,223 million plus interest at the rate of 7.5% per annum.

The Black Case No. 741/2559

1. NBTC Office, NTC and NBTC in the amount of Baht 1,858 million plus interest at the rate of 7.5% per annum.
2. True Move, NBTC Office, NTC and NBTC in the amount of Baht 1,336 million plus interest at the rate of 7.5% per annum.
3. DPC, NBTC Office, NTC and NBTC in the amount of Baht 522 million plus interest at the rate of 7.5% per annum.

At present, the dispute has been considered by the CAC 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.

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

On 16 November 2015, DPC filed a lawsuit against the NBTC to the CAC 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.

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In the same case, on 16 September 2016, NBTC and the National Broadcasting and Telecommunication Committee office ("NBTC office") filed a complaint to the CAC 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.

On 7 September 2018, the office issued a letter informing DPC to send money from the service income during the protection of all subscribers, totaling Baht 869 million and when the NBTC had ever the order for DPC to send money for the first period until the amount of Baht 628 million, the remaining amount to be paid is Baht 241 million. On 7 December 2018, DPC filed a lawsuit with the CAC to revoke such resolution of NTC.

Management considered that DPC has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement 2013, and the Company has obliged to submit the revenue after deducting any expenses to NBTC but DPC has the expenses more than the revenue incurred from the service. Therefore, DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement.

Currently, the said case is in the process of the CAC.

10) 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 operators 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 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.

11) The claim for transferring telecom equipment under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC.

On 28 March 2018, DPC received a Black Dispute No. 6/2561 dated 31 January 2018, which CAT submitted it to the Alternative Dispute Resolution Office, The Arbitration Institute, to claim for transferring telecom equipment under the Agreement such as Tower, Container, power supply, Mobile Number Portability Enable and Call Center System including opportunity cost totalling Baht 13,431 million plus default interest rate at 7.5% per annum on principle amount or payment by the same amount instead of transfers such equipment. Currently, the dispute is in the 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 significant impact on the consolidated financial statements of the AIS Group.

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12) The claim for transferring tower and containers under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC

On 15 July 2014, DPC submitted the disputes no. 49/2557 to the Thai Arbitration Institute. Dispute Resolution Bureau Office of the Judiciary to request the Arbitral Tribunal to give an award that transferred by 152 towers and 115 containers to CAT are not the telecommunication equipment which DPC have the duty to transfer to CAT as stipulated in the Agreement and requested for revenue sharing from that said assets by Baht 2 million.

On 14 November 2018, DPC received a Black Case No. 76/2561 date 31 October 2018 which CAT submitted it to the Thai Arbitration Institute, Dispute Resolution Bureau Office of the Judiciary in order to have a decision for DPC to deliver 155 towers (telecommunication towers), if DPC unable to deliver, DPC will have to pay damages in the amount of Baht 72 million as well as business opportunity cost for the use of poles and use of containers including interest totaling Baht 284 million and Baht 145 million, respectively. The total amount is Baht 501 million.

Currently, the dispute is in the arbitration process. AIS's managements believe 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 significant impact on the consolidated financial statements of the 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 CAC, 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 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 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.

On 19 March 2018, the CAC had an order this said case to be transferred under the Civil Court, the Black Case No. 1680/2561. Currently, the case is in consideration process of the Civil Court.

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, dated 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 2016 in the amount of Baht 560 million and interest of Baht 16 million from the default date. Total principal and interest amount are 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.

On 31 May 2018, the Civil court gave the decision and order AWN to pay for usage regarding telecom equipment and networks, internal building transmission and electricity co-usage to TOT.

On 19 November 2018, AWN had appealed such decision to the Court of Appeal.

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On 25 September 2019, TOT and AWN entered into the dispute resolution agreement which AWN paid for usage of telecommunication equipment fees including interest to TOT as the Civil Court's judgement.

On 2 October 2019, AWN filed for revocation of its appeal to the Court of Appeal and TOT did not object such revocation. Therefore, the case will be discontinued. Currently, the case is in consideration process of the Court of Appeal.

37.5 The major commercial disputes of THAICOM Group

THAICOM

1) 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 case is in the arbitration process. The Company and THAICOM do not have any duties to comply with any of the foregoing requests until the case is final. However, in August 2019, the Ministry filed a petition to the CAC on the arbitration jurisdiction over the Black Case No. 97/2560, and requesting the CAC's order to suspend the arbitration process. On 24 October 2019, the CAC had an order refusing to suspend the arbitration process.

2) Different interpretation of certain clauses of the cooperation agreement with a company

THAICOM and its partner have a different interpretation of certain clauses of the cooperation agreement. As a result, THAICOM and the company submitted the case to the arbitrator to consider a solution for such different view. All witnesses from both parties have been already cross-examined. During the year 2018, the arbitrator considered that the interpretation of certain clauses of THAICOM is correct, and this decision was final.

Nonetheless, the said partner still has a different interpretation and had execution which was considered breach the cooperation agreement. THAICOM, therefore, submitted the case to the arbitrator to re-consider. At present, the case is in process of the arbitration and has no specified date to re-consider.

3) Sued for the damages of satellite equipment in Australia

In 2011, a subsidiary of THAICOM was 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 approximately AUD 5 million with interest. The subsidiary had recognised the expense in the 2016 consolidated financial statements. On 17 March 2017, the subsidiary filed an appeal.

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On 16 February 2018, the appeal court dismissed the case. After the verdict, the subsidiary had paid interest and partial expenses amount AUD 2 million. Further lawyer expense which the subsidiary has to pay on behalf of the plaintiff is under consideration of the appeal court.

37.6 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 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.

On 28 December 2018, the SAC issued an order that the ending date of the fact inquiry shall be held on 12 February 2019 which both plaintiff and defendant are required to submit the additional documents (if any) to the Court within the said period. After that, the Court shall further determine the first hearing date.

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.

37.7 The right to split the 900MHz spectrum payment and the allocation of license for 700MHz spectrum

AWN received a letter from the Office of NBTC confirming that the company has complied with the conditions determined by NCPO Order No. 4/2562. As a result, AWN is entitled to divide the payment for 900MHz spectrum into ten instalments, in equal amount, as specified by NCPO Order No.4/2562. AWN had re-measurement 900MHz spectrum license payable by determine the change in payment term and the participation in the 700MHz spectrum allocation. The difference from measurement 900MHz spectrum license payable between the previous and the new terms & conditions is recognized as unrealized adjustment value of Spectrum licenses in the consolidated statement of financial position which will be recorded as part of the cost of 700MHz spectrum license when AWN receives a license.

On 19 June 2019, AWN has been allocated the 700MHz spectrum license at the frequency between 723MHz to 733MHz and 778MHz to 788MHz for 15 years, start from 1 October 2020 or otherwise determined by the NBTC, in total amount of Baht 17,584 million in accordance with the terms and conditions in the notification of NBTC dated 5 June 2019. AWN is obliged to comply with various conditions and pay fees within the time period as specified in the license. AWN will pay the first installment at least 15 days before the start of the license to use the 700MHz frequency by 10% of the license price plus VAT, totaling Baht 1,881 million and bank guarantee will be submitted for the remaining license fee to the NBTC. The remaining amount will be paid in the second year to the tenth year on equal installment amount and bank guarantee will be submitted for the remaining license fee to the NBTC.

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In case that the applicant, who obtained the right to be granted the spectrum license, fails to completely and correctly comply with the conditions precedent within the prescribed period, the applicant shall be deemed to have waived the right to be granted the spectrum license. As well, such applicant has to pay for penalties consisting of the preliminary damages at least of Baht 2,638 million and other damages caused by the recall of spectrum, including the void of permission to divide the payment as specified in the NCPO's Order No. 4/2562 including the voiding of permission to divide the payment as mentioned above which must be returned to pay in accordance with conditions for payment of 900MHz spectrum and the additional spectrum auction in accordance with the regulations specified in the NBTC's announcement regarding rules and procedures for the Spectrum Licensing for Telecommunications Business in the spectrum band of 895MHz to 905 MHz and 940MHz to 950MHz as prior conditions.

38 Bank guarantees

As at 31 December 2019, 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 141 million, USD 2 million (2018: Baht 216 million, USD 2 million) on a consolidated basis.

39 TFRS announced in the Royal Gazette but not yet effective

On 21 September 2018 and 15 March 2019, the TFAC announced 6 TFRSs which have been announced in the Royal Gazette and become effective for the financial periods beginning on or after 1 January 2020, onwards, as follows:

TAS TAS 32	Topic Financial Instruments: Presentation
TFRS TFRS 7 TFRS 9 TFRS 16	Topic Financial Instruments: Disclosures Financial Instruments Leases
TFRIC TFRIC 16 TFRIC 19	Topic Hedges of a Net Investment in a Foreign Operation Extinguishing Financial Liabilities with Equity Instruments

And on 24 September 2019, the TFAC has announced 46 TFRSs which have been announced in the Royal Gazette and become effective for the financial periods beginning on or after 1 January 2020, onwards. The TFRSs have been revised to align with international financial reporting standards which are mainly on words and vocabulary, interpretation and accounting practice guidelines.

However, at present, INTOUCH Group has not adopted these standards as the reporting dates are not yet effective. The management expects to adopt and apply these TFRSs in accordance with the TFAC's announcement when they become effective. The management is in the process to assess the potential impact of these TFRSs on the Group's financial statements in the period of initial application.

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40 Events after the reporting period

Proposed dividend payments of the Company, a subsidiary and an associate

The Board of Directors of THAICOM, AIS and INTOUCH passed resolutions of dividend payments as follows:

Company	Date of Meeting	Dividend (Baht per share)	Interim dividend paid in 2019 (Baht per share)	Dividend to be paid (Baht per share)	Amount To be paid (in Million Baht)
THAICOM	5 February 2020	0.20	-	0.20	219
AIS	6 February 2020	7.34	3.78	3.56	10,584
INTOUCH	7 February 2020	2.65	1.35	1.30	4,168

The dividend payment is subject to the resolution of each company's Annual General Meeting of Shareholders for 2020.

Investment in Venture Capital of the Company

In January 2020, the Company purchased 287,000 shares in Peer Power Co., Ltd. ("Peer Power"), representing 14.89% of the paid-up capital, for Baht 44.8 million. Peer Power provides financial services on a debt crowd-funding platform.

41 Approval of the financial statements

The financial statements were authorised for issue by the Board of Directors on 7 February 2020.



Major Shareholders

The Company's shareholding structure as compiled by Thailand Securities Depository Co., Ltd. on 20 August 2019, the last record date for specifying the shareholders who had the right to receive a dividend, is shown below.

Shareholders	Number of shareholders	Number of shares	Percentage of investment
Thai securities holders	60,581	1,851,065,026	57.73
Foreign securities holders	203	1,355,355,279	42.27
Total	60,784	3,206,420,305	100.00

The Company's top 10 major shareholders are as follows:

Name	Number of shares	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2. THAI NVDR COMPANY LIMITED ²⁾	532,380,897	16.60
3. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	320,283,660	9.99
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	128,425,755	4.01
5. SOCIAL SECURITY OFFICE	43,537,600	1.36
6. KRUNGSRI DIVIDEND STOCK LTF	38,737,100	1.21
7. UBS AG LONDON BRANCH	28,245,994	0.88
8. MR. PERMSAK KENGMANA	27,829,500	0.87
9. STATE STREET EUROPE LIMITED	24,515,815	0.76
10. KRUNGSRI DIVIDEND STOCK FUND	20,869,600	0.65

Remarks: 1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd., of which Temasek Holdings Pte. Ltd. holds 49.81%. (Source: Singapore Telecommunications Ltd.'s Annual Report for 2019.)
2) The information on investors, which is shown on the SET website (www.set.or.th.) under Thai NVDR Co., Ltd. as of 20 August 2019, is as follows:

Name	Number of NVDR units	Percentage of investment
1. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	66,622,317	2.08
2. STATE STREET EUROPE LIMITED	49,442,891	1.54
3. STATE STREET BANK AND TRUST COMPANY	49,112,000	1.53
4. N.C.B. TRUST LIMITED-NORGES BANK 1	28,789,872	0.90
5. GIC PRIVATE LIMITED	28,471,700	0.89
6. N.C.B. TRUST LIMITED-NORGES BANK 5	24,081,100	0.75
7. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	20,081,488	0.63
8. OTHER SHAREHOLDERS	265,779,529	8.28
Total	532,380,897	16.60

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

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 (TMT) sector, including digital businesses. The principle business units are currently divided into three main areas: wireless telecommunication business; 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 2019)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	183,567.56 million baht (as of 30 December 2019)
Total Shareholders	60,784 shareholders (as of 20 August 2019, the latest record date for the right to receive a dividend)
% Free Float	76.88

Information of the Company's Subsidiaries and Associates

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Wireless Telecommunication Business						
Advanced Info Service Public Company Limited (AIS) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5165 Website www.ais.co.th	Operate telecommunication business including mobile network service, fixed broadband service, and digital service	4,997.46	2,973.18	1	2,973.18	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 2.1GHz, 900 MHz and 1800 MHz license, distributor of handsets, international telephone service, network operator, telecom service operator and national broadcasting network services	1,350	13.50	100	1,350	99.99 ⁽¹⁾
CS LoxInfo Public Company Limited (CSL) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2263 8000 Fax (66) 2263 8132 Website www.csloxinfo.com	Providing internet data center, computers, and solution services that meet all corporate customers' need under all change in the digital transformation era	148.63	594.51	0.25	148.63	99.58 ⁽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	Providing the online advertising platform through website and mobile application for all users and being the outsourced contact center	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, and application on smart phone via IOS and android systems	10.75	1.07	10	10.75	99.99 ⁽³⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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	To engage in business concerning advertising and publishing of business and activities to individuals, non-juristic bodies of persons, juristic persons and government sectors by using every type of advertising and operate the business in distribution, supplying, agent for every public relation task	0.10	0.01	10	0.10	99.94 ⁽⁴⁾
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) 414 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⁾
Rabbit-LINE Pay Company Limited (RLP) 127 Gaysorn Tower, Unit A, B 18 th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok Tel (66) 2026 3779	Providing electronic money and electronic payment service business	600	6	100	600	33.33 ⁽⁵⁾
Advanced Magic Card Company Limited (AMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Distributor of cash card business	250	25	10	250	99.99 ⁽¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
AIN GlobalComm Company Limited (AIN) 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 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, content aggregator, and outsourcing service for billing and collection	50	0.50	100	50	99.99 ⁽¹⁾
Fax Lite Company Limited (FXL) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Operate in acquiring and/or lease, building, and related facilities for telecommunications businesses	1	0.01	100	1	99.98 ⁽¹⁾
Advanced Broadband Network Company Limited (ABN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of training within the Group	75	0.75	100	75	99.99 ⁽¹⁾
Amata Network Company Limited (AN) 702/2 Moo 1, Klongtamru, Muang, Chonburi Tel (66) 2029 5055 Fax (66) 2029 5019	Provide fiber optic network infrastructure in Amata industrial estate	100	1	100	100	60.00 ⁽⁶⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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 ⁽⁶⁾
Digital Phone Company Limited (DPC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Stop providing service due to the expiration to provide cellular communication service, Digital PCN 1800, according to the contract.	913.86	91.39	10	913.86	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 communications service via telephone land line and optical fiber	957.52	95.75	10	957.52	51.00 ⁽⁷⁾
Advanced Digital Distribution Company Limited (ADD) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5157 Fax (66) 2029 5019	Service provider of non-life insurance broker	5	0.05	100	5	99.99 ⁽¹⁾
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) (2)}
Bridge Mobile Pte Limited (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 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	1,096.10	5	5,480.51	41.13
Satellite Services						
IPSTAR Company Limited (IPSTAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Resell bandwidth of Thaicom 4 satellite	2 (million USD)	200	0.01 (USD)	2 (million USD)	100 ⁽⁸⁾
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 ⁽⁸⁾
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 ⁽⁸⁾
Orion Satellite Systems Pty Limited (OSS) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel (618) 9225 7800 Fax (618) 9225 7811	Providing satellite communication services and business solutions	13.37 (million AUD)	5.96 1 share	1 (AUD) 7.4 (million AUD)	13.37 (million AUD)	100 ⁽⁹⁾
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 ⁽⁸⁾

Company	Business	Registered Capital (million baht) (million USD)	Number of paid-up shares (million shares)	Par value (baht) (USD)	Paid-up Capital (million baht) (million USD)	Percent of investment
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 ⁽⁸⁾
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 ⁽⁸⁾
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 (million USD)	100 ⁽⁸⁾
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 ⁽⁸⁾
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 ⁽⁸⁾
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 ⁽⁸⁾
TC Global Services Company Limited (TCGS) 12 th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius	Providing technology services	0.05 (million USD)	0.05	1 (USD)	0.05 (million USD)	100 ⁽⁸⁾

Company	Business	Registered Capital (million baht) (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Telephone Services Abroad						
Shenington Investments Pte Limited (SHEN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	14.66 (million SGD)	14.66	1 (SGD)	14.66 (million SGD)	51.00 ⁽⁸⁾
Lao Telecommunications Public Company (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 ⁽¹⁰⁾
TPLUS Digital Company Limited (TPLUS) (Formerly name "Vimpelcom Company Limited") 23 Singha Road, Phonexay Village, Saysettha District, Vientiane, Lao People's Democratic Republic Tel (020) 7780 0700 Fax (020) 7780 0701	Providing fixed line and mobile phone in Lao PDR	0.50 (million USD)	0.50	1 (USD)	0.50 (million USD)	100 ⁽¹¹⁾
Internet and Media Services						
Thai Advance Innovation Company Limited (Thai AI) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2950 5005 Fax (66) 2591 0708 Website www.dtvservice.net	Sale of direct television equipment, providing system integration consultancy service for broadband network and broadband content services	398.79	39.88	10	398.79	99.99 ⁽⁸⁾
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

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
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
Doctor A to Z Company Limited (Doctor A to Z) 75/60 Soi Ramkhamhaeng 21 (Navasri), Hua Mak, Bangkapi, Bangkok Tel (66) 2102 1442	Develop a medical platform for matching individuals & corporates with healthcare providers in Thailand and foreign countries, along with online healthcare management programs	6.74	0.06	100	0.06	20.00
Choco Card Enterprise Company Limited (Choco Card) 2150/4 Sukhumvit Road, Bangchak, Phra Khanong, Bangkok Tel (66) 2331 5343 Website www.chococard.co.th	Develop customer relationship management (CRM) system for stores in the SME sector	5.49	0.05	100	0.05	19.41
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
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 Website www.playbasis.com	Service provider and developer for the digital gamification platform	0.20 (million SGD)	0.20	-	0.20 (million SGD)	15.36
Peer Power Company Limited (Peer Power) 1-7, Zuellig House, 5 th Floor, Unit 1 B, Silom Road, Silom, Bangrak, Bangkok Tel (66) 2026 3514 Website www.peerpower.co.th	Provide financial services on a debt crowd-funding platform	19.27	1.92	10	19.27	14.89

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Ecartstudio Company Limited (ECART) 129 Rama 9 Road, Huai Khwang, Bangkok Tel (66) 2643 0807-9 Fax (66) 2643 0810 Website www.ecartstudio.com	Designing, developing and providing consultation on digital map systems and location-based technology for both mobile and web-based applications	14.61	1.46	10	14.61	11.43
VVR Asia Company Limited (VVR) 299/75 Areeya Mandarin Village, Sutthisan Winithchai Road, Samsennok, Huai Khwang, Bangkok	Creation and development of virtual reality content for mobile phones, laptops and other devices	2.00	0.02	100	2.00	10.00
Wongnai Media Company Limited (Wongnai) 8, T-One Building, 26 th and 27 th Floors, Soi Sukhumvit 40, Phra Khanong, Klong Toei, Bangkok Tel (66) 2821 5788 Website www.wongnai.com	Developer of website and application to review and search for restaurants and lifestyle, including e-Voucher	4.18	0.41	10	4.18	8.68
YDM (Thailand) Company Limited (YDM) 168/14 Nak Niwat Road, Ladprao, Bangkok Tel (66) 2538 6729 Fax (66) 2956 1703 Website www.ydmthailand.com	Service provider for online marketing solution	1.89	0.01	100	1.89	8.11
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 program and other related services	10	1	10	10	99.99
Intouch Media Company Limited (Intouch Media) 349 SJ Infinite One Business Complex, 29 th Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6917 Fax (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	279	27.90	10	279	99.99

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Touch TV Company Limited (Touch TV) 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 ⁽¹²⁾
High Shopping Company Limited (High Shopping) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huai Khwang, Bangkok Tel (66) 2123 4555 Website www.highshopping.com	Operate a home shopping business in Thailand	500	50	10	50	51.00 ⁽¹²⁾
High Shopping TV Company Limited (High Shopping TV) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huai Khwang, Bangkok	Purchase products directly from their homes through various media, including the High Shopping TV Channel	10	0.25	10	2.50	99.99 ⁽¹³⁾

Remark The information on registered capital, paid-up capital and percent of shareholding as of 17 January 2020.

(1) Owned by AIS (2) Owned by AWN (3) Owned by CSL (4) Owned by TMC (5) Owned by AMP (6) Owned by ABN

(7) Owned by DPC (8) Owned by THAICOM (9) Owned by IPA (10) Owned by SHEN (11) Owned by LTC (12) Owned by Intouch Media

(13) Owned by High Shopping

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

Name		Subsidiaries			Indirect Subsidiaries													
		THAICOM	ITAS	Intouch Media	IPSTAR	IPN	IPA	OSS	IPIN	IPG	IPJ	STAR	TCB	ISC	IPI	TCGS	Thai AI	Touch TV
1	Mr. Prasert Bunsumpun	🟢																
2.	Mrs. Patareeya Benjapolchai	🟢																
3.	Mrs. Charintorn Vongspootorn	🟢																
4.	Professor Samrieng Mekkiengkrai	🟢																
5.	Mr. Somprasong Boonyachai	🟢																
6.	Mr. Phuwieng Prakhammintara	🟢																
7.	Mr. Kwek Buck Chye	🟢🟡																
8.	Mr. Anek Pana-apichon	🟢🟡	🟢	🟢														🟢
9.	Mr. Anant Kaewruamvongs	🟢🟡			🟢	🟢	🟢		🟢	🟢	🟢	🟢	🟢	🟢				
10.	Mr. Paiboon Panuwattanawong	🟡																
11.	Mr. Kim Siritaweechai		🟢	🟢														🟢
12.	Mr. Somchai Lertsutiwong		🟢	🟢														🟢
13.	Mr. Anuwat Sanguansappayakorn				🟢	🟢	🟢		🟢	🟢	🟢	🟢	🟢	🟢				
14.	Mr. Mark D. Thompson				🟢							🟢						
15.	Mr. Shannon Fisher					🟢	🟢											
16.	Mr. Patompob Suwansiri						🟢						🟢				🟢	
17.	Mr. Christopher John Robert Ockwell						🟢											
18.	Mr. Teh Kwang Hwee							🟢										
19.	Mr. Salil Charuchinda								🟢		🟢	🟢			🟢	🟢		
20.	Ms. Smitha Algoo Bissonauth								🟢				🟢					
21.	Mr. Tommy Lo Seen Chong								🟢									
22.	Mr. Seiji Sugiura									🟢								
23.	Mr. Toru Ishii									🟢								
24.	Mr. William L. Snell										🟢							
25.	Mr. Ekachai Phakdurong											🟢					🟢	
26.	Ms. Beatrice Lan Kung Wa												🟢					
27.	Mrs. Pannee Nivasnanda													🟢	🟢	🟢		
28.	Mr. Gouri Prasad Das													🟢				
29.	Mr. Rajendra Singh Rathore													🟢				
30.	Dr. Sakon Kittivatcharapong														🟢			
31.	Mr. Kevin Rodny Allagapen														🟢			
32.	Mr. Yuvraj Kumar Juwaheer														🟢			
33.	Mr. Pramote Boonnumsuk																🟢	

✱ = Chairman of the Board of Directors

● = Director

△ = Member of the Executive Committee

As of 31 December 2019

Company Name

Intouch Media Intouch Media Company Limited
IPA IPSTAR Australia Pty Limited
IPG IPSTAR Global Services Limited
IPI IPSTAR (India) Private Limited
IPIN IPSTAR International Pte Limited
IPJ IPSTAR Japan Company Limited

IPN IPSTAR New Zealand Limited
IPSTAR IPSTAR Company Limited
ISC International Satellite Company Limited
ITAS I.T. Applications and Services Company Limited
OSS Orion Satellite Systems Pty Limited
STAR Star Nucleus Company Limited

Thai AI Thai Advance Innovation Company Limited
TCB TC Broadcasting Company Limited
TCGS TC Global Services Company Limited
THAICOM Thaicom Public Company Limited
Touch TV Touch TV Company Limited

INFINITE PROGRESSION



INTOUCH Sustainable
Development

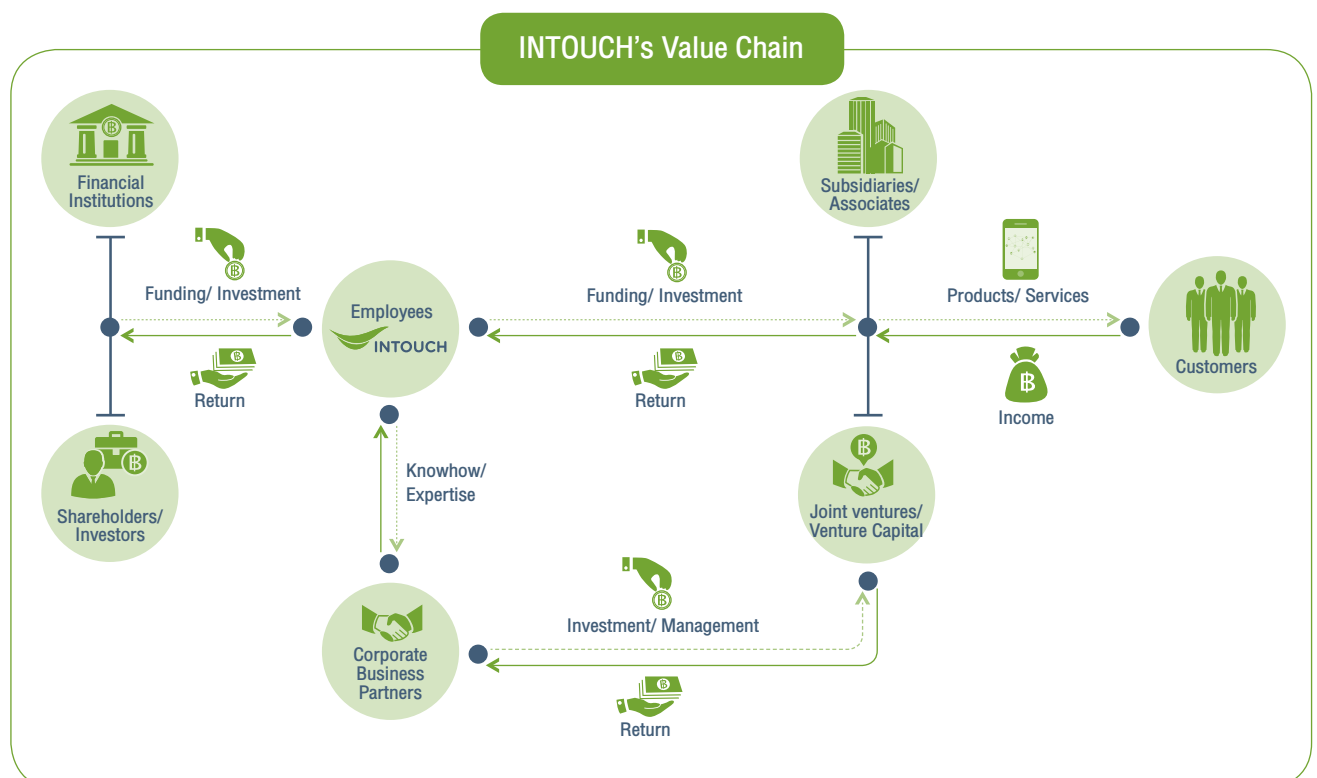
Creating Shared Value

Creating shared value is a vital principle in maximizing economic and social value for the Company's stakeholders in the value chain. INTOUCH upholds this principle, following the concept of "Sustainable Value Creation", by maximizing its resources and utilizing its expertise to make investments in the latest innovative technology. This has provided the opportunity to use new tools for analysing the huge amount of related data in order to make the right decisions for future business expansion, as well as create growth in the existing portfolio.

INTOUCH strives to make positive economic and social impacts on all its stakeholders in the value chain in order to maintain sustainable growth in the business ecosystem and create mutual benefits among them. The stakeholders have been prioritizing and assessing the positive and negative impacts that might occur. The Company also engages with its stakeholders through various channels

in order to understand their expectations and address any concerns they might have. These channels include investor activities, interviews, and discussions about material issues, while the Company also studies external challenges such as rapidly-changing technology, changes in consumer behaviour, new regulations and government policies. All these factors are analysed in order to formulate the best strategy for sustainable growth.

INTOUCH is developing a sustainability strategy and aims to increase stakeholder engagement. The Company encourages its subsidiaries, associates and business partners to provide the best products and services to their customers in order to drive sustainable growth and deliver long-term returns to the shareholders and financial institutions that support the Company's investments. This will benefit the country's economy as a whole.



Stakeholder Engagement

In the consideration of INTOUCH's value chain, many of the stakeholders play an important role in driving sustainable growth but can also be affected by business operations. In 2019, INTOUCH determined that the boundaries of stakeholder engagement would be set at the parent level of the organization. The Company reviewed its value chain, along with the level of potential impact that its business operations could have on the stakeholders and vice versa. Consequently, the different groups of stakeholders were re-prioritized in order to align them with the Company's business focus. INTOUCH engaged with these stakeholders to gain an understanding of their interests and expectations with regard to the Environmental, Social and Corporate Governance (ESG) aspects.

In 2019, INTOUCH focused on increasing Total Shareholder Return, following its business direction to create sustainable shareholder wealth by passing through the dividends it receives every year, after the deduction of operating expenses. The Company also focuses on asset growth in order to generate future income. Although the interests

of corporate business partners are now the second priority, INTOUCH still considers its employees to be very important.

All of the stakeholders have been classified into the following seven categories: i) shareholders and investors, ii) corporate business partners, iii) employees, iv) government and regulatory bodies, v) financial institutions, vi) society and local communities, and vii) suppliers. The first four categories have been deemed the most important stakeholders that the Company needs to engage closely in order to understand their requirements and respond to their concerns properly.

The tools of engagement differ according to the category of stakeholders and their role in the Company's operations. The results of the engagement have been analyzed so the Company can respond to their concerns and meet their expectations, as well as build on positive impacts and mitigate any negative ones that might have arisen.

The method of stakeholder engagement and their expectations in 2019 are shown in the table below.

7 categories of stakeholders, the first 4 are the most important



Stakeholder Engagement

Stakeholders	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2019
Shareholders and investors	<ul style="list-style-type: none"> • Annual General Meeting • INTOUCH Group meetings with analysts and institutional investors twice a year • Quarterly meetings with general investors and journalists hosted by the Stock Exchange of Thailand (SET) • Annual survey of local investors and analysts • Continual updates on the Company's website & Facebook page, along with notifications to the SET • Private and public meetings with investors and analysts • Annual corporate image survey • Online feedback 	<ul style="list-style-type: none"> • Dividend policy and ability to increase dividend payout ratio • Investment strategy • Long-term business objectives • Best performing start-up companies in the InVent portfolio 	<ul style="list-style-type: none"> • Reviewed the Company's vision and mission statements, strategy, and objectives for sustainable returns. • Analyzed the performance of investments every month for a well-planned strategy. • Managed communication channels for investors and shareholders on key issues and related mitigation. • Disclosed the performance of the Company and its subsidiaries & associates on our Facebook page. • Invited all the shareholders to AGM 2019, and encouraged them to submit questions in advance and express their views during the meeting. • Held 12 non-deal roadshows for both local and overseas investors; and hosted 8 in-house visits from shareholders, potential investors and analysts to discuss the Company's challenges and key issues, and answer questions.
Corporate business partners	<ul style="list-style-type: none"> • Monthly/quarterly meetings with portfolio companies • Networking events/conferences, both domestic and regional, to explore more business partnerships • Company visits to business partners to organize annual relationship enhancement activities • Communication activities through all media channels 	<ul style="list-style-type: none"> • Acceleration of portfolio companies' business growth • Strengthening of cooperation with business partners based on good corporate governance and trust 	<ul style="list-style-type: none"> • Continued to build good relationships with and synergy among the companies in the group and encourage collaboration at the strategic level. • Attended 14 meetings/conferences and 2 major exhibitions, in both the private and public sectors, with InVent business partners in order to build strong relationships and explore potential opportunities. • Held 35 portfolio meetings and one annual networking activity. • Posted over 80 messages on social media sites, leading to more than 13,000 engagements.

Stakeholder Engagement

Stakeholders	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2019
Employees	<ul style="list-style-type: none"> • Arrange the annual Welfare Committee meeting • Hold the quarterly staff meetings • Implement the Employee Engagement Survey, to be conducted on an annual basis • Implement and conduct the Performance Management Assessment, to be undertaken twice a year • Establish the Innovation Team to discover new skills and knowledge 	<ul style="list-style-type: none"> • Treat all employees equally and respect human rights • Promote employee health and wellbeing • Provide career opportunities and advancement in line with the Company's growth 	<ul style="list-style-type: none"> • Encouraged employees to look after their health, and organized special activities for three months to improve fitness and wellness, including knowledge-sharing sessions every quarter. • Supported heads of department in communicating with the employees, as well as continuously improved work plans and updated the Management Committee on their progress. • Implemented the Performance Management Assessment for all the executives and employees, and used the results for drawing up IDPs and arranging appropriate courses at each level. • Enhanced the Company's efficiency by encouraging the employees to come up with new ideas and methods for improving their work processes.
Government and regulatory bodies	<ul style="list-style-type: none"> • Reporting / Disclosure of information • Meetings with government agencies • Ongoing dialogue • Joint events • Participation in government networks 	<ul style="list-style-type: none"> • Regulatory compliance • Collaboration with and support of government agencies • Compliance with corporate governance requirements • Business qualifications and compliance with telecom & broadcasting regulations • Anti-bribery and corruption measures 	<ul style="list-style-type: none"> • Strictly complied with all the relevant laws, rules and regulations. • Supported the work of government agencies by applying digital technology to various operations in order to improve work efficiency. • Applied the SEC's CG Code to the organization, and published the Company's Principles of Good Corporate Governance in the annual report and on the INTOUCH website. • Put forward the viewpoint of the private sector with regard to ongoing changes in the law and regulations governing the telecom and broadcasting business. • Encouraged executives and employees to attend the Anti-Corruption Day event organized by the Anti-Corruption Organization of Thailand. Also revised the Company's Anti-Bribery and Corruption Policy to align it with best practices stipulated in the Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials, and Agents of Public International Organizations issued by the National Anti-Corruption Commission.

Stakeholder Engagement

Stakeholders	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2019
Financial institutions	<ul style="list-style-type: none"> Semi-annual meetings with analysts and institutional investors Continual updates on the Company's website Meetings with both domestic and international financial institutions to provide information (both top-executive and operational levels) 	<ul style="list-style-type: none"> Corporate performance, growth and direction Corporate governance Ability to fulfill financial obligations Transparent and up-to-date 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), along with potential business opportunities. 	<ul style="list-style-type: none"> Participated in a total of 65 meetings with domestic and international financial institutions to provide information, and invited them to join the biannual meetings for analysts and institutional investors.
Society and local communities	<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"> Social and community involvement Adherence to the highest standard of business practices with the best possible management team. 	<ul style="list-style-type: none"> Implemented CSR projects to develop local economies, create jobs and generate income. Also supported social and community activities. Collated significant information on the Company's performance to be disseminated through different media.
Suppliers	<ul style="list-style-type: none"> Ongoing dialogue by telephone and e-mail 	<ul style="list-style-type: none"> Fair treatment Anti-bribery and corruption measures 	<ul style="list-style-type: none"> Created a transparent bidding process. Communicated the Company's Anti-Bribery and Corruption Policy.

Key interests of stakeholders in 2019

INTOUCH gathered many opinions (stakeholder inclusiveness) on its sustainable development practices through the various engagement channels mentioned above, analyzed them, and crafted a sustainability strategy in order to respond to them in appropriate ways. The key findings were as follows:

- Investors wanted to understand the Company's business strategy and long-term goals, and asked whether it was possible to increase the dividend payout ratio. As INTOUCH is an investment company, the shareholders expect high total return.
- The strategy to drive the growth of start-up companies, by collaboration among the companies in the group and with external organizations, is based on good corporate governance.
- Due to rapid economic and social changes, the employees need more skills development in order to exploit job opportunities and further their careers.
- As the business operations are related to technology, the Company should strive to be more innovative for the benefit of the Thai economy, and promote a culture of innovation within the organization in order to improve working efficiency and enhance business growth.
- The Company's ESG guidelines should be aligned with the United Nations' Sustainability Development Goals. INTOUCH's social responsibility projects focus on job creation, raising the standard of living, and improving the quality of life in local communities.

Material Sustainable Development Issues

During 2019, INTOUCH addressed various business concerns arising from its stakeholder engagement and industry or global issues raised by external researchers with regard to ESG, as well as the 17 sustainable development goals of the United Nations. The Company then assessed and managed the key material issues, based on the level of impact they had or might have had on the Company and/or its stakeholders. Only the direct impact at the parent-company level was considered, as the indirect impact on the Company's subsidiaries and associates may already be included in these material issues. The process of selecting material issues followed the GRI Standard, as described below.

Identification

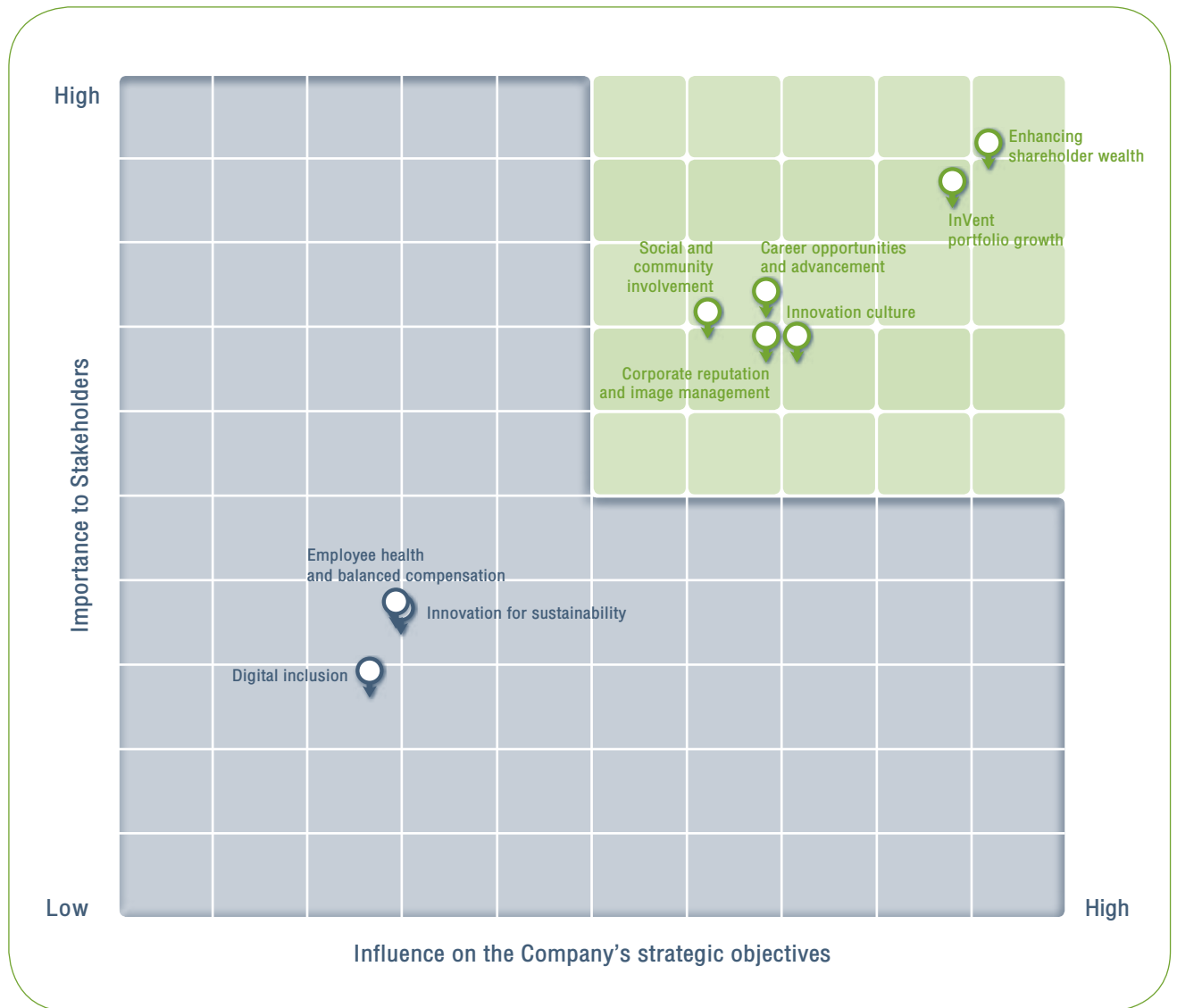
The sustainable development team identified the material issues as either having an impact on the Company's strategy and business direction (in terms of ESG aspects) or an impact on stakeholders' interests during the year. The material issues were quite similar to those of the previous year because these are recurring ones that affect the stakeholders' long-term interests, which the Company should always be aware of and respond to in order to meet expectations and its own targets.

There were six material issues, as follows:

- Enhancing shareholder wealth
- InVent portfolio growth
- Career opportunities and advancement
- Innovation culture
- Social and community involvement
- Corporate reputation and image management

Prioritization

All six material issues have been prioritized by the level of influence they have on the Company's strategic objectives and the level of importance to all the stakeholders. The Company conducted a survey among analysts, shareholders, potential investors and employees, and these issues have been weighted and prioritized as shown in the matrix below.



Validation

After the sustainable development team had completed the survey and reassessed these issues, it validated them with the stakeholders through the appropriate channels. The team submitted a sustainability report to the Management Committee, CSR Committee for Sustainable Development, and then the Board of Directors, to acknowledge, review, and approve publication in the annual report and the sustainability report.

Review and continuous improvement

The working team regularly reviews materiality issues following the GRI Standard, and improves the process of stakeholder engagement in order to align it with the current situation and the latest communication tools. This will increase efficiency and facilitate a more effective response in order to determine precise requirements and expectations.

The Reporting of Key Material Issues

Materiality Aspect	Scope of Reporting	Page
Enhancing shareholder wealth	The business strategy to grow existing businesses for sustainable return to shareholders, the disclosure of short-term and long-term targets as well as a result in 2019.	237
InVent portfolio growth	InVent promotes and supports long-term business growth of start-up companies, the scope of business and industry in which InVent is interested, and short-term and long-term targets growth of InVent portfolio value.	239
Career opportunities and advancement	Strategy related to employees' career opportunities and advancement, the disclosure of short-term and long-term target as well as result in 2019.	241
Innovation culture	Strategy related to fostering innovation culture for INTOUCH, the disclosure of short-term and long-term target as well as result in 2019.	243
Social and community involvement	Social contribution projects to provide opportunities for local communities and improve their quality of life including social contribution activity targets setup.	245
Corporate reputation and image management	Communication management that is accurate, complete, timely and directly addresses stakeholder demands an expectations an important role in building long-term confidence and commitment.	253

Enhancing Shareholder Wealth



2024 Target	Annual Target	2019 Performance
Achieve a net asset value of over 300,000 million baht	Achieve a total shareholder return of at least 2% higher than the SET Index return	Total shareholder return was 24% higher than the SET Index return

Note: Total shareholder return comprises capital gain on investment and dividend yield

The Company's ultimate goal is to enhance shareholder wealth by providing sustainable returns. INTOUCH is an investment firm with over 30 years of experience in the TMT sector, which now includes digital businesses. The Company's major investment is in AIS, the first mobile phone operator in Thailand (30 years ago). AIS has now changed its business strategy to become a digital life service provider, following the industry shift into the digital era. INTOUCH can foresee opportunities for growth in this area, and supports AIS's direction towards long-term business expansion. AIS is currently in the top four companies on the SET in terms of market capitalization, worth 633,287 million baht at the end of 2019, an increase of 23% from the previous year, and is the top company in the Information and Communications Technology (ICT) sector.

In addition, the Company established THAICOM, the first and only satellite service provider based in Thailand, almost 30 years ago. This business requires special skills and a lot of experience to operate. Due to technological development and changes in consumer behavior, there are now many satellite transponders available in the market and price competition has increased. As a result, THAICOM's market capitalization at the end of 2019 decreased by 36% from the previous year. Although INTOUCH believes that the satellites can still be a platform for telecommunications and TV broadcasting, it has encouraged THAICOM to seek new revenue models, including partnerships with global satellite service providers and new technology-related businesses.

AIS and THAICOM are the Company's major investments - AIS contributes 99% of the net asset value, while the

rest is from THAI COM. Therefore, INTOUCH's business operations focus on these two companies, including their business strategies, legal and financial risks, and communication with the related stakeholders. The Company's net asset value excludes small investments made in High Shopping and start-up companies under the InVent project. Despite their size, INTOUCH considers these investments important as they have the potential to contribute significant value in the future. Consequently, the Company continually strives to increase the value of its existing assets and identify new investment opportunities, following its strategy and business direction to create sustainable growth in its investment portfolio.

The Company is aware of the important of communication and portfolio management in order to allay any concerns that its shareholders and potential investors might have, as well as minimize the discount to net asset value for a better reflection of the Company's real value in the market. With a lower discount, the shareholders will have a higher return on investment. The Company also passes through all the dividends it receives after the deduction of operating expenses.

Performance in 2019

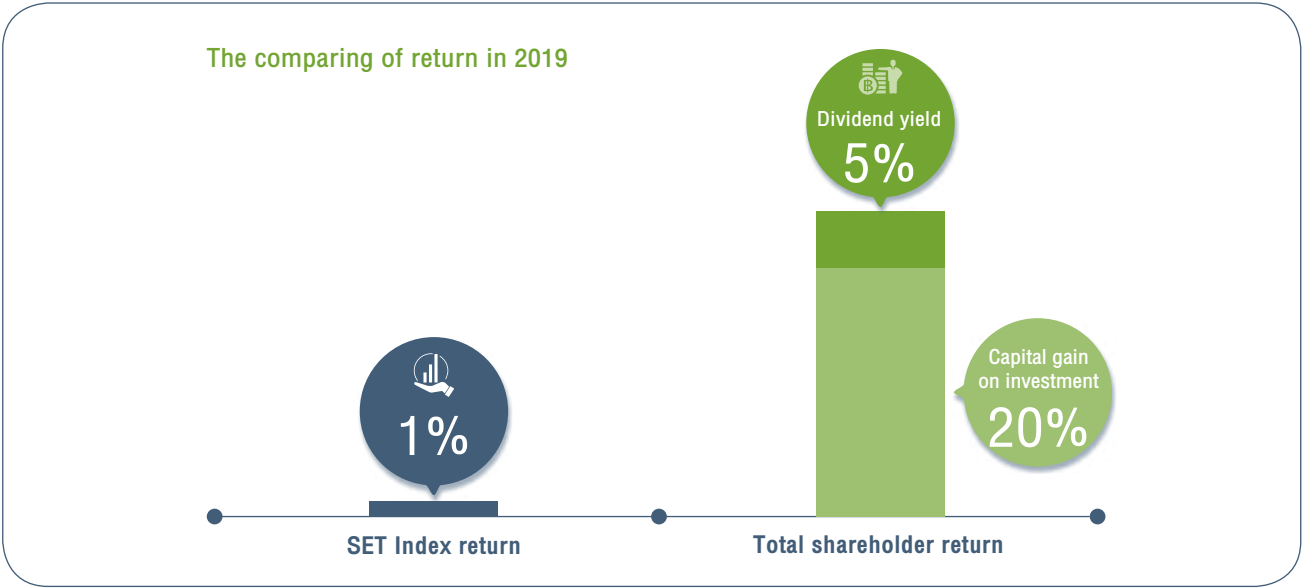
The Company's net asset value at the end of 2019 stood at 260,031 million baht, an increase of 23% from the previous year, while the total shareholder return was 24%, higher than the annual target. The good results

were due to an improvement in AIS's performance, which arose from less competition, a growth in the fixed-broadband business, and investor confidence in the company's future prospects coupled with consistent dividend payments.

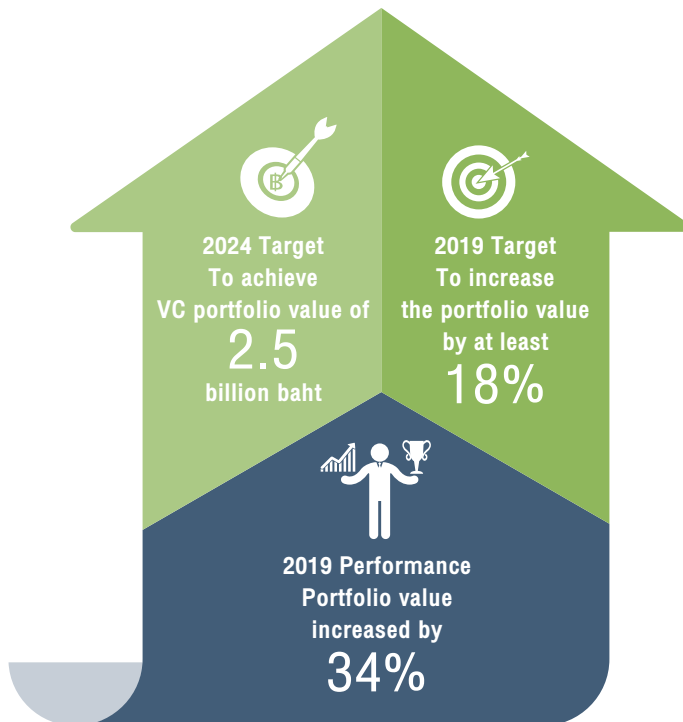
However, THAI COM's performance declined due to the aforementioned reasons. The Company has regular communication with its shareholders and the investor community to increase their understanding of its risk management strategy and build their confidence in its business operations.

Long-term target (2024)

INTOUCH aims to increase its net asset value to 300,000 million baht by the end of 2024, or 15% higher than the end of 2019. The Company is committed to delivering annual total shareholder return that is at least 2% higher than the SET Index return, aligned with its objective of creating sustainable shareholder wealth. To meet this target, INTOUCH will continually monitor and manage its investments to ensure sustainable revenue and profit growth, as well as seek new business ventures that will increase the value of the InVent portfolio. INTOUCH believes that emerging technologies will create new revenue models; therefore, in-depth studies and precise analysis will enable the Company to identify business opportunities and then exploit them. INTOUCH has cash on hand of approximately 2,000 million baht with no outstanding debts.



InVent Portfolio Growth



InVent is the corporate venture capital arm of INTOUCH, which focuses on investments in the TMT sector. INTOUCH is an active investor that searches for new technology and innovative solutions in order to benefit society and create long-term sustainable growth. The Company encourages Thais to use digital products and services, and supports the companies in which it invests with management expertise so they can focus on new ideas, increase their customer bases, and become successful businesses.

The opportunity for growth in the VC portfolio is not only through investment but also from creating more value. INTOUCH provides financial support through its venture capital mechanism, which helps start-up companies in terms of product development and market research. This also enables the start-ups to hire more personnel scaled to expansion, and meet various demands, which can help startups to grow in the long run.

In addition, INTOUCH provides professional advice from its own experts in different areas, such as

management, finance, marketing, accounting and legal matters, which can help these businesses grow rapidly. The Company's representatives attend monthly meetings and board meetings of start-up companies to monitor their performance, ensure that targets are met, and deal with any issues that may arise in order to enhance business capabilities and facilitate revenue growth so that the next funding stage can be reached.

Moreover, INTOUCH provides support in terms of networking opportunities with the companies in its group and both local & international alliances. AIS and THAICOM can help start-up companies to access the market more quickly by utilizing their customer databases to advertise on their behalf. Partnerships with government agencies, namely the National Innovation Agency (NIA) and Digital Economy Promotion Agency (DEPA) Thailand, increase business opportunities around the country, while the partnership with Singtel Innov8 provides mentoring support for companies that want to expand into the global market. INTOUCH continues to search for more partnerships like these in order to build a robust support network, strengthen the start-up community and develop the related ecosystem.

Performance in 2019

Under its investment policy, INTOUCH invests in areas such as Digital Lifestyle, enterprise, e-Commerce, Fintech and Healthtech through various funding stages from seed to Series 'A' and above. This can provide flexibility and distinct competitive advantages, as well as foster innovation among INTOUCH Group. The Company believes that its businesses must adapt to these technologies, and develop innovative products and services that can exploit new economic opportunities and create sustainable growth. In 2019, three new investments, totaling 111 million baht, were made in the following Healthtech, Fintech and Logistics companies, and the value of the portfolio grew by 34%.

- **Doctor A to Z Co., Ltd.** - INTOUCH wants to participate in helping this start-up company develop new technology that will provide better access to medical services. As telecom is the core business of INTOUCH Group, this investment is aligned with the development of 5G and will facilitate healthcare services and applications through a very fast network speed and low latency. Doctor A to Z will enable medical specialists and their patients to connect virtually through live chat or remote monitoring over a seamless and secure network. This can improve the quality of people's lives.
- **Peer Power Co., Ltd.** - INTOUCH can see investment opportunities that will reshape financial services. PeerPower is the first Debt Crowd-funding platform to be approved by the Thai SEC. It operates through a digital marketplace platform which connects borrowers with lenders, cutting out the traditional banking protocols and offering better interest rates and shorter terms for lenders on unsecured loans to SMEs. This start-up company could revolutionize the banking industry in Thailand, and will provide an alternative method of financing to stimulate the Thai economy.
- **Ninja Logistics Pte. Ltd.** - The key strength of this company is the wide range of services it offers, in first-mile and last-mile logistics and across the borders of Southeast Asian countries, using technology developed by Ninja Logistics Pte. Ltd. that enhances efficiency and competitiveness in the value chain. INTOUCH sees this as a new

opportunity for the companies in its group to tap into and develop the e-commerce sector and logistics industry with the integration of 5G technology and IoT solutions.

In 2019, INTOUCH broadened its investment scope to consider business proposals in areas outside of Digital Lifestyle start-ups in order to align the InVent portfolio with the core businesses in the group, which is now focused on 5G, IoT and other emerging technologies. There are currently 15 companies in the portfolio, covering a diverse range of businesses, and the Company intends to continue exploring new opportunities, including joint ventures, to keep pace with the rapid changes in technology and consumer behavior, as well as find the best innovations for further investments.

Long-term target (2024)

Since the InVent project began in 2012, INTOUCH has invested over 652 million baht in start-up companies and the value of the portfolio in 2019 has increased by 34%. In 2020, the Company will continue to explore investment opportunities in new technology, such as 5G, IoT, cloud solutions, cyber-security, and solutions for smart manufacturing & retail, smart city and smart health. Continuing investments in digital lifestyle businesses will provide more convenience for society and create distinct competitive advantages in order to capture the opportunities that lie ahead. The wide investment scope and the development of 5G will provide key opportunities for INTOUCH to achieve its target of increasing the value of the VC portfolio to 2.5 billion baht by 2024.

Career Opportunities and Advancement

In today's hectic business environment, employees play an important role in dealing with disruptive technology in order to drive sustainable growth. Therefore, INTOUCH supports every aspect of its employees' development so they have the capability to innovate and are ready to respond to rapid changes effectively. As for leadership qualities, INTOUCH pays the utmost attention to broadening the vision of its executives so that it is aligned with business growth and sustainability.

Capability Enhancement Steps



Rationale for the 2019 Target

INTOUCH set an IDP completion rate of 75%, with the focus on developing "New Skills" for each employee. All the employees had to identify which new skill they wanted to learn or existing skill they wanted to enhance, along with the method of learning, e.g. online course, special assignment or on-the-job activities. Employees were required to set tangible targets or expected outcomes that could be used for evaluating their results, as per the Company's guidelines (SMART Goals).

Capability Enhancement Results for 2019

The development protocol clearly identified the expected achievements. This applied to the career advancement of nominated successors (to prepare them for specific positions) and the other employees. Career advancement for both these groups involves the idea of equipping themselves with new skills.

The Company's Succession Plan

The succession plan is a tool for preparing nominated successors to assume specific positions. Having hi-potential employees is a major factor that contributes to productivity and business sustainability. Therefore, INTOUCH has identified the key positions and developed a process and related protocol in order to have an effective succession plan in place. In addition, the IDPs play a significant role in improving both functional and leadership capabilities. Successor readiness is tracked and reported to the senior executives on a regular basis. Most importantly, the Company's standard practice is to consider nominated successors before external candidates when key positions become vacant.

Employee Career Advancement

INTOUCH desires to retain its employees for the long term so they can grow with the organization. Hence, the concept of career advancement was adopted with the aim of building clear career paths. The required competencies for each position have been determined with systematic guidelines on employee development, under the observation of supervisors who provide support. Employees have to identify areas they would like to improve, as well as be evaluated on their existing capabilities. Each employee is given the opportunity to analyze potential career paths and select a suitable option, which is discussed with his or her supervisor to gain a mutual understanding and draw up a specific development plan. There are two components to employee development, as follows:

Group Development (optional): Interested employees can attend courses or seminars on specific topics, either

in-house or external, presented by experts. While the management are encouraged to attend, members of staff can request places if they think a particular activity will be helpful.

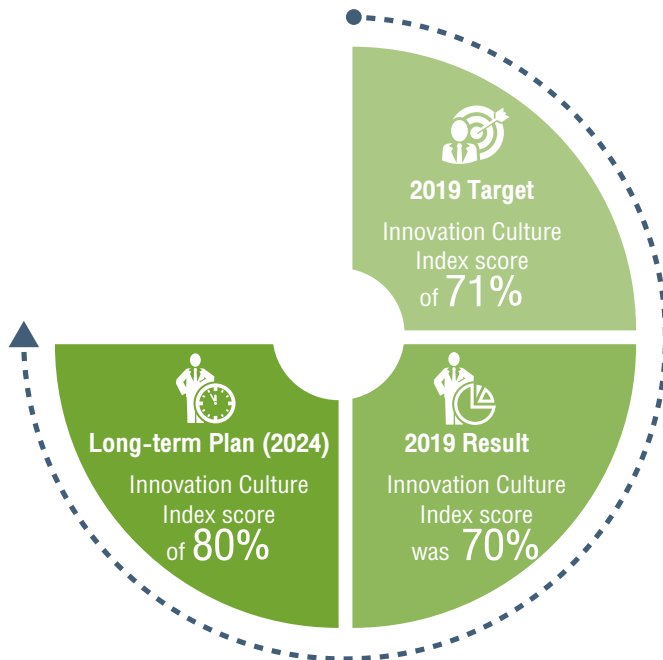
Individual Development (compulsory): This focuses on the requirements of each employee in order to achieve specific targets under the Company's guidance. All the employees are encouraged to explore new fields, such as data analytics, artificial intelligence and online marketing techniques, which can prepare them for future challenges and business disruption.

Long-term Plan (2024)

The Company's long-term plan is a result of its strategic direction over the last two years. The efficiency of the IDPs is now assessed every year, along with each employee's ability to analyze and utilize collected data that supports business operations. The Company encourages all of its employees to enhance the capabilities required for their desired career path or position. In addition, from the human resource perspective, the success rate of job rotation using existing employees for positions that become vacant implies that one of the achievement steps in their development has been reached. Moreover, arranging job rotation by taking into account the employees' career interests and aspirations demonstrates the Company's concern for their advancement. This is counted as a significant contribution, leading to both personal development and eventual business growth.



Innovation Culture



Innovation is the critical factor in supporting competitiveness. Under current circumstances, the innovation paradigm will cause a rapid and huge impact on every business enterprise. INTOUCH acknowledges the significance of this situation, and is now preparing its employees to deal with it. The Company encourages them to be open to new ideas and perspectives, while the management must be aware of and embrace change. By supporting new initiatives that will realize the employees' potential and enhance their capabilities, the Company can reach its ultimate goal of creating an innovation culture.

Rationale for the 2019 Target

Due to its determination to foster a culture of innovation among all the members of the organization, INTOUCH set a target of 71% on its Innovation Culture Index. The results of the employee engagement survey conducted in 2018 found that there was room for improvement in creating activities that would support innovative ideas. This process will eventually lead to a new corporate

culture that motivates all the employees to strive hard and overcome new challenges so that each person can grow with the Company.

Result for 2019

INTOUCH set an aggregate target of 71% on its Innovation Culture Index for 2019, which included the following aspects in the related questionnaire:

- Does the Company tangibly support its guidelines or new ways of working?
- Is your supervisor open to new ideas or not?
- Do the innovative ideas of colleagues play a significant role in generating your own ideas?
- What level of support have you received to come up with and/or develop a new idea that would change or enhance a business activity?

The result in 2019 missed the target by one percent. However, last year was seen as the first stage in the long-term plan, and the Company has since set new and clear objectives with the aim of improving the score. The Company believes that it will take longer than one year for an innovation culture to become embedded in the organization, so it has planned to achieve it within five years.

Actions taken in 2019

- **Innovation Team:** This team was established to create opportunities for employees to research and assimilate the latest knowledge arising from the changing business environment. The employees also have the chance to propose new ideas or revisions to current work protocols to the Management Committee (through the team) in order to improve the efficiency of business operations. In addition, the team supports collaboration across the business units.



- **Knowledge-sharing:** Applied new technology to the Company's Knowledge Management System, as suggested by the Innovation Team. This activity has extended the existing knowledge base, as well as generated more variety and a sense of creativity in learning. Knowledge-sharing sessions are held on a quarterly basis.

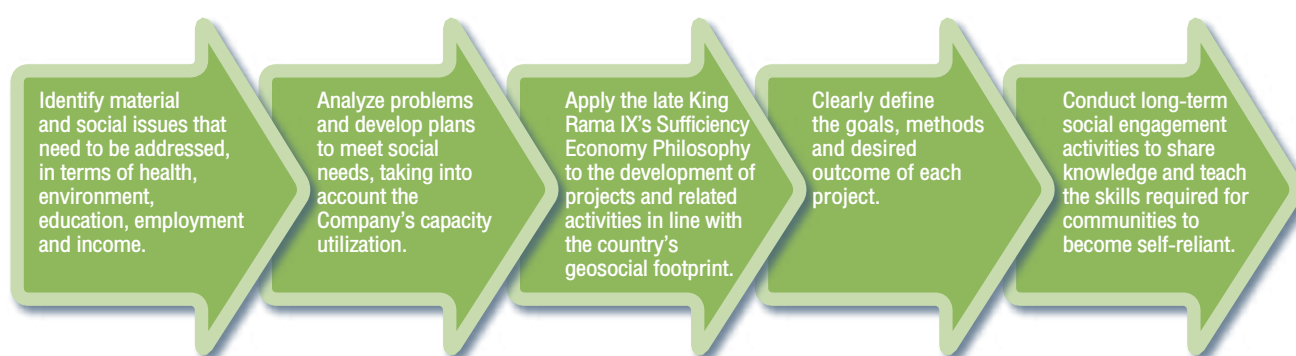
Long-term Plan (2024)

To increase the level of innovation within the Company in order to respond to new challenges and business disruption, preparing the employees is considered an essential task. The Company believes that achieving this mission will support its long-term growth. Therefore, it has developed its own Innovation Culture Index, which is aligned with the strategic direction, in order to assess both the short- and long-term readiness of each employee. The target for 2024 is an aggregate score of 80%, an increase of 10% from 2019.

Social and Community Involvement

Investment in the Telecommunications, Media and Technology (TMT) sector provides infrastructure for the country's development and contributes to significant economic growth. However, sustainable development cannot be created by economic drivers alone, but also requires social improvement in order to maintain a healthy balance.

Therefore, INTOUCH has implemented social contribution projects to provide opportunities for local communities and improve their quality of life. These projects operate in both the social and economic dimensions under the theme "Strong Thais, Strong Thailand", incorporating the three concepts of Positive Youth Development, Quality of Life Improvement in Local Communities, and Promotion of Volunteer Spirit and Charitable Donations. The following framework is used to plan and execute these projects:



Social contribution activity targets



Long-term target (2019 - 2023)

Create benefits for at least

40,000 people.



Target in 2019

Create benefits for at least

8,000 people.



Achievement in 2019

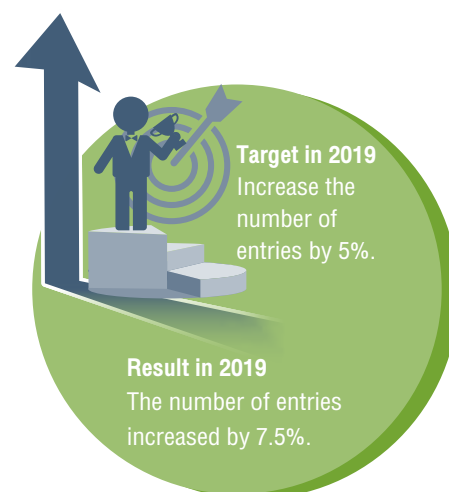
Benefits were created for

9,314 people.





1. Positive Youth Development

Thai Literature Conservation Contest with INTOUCH

Reading is a necessary skill to gain knowledge, broaden perspective, improve intelligence and stimulate imagination, all of which can lead to creative thinking. INTOUCH inspires children and young people to read more literature and use their imagination to portray stories through visual art using various techniques. This project entered its 13th year in 2019, under the theme "Home, Place of Worship, School - Happiness and Bonding in Thai Society". Moreover, the award winning entries are exhibited for sale and the proceeds, without any deduction for expenses, are donated to the Princess Maha Chakri Sirindhorn Foundation to provide scholarships for underprivileged students.





Area	Achievements	Beneficiaries
Reading encouragement 	A total of 309 stories read by participants in 2019.	<ul style="list-style-type: none"> • 1,197 students who entries submitted • 12 medical students who were supported by the Princess Maha Chakri Sirindhorn Foundation 
Building young people's potential and creative thinking skills 	Number of entries: <ul style="list-style-type: none"> • 1,114 in 2018 • 1,197 in 2019 	
Educational opportunities for young people 	<ul style="list-style-type: none"> • Total amount of scholarships and school awards granted for winning entries in 2019: 1,415,000 baht. • Proceeds from sale of entries donated to Princess Maha Chakri Sirindhorn Foundation (under the "Graduates Return Home" project): 726,000 baht 	

Mr. Panya Vijinthanasarn, the 2014 National Artist in Visual Arts, had this say about the project : "I see the progress of an experienced new generation with the courage to think and express themselves. The young blood expresses ideas and imagination liberally. Digital technology enables them to search for information and admire art around the world. As a result, they discover their preference, personal working style and self-identity very quickly. I wish every young person could recognize the importance of reading. Reading more books and studying more information will help visualize imagination and create great work. Today, the art circle in Thailand plays a role in connecting various aspects of society. This contest by INTOUCH proves the importance of valuable Thai arts and literature."

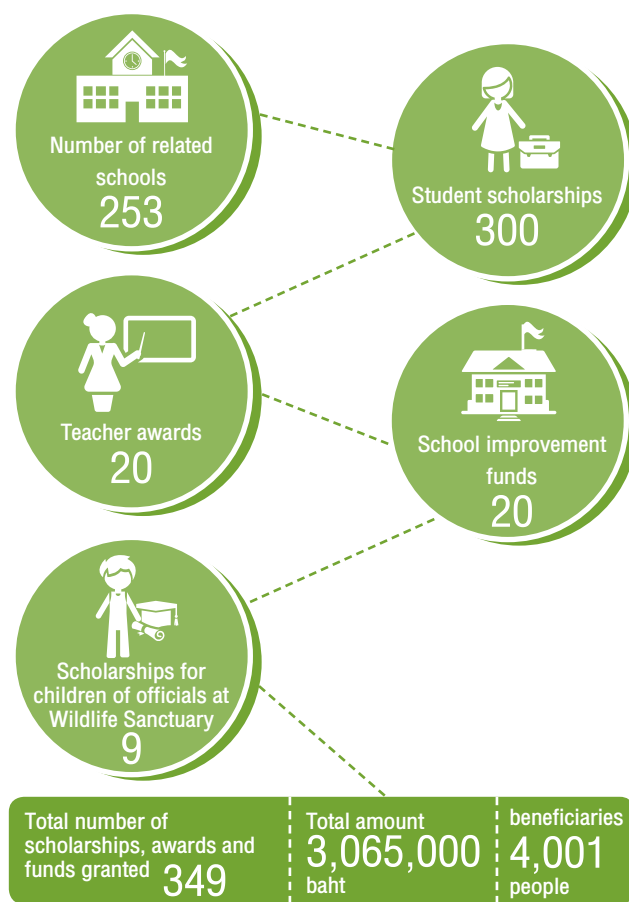


INTOUCH Group's Educational Opportunity Creation Project

Education is crucial and lays the foundation for the country's development. We have found that many schools in remote areas have very basic infrastructure, while the students have limited access to the learning materials necessary for a decent education.

Over the last six years, INTOUCH has granted scholarships to diligent but disadvantaged students, cash awards to dedicated teachers, and improvement funds to schools. In 2019, the Company coordinated with Nakorn Ratchasima Primary Educational Service Area Office to consider and select 340 recipients.

In addition, over the past five years, nine undergraduate scholarships have been granted to children of officials at Huai Kha Khaeng Wildlife Sanctuary in Uthai Thani province.



Opportunity and Life Quality Improvement Project for Upcountry Students

Recognizing the importance of education and the problems faced by many rural schools, INTOUCH has implemented this project for the last four years to enhance learning opportunities and improve the quality of life. The aim of the project is to develop the fundamental infrastructure, as well as revamp the landscape, in order to create a suitable environment in which students and teachers can study and work happily.

In 2019, the following improvements were made at Wat Lam Mahamek School, Lat Lum Kaeo district, Pathum Thani, based on the results of a demand survey to analyze the problems.

Area	Achievements	Beneficiaries
Fundamental Infrastructure 	<ul style="list-style-type: none"> Constructed an all-weather multi-purpose sports pitch Renovated student toilets 	2,222 students, teachers and community members 
Health and Sanitation 	<ul style="list-style-type: none"> Improved the hygiene in the school canteen by installing a food preparation counter and kitchen sinks, and provided stainless steel dining tables and chairs Installed wash basins for students to brush their teeth 	
Professional Skills 	<ul style="list-style-type: none"> Provided stationery and learning equipment 	

2. Quality of Life Improvement in Local Communities and Promotion of Volunteer Spirit

Healthy Rice Project by INTOUCH

Throughout the eight years of this project, the Company has prioritized the basic needs of farmers, especially income security. The main objective is to strengthen local economies by supporting the cultivation of non-chemical rice with related knowledge, a cooperation network, and product development. To date, five participating communities have been upgraded to Community Enterprises and one Learning Center has been established.

Hom Krachao Community Enterprise, Huai Krachao District, Kanchanaburi

This community joined INTOUCH's project in 2016 and developed a strain of jasmine rice it named after itself. Hom Krachao was certified as a Community Enterprise in 2017. Due to geographical disadvantages, the area around this community has sandy soil and suffers from drought so the rice yield is often low and does not provide enough income for the farmers. In order to overcome this problem, INTOUCH has promoted the unique local culture, lifestyle and cuisine through a collaboration between the public and private sectors that exploits the potential to increase tourism and create added value for agricultural products. This has allowed local businesses to develop, creating more jobs and higher annual income, which has generated sustainable economic growth in the community.

In 2019 INTOUCH collaborated with both public and private agencies to develop community tourism, tailoring one and two-day programs under the theme "Three Dharma Tours" that combine pilgrimage, nature and culture, and training young people in the area to be tour guides. INTOUCH also collaborated with Wongnai, one of the start-up companies under the InVent project and now Thailand's No.1 restaurant review & lifestyle website and application developer, to promote Hom Krachao Community Enterprise and its products, along with the attractions of the local area via Wongnai Travel. In addition, supporting information on tourist spots can be accessed easily and quickly using a QR code.

Moreover, INTOUCH asked the Institute of Food Research and Product Development at Kasetsart University to develop innovative products from the locally grown jasmine rice that could add value and generate more income for the community. The institute came up with Jasmin Rice Vinegar and Melon Vinegar Drink, which are now sold under the brand name "Hom Krachao" in the community agriculture market at the Farmers Learning Centre and other marketplaces.



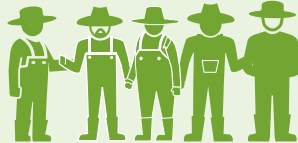


VIEW 71K
ENGAGEMENT 2.3K

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<https://www.wongnai.com/trips/trip-huai-kra>

Targets in 2019	Achievements	Beneficiaries
 <ul style="list-style-type: none"> • Increase the income of the agriculture market at the Farmers Learning Centre by at least 30% • Develop at least two innovative food products • Create and promote one new tourist route • Set up three cooperation networks 	 <ul style="list-style-type: none"> • Market income soared by 173% • Two new items launched and certified as provincial OTOP products • One new route developed under the theme “Three Dharma Tours” • Five cooperation networks established 	 <ul style="list-style-type: none"> • 14 Hom Krachao Community Enterprise members • 13 community agriculture market vendors • 35 junior tour guides

Ban Pa Mai Farmers Enterprise, Mueng District, Nakorn Si Thammarat

Ban Pa Mai community joined INTOUCH's project in 2015 and developed several strains of rice under the “Smiling Farmer” brand, namely Sangyod, Dok Mali 105 and Riceberry. Ban Pa Mai was upgraded to a Farmers Enterprise in the same year.

In 2019, INTOUCH asked Walailak University to develop products from the highly nutritious Sangyod rice in order to create added value. The research team processed broken rice into rice powder and also roasted it to create rice coffee, which is now sold under the “Smiling Farmer” brand. The community also plans to sell the rice powder under this brand name soon. Both of these are health-enhancing products for consumers of every age. Sangyod rice powder can also be used as an alternative ingredient for other products in order to generate continual income for the community throughout the year.



Targets in 2019	Achievements	Beneficiaries
 <ul style="list-style-type: none"> • Develop innovative food products • Set up at least two cooperation networks 	 <ul style="list-style-type: none"> • Created “Smiling Farmer” coffee and Sangyod rice powder • Three cooperation networks established • Value of broken rice for making new products increased from 10 to 824 baht per kilo 	 <ul style="list-style-type: none"> • 18 Ban Pa Mai Community Enterprise members

Scientific Approach to Water Management in Cooperation with the Hydro Informatics Institute, Ban Wang Yao Community, Chiang Kwan District, Roi Et

The geography of Ban Wang Yao Community features a fertile floodplain situated next to the Chi River. The community suffers from flooding every year during the rainy season, while there is no reserve to produce tap water in the summer when the river dries up. These problems adversely affect both agricultural productivity and the local fish farms, while the shortage of consumable water has a long-term impact on the quality of life.

INTOUCH engaged the Hydro Informatics Institute to study this problem and help the community analyze and manage their water supply efficiently. By applying a scientific approach to water management under a Royal Initiative, a check dam was built to reduce flooding and increase the water reserve for domestic consumption and agriculture, which has improved crop yields and generated income for the community throughout the year.



Operation guidelines	Targets in 2019	Achievements	Beneficiaries
1. Becoming self-reliant in managing the community water supply	<ul style="list-style-type: none"> At least 10 community representatives attend a training course on water management 	<ul style="list-style-type: none"> Provided training for 60 community members under the theme “The application of geo-informatics for community water and forest management” 	<ul style="list-style-type: none"> 4 villages 200 households 877 community members, including school-children
2. Preparing basic information to plan effective water management	<ul style="list-style-type: none"> Establish a concrete plan or water management tool 	<ul style="list-style-type: none"> Community members can now create tables on water sources, routes and volumes, and analyze these to determine the direction of their water management 	
3. Developing, reconditioning and maintaining water resources outside the irrigation area	<ul style="list-style-type: none"> Increase water storage for dry season by 100% Shorten flood period in the area 	<ul style="list-style-type: none"> Constructed a weir to retain 240,000 m³ of water Installed a sluice gate to control water flow and shorten flood period in the area from 10 to 8 days Excavated a pool with a capacity of 5,023 m³ to store water for Wang Yao Charoenwit School Produced drinking water at Wang Yao Charoenwit School for consumption and sale, generating an average monthly income of 900 baht for the school 	

Practicing Organic Agriculture for Safe Food Project

Modern agriculture is facing many problems, such as factors of production, dwindling resources, increasing costs, food hygiene and fair pricing, which affect the economic stability of farmers and their quality of life.

This project aims to support farmers and their surrounding communities in growing organic crops in order to sustain the quality and quantity throughout the year. Improving the process also helps to reduce costs and maintain the environmental balance. The organic agriculture prototype was introduced at Chan Ngam farm, Sikhio district, Nakhon Ratchasima in 2019. The project participants have been taught about organic farming, and the knowledge has been extended to local schools for students who want to make a living from sustainable agriculture.



Location	Program	Achievements	Beneficiaries
1. Chan Ngam farm, covering an area of 7 rai	<ul style="list-style-type: none"> • Arrange lectures given by experts on organic agriculture, and prepare a related manual • Provide tools for agriculture data analysis, including a hygrometer and pH meter to measure soil quality • Purchase raw materials and equipment to build the organic farm prototype 	<ul style="list-style-type: none"> • Farmers now have planting manuals for various types of crops and work processes based on the Permaculture concept • Produced compost to reduce the amount of fertilizer purchased by 40% in one planting cycle • Shortened the crop period by 20% 	<ul style="list-style-type: none"> • 17 farm workers
2. Farming families in Pak Chong, Sung Noen and Sikhio, covering 29 rai and 5 farmsteads	<ul style="list-style-type: none"> • Provide tools for agriculture data analysis, including a hygrometer and pH meter to measure soil quality • Educate farmers on the use of biological fertilizer 	<ul style="list-style-type: none"> • Reduced the average production cost per cycle by 25% • Increased the sales volume by 180% 	<ul style="list-style-type: none"> • 5 families participating in the project
3. Ban Lert Sawad School (Rat Rangsana Wittaya), covering 0.5 rai	<ul style="list-style-type: none"> • Teach children about organic farming • Provide plastic greenhouses and crop boxes 	<ul style="list-style-type: none"> • Children learnt how to grow organic crops based on the Permaculture technique and using biological fertilizer • Save 20% of vegetables bought from market for lunches at school 	<ul style="list-style-type: none"> • 89 students • 10 teachers



Employees with a Volunteer Spirit for Community Development Project

INTOUCH encourages its employees to propose and participate in activities beneficial to society and local communities. The Company provides budgets for these and allows employees to undertake their projects on working time. The following projects were completed in 2019:

- Renovation of student toilets at Wat Pho Rattanaram School, Ban Pong district, Ratchaburi and Ban Nong Fao School, Song Phi Nong district, Suphan Buri.
- Improvement of the playground at Wat Pramote School, Bang Khonthi district, Samut Songkram.



Time devoted by volunteers:

760 hours



Equivalent value of employees' wages:

262,960 baht



Beneficiaries:

804 people



Total financial support provided by INTOUCH:

317,772 baht

3. Charitable Donations

Besides the projects related to life quality development and education, INTOUCH made other charitable donations such as the ones below.

- Donated two million baht through the Office of the Prime Minister for flood relief and restoration in storm-ravaged areas of northeast Thailand and the rescue of storm victims in the southern region.
- Supported the Bangkok Disabled Persons Association's project "Sharing Kindness with Visually Impaired People" by providing educational equipment for visually-impaired children.
- Contributed 50,000 baht towards Patumruksa innovation kits for patients with breast cancer for the Faculty of Medicine at Khon Kaen University to distribute to 30 other hospitals.
- Provided useful gifts, on the occasion of National Children's Day, for various agencies to distribute to children, such as the Department for Empowerment of Persons with Disabilities, the Department of Public Welfare, Lat Krabang Discovery Learning Library, and the Tourism Division of the Culture, Sports and Tourism Department.
- Sponsored the publication of the book *Inspiring Creativity among the General Public*, written by the Loei Provincial Governor to support the construction of a 10-storey extension to Loei Hospital.



Donations:

2.47
million baht



Community investment:

14.71
million baht



Commercial investment:

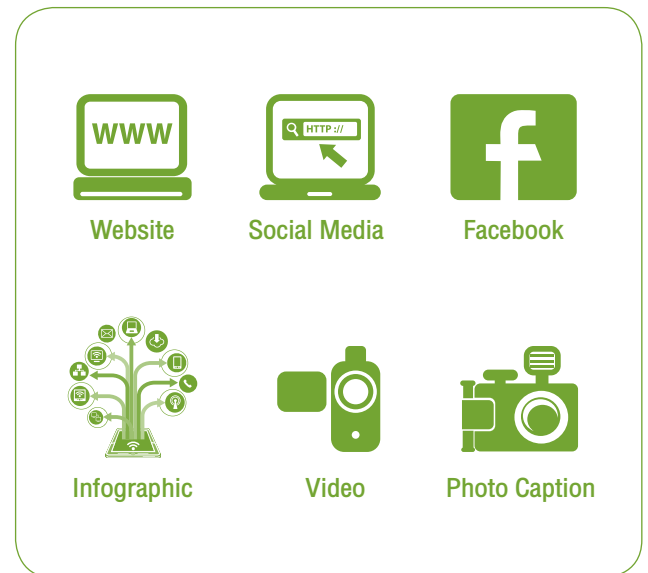
0.73
million baht

Corporate Reputation and Image Management

As a leading Asset Management Company investing in the Telecommunications, Media and Technology (TMT) sector, and aiming to create value and sustainable growth, INTOUCH has established reputation and corporate image management as one of its key strategies in order to increase stakeholder confidence and trust, and mitigate any potential impact on business operations.

The Company realizes that the communication of accurate, clear and timely information to every group of stakeholders plays an important role in building long-term confidence and commitment. A communication strategy has been formulated that focuses on providing content relevant to each group of stakeholders, including financial information, corporate governance, social responsibility and general administration, through various online channels, such as the Company's website, online media and social media (Facebook). Infographics and video clips are used to stimulate interest and explain things easily. Moreover, information is also disseminated through offline media, such as press releases, photo captions, news scoops, executive interviews, press conferences, and social activities in various projects.

In addition to promoting its brand through different media, INTOUCH, as a company listed on the Stock Exchange of Thailand, organizes regular activities to engage its shareholders and potential investors. These



activities include analyst meetings and presentations at promotional events for both local and international investors in order to hear their concerns directly and use the information gathered to make improvements.

In order to make its communication strategy more effective, INTOUCH conducts an annual corporate reputation survey to gain an insight into stakeholder opinions and preferences, and regularly provides updated information on the key factors that could have an impact on stakeholder confidence and trust. The survey results are used to formulate appropriate strategies for maintaining confidence and corporate image.

Environmental Management

As the Company takes its environmental responsibilities seriously, it focuses on efficient resource consumption and good management of resources 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 these 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 and performing their 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. While good environmental management is one of the criteria for selecting business partners, including promoting and supporting our key business partners to have good and appropriate environmental management. 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 are now used, asking employees to arrange shuttle buses if they are going in the same direction at the same time and teleconferences to avoid traveling to outside meetings.

Reducing Other Resources

The Company has a policy to procure environmentally-friendly services and select certified products to reduce the consumption of resources and the 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.
- The Company has organized waste separation to facilitate recycling and reduce resource usage. For example, used plastic bottles are turned into polyester yarn, which is woven into robes for the monks at Chak Daeng Temple in Samutprakarn province.

For 2020, the Company has set a quantitative goal to increase the proportion of waste to be recycled, and will arrange environmental education activities for the employees.



Sustainable Development Framework

INTOUCH has applied the concept of “Creating Shared Value” for outlining a sustainable development framework, which has been divided into the following three areas:

1. Sustainable Impact Investing

All investments must benefit the economy and society as well as create growth and profit for the Company. INTOUCH also promotes the concept of sustainable development among its subsidiaries and associates, along with the start-up companies in the InVent portfolio.

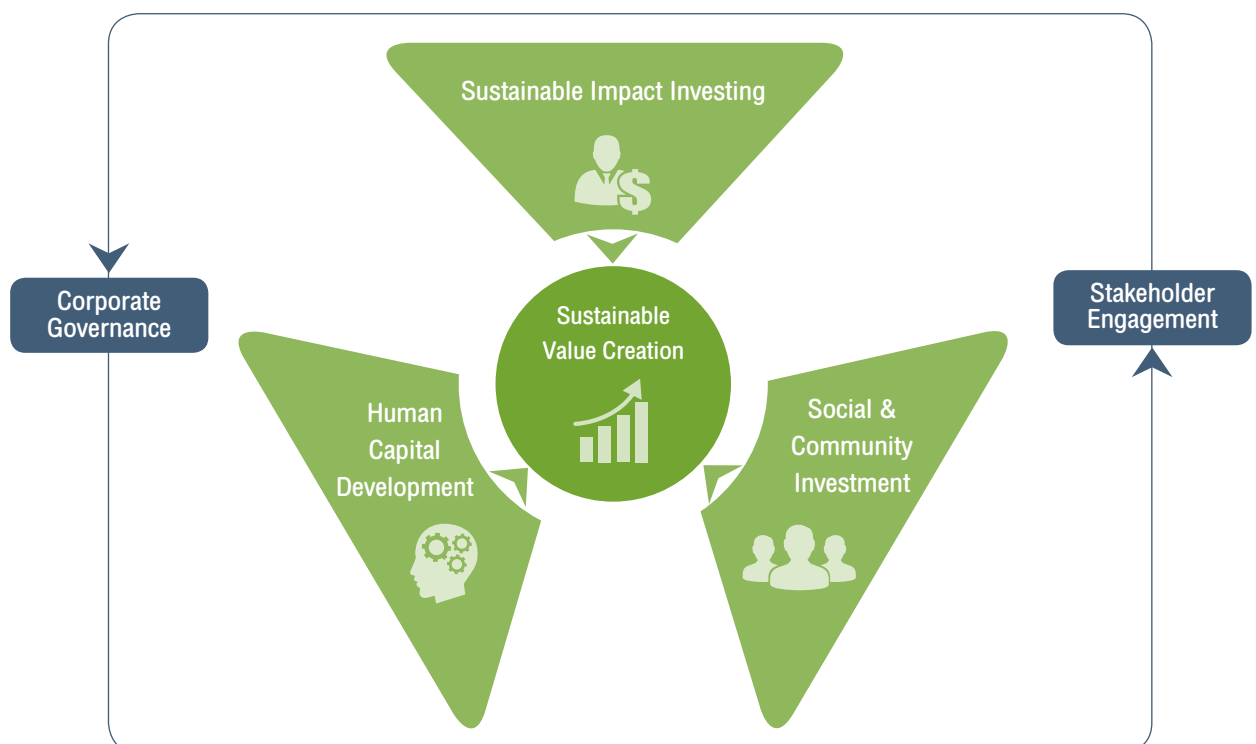
2. Human Capital Development

Sustainable growth is driven by the Company’s employees. Therefore, INTOUCH provides employee development programs, and has promoted a culture of innovation that encourages knowledge sharing and stimulates creative thinking.

3. Social & Community Investment

We believe that a strong society and community spirit lay the foundations for national development and sustainable growth. INTOUCH focuses on improving the skills of people in local communities in order to develop their proficiency. The Company also utilizes the appropriate technology to meet the needs of each community in its corporate social responsibility program.

These three areas are core sustainable development guidelines. In addition to the return on investment in terms of business performance, INTOUCH understands its obligation to society through good corporate governance and effective stakeholder engagement. This framework will help the Company realize every aspect of the impacts it has on the economy and society, and mitigate any negative ones that might impede sustainable growth.



Sustainability Performance

Economic Dimension (Consolidated Financial Statements)	Unit	2017	2018	2019
Total assets	Million Baht	50,960	50,009	49,535
Total revenue	Million Baht	22,543	20,404	17,531
Gross profit	Million Baht	2,482	1,891	1,004
EBITDA	Million Baht	12,438	13,756	12,270
Net profit for the year	Million Baht	9,310	11,651	9,766
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	1,718	1,202	1,133
Financial costs	Million Baht	399	340	301
Tax paid to government (e.g. corporate income tax, local tax dues, property tax and special business tax)	Million Baht	270	100	121
Tax benefits and other promotional privileges under the Investment Promotion Act	Million Baht	-	-	-

Economic Dimension (Separate Financial Statements)	Unit	2017	2018	2019
Total assets	Million Baht	29,942	31,780	35,553
Total revenue	Million Baht	11,054	11,822	11,491
Net profit for the year	Million Baht	10,664	11,481	11,075
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	214	189	213
Dividend paid to shareholder	Million Baht	9,168	8,995	8,080
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	-	-	-
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	20	22	18

Social	Unit	2017	2018	2019
Total Number of Employees	Person	78	73	61
Number of Employees by Level				
• Executive Level	Person	22	20	20
• Managerial Level	Person	36	36	33
• Practitioner Level	Person	20	17	8
Number of Employees by Gender				
• Male	Person	32	30	26
• Female	Person	46	43	35
Number of Employees by Age				
• Less than 30 years	Person	7	7	3
• 30-50 years	Person	61	50	44
• More than 50 years	Person	10	16	14
The Female-to-Male Salary Ratio				
• Executive Level	Percentage	1:1.33	1:2.35	1:2.53
• Managerial Level	Percentage	1:1.18	1:0.55	1:0.46
• Practitioner Level	Percentage	1:0.80	1:0.47	1:0.91
Total Number of New Employees	Person	6	7	2
Total Number of New Employees by Age				
• Less than 30 years	Person	1	2	0
• 30-50 years	Person	5	5	2
• More than 50 years	Person	0	0	0
Total Number of New Employees Turnover by Age	Person	15	11	5
• Less than 30 years	Person	0	4	2
• 30-50 years	Person	14	7	3
• More than 50 years	Person	1	0	0
Maternity Leave	Person	0	0	0
Number of Employees return after taking Maternity Leave	Person	0	0	0
Proportion of Employee Leave				
• Sick Leave	Person/Year	2.05	3.09	0.93
• Leave Due to Work	Person/Year	0	0	0

Social	Unit	2017	2018	2019
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	5,188	2,016	2,164
The Average Number of Training Hours by Level				
• Executive Level	Hour/Person/ Year	67.94	46.40	64.15
• Managerial Level	Hour/Person/ Year	70.09	23.54	25.86
• Practitioner Level	Hour/Person/ Year	49.33	16.50	6.50
Number of Complaints about Human Resource Management	Case	0	0	0

Environment	Unit	2017	2018	2019
Electricity Consumption	MWh	286.00	254.40	261.78
Electricity Consumption per area	MWh/Sqm	0.15	0.13	0.13
Electricity Consumption per employee	MWh/Person	3.66	3.57	4.09*
Water Consumption	Cubic meter	14	14	14

*The electricity consumption per employee increased due to a decrease of managements and employees.

About the Sustainability Report

This is the fifth annual sustainability report of Intouch Holdings Plc. ("the Company") to communicate its approach to sustainability management and disclose its economic, social and environmental performance. This report will be published together with the Annual Report for 2019. The scope of the economic data covers the performance of all the Company's subsidiaries, associates, joint ventures and other investments, while the social and environmental data only cover the Company. This report is for the period 1 January to 31 December 2019, and the information provided reflects the expectations of every group of the Company's stakeholders. It also includes 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 GRI Sustainability Reporting Standards 2018 (GRI Standards) at Core level (*'in accordance' Core Option*), and identifies issues in line with the United Nations' *Sustainable Development Goals*.

More information on the disclosure of data in accordance with the indicators of the reporting guidelines can be found in the tables on pp. 260-264 of this report.

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