



**Empower
Your World**



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In this regards, investors may obtain further information from form 56-1
at www.sec.or.th or www.ais.co.th

Empower Your World





“Enhancing the new potentials for Thais with AIS 3G 2100MHz covering 77 provinces”

We are committed to bringing the quality network and delivering the best customer experience through variety of innovative and segmented devices, applications, and services to enhance the digital lifestyle of all Thais.

Message from the Chairman and Chief Executive Officer



A handwritten signature in black ink, reading "P. Limpaphayom".

Dr. Paiboon Limpaphayom (Ph.D.)
Chairman of the Board of Directors

Dear Shareholders and Customers

In the middle of 2013, AIS launched our 3G service on 2.1GHz, just five months after we had been granted a license from the National Broadcasting and Telecommunications Commission (NBTC). I am very pleased to see that all AIS staff members have been committed and united in delivering 3G on the 2.1GHz spectrum to our customers in order for them to experience this superior technological advancement. Currently, our network covers 77 provinces, or 80% of the population. With an investment budget of 40 billion baht, AIS has also been expediting the expansion of our 3G service so that by 2014 it will completely replace the existing 2G coverage area which serves 95% of the population. The development of this communications infrastructure has not only greatly enhanced Thailand's competitiveness at the international level, but also supported the increasing usage of mobile data. In this year, AIS expects to enjoy growth of our data service, compared to 24% growth last year. The development will also generate an increase of revenue from data services by 6-8% in 2014. We are determined to deliver quality services in all dimensions. No matter how the technology changes, the key to our service is to understand our customers' demands and then design and develop services to serve these customers in every segment. AIS is always adaptive so that we are able to follow the changes in social trends and consumer behaviors in order to ensure that we can raise the standard of living for Thai people.

As a part of Thai society, AIS has continuously taken constructive action in creating a society in which everyone can live peacefully and harmoniously. The AIS Sustainable Development committee was founded in 2012 with the aim of designing a strategy and operation plan for sustainable development to be incorporated into the company's mission. Furthermore, we produced the first report on sustainable development that meets the standards set by Global Reporting Initiatives (GRI) 3.1. The report has been uploaded to our company website in order for the public to be able to study our development efforts.



Mr. Wichian Mektrakarn
Chief Executive Officer



In this year, we will produce a report according to GRI G4 in order to ensure that every publicized issue is deemed important. AIS and all stakeholders will, accordingly, place emphasis on these issues, which reflects the company philosophy of trying to meet the expectations of all stakeholders.

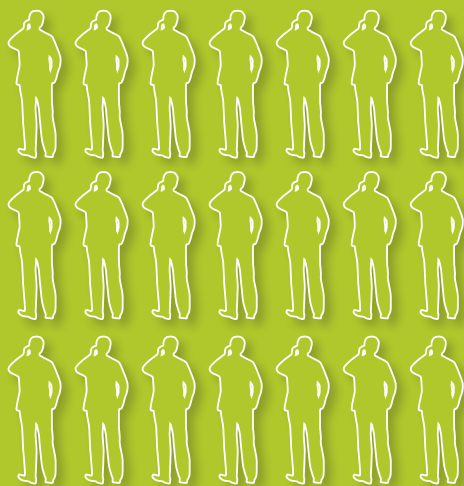
In 2014, one of the most significant developments of the Thai telecom industry will be the auction of licenses for operating 4G services on the 1800MHz spectrum which expired late last year. Additionally, the NBTC intends to auction 900MHz licenses, which are scheduled to expire in the next two years, along with 1800MHz licenses. This is a positive sign because it helps to ensure that customers will not experience a disruption of their service after the agreement expires. Furthermore, mobile operators will be more effectively prepared to plan for the extension of the network.

Finally, I would like to take this opportunity to express my gratitude towards all shareholders, customers, and staff members for your trust and continued support of AIS. My colleagues and I promise to continue providing superior services that will in turn generate sustainable growth and revenues for all our shareholders.

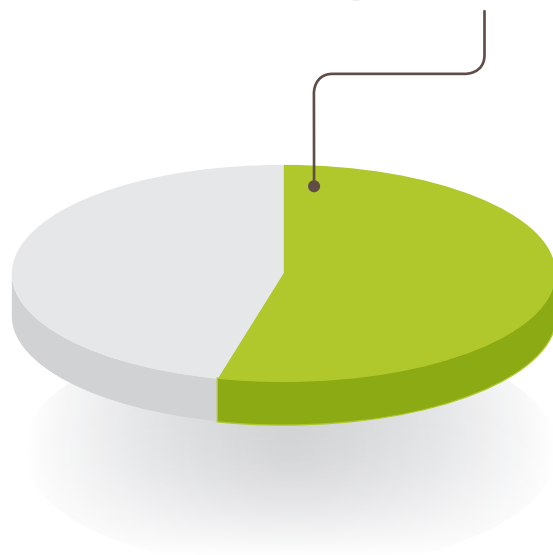
Operational highlight

No.1 mobile operator in Thailand

Subscriber
market share **44** %



Revenue
market share **52** %



First year of 3G-2.1GHz launch

Network coverage



41 million
subscribers

16 mn
3G-2.1Ghz



25 mn
2G

Smart device
adoption*



*% of total subscribers

Financial highlights

Revenue driven by mobile data demand

service revenue, excluding net interconnection revenue (Bt mn)



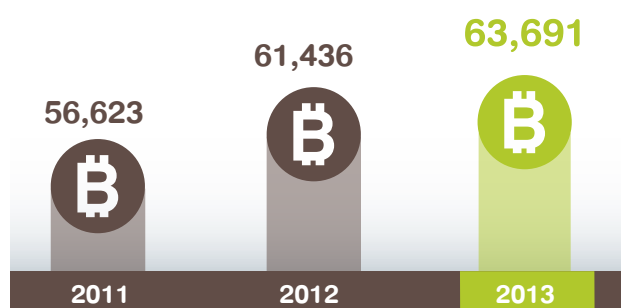
Growing smartphone popularity

Growing smartphone popularity



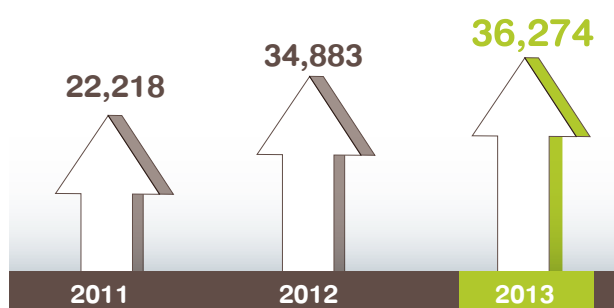
3G brings cost competitiveness

EBITDA (Bt mn)



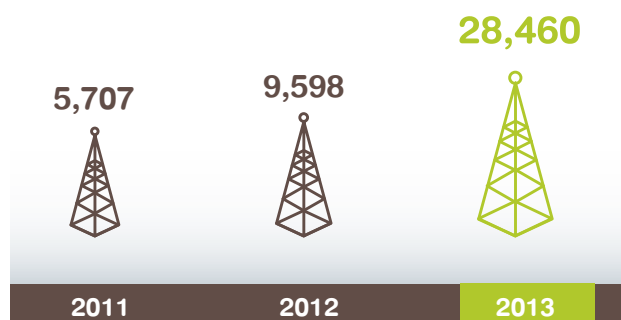
Strong Operating Profit

net profit (Bt mn)



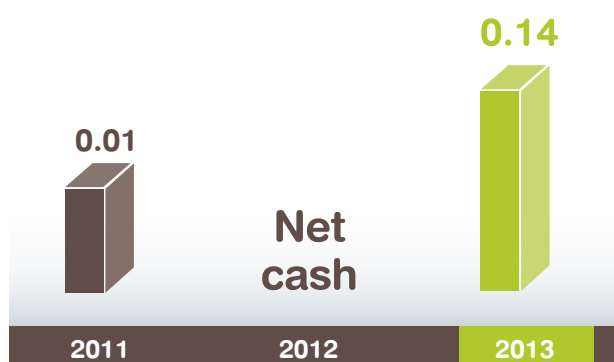
3G-2.1GHz investment

capex (Bt mn)



Solid financial position

Net debt to EBITDA



Dividend per share

100% dividend payout



Dividend policy

The Company aims to pay dividend at least 100% of net profit twice a year. The first of which shall be paid as interim as a result of operation during the first half of the year as approved by the Board of Directors and will be reported to the next general meeting of shareholders whereas the remaining thereof as annual payment which shall be approved by shareholders' meeting as a result of operation in the second half year.

As regards each subsidiary, dividend payment shall be based upon its operating results, financial conditions and other material factors.

In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing operations.

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend		2009	2010	2011	2012	2013
Total Dividend Payment (Baht per Share)		11.30	12.92	8.43	10.90	12.15
1.	Interim Dividend	3.00	3.00	4.17	5.90	6.40
2.	Annual Dividend	3.30	3.92	4.26	5.00	5.75
3.	Special Dividend	5.00	6.00	-	-	-
Dividend Payout Ratio		196%	187%	113%	93%	99.58%

Our Bussiness

Business overview

Advanced Info Services Plc. (AIS) is the leading mobile operator in Thailand. Our core businesses include domestic mobile services, international direct dialling (IDD) services, and international roaming services. In 2013, we registered more than 41 million subscribers and generated 52% of market share by revenue.

AIS currently operates mobile service on both 2G and 3G technologies. The 2G service is operated on both the 900MHz and 1800MHz frequency under the Built-Transfer-Operate contracts with TOT and CAT, expiring in 2015 and 2013*. The commercial launch of 3G services on the 2.1GHz spectrum started in May 2013 under a 15-year license issued by the National Broadcasting and Telecommunications Commission (NBTC). Today the 3G service is available in all 77 provinces, covering 80% of population, and expected to replicate the 2G network coverage of 95% within 2014.

Our business strategy focuses on delivering quality in all dimension including device, network, applications and services. At AIS we believe in building and developing the ecosystem of the Thai telecommunication space. With our core strength in network quality, we aim to enhance sustainable growth through quality services delivered by our key business partners. For example, instead of creating our own branded mobile devices, we collaborate with the leading manufacturers to locally market variety of proper mobile devices. Similarly on digital content and applications, a growing group of local content/applications developers join our AIS theStartUp and together we increase variety of digital consumption. In delivering quality services, we work alongside with our business alliances and solutions partners to differentiate our services with segmented privileges, discounts program, and new lifestyle services.

Vision

To lead and shape the multi-media communications market in Thailand through innovation, customer experience, technology and people and culture.

Mission

- We commit to deliver superior and innovative services that can add value and enhance peoples' daily lives.
- We commit to provide our customers with the best customer experience at competitive prices.
- We commit to drive intrapreneurship and a professional work culture for all our employees.
- We commit to enhance value for our stakeholders through Sustainable Development and creating value to society through Creating Shared Value (CSV).

Remark: * 1800MHz BTO contract expired in 2013 and the NBTC issued a temporary measure to enforce service continuation for a maximum of one year.

Key Milestone in 2013

February

- AIS, in collaboration with leading players in film industry, launched “AIS Movie Store” for AIS customers to enjoy their favorite movies on smart phone and tablet.



September

- AIS launched a new online shopping card, “AIS mPAY MasterCard” for online shopping payment.



April

- AIS invested more than 40 million baht to upgrade small dealers nationwide to become “AIS 3G Center” with the concept “One Amphur, One AIS 3G Center”, as additional channel to serve AIS 3G customers.

May

- “AIS 3G 2100, the Real One with World Standard”, launched full service in 20 major provinces across the country.
- AIS unveiled 3 new applications, AIS myCloud, AIS mySticker Shop and AIS Photobox.

June

- AIS 3G 2100 officially debuted “James Jirayu Tangsrisuk” as a presenter.
- AIS launched our first stand-alone sustainability report in accordance with the guidelines of the Global Reporting Initiative (GRI)

August

- AIS 3G 2100 debuted “AIS Mobile Barclays Premier League” for watching matches live on smart phone with HD quality throughout season.

October

- AIS celebrated 24th anniversary with the successful 3G2100 network roll out in 77 provinces in only 8 months, ahead of the NBTC schedule.
- AIS mPAY Rabbit” was officially launched under concept “The Only SIM That Turns Mobile Phone to Purse” for mass transit payment and various shops with Rabbit sign.



November

- AIS hosted a “Regional Seed Network Symposium” and announced its partnership with SingTel and alliances to establish the startup community across the region, to support a sustainable growth, and to push them into global market.

December

- AIS launched a new international dialing prefix “003”, an international call service to over 240 destinations worldwide for both postpaid and prepaid subscribers.

Awards and Recognition in 2013

Corporate reputation awards



- “Superbrands 2013” from Superbrands for being quality brand which has been accepted and trusted among Thai consumers. AIS is the only telecom company in Thailand to receive this award of honor



- “Thailand’s Top Corporate Brand Value 2013 for telecom sector” from Sasin Business School of Chulalongkorn University.

Management and Performance awards



- “Thailand Top Company Awards 2013” from Business Plus magazine and University of the Thai Chamber of Commerce for our excellent performance
- “Best CEO Award 2012”, the “Best CFO Awards 2012”, and the “Best Investor Relations Award 2012” for four consecutive years from Securities Analysts Association



- “Best Investor Relations Awards” for two consecutive years from SET Awards 2013, which is uplifted from Outstanding Awards in 2011.
- “Telecom Service Provider of the Year” by Frost and Sullivan



- “Best Public Company” for four consecutive years and “Best Public Company for telecommunication sector” for the first year from Money and Banking magazine
- AIS moved up 203 spots from previous year to no. 964 on the global list of 2000 biggest public companies ranked by Forbes magazine.



- AIS was named as one of the Top 50 Asian fabulous companies organized by Forbes magazine.
- “Contact Center of the Year” for telecommunication sector with service staffs exceeding 1,000 heads from Asia Pacific Customer Service Consortium (APCSC)

Social responsibility and governance awards



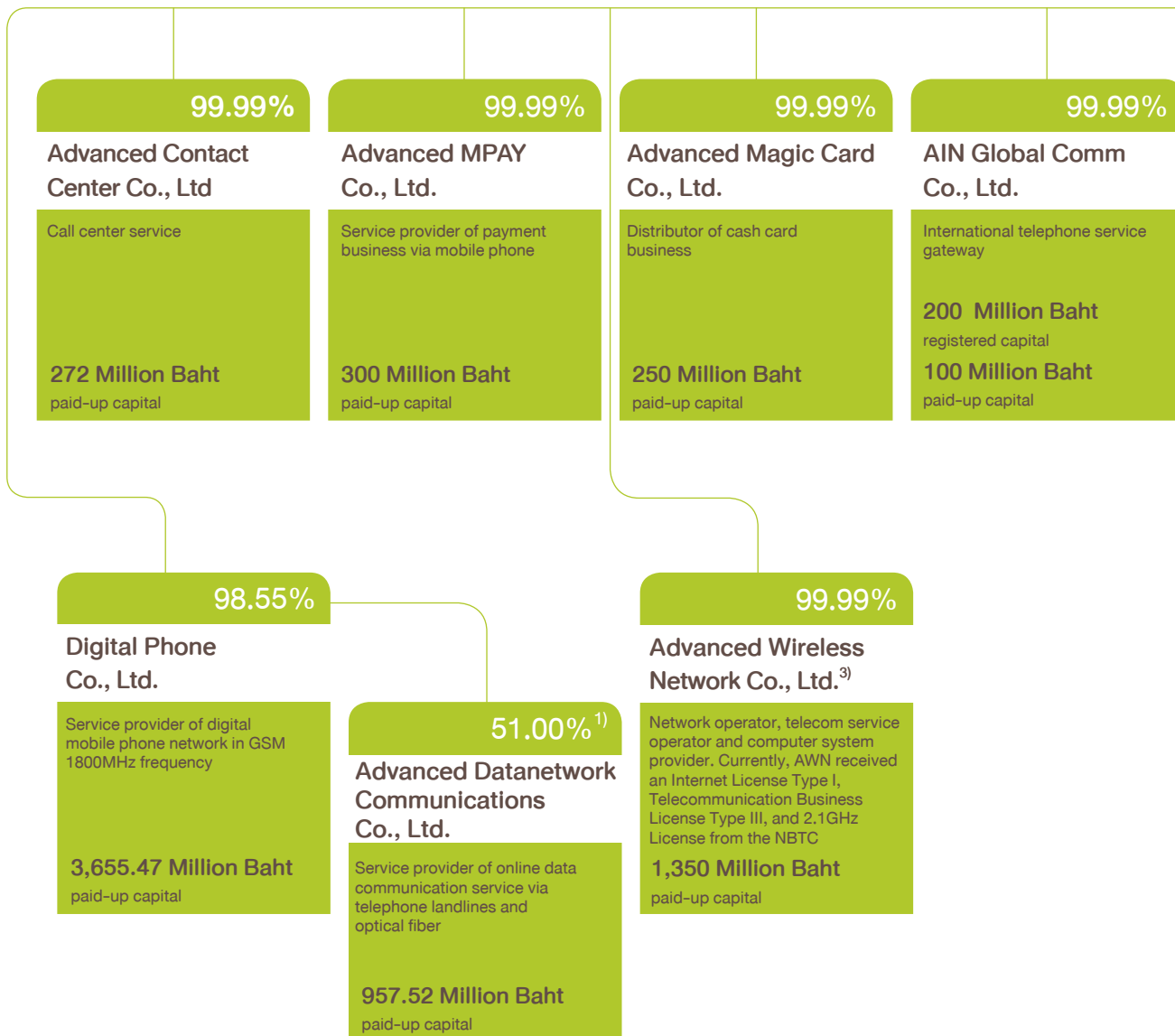
- “Mental Health Media Award for the year 2012 in television broadcasting category” from “Prook Kwan Dee Advertisement” and “Honor Award for Mental Health Media for five consecutive years” from Department of Mental Health



- “Best Employer 2013” from AON Hewitt (Thailand) for AIS and Advanced Contact Center Co.,Ltd. (ACC) and “Best Employer for Generation Y” for ACC.

Investment Structure of Advanced Info Service Plc.

Advanced Info Service Plc. 4,997.46 million Baht Registered Capital
and 2,973.10 million Baht Paid-up Capital



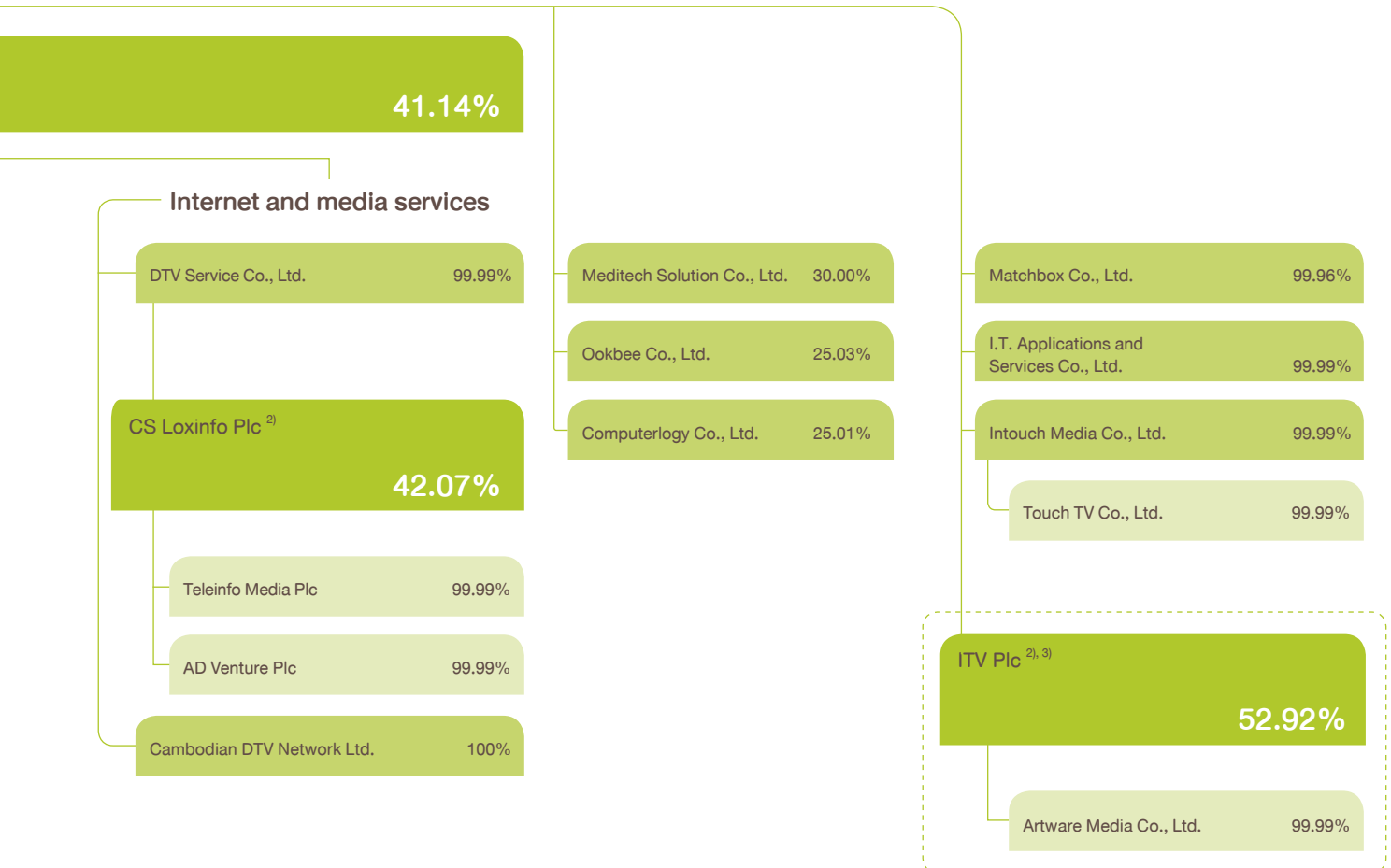
<p>99.99%</p> <p>Super Broadband Network Co., Ltd.</p> <p>Network operator for international service and international telecom service operator i.e. international & national internet gateway etc.</p> <p>300 Million Baht paid-up capital</p>	<p>99.99%</p> <p>Wireless Device Supply Co., Ltd.</p> <p>Importer and distributor of handset and accessories</p> <p>50 Million Baht paid-up capital</p>	<p>99.99%</p> <p>Advanced Internet Revolution Co., Ltd.</p> <p>Service provider of internet</p> <p>240 Million Baht paid-up capital</p>	<p>99.97%</p> <p>Advanced Broadband Network Co., Ltd.</p> <p>Currently not start the operation</p> <p>1 Million Baht paid-up capital</p>
<p>99.99%</p> <p>MIMO Tech Co., Ltd.</p> <p>Operate IT, and content aggregator businesses</p> <p>50 Million Baht paid-up capital</p>	<p>99.97%</p> <p>Fax Lite Co., Ltd.</p> <p>Operate in acquiring and/or lease building, and related facilities related to telecommunication business</p> <p>1 Million Baht paid-up capital</p>	<p>20.00%</p> <p>Clearing House for Number Portability Co. Ltd.</p> <p>Jointly invested, Operate the information system and the centralized database for the mobile portability service</p> <p>2 Million Baht paid-up capital</p>	<p>10.00%</p> <p>Bridge Mobile Pte. Ltd</p> <p>Jointly invested, provide international roaming service (incorporated in Singapore)</p> <p>23 Million USD paid-up capital</p>

- 1) The remaining 49% of shares, holding by person who has not conflict of interest.
- 2) The dissolution of Mobile Broadband Business Co., Ltd. and Advanced Mobile Broadband Co., Ltd. currently is under the liquidation process.
- 3) Advanced Wireless Network Co., Ltd. registered its share capital addition with Business Development Department, Ministry of Commerce from Baht 350 million to Baht 1,350 million on 19 September 2013

Investment Structure of INTOUCH Group

Shin Corporation Plc ^{1), 2)}





1) Holding Company

2) Listed Company on the Stock Exchange of Thailand

3) On 4 June 2009, the securities transferred to Non-Performing Group-NPG and SET announced that ITV was in NPG-stage 1 on 10 March 2011, NPG-stage 2 on 12 March 2012 and NPG-stage 3 on 12 March 2013.

Other Businesses	
Venture Capital	Others

Top Ten Shareholders

Top ten shareholders as of 21 August 2013, the latest book closing date for the right to receive dividend, are as follow:

No.	Name	No. of shares held	% of shareholding
1	SHIN CORPORATION PLC.	1,202,712,000	40.45
2	SINGTEL STRATEGIC INVESTMENTS PTE LTD	693,359,000	23.32
3	THAI NVDR CO.,LTD.	187,764,116	6.32
4	LITTLEDOWN NOMINEES LIMITED	81,844,900	2.75
5	HSBC (SINGAPORE) NOMINEES PTE LTD	66,849,118	2.25
6	STATE STREET BANK EUROPE LIMITED	63,913,009	2.15
7	STATE STREET BANK AND TRUST COMPANY	41,956,593	1.41
8	BNY MELLON NOMINEES LIMITED	32,256,358	1.08
9	SOCIAL SECURITY OFFICE (2 CASE)	25,196,400	0.85
10	THE BANK OF NEW YORK (NOMINEES) LIMITED	22,349,436	0.75
Total		2,418,200,930	81.34

Source: Thailand Securities Depository Company Limited

Major shareholder whose behavior can influence when determining policy or handling operation, are

1. Shin Corporation Plc, major shareholders of Shin Corporation Plc. as follows:

Name	No. of shares held	% of shareholding
Aspen Holdings Ltd.	1,334,354,825 *	41.62

* Shareholding as of 27 August 2013, the latest book closing date

2. SingTel Strategic Investments Pte Ltd holds 23.31% directly in AIS, and 0.01% via OCBC Nominees. The shareholder of SingTel Strategic Investments Pte Ltd is

Name	% of shareholding
Singtel Asian Investments Pte Ltd *	100.00

* Singtel Asian Investments Pte Ltd is 100% hold by Singapore Telecommunication Limited (Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 17 October 2013)

Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None -

Revenue structure

Revenue structure from providing service & sales income in AIS group to the third party within 3 years.

Service/ Product	Operation By	% Holding of shares as at 31 Dec 13	2011		2012		2013	
			Million Baht	% Size	Million Baht	% Size	Million Baht	% Size
Mobile phone service								
• Mobile phone services & rental	Advanced Info Services Plc.		108,691.25	85.97	119,042.10	84.10	96,296.12	67.45
	Advanced Wireless Network Co., Ltd.	99.99	-	-	-	-	22,706.05	15.90
	Digital Phone Co., Ltd.	98.55	710.71	0.56	702.86	0.50	441.47	0.31
	Wireless Device Supply Co., Ltd.	99.99	35.06	0.03	67.16	0.05	119.25	0.08
	AIN Globalcomm Co., Ltd.	99.99	3,229.88	2.55	3,393.72	2.40	3,455.66	2.42
• Mobile phone sales	Advanced Info Services Plc.		619.71	0.49	519.18	0.37	516.32	0.36
	Advanced Wireless Network Co., Ltd.	99.99	-	-	-	-	3,484.89	2.44
	Wireless Device Supply Co., Ltd.	99.99	12,559.94	9.93	17,174.64	12.13	14,994.06	10.50
Sub-total			125,846.55	99.53	140,899.66	99.55	142,013.82	99.46
Data network and broadband service	Advanced Datanetwork Communication Co., Ltd.	51.00	422.01	0.33	260.96	0.18	155.43	0.11
	Super Broadband Network Co., Ltd.	99.99	155.68	0.12	308.28	0.22	416.31	0.30
	Advanced Internet Revolution Co., Ltd.	99.99	6.51	0.01	75.24	0.05	192.38	0.13
	Sub-total			584.20	0.46	644.48	0.45	764.12
Call center Service	Advanced Contact Center Co., Ltd.	99.99	6.48	0.01	4.97	-	4.94	-
Sub-total			6.48	0.01	4.97	-	4.94	-
Grand Total			126,437.23	100.00	141,549.11	100.00	142,782.88	100.00

Remarks: 1) Advanced Datanetwork Communication Co., Ltd is an indirect subsidiary.

2) Advanced Wireless Network Co., Ltd. registered its share capital addition with Business Development Department, Ministry of Commerce from Baht 350 million to Baht 1,350 million on 19 September 2013.

Industry condition and Competition in 2013 and trend in 2014

“The official launch of the 3G network on 2.1GHz spectrum during mid-2013 brought about changes in the telecommunication business in term of technological and structural development...”

Structural and technological developments in the telecommunication business in 2013

In 2013, the telecommunication business was mainly driven by non-voice services, which grew by 24% while voice services shrank constantly as the penetration rate reached 137%. The official launch of the 3G network on 2.1GHz spectrum during mid-2013 brought about changes in the telecommunication business in term of technological and structural development. It resulted in a better network quality for the growing demand of the data usage. It also paves the way toward transformation of business based on concession to licensing. This encouraged the competition to be fair (revenue shared 25-30% on concession compare to regulatory fee 5.25% on license). The operators also encouraged 2G subscribers to upgrade to 3G service for continuity in service as the concessions are about to expire.

Competition in telecom re-bustle following the launch of 3G on 2.1GHz in the mid of 2013

The 3G licensing has brought to Thai market acceleration of network expansion, as well as increasing advertising, marketing activities, and dealer incentives to promote 3G service. The overall industry spending on marketing has been increased during the past year. Operators offered 3G package with more value by increasing the voice minutes and data usage which make an average price per unit lower than 2G by 15% according to NTBC guideline. However, pricing remained fairly rational and focused on bringing variety of packages designed to meet customers from the upper level to the lower segment. The price of starter package was lowered to attract new smartphone beginners and push for mass adoption. Meanwhile, operators had to address 3G handset penetration and have offered several campaigns to attract customers to change devices from 2G to 3G. In 2013, 3G handset is up to 50% of total market sales. To bring affordable price of handset to customers in middle to

lower tier, operators partnered with mobile device manufacturers to build their house-brand and provided campaigns such as finance on mobile device for 0% up to 10 months and discount on post-paid package.

“Data service is a major growth driver in 2014. The operators will focus on campaigns to drive 3G device adoption...”

Competition trend in 2014

In 2014, the expansion of 3G network coverage is expected to reach nationwide in response to the customers' demand on mobile internet. By middle of the year when network coverage is more extensive, we may expect higher competition for market share through variety of campaigns to attract both new and existing customers. Comparing to last year, there will be more marketing campaigns to attract 2G subscribers to upgrade to 3G 2.1GHz as operators will be facing expiry of 2G concession in 2014-15. Meanwhile, price of smartphones and tablets will continue to decline and help expanding market in mid to low tier. The operators will continue to focus on strategic marketing campaigns with leading vendors offering customers more convenient in accessing to affordable 3G devices.

Data service is also a major factor in driving growth on telecom market in 2014. The demand for mobile Internet continues to grow and post-paid market will play more important role as customers can connect to the internet constantly. Apart from the use of mobile Internet and social apps with it, the development on 3G technology can create new business opportunities supporting life in a digital information age such as m-commerce, mobile marketing and cloud services for SMEs, etc. In addition, NBTC plans to have license auction on 1800MHz and potentially 900MHz for LTE and 3G which will help strengthening mobile data network and support further variety of services to customers.

Business Direction over the next 3-5 years

The next 3-5 years is set to be an important period as the Thai mobile telecommunications industry will undergo significant changes. The business model is in transition, shifting from Build-Transfer-Operate (BTO) contracts - used for more than 20 years to operating licenses issued by the National Broadcasting and Telecommunications Commission (NBTC). The transition is enabled through the new spectrum licensing, in particular the issuance of 2.1GHz license in December 2012. AIS has officially operated 3G service on 2.1GHz since mid-2013 and will continue to expand 3G network nationwide within the next 1-2 years. Meanwhile, the BTO contracts on both 900MHz and 1800MHz (operated as 2G network) are expiring and are likely to be re-assigned through license auction by the NBTC. As the leading Thai mobile operator, AIS views these changes as business opportunities to offer new services in response to evolving digital life society. To capture future changes and demand, AIS is ready to bid for additional spectrum e.g. 1800MHz and 900MHz that will allow us to continue enhancing network capacity through newer technology.

Leading the way in providing quality 3G-2.1GHz services

Since the official launch of the 3G network on 2.1GHz spectrum during mid-2013, AIS aims to be at the forefront of the industry by continuing our working philosophy base on "Quality DNAs" (Device, Network, Applications, and Services), our concept of quality in all dimensions. The new network will deliver a better customer experience with a faster mobile internet speed from the new 2.1GHz capacity. At an initial investment of Baht 40 billion, the new network coverage will reach 95% by mid-2014 and 97% by 2015 to meet the same level of reputation as in our trusted 900MHz network. In addition, we are increasing the number of AIS Wifi hotspots in dense data usage areas and cooperating with one of the largest Wifi operators, 3BB, to satisfy our valued customers' need. We are also focusing on marketing campaigns to attract 2G subscribers to upgrade to 3G 2.1GHz as operators will be facing expiry of 2G concession in 2014-15.

Providing a service on 900MHz and 1800MHz for the long term

Our 900MHz and 1800MHz contract will expire within 2 years. The 1800MHz contract ended in 2013, however, the NBTC has extended to September 2014, while the 900MHz contract is due to conclude in 2015. The NBTC sets target of 1800MHz auction and potentially a simultaneous bid of 900MHz within 2014. We plan to bid for both spectrums with an aim to develop 1800MHz for 4G technology (LTE) in dense area and 900MHz for enhancing 3G nationwide network. These potential additional spectrums together with the existing licensed 2.1GHz will enhance our competitive advantage over the longer term.

Promoting an Eco-System in the Thai telecommunications industry

AIS believes in the Eco-System concept, a cooperation with specialists in specific fields with the aim of sharing our expertise and growing together in the digital business. The accessibility to more than 41 million subscribers that our network provides makes us the partner of choice for many key players. Supporting and collaborating with our business partners, we create innovative services for customers. The benefits from the cooperation are shared among the partners, while AIS also helps our partners by co-marketing our services. For example we join with key cable television, CTH to introduce AIS Mobile Barclays Premier League application for soccer enthusiast to watch match lives, and we have also introduced AIS Movie Store application for movie lovers. AIS is the first and only company in the industry that introduces innovative AIS mPay Rabbit Sim card, which is used for payment on BTS, department stores, entertainments and restaurants through NFC technology. Cooperation similar to these are expected to increase over the next 3-5 years as consumers demand increasing digitized contents and accessibility.

Products and Services



อีกสิ่งดีๆที่“เข้าใจ”

In 2013, AIS successfully moved from 2G technology to the 3G platform that offers download speeds of 42 Mbps, enabling customers to experience faster speed of mobile internet. With the popularity of smartphones and social networking applications continuing to rise, AIS focuses on insight to customer behavior to help us deliver services that meet the demands of different segments under the concept of “One more great thing we understand”. From this, AIS has promoted 3G services throughout the year, targeting smartphone users and providing different price options according to volume of usage. In addition, there are also packages tailored to suit customers who especially enjoy social networking applications. For a large number of customers who recently began using the Internet via their smartphones, AIS has introduced iFAIR, which automatically selects the most suitable package for each user on a monthly basis. Meanwhile, the 2G service is still available, although it is expected to decline.



Thanks to the faster data speed of 3G technology, AIS can support rich and various new applications such as video streaming. AIS has launched “AIS Mobile Barclays Premier League” which allows customers to enjoy live broadcasts of Premier League matches through their smart devices, while “AIS mPay Rabbit” makes it easy and convenient for customers to pay their BTS and BRT fares and purchase food items at multiple well-known shops simply by using smart devices that feature the NFC technology (Near Field Technology).

In response to the growing popularity of mobile internet usage among customers who frequently travel abroad, AIS has designed unlimited data roaming packages. We also developed “AIS Data Roaming” application from which customers can easily check the volume of data roaming.



AIS Roaming App

To reach a wider range of customer groups, AIS has also launched a marketing campaign to provide quality smart devices that support 3G technology at multiple pricing options. The world leading branded smartphones offered include Apple, Samsung and Sony, as well as co-branded mobile phones through cooperation between AIS and such manufacturers as Huawei, Acer and ZTE. Customers can take advantage of an installment plan of 10% for 10 months, along with discounts for monthly subscribers who buy a new 3G featured phone.

AIS also provides range of corporate solutions for corporate customers and SMEs. AIS Business Solutions includes AIS Mobile PBX for office communication, AIS Business Conference for online conference over the internet, AIS Smart Messaging for blast SMS or MMS to a large number of recipients, AIS Push Mail for corporate email, etc.

AIS mPAY rabbit®

ซิมเดียวที่เปลี่ยนมือถือให้เป็นกระเป๋าตังค์



Distribution Channels

AIS distributes products and services through several channels including AIS shop of more than 40 locations, nationwide franchise dealers “Telewiz” of more than 450 stores, 25,000 local retailers, mobile phone and IT shops (such as Jmart, TG, Banana IT, IT City), modern trade chain stores (such as Tesco Lotus, Big C, Powerbuy, 7-11) in total of more than 10,000 locations. We also promote use of more than 400,000 spots of electronic top-up channels for prepaid service such as online money top-up, ATM, mPay.



In 2013, AIS opened “AIS Service Point” as a channel through which customers could upgrade from 2G to the 3G platform. To achieve this, AIS worked with 500 dealers across the country to upgrade their service. At the same time, over 40 Telewiz outlets were upgraded to Telewiz Plus (from the total of 450 Telewiz shops nationwide). The upgraded outlets are able to deliver an even better customer experience, by allowing customers to test and try popular mobile devices before making a purchase decision, and by helping transfer data such as numbers, photos, messages, and music from the customers’ old devices to the new ones through the innovative “Cellebrite”. For improved convenience, Telewiz Plus shops have also been equipped with an effective queuing system and payment kiosks. Over 200 AIS Promoters have been trained and assigned to provide advice on products through multiple distribution channels around the country, including such key account and modern trade locations as JMart and GT; modern trade outlets such as Tesco Lotus, Power Buy and 7-11; and computer shops such as iStudio, Banana IT, and IT City.

Customer Relation Management and Customer Experience

In response to the growing numbers of smart device users, AIS has increasingly focused on a proactive approach to managing customer relations in order to ensure best customer experience. Early in the year, AIS introduced 3G on the 2.1 GHz spectrum to the market. When encountering connection problems, customers will receive a message with step-by-step instructions and settings to help the customers solve the problems by themselves. For customers who are beginners using mobile internet, AIS has provided Usage & Package Notification to facilitate customer use of the service.



AIS has also opened new shops and renovated its service offices under the concept of “Experience Shop”, allowing customers to try and test smart devices before making a decision to buy. Smart Table has also been introduced in 19 shops to provide customers with the opportunity to learn about new applications, compare promotion options, and check the specification of smart devices in a multimedia format. Additionally, AIS has trained over 705 staff to be experts in 3G technology and mobile phone accessories. At the same time, AIS continues to offer “AIS Privileges” to satisfy customers’ lifestyles through a range of programs such as the “AIS Privilege App”, which helps customers locate nearby shops that participate in the program, and “AIS Dining Cuisine”, which allows customers to enjoy delicious dishes prepared by Michelin Star Chefs, and “AIS Trip”, which can arrange wonderful trips for customers.



Risk factors

Developments in the telecommunications industry in terms of new technologies and market competition have not only created a significant advantage for the Company through the launch of the 3G service on the 2.1GHz frequency on May 2013, but have also caused a number of potential risks.

To cope with any potential negative impacts, AIS has established a proactive risk management plan to ensure that the Company continues to be viable even in unpredictable situations. As such, AIS has set up the Risk Management Committee, comprised of senior executives and the Chief Executive Officer, who acts as Chairman of the committee. The committee meets on a quarterly basis in order to discuss and classify the risks to the entire organisation and to set up a precautionary action plan to manage risks at an acceptable level. The aim of such measures is to ensure that AIS achieves set targets and maintains the confidence of the shareholders and interested individuals. The Risk Management Committee submits the results of its risk management analysis to the Executive Committee, the Audit Committee, and the Board of Directors every quarter.

In 2013, the factors which were identified as a risk to operational results are summarised as follows:

Risk to business operations

Risk from the delay of 2G 900MHz and 2G 1800MHz migration

Since the concession contract on 1800MHz of Digital Phone Company Limited (DPC), a subsidiary of the Company, expired on 15th September 2013, and the concession contract between the Company and TOT Public Company Limited (TOT) for 2G service on 900MHz will expire in 2015, the Company needs to migrate customers to the 3G service on 2.1GHz frequency to ensure continued service without SIM card failure. However, the migration has to be granted by the customers and although the National Broadcasting and Telecommunications Commission (NBTC) has extended the deadline to September 2014, DPC will not be able to migrate all its customers within this timeframe for the following reasons:

1. A large number of customers are using the 2G service on the 900MHz frequency and the relevant contract between the Company and TOT shall expire in 2015, which gives the Company limited time to complete the migration.
2. Some of the 2G customers' mobile phones and SIM cards are obsolete models which are not suitable for the 2.1GHz

frequency and the customers have to buy new phones or obtain new SIM cards first. This will also slow down the migration of customers to the new frequency.

3. Information on migration to the new frequency is still limited and some customers who do not use data service will not migrate to the new frequency.

Delay in migration may affect the income, profit and operating results of AIS; therefore, we have to provide information about the objectives of migration to the new frequency, launch promotions to attract all customer groups, and sell affordable 3G mobile phones at different prices for the sake of accessibility so as to reduce possible risk, retain existing customers, and prevent them from migrating to other service providers.

Risks from Regulatory and Government Policies

The Jointly Undertaken Work Agreement between State Enterprise and Private Sectors under the Private Participation in State Undertaking Work ACT B.E. 2535.

(1) The Amendment of the Jointly Undertaken Work Agreement between Advanced Info Service Public Company Limited (the Company) and TOT Public Company Limited (TOT).

As per the letter from the Ministry of Information Technology and Communications requesting the opinion of the Council of State on whether the amendments to the Cellular Mobile Telephone Service Agreement (the Agreement) between TOT (formerly known as the Telephone Organization of Thailand) and the Company after enforcement of the Private Participation in State Undertaken Work ACT B.E. 2535 have been made in line with the said Act and, if such amendments do not conform with the said Act, what course of action should be taken; consequently, the Council of State presented its opinion in a Memorandum which could be summarized as indicating that the Amendments of the Agreement were not legitimately carried out under the Private Participation in State Undertaken Work ACT due to the lack of submission to the Coordinating Committee for consideration under Article 22 and to the Cabinet as the authority in charge of the approval. However, the amendment procedures of the Agreement which represent administrative juristic acts are capable of being separated from the amendments to the Agreement and those amendments to the Agreement are still in force so long as they are not rescinded or invalidated by virtue of time or by other conditions.

However, if the amendments of the Agreement of the Company are revoked, this may result in a shortening of the term of the Agreement and/or a higher prepaid revenue share. Nonetheless, the Company firmly believes in the principles and the grounds of the amendments of the Agreement and the Company has fully complied with the Jointly Undertaken Work Agreement and all related laws including the principles of good governance. Thus, the Company believes that there shall be no material change which shall have an impact on the Company.

(2) The Jointly Undertaken Work Agreement between Digital Phone Company Limited (DPC), a subsidiary company of the Company, and CAT Telecom Public Company Limited (CAT)

According to the letter which the Ministry of Information Technology and Communication sent to the Council of State requesting its opinion regarding whether the amendment of the Digital PCN (Personal Communication Network) 1800 Service Agreement (the Agreement) between CAT and DPC after the enforcement of the Private Participation in State Undertaken Work ACT B.E. 2535 came into effect is in line with the said Act, and to determine what course of action should be taken if such amendment is in breach of the said Act; consequently, the Office of the Council of State presented its opinion in a Memorandum as follows:

“...the assignment of the rights and duties by Total Access Communication Public Company Limited (DTAC) to DPC and the entering into an agreement between DPC and CAT dated 19 November 1996 are considered as the permission of CAT granted to the private sector to provide cellular mobile phone service whereby DPC shall be under the supervision and regulation of CAT and pay remuneration to CAT. DPC shall, therefore, have to comply with the said Act. Since CAT has already specifically prescribed the scope of the project and the private sector to provide the service, and the project has already been carried out, there is no need to invite the private sector to jointly undertake work or operate the work of the State and select the private sector by way of auction as prescribed in Chapter 3. However, the provisions in Chapter 3 shall be applied *mutatis mutandis* in so far as it is not contrary to the fact whereby CAT has to set up the Coordinating Committee in accordance with Article 13 to proceed according to Article 21 of the said Act, namely, the committee shall present the selection results including reasons, negotiated issues related to the state benefit, the

drafted contract and all relating documents to the Minister in charge in order to submit for cabinet's consideration within ninety days as from the decision date of the committee.

“Therefore, the process shall be under the authority and duties of the committee according to Article 13 to consider as it sees fit, and DPC, as the transferee of the rights and obligations from DTAC under the Digital PCN (Personal Communication Network) 1800 Service Agreement between CAT and DTAC, shall be entitled to provide telecommunication services based on the transferred rights and obligations even though the current agreement between CAT and DPC is not in compliance with the Private Participation to Jointly Undertake Work or to Operate the Work of State Enterprises. However, the current agreement is still effective as long as it is not rescinded or invalidated by time or other conditions. Therefore, CAT and DPC are bound to comply with the said Agreement.”

Additionally, if the amendment of the Jointly Undertaken Work Agreement of DPC has been revoked, it may result in an increased share of revenue. Nonetheless, the Company firmly believes in the principles and the grounds of the amendments of the Agreement and DPC has fully complied with the Jointly Undertaken Work Agreement and all related laws including the principles of good governance. Thus, the Company believes that there shall be no material change which shall have an impact on the Company.

Disputes relating to Excise Tax

(1) The Case between Advanced Info Service Public Company Limited (the Company) and TOT Public Company Limited (TOT)

On 22 January 2008, TOT submitted a dispute (Case No. Black 9/2551) to the Arbitration Institute, Alternative Dispute Resolution Office, and the Office of the Judiciary, demanding that the Company pay additional revenue share of for Baht 31,463 million.

On 20 May 2011, the Arbitral Tribunal unanimously resolved to dismiss the disputes citing the reason which can be summarized as the Company had lawfully paid the revenue share. Therefore, the Company has not committed a breach of the agreement and the Company does not have to pay any additional revenue share to TOT. Consequently, TOT has submitted an application to the Central Administrative Court to set aside the award of the Arbitral Tribunal. At present,

the case is pending the consideration of the Central Administrative Court; the trial process may take several years to conclude.

If the Company loses this case, it may be obliged to pay TOT as demanded. However, the Management of the company firmly believes that this case shall reach a positive conclusion since the amount of revenue share was the same amount of excise tax paid by the Company which the Arbitral Tribunal had taken into consideration when unanimously deciding to dismiss the case.

(2) The Case between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited (CAT)

CAT submitted a dispute (Case no. Black 3/2551) to the Arbitration Institute, Alternative Dispute Resolution Office, and Office of the Judiciary, demanding DPC, a subsidiary of the Company, pay additional revenue share of Baht 2,449 million under the Digital PCN (Personal Communication Network) Agreement plus penalty at the rate of 1.25 percent per month of the unpaid amount for each year calculated from the default date until full payment totalling Baht 3,410 million is made. Such claimed amount is equal to the amount of excise tax DPC paid between 16 September 2003 and 15 September 2007, and was deducted from the revenue share pursuant to the resolution of the cabinet on 11 February 2003 as is the standard practice of the telecommunications industry.

On 1 March 2011, the Arbitral Tribunal resolved to dismiss the dispute citing the reason which can be summarized as the original debt had been completely paid and settled. Thus, DPC has not committed any breach and CAT cannot re-claim the alleged deficit amount, including the penalty and the value added tax. Consequently, CAT submitted a request to the Central Administrative Court to set aside the award of the Arbitral Tribunal; the procedure can take several years to conclude.

If DPC loses the case, it may be obliged to pay CAT as demanded. However, the management of the Company firmly believes that this case shall reach a positive conclusion since the revenue share demanded by CAT is equal to the amount of excise tax which has already been paid by the Company according to the unanimous resolution of the Arbitral Tribunal, which dismissed the dispute.

Dispute over revenue sharing from Interconnection Charge

According to the Telecommunication Business Act B.E. 2544 and the Notification of NTC regarding the Use and Interconnection of Telecommunication Networks B.E. 2549, the Company has the responsibility to enter into interconnection agreements with other operators. The Company offered to provide remuneration to TOT for such interconnections, which was calculated from the net income according to the rate and calculating method of the Company. However, TOT required the Company to pay revenue share calculated from the gross amount of interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators.

On 26 January 2011, TOT sent a letter demanding that the Company pay the revenue share of the interconnection charges of the concession years 17-20 in the amount of Baht 17,803 million plus interest at the rate of 1.25 percent per month. However, the Company disagreed and sent a letter opposing the said claim to TOT and submitted the dispute to the Dispute Reconciliation Office, Arbitration Institute ref. no. Black 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to award that TOT has no right to claim for such revenue share. At present, the case is pending consideration of the Arbitral Tribunal and may take several years to conclude.

If the Company loses the case, it may be obliged to pay TOT as demanded. However, the management of the Company firmly believes that the resolution of the Arbitral Tribunal will reach a positive conclusion for the Company since it has fully complied with the law.

Dispute between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited (CAT) regarding the reduction of roaming charges between DPC and the Company.

Digital Phone Company Limited (DPC) submitted a dispute (Case no. Black 27/2553) to the Alternative Dispute Resolution Office, the Thai Arbitration Institute, requesting that the Arbitration Panel set aside the allegation of CAT that DPC was in breach of agreement on the grounds that the agreement was made without approval from CAT and would terminate the agreement as stated in a letter dated 6 January 2010, and demanding that CAT pay compensation of Baht 50 million to DPC.

On 15 July 2010, CAT submitted a dispute (Case no. Black 62/2553) to the Arbitration Institute, demanding that DPC pay additional remuneration for concession years 10-12 to the amount of Baht 2,000 million plus penalty calculated from April 2010 incurred due to the reduction by DPC of the roaming charge rate between DPC - the Company from Baht 2.10 to Baht 1.10 during the period of 1 April 2007 - 31 December 2008 without the approval of CAT. Furthermore, on 1 September 2011, CAT submitted a further dispute of the concession year 12 (1 April 2009-15 June 2009) to the Arbitration Institute, Alternative Dispute Resolution Office, and the Office of the Judiciary (Case no. Black 89/2554) for the amount of Baht 113,211,582.68. Later, the Arbitration Institute ordered that all three disputes be considered together and, at present, such disputes are pending consideration of the Arbitral Tribunal which may take several years to conclude.

If DPC loses the case, DPC may be obliged to pay CAT as demanded. However, the management of the Company believes that the ruling of the Arbitration Panel of this case shall decide in favour of DPC as DPC had informed CAT of the application of the roaming rate of Baht 1.10 per minute in July 2006, to which CAT had given written approval of such application for the period until March 2007 and had also given additional approval during the period of January 2009 to March 2009. In addition, CAT had never sent any refusal or objection to DPC during the disputed periods. The roaming rate at Baht 1.10 per minute is also in conformity with market conditions where the rate of service charge had been lowered from the previous higher roaming service charge rate. Besides, DPC had also entered into a roaming agreement with the Company using the rate of Baht 1.10 per minute as approved by the NTC.

Dispute between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited on Tower and Power Supply ownership

CAT submitted a dispute (Case no. Black 8/2552) to the Arbitration Institute, Alternative Dispute Resolution Office, demanding that DPC deliver and transfer ownership of 3,343 Towers including 2,653 units of Power Supply equipment under the terms and conditions of the Digital PCN (Personal Communication Network) Agreement. After DPC failed to do so, CAT demanded that DPC pay Baht 2,230 million to CAT as compensation. DPC considers that all disputed Towers and Power Supply equipment are not included under the

definition of equipment as stipulated in clause 2.1 of the Agreement of which DPC is obligated to deliver and transfer under the terms and conditions of the Agreement.

The Arbitrary Tribunal unanimously resolved to dismiss all of the disputes citing the reason which can be summarised as the right of CAT to demand that DPC deliver properties which are objects of the contract cannot be exercised until 60 days after expiration of the contract. Therefore, the submission of the dispute by CAT is premature. Consequently, CAT has submitted a request to the Central Administrative Court to set aside the award of the Arbitral Tribunal. At present, the case is pending consideration of the Central Administrative Court which may take several years to conclude.

Additionally, the Company considered this case as high value and if DPC loses the case, it will be obligated to pay CAT as demanded. However, in consideration of the aforementioned arguments, the management of the Company's firmly believes that the case shall reach a positive conclusion.

Determination of Maximum rate of Service Fee for Domestic Telecommunications Voice Services

On 28 March 2012, the National Broadcasting and Telecommunications Commission (NBTC) issued the Notification on Determination of Maximum rate of Service Fee for Domestic Telecommunications Voice Services B.E. 2555 which allows operators to charge domestic voice services at a maximum rate of Baht 0.99 per minute, specifically applying only to operators with significant market power (the NBTC specified the Company as being an operator with significant market power in the domestic mobile phone service market and domestic mobile phone network service market).

The Company considered that such Notification unjustly restricted the Rights of the Company to specify the service fee and to conduct its marketing. Thus, on 2 July 2012, the Company filed a lawsuit against the NBTC (Case no. Black 1067/2555) to the Central Administrative Court, demanding that the Court revoke the Notification.

Risk to administration

Risk to data security

With advanced technology, the service users can access their desired data via the internet from anywhere in the world and make financial transactions on mobile phones. The technological advancements allow consumers to have extra

data storage capacity in addition to traditional computer memory, such as through Cloud computing, which results in a rise in the risk of data leakage.

AIS has placed emphasis on preventing threats to information security. As such, the Company has established policy on the security of its computer information systems and technology, and implemented procedures for receiving-transmitting the Company's data via portable devices through Exchange ActiveSync so as to enforce the executives and employees at all levels in the organization to comply. Training courses have been provided and information shared with employees on their computer screens so as to promote continued awareness. In addition, AIS has performed data security risk assessment for important systems in accordance with the Company's plan so as to prevent possible risk from information theft or system failure.

Risks of disaster, natural disaster, or force majeure

Business continuity of a wireless telecommunication network service provider is very important to national security. During disasters or emergencies, the telecommunication system can help solve the situation, reduce problems, provide assistance and relieve disaster. Disasters, natural disasters, or

critical situations beyond the Company's control may affect its operating systems, telecommunication towers, property, and/or employees, which will lead to an interruption of business.

Therefore, in order to provide continuous telecommunication services, AIS has established policy on business continuity management in accordance with the national and/or international standards and has formed the Business Continuity Management Committee (BCMC). The BCMC comprises high-level executives and heads of concerned departments. The BCMC is responsible for effective policy management; the business continuity plan, which is reviewed at least once a year; and an emergency plan to cope with the disasters which cause damage to the Company's office buildings or operation centres. In such situations, alternate sites will be prepared to ensure continuity. The BCMC constantly reviews and adjusts the plan to retain AIS customer confidence in the Company's service during emergencies.

Good Corporate Governance

The Board of Directors



1. Dr. Paiboon Limpaphayom*

- Chairman of the Board of Director
- Chairman of the Remuneration Committee
- Chairman of the Nomination and Corporate Governance Committee
- Independent Director

2. Mr. Somprasong Boonyachai

- Vice-Chairman of the Board of Director
- Member of the Remuneration Committee
- Member of the Nomination and Corporate Governance Committee
- Authorized Director

3. Mr. Aviruth Wongbuddhapitak

- Chairman of the Audit Committee
- Member of the Remuneration Committee
- Independent Director

4. Mrs. Tasanee Manorot

- Member of the Audit Committee
- Independent Director

5. Mr. Surasak Vajasit

- Member of the Audit Committee
- Member of the Nomination and Corporate Governance Committee
- Independent Director

6. Mr. Vithit Leenutaphong

- Independent Director

* Currently resigned from the Company, effective since 10 February 2014



7. Ms. Jeann Low Ngiap Jong

- Director

8. Mr. Narulcha Chittreekan

- Director

9. Mr. Allen Lew Yoong Keong

- Director

10. Mr. Wichian Mektrakarn

- Director
- Authorized Director

11. Mr. Ng Ching-Wah

- Director

The Executive Committee



1. Mr. Allen Lew Yoong Keong

- Chairman of the Executive Committee

2. Mr. Wichian Mektrakarn

- Member of the Executive Committee

3. Mr. Ng Ching-Wah

- Member of the Executive Committee

4. Mrs. Suphajee Suthumpun

- Member of the Executive Committee

5. Mr. Kim Siritaweechai

- Member of the Executive Committee

Management Team



1. Mr. Allen Lew Yoong Keong

- Chairman of the Executive Committee

2. Mr. Wichian Mektrakarn

- Chief Executive Officer

3. Mr. Hui Weng Cheong

- Chief Operating Officer

4. Mrs. Vilasinee Puddhikarant

- Chief Customer Officer

5. Mrs. Suwimol Kaewkoon

- Chief Organization Development Officer

6. Mr. Somchai Lertsutiwong

- Chief Marketing Officer

7. Mr. Pong - amorn Nimpoonsawat

- Chief Finance Officer

8. Mr. Kriengsak Wanichnatee

- Chief Technology Officer

Summary Profile of the Directors and Management



Dr. Pailboon Limphapayom

Age 72 Years

- Chairman of the Board of Director
- Chairman of the Remuneration Committee
- Chairman of the Nomination and Corporate Governance Committee
- Independent Director

Share Ratio (%)* None

Relationship with Management None

(Currently resigned from the Company, effective since 10 February 2014)

* Includes holding by spouse and minor children

Highest Education

- Doctorate of Electrical Engineering, Iowa State University, USA

Related Training Program held by IOD

-

Working Experiences

- 2008 - Present Chairman of The Board of Director, Chairman of the Remuneration Committee, Chairman of the Nomination and Corporate Governance Committee, and Independent Director / Advanced Info Service Plc.
- 2007 - 2008 Chairman of Nomination Committee / Advanced Info Service Plc.

Illegal Record in past 10 years

None



Mr. Somprasong Boonyachai

Age 58 Years

- Vice-Chairman of the Board of Director
- Member of the Remuneration Committee
- Member of the Nomination and Corporate Governance Committee
- Authorized Director

Share Ratio (%)* None

Relationship with Management None

* Includes holding by spouse and minor children

Highest Education

- Master of Engineering Asian Institute of Technology

Related Training Program held by IOD

- Director Accreditation Program (DAP) Class 30 / 2004
- Director Certification Program (DCP) Class 65 / 2005
- Role of the Chairman Program (RCP) Class 21 / 2009

Working Experiences

- 2010 - Present Director, Chairman of the Group Executive Committee, Acting-President / Shin Corporation Plc.
- 2008 - Present Vice-Chairman of the Board of Director, Member of Remuneration Committee, Member of Nomination and Corporate Governance Committee / Advanced Info Service Plc.
- 2006 - Present Director / Thaicom Plc.
- 2004 - Present Director / Praram 9 Hospital Co., Ltd.
- 2002 - Present Member of the Audit Committee and Independent Director / Power Line Engineering Plc.
- 2009 - 2011 Chairman of the Executive Committee / Thaicom Plc. Chairman of the Group Executive Committee / Shin Corporation Plc.
- 2008 - 2010 Director, Chairman of the Group Executive Committee / Shin Corporation Plc.
- 2007 - 2008 Director / Shin Corporation Plc. Vice-Chairman of the Board of Director, Member of Remuneration Committee / Advanced Info Service Plc.
- 2000 - 2008 Member of the Executive Committee / Shin Satellite Plc.
- 1999 - 2008 Chairman of the Executive Committee / Advanced Info Service Plc.
- 1994 - 2008 Director / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Highest Education

- Master of Business Administration, New York University, USA

Related Training Program held by IOD

- Director Certification Program (DCP) Class 8 / 2001
- The Board's Role in Setting Effective Compensation Policy

Working Experiences

2010 - Present	Independent Director / S&P Syndicate Plc.
2008 - Present	Advisor / Bureau of the Crown Property
2006 - Present	Chairman of the Audit Committee, Member of the Remuneration Committee, and Independent Director / Advanced Info Service Plc.
2003 - Present	Director / Thai Plastic and Chemicals Plc. Director / CPB Equity Co., Ltd. Director / CPB Property Co., Ltd.
1995 - Present	Director and Chairman of the Executive Director / Deves Insurance Plc.
2009 - 2011	Independent director and Member of the Audit Committee / Thai Military Bank Plc.
2007 - 2009	Chairman of the Board Of Directors / Marble Co., Ltd.
2006 - 2009	Expert Member of the Board of Directors / Government Pension Fund Expert Member of Investment Committee / Government Pension Fund
2005 - 2008	Assistance of Director / Bureau of the Crown Property
2001 - 2008	Chairman of the Board of Director / IT One Co., Ltd.

Illegal Record in past 10 years

None

Highest Education

- Bachelor of Commerce and Accountancy, Chulalongkorn University

Related Training Program held by IOD

- Director Certification Program (DCP) Class 32 / 2003

Working Experiences

2006 - Present	Member of the Audit Committee, and Independent Director / Advanced Info Service Plc.
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Illegal Record in past 10 years

None



Mr. Aviruth Wongbuddhapitak

Age 65 Years

- Chairman of the Audit Committee
- Member of the Remuneration Committee
- Independent Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children



Mrs. Tasanee Manorot

Age 68 Years

- Member of the Audit Committee
- Independent Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children



Mr. Surasak Vajakit

Age 60 Years

- Member of the Audit Committee
- Member of the Nomination and Corporate Governance Committee
- Independent Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Bachelor of laws (Honors), London University

Related Training Program held by IOD

- Director Accreditation Program (DAP) Class 29 / 2004

Working Experiences

- | | |
|----------------|--|
| 2008 - Present | Member of Audit Committee, Member of Nomination and Corporate Governance Committee and Independent Director / Advanced Info Service Plc. |
| 2006 - 2007 | Member of Audit Committee and Independent Director / Advanced Info Service Plc. |
| 2005 - Present | Partner / Hunton & Williams (Thailand) Limited |
| 2007 - 2008 | Member of the Nomination Committee / Advanced Info Service Plc. |
| 1997 - 2008 | Director, Thai Tallow and Oil Co., Ltd. |

Illegal Record in past 10 years

None



Mr. Vithit Leenutaphong

Age 58 Years

- Independent Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of Business Administration, University of Southern California, USA

Related Training Program held by IOD

- Successful Formulation & Execution of Strategy (SFE) Class 3 / 2009
- Role of the Compensation Committee (RCC) Class 7 / 2008
- Audit Committee Program (ACP) Class 5 / 2005
- Directors Certification Program (DCP) Class 16 / 2002

Working Experiences

- | | |
|----------------|--|
| 2013 - Present | Director / Advanced Info Service Plc. |
| 2005 - Present | President, Thai Yarnon Co., Ltd.
Director, Saha Thai Steel Pipe Plc
Director, The Queen's Gallery
Director, The Bangkok Bank Foundation |
| 2001 - Present | Independent Director and Member of the Audit Committee / Shin Corporation Plc. |
| 1995 - Present | Director / Barcelona Motor Co., Ltd. |
| 2002 - 2010 | Director, German - Thai Chamber of Commerce |
| 2005 - 2009 | Director, Yontrakit Volkswagen Marketing Co., Ltd. |
| 1999 - 2009 | Director, Worldclass Rent a Car Co., Ltd. |
| 2001 - 2008 | Vice Chairman, Yontrakit Group |

Illegal Record in past 10 years

None

Highest Education

- Bachelor of Accountancy, National University of Singapore

Related Training Program held by IOD


-

Working Experiences

2013 - Present Director / Advanced Info Service Plc.
2008 - Present Group Chief Financial Officer /
Singapore Telecommunications Ltd.
2006 - 2008 Chief Financial Officer / SingTel Optus Pty Limited

Illegal Record in past 10 years

None



Ms. Jeann Low Ngiap Jong

Age 53 Years

- Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Bachelor of Public Administration, the National Institute of Development Administration (NIDA)

Related Training Program held by IOD

-

Working Experiences

2013 - Present Director / Advanced Info Service Plc.
2012 - Present Senior Executive Vice President Metropolitan -
Property Management / TOT plc.

Illegal Record in past 10 years

None




Mr. Narulcha Chittrekan

Age 56 Years

- Director

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children



Mr. Allen Lew Yoong Keong

Age 58 Years

- Director and Chairman of the Executive Committee

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of Science (Management), Massachusetts Institute of Technology, USA

Related Training Program held by IOD

-

Working Experiences

- 2012 - Present Group Digital Life and Country Chief Officer (Singapore) and Chief Executive Officer / Singapore Telecommunications Ltd.
- 2008 - Present Chairman of the Executive Committee / Advanced Info Service Plc.
- 2006 - 2008 Director and Member of Executive Committee / Advanced Info Service Plc. Chief Executive Officer-Singapore / Singapore Telecommunications Ltd.

Illegal Record in past 10 years

None



Mr. Ng Ching-Wah

Age 64 Years

- Director and Member of the Executive Committee

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Bachelor of Art in Business Administration, Chinese University in Hong Kong

Related Training Program held by IOD

-

Working Experiences

- 2012 - Present Member of the Communication Authority / Communication Authority(CA)
- 2008 - Present Director and Member of the Executive Committee / Advanced Info Service Plc.
- 2007 - Present Director / ConvenientPower Hong Kong Independent non-executive director/ Pacific Textiles Holdings Ltd.
- 2011 - 2012 Director / China Digital TV Group Holding Ltd.
- 2007 - 2010 Non-executive director / HKC International Holdings Ltd.

Illegal Record in past 10 years

None

Highest Education

- Bachelor of Electrical & Electronics Engineering (Honors), California Polytechnic State University, USA

Related Training Program held by IOD

- Director Certification Program (DCP) Class 107 / 2008

Working Experiences

2013 - Present	Director, Member of Executive Committee, Chief Executive Officer / Advanced Info Service Plc. Member of Executive Committee and Member of the Strategic and Organizational Review Committee / Shin Corporation Plc.
2011 - 2013	Member of the Executive Committee / Shin Corporation Plc.
2009 - 2013	Chief Executive Officer / Advanced Info Service Plc.
2010 - 2012	Acting Chief Marketing Officer / Advanced Info Service Plc
2006 - 2009	President, Advanced Info Service Plc

Illegal Record in past 10 years

None



Mr. Wichian Mektrakarn

Age 59 Years

- Director
- Member of the Executive Committee
- Chief Executive Officer
- Authorized Director

Share Ratio (%)*	0.001
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of Business Administration, Thammasat University

Related Training Program held by IOD

- Director Certification Program (DCP) Class 116 / 2009

Working Experiences

2012 - Present	Director / Ookbee Co.,Ltd.
2011 - Present	Senior Vice President - Portfolio Management / Shin Corporation Plc.
2010 - Present	Member of the Executive Committee / Advanced Info Service Plc.
2008 - 2011	Vice President - Portfolio Management / Shin Corporation Plc.
2007 - 2008	Assistant Vice President - Portfolio Management / Shin Corporation Plc.

Illegal Record in past 10 years

None




Mr. Kim Siritaweechai

Age 45 Years

- Member of the Executive Committee

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children



Mrs. Suphajee Suthumpun

Age 49 Years

- Member of the Executive Committee

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of International Finance and International Account, Northrop University, California, USA

Related Training Program held by IOD

- Director Certification Program (DCP) Class 89/2007

Working Experiences

- 2012 - Present Director, Chairman of Executive Committee and Chief Executive Officer / Thaicom Plc.
- 2011 - Present Member of the Executive Committee / Advanced Info Service Plc.
- Director, Chairman of the Nomination and Corporate Governance Committee, Chairman of the Remuneration Committee, and Chairman of the Executive Committee / CS LoxInfo Plc.
- Member of the Executive Committee, Member of the Strategic and Organizational Review Committee and Chairman of the Media & New Business / Shin Corporation Plc.
- Aug - Dec 2011 Member of the Executive Committee / Thaicom Plc.
- 2010 - 2011 General Manager, Global Technology Services / IBM ASEAN
- 2009 - 2010 Client Advocacy Executive, Chairman's Office / BM Headquarters
- 2007 - 2009 Vice President, General Business / IBM ASEAN

Illegal Record in past 10 years

None



Mrs. Suwimol Kaewkoon

Age 58 Years

- Chief Organization Development Officer

Share Ratio (%)*	0.0035
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of Business Management, Asian Institute of Management, Philippines

Related Training Program held by IOD

- Director Certification Program (DCP) Class 102 / 2008

Working Experiences

- 2013 - Present Chief Organization Development Officer / Advanced Info Service Plc.
- 2007 - Present Member of the Executive Committee / Shin Corporation Plc.
- 2007 - 2012 Chief Customer Officer / Advanced Info Service Plc.
- 2007 - 2008 Director / Payment Solution Co., Ltd.

Illegal Record in past 10 years

None

Highest Education

- Master of Business Administration, University of Southern California, USA

Related Training Program held by IOD

-

Working Experiences

2013 - Present Chief Operating Officer / Advanced Info Service Plc.
2010 - 2012 CEO International / Singapore Telecommunications Ltd.
2009 - 2010 Chief Operating Officer / Advanced Info Service Plc.
2006 - 2009 Deputy President / Advanced Info Service Plc.

Illegal Record in past 10 years

None



Mr. Hui Weng Cheong

Age 58 Years

- Chief Operating Officer

Share Ratio (%)*	None
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Bachelor of Economics, East Texas University

Related Training Program held by IOD

- Director Certification Program (DCP) Class 134 / 2010

Working Experiences

2013 - Present Chief Customer Officer / Advanced Info Service Plc.
2012 - Present Advisor - Customer Service / Airports of Thailand Plc.
2006 - 2012 Executive Vice President - Customer and Service Management / Advanced Info Service Plc.

Illegal Record in past 10 years

None




Mrs. Vilasinee Puddhikarant

Age 58 Years

- Chief Customer Officer

Share Ratio (%)*	0.0001
Relationship with Management	None

* Includes holding by spouse and minor children



Mr. Somchai Lertsutiwong

Age 51 Years

- Chief Marketing Officer

Share Ratio (%)*	0.0027
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

- Master of Business Administration, Chulalongkorn University

Related Training Program held by IOD

- Director Certification Program (DCP) Class 107/2008

Working Experiences

2012 - Present Chief Marketing Officer / Advanced Info Service Plc.
 2007 - 2012 Executive Vice President - Marketing / Advanced Info Service Plc.

Illegal Record in past 10 years

None



Mr. Pong-amorn Nimpoonsawat

Age 51 Years

- Chief Finance Officer

Share Ratio (%)*	0.002
Relationship with Management	None

* Includes holding by spouse and minor children

Highest Education

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

Related Training Program held by IOD

- Director Certification Program (DCP) Class 109/2008

Working Experiences

2001 - Present Chief Finance Officer / Advanced Info Service Plc.

Illegal Record in past 10 years

None



Mr. Kriengsak Wanichnatee

Age 53 Years

- Chief Technology Officer

Share Ratio (%)*	None
Relationship with Management	None

* Appointed 1 August 2013

* Includes holding by spouse and minor children

Highest Education

- Master of Science in Electrical Engineering, University of Southern California, USA

Related Training Program held by IOD

-

Working Experiences

2013 - Present Chief Technology Officer / Advanced Info Service Plc.
 2012 - 2013 Executive Vice President - Mobile Network Implementation / Advanced Info Service Plc.
 2006 - 2011 Executive Vice President - Nationwide Operations and Support / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Company Secretary, Head of Internal Audit and Head of Compliance

Highest Education

- Master of Law (LL.M), University of Pennsylvania, USA

Related Training Program held by IOD

- Company Secretary Program Class 51/2013

Working Experiences

2013 - Present Company Secretary / Advanced Info Service Plc.

2010 - 2013 Assistant Vice President-Legal /
Advanced Info Service Plc.

2003 - 2010 Associate / Hunton&Williams Thailand Ltd.

Illegal Record in past 10 years

None

Mr.Chavin Chaivatcharaporn Company Secretary

Age 41 Years

Share Ratio (%)* None

Relationship with Management None

Appointed 3 January 2013

* Includes holding by spouse and minor children

Highest Education

- Master of Business Administration - Track Management Information System, Oklahoma City University, USA

Professional

- Certified Public Accountant
- Certified Internal Auditor
- Certificate in Risk Management Assurance

Related Training Program held by IOD

- Director Certification Program (DCP) Class 136/2010

Working Experiences

1999 - Present Chief Audit Executive / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Mrs.Suvimon Kulalert Chief Audit Executive

Age 53 Years

Share Ratio (%)* 0.001

Relationship with Management None

Appointed 1 January 1999

* Includes holding by spouse and minor children

Highest Education

- Master of Technology Management, Washington State University, USA
- Master in Finance, Chulalongkorn University

Related Training Program held by IOD

-

Working Experiences

2013 - Present Assistant Vice President, Investor Relations /
Advanced Info Service Plc.

2011 - 2013 Acting Assistant Vice President, Investor Relations /
Advanced Info Service Plc.

2008 - 2011 Investor Relations Manager / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Ms.Nattiya Poapongsakorn Assistant Vice President, Investor Relations

Age 38 Years

Share Ratio (%)* 0.00025

Relationship with Management None

Appointed 1 April 2013

* Includes holding by spouse and minor children

Directors' shareholding in the Company and its subsidiaries of the year 2013

Name and Position	ADVANC						AIR		DPC		ADC		ACC	
	Ordinary share		Debenture		ESOP (warrants)		Ordinary share		Ordinary share		Ordinary share		Ordinary share	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
1. Dr. Paiboon Limpaphayom Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Somprasong Boonyachai Vice-Chairman of the Board of Directors	-	-	-	2,000	-	-	-	-	-	-	-	-	-	-
3. Mr. Aviruth Wongbuddhapitak Chairman of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Mrs. Tasanee Manorot Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Surasak Vajazit Member of the Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Allen Lew Yoong Keong Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Jeann Low Ngiap Jong Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Ng Ching-Wah Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Vithit Leenutaphong Independent Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10. Mr. Narulcha Chittreekan Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11. Mr. Wichian Mektrakarn Director	17,025	15,025	-	-	29,900	-	-	-	-	-	-	-	-	-

Abbreviation	Company
ADVANC	Advanced Info Service Public Company Limited
AIR	Advanced Internet Revolution Company Limited
DPC	Digital Phone Company Limited
ADC	Advanced Datanetwork Communications Company Limited
ACC	Advanced Contact Center Company Limited
AMP	Advanced MPAY Company Limited
AMC	Advanced Magic Card Company Limited

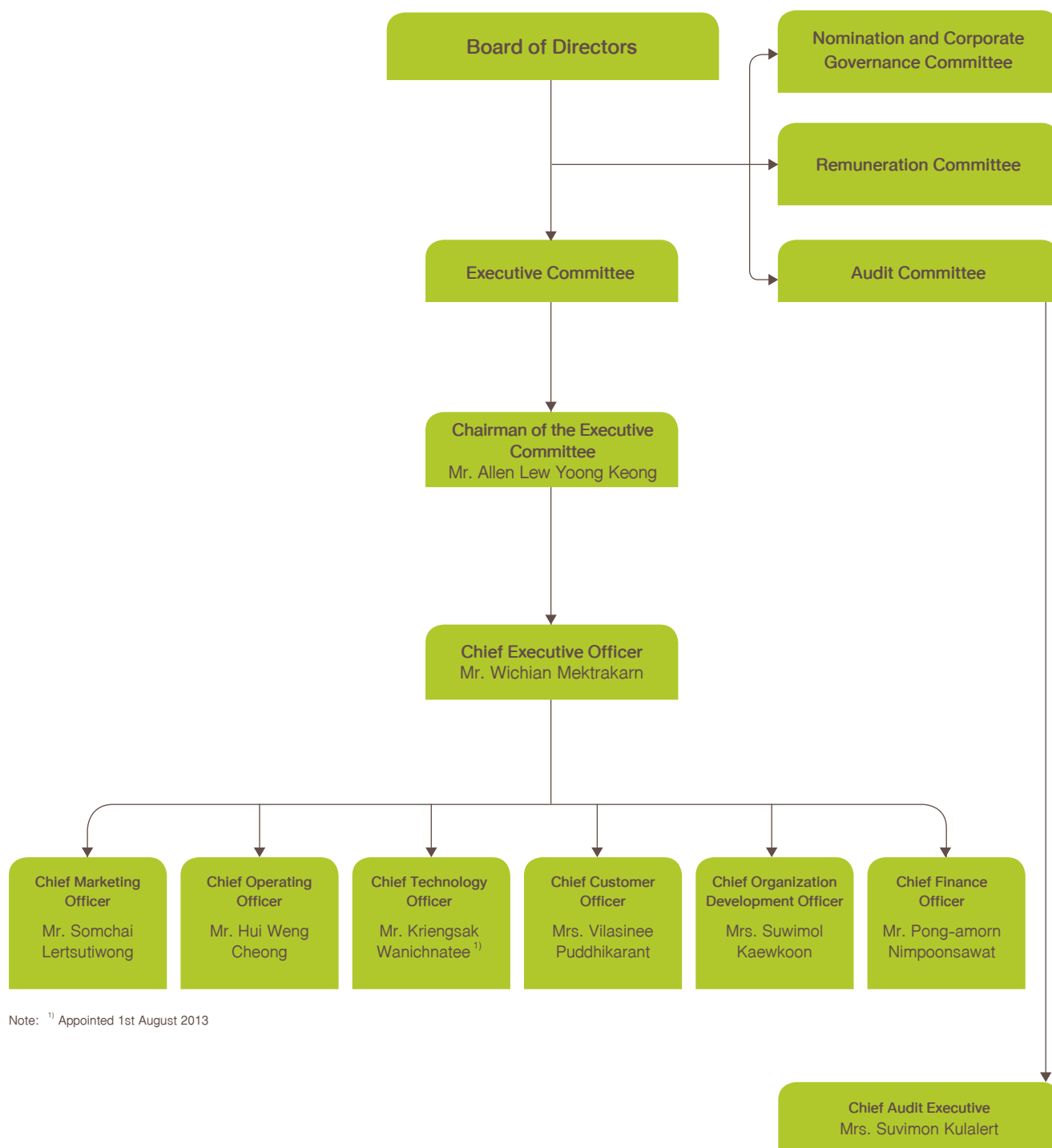
AMP		AMC		SBN		AIN		WDS		AWN		MMT		FXL		ABN	
Ordinary share		Ordinary share		Ordinary share		Ordinary share		Ordinary share		Ordinary share		Ordinary share		Ordinary share		Ordinary share	
31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012	31/12/2013	31/12/2012
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As of 31 December 2013, the number of ordinary share and debenture includes holding by spouse and minor child

Abbreviation	Company
SBN	Super Broadband Network Company Limited
AIN	AIN GlobalComm Company Limited
WDS	Wireless Device Supply Company Limited
AWN	Advanced Wireless Network Company Limited
MMT	MIMO Tech Company Limited
FXL	Fax Lite Company Limited
ABN	Advanced Broadband Network Company Limited

Management Structure

Management Structure of Advanced Info Service Public Company Limited
As of 31 December 2013



Note: ¹⁾ Appointed 1st August 2013

Board of Directors and Sub-Committees

The Company's management structure comprises the Board of Directors and four sub-committees: the Executive Committee, the Audit Committee, the Remuneration Committee, and the Nomination and Corporate Governance Committee as their names, directorship and meeting attendant information in 2013 listed below:

Name	Title	Attendant/Total Meetings in 2013				
		Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Remuneration Committee	Executive Committee
Dr. Paiboon Limpaphayom ¹⁾	Independent Director Chairman of Board of Director Chairman of Remuneration Committee Chairman of Nomination and Corporate Governance Committee	8/8	-	7/7	6/6	-
Mr. Somprasong Boonyachai	Vice-Chairman of Board of Directors Member of Remuneration Committee Member of Nomination and Corporate Governance Committee	8/8	-	7/7	6/6	-
Mr. Aviruth Wongbuddhapitak	Independent Director Chairman of Audit Committee Member of Remuneration Committee	8/8	11/12	-	6/6	-
Mrs. Tasanee Manorot	Independent Director Member of Audit Committee	7/8	12/12	-	-	-
Mr. Surasak Vajazit	Independent Director Member of Audit Committee Member of Nomination and Corporate Governance Committee	8/8	12/12	7/7	-	-
Mr. Vithit Leenutaphong ²⁾	Independent Director	4/8	-	-	-	-
Ms. Jeann Low Ngip Jong ³⁾	Director	2/8	-	-	-	-
Mr. Narulcha Chittrekan ⁴⁾	Director	-	-	-	-	-
Mr. Allen Lew Yoong Keong	Director Chairman of Executive Committee	2/8 ⁵⁾	-	-	-	10/10
Mr. Wichian Mektrakarn ⁶⁾	Director Member of Executive Committee Chief Executive Officer	7/8	-	-	-	10/10
Mr. Ng Chian-Wah	Director Member of Executive Committee	8/8	-	-	-	9/10
Mrs. Suphaje Suthumpun	Member of Executive Committee	-	-	-	-	9/10
Mr. Kim Siritaweetchai	Member of Executive Committee	-	-	-	-	9/10

1) Dr. Paiboon Limpaphayom has resigned from the Company, effective from 10 February 2014

2) Appointed to be director since 27 March 2013, which the board's meetings had been held four times before.

3) Appointed to be director in replacement of Mr. Yeo Eng Choon who resigned, effective from 27 March 2013. There were four board meetings held before her appointment date.

4) Appointed to be director in replacement of Dr. Montchai Noosong in the board's meeting no.7, held on 5 November 2013 (the last meeting of 2013)

5) Attendant in board of directors' meeting was counted when directors were actually presented in the meeting; however, Mr. Allen Lew Yoong Keong normally participates in the meeting either via video conference or providing his input through vice chairman of board of directors in advance of the meeting

6) Appointed to be director and member of executive committee on 3 January 2013

The Authorized Directors

Mr. Somprasong Boonyachai and Mr. Wichian Mektrakarn together jointly sign with the Company's seal affixed.

Scope of Authority and Duties of the Board of Directors

1. Perform its duties with honesty, integrity and prudence in accordance with the law and the Company's objectives and Articles of Association including the resolutions of shareholders' meeting, and carefully protect the Company's interests;
2. Set out the vision, policy and direction of the Company's operations and supervise the management team to act in accordance with plans which are set out efficiently and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders;
3. Consider and approve major issues such as large investments, purchase of assets etc. and any actions/ transactions as prescribed by law;
4. Approve or agree major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand;
5. Assess the performance of the Chairman of Executive Committee and the members of executive committee, and fix appropriate remuneration on a regular basis;
6. Be responsible for overseeing operational results and the management team's performance to ensure due attentiveness and care;
7. Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of the internal control, internal audit and risk management systems;
8. Ensure avoidance of conflict of interests amongst the Company's stakeholders;
9. Supervise business operations to enforce ethical work standards;
10. Annually review the Company's corporate governance policy and assess due compliance;
11. Report on the execution of the Board's responsibility to prepare financial reports, along with the external auditor's

report in the annual report covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company.

In this regard, the Board of Directors has empowered the Executive Committee to perform duties as per the scope of duties and responsibilities of the Executive Committee. Such delegation of authority shall not constitute the authority or substitution to allow the Executive Committee, or a person authorized by the Executive Committee, to approve those transactions related to a party in conflict, a party in interest or any other party with a conflict of interests (according SEC's notification) with the Company or its subsidiaries, except for the approval on any item in accordance with the policies and criteria approved by the Board of Directors.

Scope of Authority and Duties of the Executive Committee

1. Formulate the Company's strategic direction, management structure, and annual business plan and budget for the Board's approval;
2. Monitor the Company's financial and operating results, and keep the board members informed by monthly report;
3. Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of authorization granted by the Board;
4. The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's Articles of Association and Notifications of the Securities and Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies;
5. Report to the Board on a quarterly basis regarding the material actions taken by the Committee under the Chairman of the Executive Committee Report agenda;
6. Annually review its own performance and assess the adequacy of this Charter; and

7. Take any other action that may from time to time be assigned or delegated to the Committee by the Board.

Scope and Duties of the Audit Committee

1. To review that the Company's financial reports are prepared in accordance with legally defined accounting principles and adequately disclosed;
2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer, dismissal, performance appraisal and remuneration of the chief of an internal audit unit;
3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
6. To review that the Company has established an appropriate and effective risk management system;
7. To review and approve the Charter of Internal Audit activities, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
8. To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:
 - 8.1 an opinion on the accuracy, completeness and creditability of the Company's financial report,
 - 8.2 an opinion on the adequacy of the Company's internal control system,
 - 8.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,

- 8.4 an opinion on the suitability of an auditor,
 - 8.5 an opinion on the transactions that may lead to conflicts of interests,
 - 8.6 the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - 8.7 an opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter, and
 - 8.8 other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
9. To continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the Security and Exchange Act and the Audit Committee shall report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the external auditor within thirty days.
 10. To report the performance of the Audit Committee to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the audit committee shall report it to the Board of Directors for rectification within the period of time that the audit committee thinks fit.
 - (1) Any transaction which causes any conflict of interest; or
 - (2) Any fraud, irregularity, or material defect in an internal control system; or
 - (3) Any infringement of the law on securities and exchange, SET's regulations, or any law relating to the Company's business,

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on

the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or the Exchange.

11. To have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary.
12. To agree and to retain a consultant or other third person to express opinions or give advice as deemed necessary.
13. To review the Company's compliance with Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy, and acknowledge all concerns of misconduct or fraud and the final investigation report by the investigating committee.
14. To review and evaluate the scope of the performance of the Audit Committee on an annual basis.
15. To perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

The Scope of Authority and Duties of Remuneration Committee

1. Fix appropriate annual remuneration in monetary and/or non-monetary form for the Board members, committee members, Chairman of Executive Committee, Chief Executive Officer and executives reporting directly to Chief Executive Officer;
2. Consider and approve the Economic Value Plan for Employees (EV) and criteria for implementation thereof including the EV annual bonus plan for the Company executives;
3. Supervise the implementation of EV Plan and have authority to give decision in case of any discrepancy arising in connection therewith;
4. Consider and approve annual remuneration for Board members;
5. Draw up guidelines to provide appropriate remuneration for the Board members and Chairman of Executive to be proposed to and approved by the Board and/or the shareholders' meeting, as the case may be;
6. Disclose policy governing Board members' remuneration in the annual report; and

7. Perform other tasks as designated by the Board.

The Scope of Authority and Duties of the Nomination and Corporate Governance Committee

1. Draw up criteria and policy with respect to nomination of Board members and committees members of the Company;
2. Supervise implementation of the policy on good corporate governance of the Company, annually review such policy including recommendation of any revision thereof for further consideration by the Board;
3. Consider and nominate appropriate persons to become Board members and/or committees members to be proposed to and approved by the Board and/or shareholders' meeting, as the case may be;
4. Consider and nominate a person to become Chairman of Executive in case of vacancy as well as criteria of succession thereof;
5. Perform of other tasks as designated by the Board.

In addition to the board of directors and the sub-committees, the Company has the management team supporting the board of directors' performance as follows:

Management Team ¹⁾

1. Mr. Allen Lew Yoong Keong	Chairman of the Executive Committee
2. Mr. Wichian Mektrakarn	Chief Executive Officer
3. Mr. Somchai Lertsutiwong	Chief Marketing Officer
4. Mrs. Suwimol Kaewkoon	Chief Organization Development Officer
5. Mrs. Vilasinee Puddhikarant	Chief Customer Officer
6. Mr. Hui Weng Cheong	Chief Operating Officer
7. Mr. Pong-amorn Nimpoonsawat	Chief Finance Officer
8. Mr. Kriengsak Wanichnatee ²⁾	Chief Technology Officer

Notes: 1) List of Management Team was prepared in accordance with their definition stipulated in the notification of the Office of Securities and Exchange Commission

2) Appointed 1 August 2013

Nomination of Directors and Management

Nomination of Director

The Company has appointed the Nomination and Corporate Governance Committee to consider and prescribe criteria and policy on nomination of suitable candidates to assume position of directors, and propose to shareholders' meeting. Minor shareholders have been given opportunity as another channel to propose suitable candidates for directors. Criteria and procedures are prescribed in the Company's Articles of Association as follows:

- (1) Each shareholder shall be entitled to one vote for each shareholding;
- (2) Each shareholder shall be entitled to cast all the votes under (1) to elect one or several persons to be the Company's director but cannot split their votes to any particular person or persons;
- (3) Person who receives the highest votes arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed are elected to be the Company's director. In the event of a tie at lower place, which would make the number of directors more than required, the Chairman of the meeting shall have the casting vote.

Nomination of Management

The Nomination and Corporate Governance Committee shall nominate the suitable person(s) to be appointed as chief executive officer and other management directly reporting to chief executive officer including preparation of succession plan relating thereto. In this regard, the Nomination and Corporate Governance Committee shall recruit the qualified person(s) internally and externally with the support from professional consultants if required.

Term of Directors

Term of Directorship

- (1) At the annual general meeting of shareholders, one-third of the directors shall vacate office. If one third is not a round number, the number closet thereto shall be the applicable number. The vacating directors may be re-elected.
- (2) In the case of a vacancy in the position of director, for reasons other than the completion of the term,

the Board of Directors shall appoint a new director with the required qualifications, and without any characteristics that would prohibit him/her from acting as director, according to article 68 of the Public Companies Act B.E. 2535, to serve as a new director in the next board meeting, excluding such case where the remaining term is less than two months. Such appointed directors shall assume the position for the remaining term of the vacating director.

Term of Membership of Audit Committee

- (1) A Committee Member shall serve for a term of not exceeding three years. A retiring member may be re-elected. A Committee member who has completed a total of nine (9) years or three (3) consecutive terms, the Board shall review their respective independence qualifications each year.
- (2) A Committee Member who wishes to resign during his or her term of office must give notice to the Chairman of the Board of Directors. The resignation date is effective upon the Company receiving the notice in order that the Board of Directors can appoint other qualified directors for replacement with regards to the remaining term of office. The Board of Directors must fill the vacancy within 90 days from the date on which such Committee Member resigned.

In the case that all members vacate office except otherwise by reason of disqualification or as prohibited by law, the Audit Committee shall remain in office as necessary until a new Audit Committee is appointed.

Remuneration for Directors and Management

The Company has specified the remuneration for directors at the rate used within the industry. The remuneration is also sufficient to maintain quality directors with the Company. The remuneration for the management is in accordance with the Company's operational performance and performance of the individuals.

The Remuneration Committee will determine necessary and appropriate remuneration, both monetary and non monetary terms for the Company's directors, members of the sub-committees, chairman of executive committee, chief executive officer including executives reporting to chief

executive officer; provided remuneration for directors and members of the sub-committee shall be proposed to the Company's general shareholders' meeting which is held on an annual basis.

Directors' remuneration

Total monetary remuneration for the Chairman of the Board of Directors, independent directors, and non-executive directors totaling 8 persons was Baht 19.97 million. The remuneration was paid from 2013 operating results as it was approved by general meeting of shareholders in an amount of not exceed Baht 20 million which was comprised of monthly allowance, meeting allowance and bonus payments. A criterion of payment is set up at the same rate of year 2012.

Directors' remuneration for the year 2013

Director	Monetary Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Bonus
Board			
• Chairman	200,000	x	✓
• Member	50,000	25,000	✓
Audit Committee			
• Chairman	25,000	25,000	✓
• Member	x	25,000	✓
Nomination and Corporate Governance Committee			
• Chairman	10,000	25,000	✓
• Member	x	25,000	✓
Remuneration Committee			
• Chairman	10,000	25,000	✓
• Member	x	25,000	✓
Executive Committee			
• Chairman	10,000	25,000	✓
• Member	x	25,000	✓

Notes: 1) Directors who are executives or staffs of the Company or its shareholders are not entitled to receive such remuneration.
2) Chairman of the Board of Director is not entitled to receive an additional monthly retainer or meeting allowance when he or she chairs any of the sub-committees.

The remuneration for eight directors in yeas 2013 is as follows:

Name	Position	Bonus for 2013 (Baht)
Dr. Paiboon Limpaphayom	Chairman of the Board of Directors	2,850,000
Mr. Aviruth Wongbuddhapitak	Chairman of the Audit Committee	2,100,000
Mr. Surasak Vajasit	Member of the Audit Committee	1,500,000
Mrs. Tasanee Manorot	Member of the Audit Committee	1,500,000
Mr. Ng Ching-Wah	Director	1,400,000
Dr. Montchai Noosong ¹	Director	700,000
Mr. Narulcha Chittreekan ¹	Director	200,000
Mr. Vithit Leenutaphong ²	Independent Director	1,000,000
Total		11,250,000

¹ Appointed to be director in replacement of Dr. Montchai Noosong in the board's meeting no.7, held on 5 November 2013

² Mr. Vithit Leenutaphong, the Company's independent director, received the remuneration from being independent director of Shin Corporation Public Company Limited in an amount of 4,165,000 baht.

Management's remuneration

The total amount of remunerations for eight executives of the management team as of 31 December 2013 was calculated at Baht 100.81 million comprising of salary, bonus and provident fund and other benefits.

Other remuneration

To enhance the Company's sustainability for the long term growth and promote mutual benefit between the Company, its shareholders and the management team, the Company has issued warrants to be converted into the Company's ordinary shares to the management. This is in pursuant to the Performance Share Plan approved by the General Shareholder Meeting 2013 on 27 March 2013. As defined by the notification of the Office of Securities and Exchange Commission, The management who was granted the warrants are as follows:

1. Mr. Wichian Mektrakarn	29,900	units
2. Mr. Somchai Lertsutiwong	19,824	units
3. Mrs. Suwimol Kaewkoon	18,064	units
4. Mrs. Vilasinee Puddhikarant	20,764	units
5. Mr. Pong-amorn Nimpoonsawat	21,664	units
6. Mr. Kriengsak Wanichnatee	7,564	units

Company Secretary

Mr. Chavin Chaivatcharaporn appointed as company secretary shall have duties and responsibilities as designated by the Board of Directors as follows:

- (1) Organizing board of directors' meeting, sub-committee meetings and shareholders' meetings of the Company
- (2) Organizing board of directors' meeting and shareholders' meetings of the Company's subsidiaries
- (3) Preparing, updating and presenting corporate governance policy of the Company to the Nomination and Corporate Governance Committee for their approval
- (4) Preparing and retaining documents as stipulated by laws
- (5) Performing other assignments as requested by the Board of Directors and/or its sub-committees.

Head of compliance

Ms. Nattiya Poapongsakorn who responsible for overseeing the Company's operation and transaction to ensure that the company is in compliance to SET/SEC regulation for listed company and other enforcement related to public company limited acts.

Corporate Governance

Corporate Governance Policy

The Company has full confidence that a good corporate governance system, comprised of competent management, qualified and accountable directors, a mechanism of checks and balances for transparent and auditable operations, respect for the rights of all shareholders, and equitable treatment for all stakeholders, is the key factor in maximizing the economic value of the Company and increasing the sustainable long-term return on investment for our shareholders. With this in mind, the Corporate Governance Policy has been prescribed for all directors, management and staff since 14 November 2002. Those who are interested in this policy may download it from our website: i.e. www.ais.co.th

The policy has been regularly reviewed by the Board of Directors so as to improve corporate governance in accordance with the rules and regulations of the Securities Exchange of Thailand, international standards and social and economic development. The policy has been consistently communicated to directors, executives, and employees for their acknowledgement and to ensure the policy's adoption into normal business operations. Furthermore, the Company has introduced a new report channel for any illegal misconduct or unethical practice in the Company including protective measures for the whistleblower (Whistleblower Policy).

Performance Report on Corporate Governance

Chapter 1 The Board of Directors

The Board is composed of eleven legally qualified experts with extensive vision, expertise and experience at the leadership level in various fields including the telecommunications industry. The Board has the freedom to consider any matter critical to the business direction of the Company as evidenced by more than one-third of the Board being independent directors and more than half of the Board being non-executive directors attributing to the absolute benefit of shareholders as a whole. The Chairman of the Board, an independent director, and the chairman of the executive committee shall not be the same person nor have any genetic or business relationship.

Independent directors of the Company possess the qualifications as prescribed in the corporate governance policy, which go beyond the qualifications required by the Office of Securities and Exchange Commission. Details of all independent directors' qualifications are listed in the corporate governance policy posted on the Company's website: i.e. www.ais.co.th.

The Board has set up four sub-committees namely: the audit committee, the nomination and corporate governance committee, the remuneration committee and the executive committee. Details of Board and sub-committee structures, including the members and responsibilities of each sub-committee, are listed in the "Management Structure" section on page 043.

Board of Directors' Meetings

In 2013, there were eight meetings of the Board of Directors. Meetings of the Board of Directors were scheduled in advance on an annual basis, and the Chairman of the Board of Directors was also empowered to call extraordinary meetings when deemed necessary. In any month when there were no Board of Directors' meetings, the Board were provided with monthly operating reports for their acknowledgement.

All notices and supplementary documentation pertaining to each meeting were circulated to the Board at least seven days before every meeting so that each director would have sufficient time to analyze all available information in advance.

In the meetings, the Chairman of the Board allocated sufficient time for directors to discuss and express their opinions freely for the sake of all the shareholders' interest. In addition, the relevant management also provided the necessary information for the Board's consideration.

After each meeting, the Company Secretary circulated the minutes within fourteen days and supported the Board to perform their duties in compliance with the law, the Company's articles of association, and the resolutions of the meeting.

Non-Executive Directors Meeting

The audit committee and other non-executive directors shall conduct meetings without the presence of the executives at least once a year. This is to provide an opportunity to discuss any subjects of interest related to the business operations of the Company. The Chairman of the Board acts as Chairman of the meeting. In case of the Chairman of the Board being unable to attend, the directors present shall select one member to chair the meeting. The Company shall provide a secretary for these non-executive director sessions.

Succession Plan

The Board has developed a succession plan for the Chairman of the Executive Committee and senior executives in order to maintain the confidence of shareholders and other stakeholders that the Company's business operations shall continue without interruption when these positions become vacant. The Board has authorized the Nomination and Corporate Governance Committee to set up the succession plan, which shall be reviewed and updated to the Board annually.

Communication with Management

The directors can access and communicate directly with the management team and the company secretary as deemed appropriate. However, this access and communication shall not interfere with or interrupt the Company's normal business operations.

Training and Development for Directors, Executives and Company Secretary

A newly-appointed director, senior executive or company secretary has been provided with all necessary business information about the Company including the applicable laws and regulations required to perform their fiduciary duties and for the best interest of shareholders. Continual training and development programs have been provided for the directors, senior executives and company secretary so that they could have all the necessary skills and knowledge required to perform their duties efficiently. In 2013, the training and development programs were as follows:

	Date	Program	Facilitator
Board Members	Sep 2013 (9 days)	Telecommunications and Mobile Phone Industry Development	H3G and ZTE Corporation, Austria
Chief Organization Development Officer	Sep 2013 (2 days)	Risk Management Committee Program (RMP), class 1/2013	Thai Institute of Directors
	Sep 2013 - Sep 2014	Certificate, The Program of Senior Executives on Justice Administration, class 9, Judicial Training Institute	Judicial Training Institute
Chief Marketing Officer	Aug 2013 - Jan 2014	Certificate, Capital Market Academy Leadership Program,	Capital Market Academy
Chief Customer Officer	Jun 2013 (3 days)	CRE CSQS Leadership Summit 2013 and The CRE Awards Dinner Ceremony	Asia Pacific Customer Service Consortium (APCSC)
Company Secretary	June 2013 (2 days)	Company Secretary Program	Thai Institute of Directors

Board and Chief Executive Officer Assessment

The Board evaluates their own performance annually in order to assess their own fiduciary duties and their compliance with corporate governance policy. The board assessment includes the following matters: (i) structure and characteristics of the board, (ii) roles and responsibilities of the board, (iii) board meetings, (iv) the board's performance of its duties, (v) relationship with management, and (vi) self-development of directors and executive development. In addition, the Chief Executive Officer's performance shall be evaluated by the Remuneration Committee annually.

Chapter 2 Rights and Equitable Treatment of Shareholders

The Board respects the shareholders' rights and has a duty to protect the benefits of every shareholder equitably. The Board will not interfere with the shareholders' rights to purchase, sell, transfer or obtain shares of the Company. Every shareholder is entitled to receive both financial and non-financial information in each quarter via the stock exchange and the Company's website.

Furthermore, in each annual general meeting of shareholders, the shareholders are entitled to elect members of the Board, set directors' remuneration packages, appoint the Company's auditor and set the auditor's fee and approve dividend payment from operating profit in accordance with the Board's recommendation. Every shareholder will receive dividend payments in accordance with their shareholding percentage. For the holders of Company debentures, the Company has paid interest in accordance with the interest rate and payment schedule specified in the prospectus.

In addition to the basic rights stated above, the Board ensured that the Company organized annual shareholders' meetings in accordance with the laws, good practice and corporate governance as follows:

Before the meeting date

1. The shareholders were entitled to propose meeting agenda and nominate qualified person(s) to be considered for and appointed to the position of director at the shareholders' meeting in 2013. Such proposals and nominations were to be made during 1 October 2012 to 31 December 2012, three months in advance of the annual general shareholders' meeting, and the relevant

rules and procedures were posted on the websites of the stock exchange and the Company. Nonetheless, the Company did not receive any proposed agenda or director nominations before the expiry of the said period.

2. The Company prepared the meeting notice, supplementary documentation, and procedures for making queries in both Thai and English versions and posted these on the websites of the Company and of the stock exchange thirty days prior to the meeting date, and also delivered copies of these documents to shareholders and proxies twenty one days prior to the meeting date.
3. At least one independent director must be assigned to act as proxy for any shareholder who will not attend the meeting. The names, credentials and qualifications of the assigned independent directors must be stated in the meeting notice.
4. The Company has liaised with institutional investors to verify the shareholding data and encourage such investors to attend the meeting either through their authorized representatives or by granting proxy to an assigned independent director at least fourteen days prior to the meeting date. The Company has also facilitated this process by setting up a registration desk for institutional investors and funders separately from other retailers.

On the meeting date

1. The annual general meeting of shareholders of 2013 was held on 27 March 2013 from 2:00 p.m. to 5:00 p.m. at Vibhavadi Ballroom, Centara Grand Central Plaza Ladprao. The meeting venue was appropriate for the large number of shareholders and convenient in terms of transportation access. The Company assigned sufficient staff and incorporated a barcode system to facilitate the registration process, which began at 12 p.m.
2. The Chairman of the Board, the audit committee, the nomination and corporate governance committee and the remuneration committee, including senior executives, attended the meeting so as to respond to and clarify any queries or concerns of the shareholders.
3. The Chairman conducted the meeting in accordance with the meeting agenda stated in the notice without adding in any additional matter and allocated sufficient time for shareholders to make any queries regarding each item on the agenda. Prior to the commencement

of the meeting, a company representative explained the procedure and voting method to shareholders.

4. The Company provided ballot cards for each item on the agenda. In the director appointment item, the voting related thereto was organized on a one-by-one basis. The Company also appointed an independent legal advisor as an inspector to validate the votes for each item on the agenda.

After the meeting

1. The Company notified the resolutions of the meeting to the stock exchange promptly including posting those resolutions on the Company's website.
2. The Company secretary prepared the minutes of the meeting and posted them on the Company's website within fourteen days after the meeting date. The minutes covered all material facts in compliance with the good corporate governance of the stock exchange and notified such publication on the stock exchange's website: www.set.or.th

Communication with Stakeholders

The stakeholders may provide any suggestions or report any illegal or unethical action of any director, executive or employee through:

1. **Company Secretary Office**

Advanced Info Service Public Company Limited
414, 28th Floor, Intouch Tower,
Phaholyothin Rd, Samsen Nai,
Phayathai, Bangkok 10400
Email: companysecretary@ais.co.th

2. **Audit Committee at**

AuditCommittee@ais.co.th

All suggestions, complaints or reports shall be forwarded to the related departments and all actions taken shall be reported to the Board of Directors.

Role of Stakeholders

The Company is aware of the rights of all stakeholders, i.e. customers, business partners, communities, societies or environments, and has therefore set policies to ensure that all interaction with the stakeholders shall be in compliance with laws and sustainable development guidance. In 2012,

the Sustainable Development Committee was established to set policies, strategies and managerial practices including monitoring business operations so as to create a long-term co-beneficial environment for all stakeholders. In 2013, the committee analyzed all critical issues from the viewpoint of both the management and stakeholders, and specified the strategies for long-term sustainable growth, details of which are listed in the separate Sustainable Report 2013 attached herewith or which may be downloaded via the Company's website: i.e. www.ais.co.th

Chapter 3 Disclosure of Information and Transparency

1. The Company has disclosed the Company's financial and non-financial information in accordance with the relevant laws and regulations accurately, completely, punctually, and transparently to all shareholders and investors so that the investors will have confidence in the Company's reliability and integrity. The Company has issued an information disclosure policy applicable to all directors, executives and employees of the Company and its subsidiaries. The policy has been published both via internal channels and on the Company's website: i.e. www.ais.co.th

2. The Company has set up the Investor Relations Department to be responsible for communicating material information to the shareholders, investors, analysts and other stakeholders. In 2013, the management had a number of opportunities to meet the analysts and investors, either personally or via video conference. The details of these meetings are listed in the "Relationship with investors" section on page 058. The Investor Relations Department can be contacted at:

Telephone: (66) 2299 5017

Facsimile: (66) 2299 5165

Email: investor@ais.co.th

Website: <http://investor.ais.co.th>

In addition, the Company's compliance unit has ensured that all material information of the Company has been properly disclosed through various channels, such as the Company's website, the stock exchange's website, and this annual report. The communication and disclosure of material information shall comply with the principles stipulated in the information disclosure policy and corporate governance policy.

3. The Company has specified a period of non-communication with analysts and investors (silent periods) with respect to financial results, such as holding press conferences and disclosing financial information publicly by executive and/or investor relation officers, for at least thirty days prior to the specified announcement date so as to avoid any unfair treatment and possibly affect on the Company's share price.

Chapter 4 Internal Control and Risk Management Systems

The Board considers the internal control, audit and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets and therefore set up the policies, measures and supervising departments, the details of which are listed in the "Internal Control, Internal Audit and Risk Management" sections on page 061

Chapter 5 Code of Business Ethics

The Company encourages all directors, managers, and officers to work and conduct business activities transparently and in compliance with laws, business integrity and ethics. The Code of Business Ethics is part of the corporate governance policy. It establishes the guidelines and standards of conduct for all employees in the organization. The employees have to sign and acknowledge the code of business ethics upon commencing employment and upon any code revision. The full version of the Code of Business Ethics is available at www.ais.co.th under Section 5 of the Corporate Governance Policy.

A Business Ethics Committee was established in 2006 to oversee the implementation of the Code of Business Ethics and compliance with the Corporate Governance Policy. In 2013, the roles and responsibilities of the Business Ethics Committee were as follows:

1. Make an awareness campaign about conflict of interest for managers, employees and partners

A conflict of interest may occur when the directors, managers and employees are involved in any business of

the company. The Business Ethics Committee has made an awareness campaign about the conflict of interest for managers, employees and partners in 4 areas: receiving money or other remuneration; engaging in business with the Company; receiving gifts and entertainment; and accepting invitations to seminars, business events and/or excursions. The awareness campaign has been made in the following ways:

- Providing information to managers and employees and answering questions at meetings.
- Communicating with employees at all levels through the use of posters in the Company.
- Sending letters to partners to inform them of the Company's policy whereby employees cannot accept inappropriate gifts, gratuities and/or entertainment of great value.

At the completion of the campaign, the Business Ethics Committee established guidelines for evaluating the employees' understanding of the code of business ethics in the 4 identified areas. An Intranet evaluation questionnaire is used to evaluate the employees' understanding of the conflict of interest, efficiency and the campaign method so as to improve the employees' awareness in the following year.

Apart from the above campaign, the Business Ethics Committee provided a channel through which employees can ask questions that may arise in relation to the Code of Business Ethics by E-mail: aisbusinessethics@ais.co.th

2. Investigation and punishment

Enforcing an ethics code is very important and good governance practices are an essential part of the successful running of the business. In 2013, the punishment for unethical conduct was termination of employment. The Company protects the identity of anyone who reports unethical conduct.

To enforce this ethics code, the Committee has established the punishment of offenders and the protection of the identity of any person reporting

Case	Unethical Conduct	Action
1.	Accepting a gift of more than the nominated value from a customer, failing to hand over the gift to the Company, and failing to report the incident to a superior.	After investigation of the Business Ethics Committee, Internal Audit, and Human Resources Management, the disciplinary punishment was imposed in accordance with the Company's regulations.
2.	Asking for remuneration from a Company partner	After investigation of the Business Ethics Committee, Internal Audit, and Human Resources Management, the disciplinary punishment was imposed in accordance with the Company's regulations.

As a result of our continuous commitment to good corporate governance, our Company has been awarded a level of 'excellent' () for the five consecutive year in the Corporate Governance Report, which was carried out by Thai Institute of Directors.

Participation in Thailand's Private Sector Collective Action Coalition Against Corruption - CAC

On 16th December 2013, the Chief Executive Officer signed a declaration to participate in Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) with the objectives of collaborating against corruption and preventing corruption in the Company's business or organizational activities. The Company is currently considering obtaining certification for official membership.

Monitoring the Business Operations of Subsidiaries and Associated Companies

The Board of Directors has appointed directors in its subsidiaries proportionate to the number of shares held for the purpose of monitoring each subsidiary's business operations in the best interest of AIS shareholders. The appointed directors shall have the same responsibilities as those of directors or executive directors of the parent company and shall perform the duties under good corporate governance policy and related party transaction policy, etc. All subsidiary transactions which may significantly affect the business operation or financial status of the Company must be reviewed and approved by the Board of Directors of the parent company.

In order to present the financial information and operating results of the subsidiaries, the Company has assigned the same auditing office that provides auditing services for the Company to perform audits and present the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company.

Sustainable Development

At AIS, sustainable business is how we grow a business that creates a better future for the society. We are committed to the value creation for our employees, customers, shareholders, partners and communities by building a network that connect more Thais together, increase country's competitive advantage, and strengthen the society. In this regards, please see more details of our sustainability strategy, policy and our sustainable development from AIS sustainability report 2013 at www.ais.co.th



Relationship with Investors

We are committed to delivering the highest standards of disclosure with accuracy, completeness, fairness, transparency, quality, and timeliness in all communications with our shareholders and the investment communities.

The AIS Investor Relations Department reports directly to the Chief Finance Officer. We provide Company information including financial and operational performance as well as business direction from a management perspective. The quarterly Management Discussion and Analysis (MD&A) contains quarterly operating results, significant events affecting the financial results, guidance, and other crucial information for investors. The guidance is revisited during the year in accordance with the ongoing results.

Fully understanding the crucial importance of investor relations, AIS management allocates an appropriate amount of time for investor relations activities. Our senior management regularly participates in and presents company strategy and business direction at investor meetings, analyst briefings, quarterly results meetings, and domestic and international conferences and road shows.

AIS Investor Relations Website (<http://investor.ais.co.th>) contains essential sources of information for investors, including historical performance, financial statements, conference call replays, annual reports, Form 56-1, SET disclosure, an investor calendar, shareholder meeting announcements, AIS share information, dividends, corporate governance news, corporate social responsibility news, and more. Moreover, in order to keep investors informed about important issues, AIS regularly delivers IR news releases, including company news, earnings releases, and updated promotions.

AIS has also established the Compliance Department, which is responsible for the disclosure of information to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to ensure that the Company complies with all applicable laws and regulations.

In addition, the Company has regularly organised investor activities, which have been attended by various Company executives as shown in the following table:

Activities Related to Quarterly Results Announcement

Activity	2013	Objective	Attendees	Executive
Result conference call & webcast	Quarterly (4 times)	Quarterly results announcement and Q&A	Local and foreign analysts and institutional investors	Chief Operating Officer/ Chief Finance Officer
Analyst briefing	Semi-annual and annual (2 times)	Presentation of the Company's semi-annual and annual performance and strategy, plus Q&A	Analysts and local institutional investors	Chief Executive Officer / Chief Finance Officer / other members of management team
Opportunity day	Quarterly (4 times)	Quarterly results announcement and Q&A	Retail investors, private equity, analysts	Head of Investor Relations

Investor Activities

Activity	2013	Objective	Attendees	Executive
Road Show/ Conference (international and domestic)	17 times	Communicate business direction, performance and strategy	Local and foreign institutional investors	Chief Executive Officer / Chief Finance Officer
Company visit (1-on-1 meeting/ group meeting/ conference call)	184 times	Provide access to management for discussing the Company's performance, direction, and strategy	Local and foreign analysts and institutional investors	Chief Executive Officer / Chief Finance Officer

In 2013, AIS Investor Relations' achievements and standards received due recognition in the form of prestigious Best Investor Relations Awards from the Stock Exchange of Thailand's (SET) and the Securities Analysts Association of Thailand.

The AIS IR team provides shareholders and investors with a direct point of contact by telephone on: +662 615 3112, +662 299 5117; by fax on: +662 299 5165; or by email at: investor@ais.co.th

Policy on Use and Disclosure of Inside Information

The Company is strongly committed to the responsible and transparent use of internal data to glean best practices for the betterment of Company operations. In doing so, the Company is resolved to adhere to the principles of good corporate governance and business integrity while facilitating equal access to complete, reliable, and updated internal information for all investors and concerned parties. Accordingly, the company monitors and tracks all the internal data usage and trading securities procedures of directors, executives, and employees to conform to the Securities and Exchange Act and ensure business transparency. Outlined below are some of the key points of the policy:

- Directors, executives, and employees at all levels are forbidden from using internal data containing crucial information that would have a significant impact on the stock price and has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of self or others. Furthermore, the aforementioned parties are to avoid or refrain from trading the Company's stock for 1 month prior to the announcement date of the Company's results.
- The Company is responsible for announcing to the public information regarding key Company decisions and/or actions, instantly and thoroughly, via appropriate and acceptable media to ensure that all data and information are accessible to stakeholder groups in a timely manner. Release of such information must be handled through the Investor Relations Department and Public Relations Department and in a manner congruent with the rules and regulations set out by the Stock Exchange of Thailand and Disclosure Policy.
- Directors and executives shall report ownership of all securities issued by the Company, including those that pertain to self, spouses, and/or underage children, to the Securities and Exchange Commission and to the Board of Directors on a quarterly basis.
- The Company maintains a strict policy regarding computer system usage and electronic information security in order to protect crucial information from unauthorised release. Misuse of internal Company data by directors, executives, or employees is considered a serious breach of Company policy and, in warranted cases, offenders will be prosecuted to the fullest extent of the law. Before the announcement of the Company's results, internal data

are restricted to related departments including Accounting, Finance, Investor Relations, and Compliance.

- The Investor Relations Department is forbidden from discussing forward-looking statements or making any comments on information pertaining to the following 6 months in order to comply with the SET rules and international best practices; however, the long-term view regarding the Company's strategic direction and business trends can be discussed.
- The Investor Relations Department is obliged to declare quiet periods to investor communities one month ahead of the result announcement date. During the corporate silence period, the Company refrains from answering any inquiries with regard to the upcoming financial results and Company guidance. Exceptions are made only for the discussion of factual business information, clarifications of disclosed information, new events concerning share price sensitive information, and long-term business operations. Any arranged meetings with analysts and/or investors are not encouraged in this period, and shall strictly be confined to discussions on long-term business operations only.

The Company has a Disclosure Policy outlining the official procedures for information disclosure. The policy is developed based on the principles that the disclosure of corporate information shall be in compliance with applicable legal and regulatory requirements. Disclosure of all corporate information shall be accurate, adequate, timely and consistent, regardless of whether it has a positive or negative impact on the Company, the investors, or the market. All non-public information shall be disclosed in a manner which ensures fair and equitable access by all investors. The policy stipulates responsible positions, levels of disclosure, and communication procedures. The policy reinforces the standards of disclosure and follows the principles of market efficiency.

Internal Control, Internal Audit and Risk Management

Internal Control and Risk Management

AIS has an efficient management system in place throughout the organization, which aligns and integrates Governance, Risk Management and Compliance through the crucial mechanisms of Strategy, Process, People, Technology and Structure, to drive the Company to achieve key strategic and optimize goals efficiently and effectively.

Having a good internal control system is an important mechanism to achieve the Company's objectives and accomplishments. The Board of Directors has assigned roles and responsibilities to all staffs, including clearly defined management and staff operating authority at all levels throughout financial and operations control and management supervision in accordance with relevant internal and external regulations and laws. Furthermore, the Company has conducted risk management by applying Enterprise Risk Management (ERM) framework throughout all operational functions. For more details of our risk management system, please see in AIS Sustainability Report 2013. The Company also determined that all employees must adopt the Control Self- Assessment (CSA) system to identify and mitigate relevant risks to an acceptable level and provide reasonable assurances to achieve the following objectives:

1. Strategies and objectives are clearly stated, practical and aligned with the Company's mission.
2. Outcomes are in accordance with stated objectives, while resources are managed and used efficiently and economically. In addition, appropriate safeguarding systems are in place to protect physical assets.
3. Financial and non-financial reporting are accurate, reliable and timely.
4. Business operations are in line with the Company's policies, regulations, laws, and other related internal and external rules.
5. Continuous process improvements are made for better quality regarding personnel, equipment, assets and operational systems.
6. Control Self-Assessment is properly implemented in all crucial processes.

The Company business operations and management processes are aligned with the integrated framework of the Committee of Sponsoring Organizations of

the Treadway Commission (COSO), which consists of 5 Components and 17 Principles:

1. Internal Environment

- 1.1 The Board of Directors and management demonstrate integrity and ethical values through their directives, actions and behavior including established a Code of Conduct for the Board of Directors, management and staffs, an assessment of ethical understanding and penalties in cases of violation.
- 1.2 The Board of Directors consists of 45% independent directors which are more than the regulation minimum requirement which allow independence from management in assessment and decision making and exercises oversight for developing effective internal controls.
- 1.3 The Board of Directors and management establish the Company's structure and reporting lines and appropriate responsibilities in accordance with the objectives that provide checks and balances through the segregation of duties that enable the achievement of the Company's objectives.
- 1.4 The Company provide continuous training opportunities in line with their roles and responsibilities both domestic and abroad. In addition, the Company also encourages and develops staffs to international standards; for example, Cisco Certified Internetwork Expert and IP Competency both the beginner and advanced level.
- 1.5 The Company encourages and expects all staffs to conduct business in accordance with their roles and responsibilities and exercise appropriate effective internal control system in alignment with the Company's long and short-term objectives.

2. Risk Assessment

- 2.1 The Company specifies clear objectives for Operations, Financial and Non-Financial Reporting, including compliance with all relevant laws and regulations, and properly identifies an acceptable risk level.
- 2.2 The Company identifies risks that may affect the achievement of its objectives and determines the risk

response. The Company categorizes risk factors according to entity, business unit and department level and all related processes, including the deployment of a systematic risk assessment to determine the significance of such risks.

2.3 The Company specifies and assesses risks that may lead to any fraudulent or inappropriate conduct by considering pressure, opportunities and rationale.

2.4 The Company identifies and assesses all significant changes that may have an impact on internal control systems by properly considering laws and regulations, economics and environmental issues that affect the organization.

3. Risk Response

The Company has in place a continuous and systematic risk management process. The Company plans strategic responses to risk at the individual and overall level by considering either avoiding, reducing, sharing, or accepting the risk as appropriate to the Company's interests. Equally, the Company always considers the most cost efficient and most effective methods to manage high risk, thereby reducing the overall likelihood and impact of that particular risk. The Company also has an effective internal control system, which is suitable for handling any changing risks.

4. Control Activity

4.1 The Company develops control activities to mitigate risk to an acceptable level by focusing on automated controls; for example, deploying Continuous Control Monitoring System (CCMS) for controlling daily purchasing and financial operations, preventive control measures. The system of checks and balances through segregation of duties in all operations processes is already deployed.

4.2 The Company implements general control activities for all business information systems, including information technology systems such as segregation of duties, level of information access control, sensitive information protection policy, password control and audit trail. The Company also implements information security policy including communicate and enforce to staffs in all level.

4.3 The Company has maintained a Business Continuity Policy since 2005. In 2013, the Company also improves its operational procedures and standards in accordance with TIS 22301- 2010 to ensure continuous core business process even in the event of any uncontrollable emergency situation. The Company maintains a Contingency Plan for protecting against any information system failure or breach of security.

4.4 The Company maintains an operation and daily processes and activities control policy by conducting regular Control Self Assessment (CSA).

5. Information and Communication

5.1 The Company operates a quality information system to provide accurate, complete and timely information for business decisions.

5.2 The Company has an efficient and effective communication system to inform staffs on all necessary business and related matters; the CEO visits all departments on a regular basis and speaks to the Company on a weekly radio show via intranet. The Company deploys a knowledge management and sharing system via "Nokhook" webboard that act as a knowledge sharing center among employees.

5.3 The Company operates an investment relationship channel and also operates an confidential Whistle Blower Hotline that can be used by all staffs to pass on any information that could put the Company at risk. It also provides a Whistle Blower hotline for any external party or any person to inform the Audit Committee about any information of concern relevant to the Company via AuditCommittee@ais.co.th.

6. Monitoring

6.1 The Company continuously monitors and independently evaluates (by the Internal Audit) internal control. Effective and practical monitoring standards are maintained and developed by comparing with targets or key performance indicators (KPIs) which also cover a performance monitoring system that requires all supervisors to monitor staff performance regularly. In addition, the Internal Audit, an external audit company and an independent external assessor assess operation performance.

6.2 The Company evaluates and communicates internal control deficiencies in a timely manner. Staff must report any issue of concern to their immediate supervisor or manager including the responsible person, including senior management or the Board of Directors as required for taking corrective action.

At the Board of Director's Meeting No. 1/2014 on 23 January, 2014, the Board of Directors evaluated and assessed the Company's internal control system, using the Office of the Securities and Exchange Commission (SEC) evaluation questionnaire. The Board of Directors was satisfied the Company maintains an appropriate and effective internal control system.

In 2013, KPMG Phoomchai Audit Limited, the Company's external auditor, evaluated the effectiveness of the Company's internal control system and concluded that there were no material deficiencies.

Internal Audit

The Internal Audit Office performs its duties independently and reports functionally and directly to the Audit Committee and administratively to the Chief Executive Officer.

The Internal Audit Office evaluates the efficiency and the effectiveness of the internal control, risk management, corporate governance, and also plays a key consulting role to support the Company's business direction and goals. The Internal Audit Office creates an annual audit plan, approved by the Audit Committee, by considering a Risk Based Audit Approach and key control points, and by enhancing preventive control, including fraud risk assessment in line with the Company's Fraud Whistle Blowing Protection Policy.

In its consultant role, the Internal Audit Office provides a comprehensive self-assessment support service by offering counselling, group-training workshops (CSA Facilitator) and effective assessment tools. In addition, the Internal Audit Office provides recommendations for Business Systems Development project internal control before project launch. This encourages employees to develop a well-controlled and effective operating system. The Internal Audit Office enhances CSA validation implementation to ensure that each operation process utilizes CSA to support the Company to achieve its strategies and goals.

The Internal Audit Office performs an annual quality assessment and the Company also appoints an external independent assessor to perform a Quality Assessment Review (QAR) to assess the Internal Audit Office every five years.

The Chief Audit Executive (CAE) acts as the secretary to the Audit Committee to support the effective achievement of its responsibilities and ensure accountability assigned by the Board of Directors to the Audit Committee. Additionally, the CAE provides advice on such matters as Internal Control Framework (COSO 2013), Risk Management, Business Ethics, Information Security etc. (Please further information about the CAE in Attachment 3)

The Internal Audit Office adheres to the International Professional Practices Framework and the internal audit charter including revises the internal audit manual annually to ensure that the Internal Audit conducts a quality engagement that conforms to The International Standards for the Professional Practice of Internal Auditing. This enhances the Company's reputation as having well-defined internal control, risk management and governance systems to add value to Company's stakeholders and encourages sustainable development.

The Internal Audit Office encourages all internal audit staffs to perform as Integrated Auditors, that can audit which in Business, Information Technology and Engineering Systems, with a strong focus on staffs' professional development. At present, there are eight Certified Internal Auditors (CIA), five Certified Information System Auditors (CISA), one Certified Information Systems Security Professional (CISSP), eleven Certification in Risk Management Assurance (CRMA), three Certified Public Accountants (CPA) and one Tax Auditor (TA) in the Internal Audit Office. The remaining staffs are studying CIA, CISA, CRMA, CCSA (Certification in Control Self-Assessment), and CFE (Certified Fraud Examiners).

Related Transactions

The Company and its subsidiaries have entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

To be aligned with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1), the Company's Board of Directors has approved in principle, on 13 August 2008, that the management shall have the authority to undertake the related transactions, whereas those transactions are transactions with general trading conditions. The approval of the above transactions shall not constitute such authority to allow the director, an executive, or a related person to approve with a conflict of interest.

For approval process, the related transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit Committee of the Company and its

subsidiaries is responsible for reviewing the related transactions every quarter to ensure that no conflict of interest will be occurred in order to maximize the overall company's benefits.

The practice and disclosure about the related transactions have been followed up strictly under the notifications or rules of the Stock Exchange of Thailand.

For the fiscal year ended 31 December 2013 and 2012, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit Committee. The Audit Committee had an opinion that all related transactions are reasonable and based on the normal course of business. The Company charges / purchases products and services with related parties at reasonable prices and those prices are comparable to the market rate with general trading conditions. Details of related transactions are as follows;

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
1. Shin Corporation Public Company Limited (INTOUCH) INTOUCH is a major shareholder, holds 40.45%, and has joint directors 1.Mr. Somprasong Boonyachai 2. Mr. Vithit Leenutaphong	The Company and its subsidiaries provide mobile services and handset sales to INTOUCH. 1. Service income 2. Other income 3. Other service expenses 4. Trade accounts receivable 5. Other payable					The Company and its subsidiaries charge service fee and sale handset at the same rate as with external customers.
		0.42	0.80	0.74	0.74	
		0.19	0.43	0.39	0.59	
		1.71	1.71	-	-	
		0.04	0.09	0.35	0.35	
		1.71	1.71	-	-	

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
2. Thaicom Public Company Limited (THAICOM) INTOUCH is a major shareholder, holds 41.14%, and Mr. Somprasong Boonyachai is a joint director.	The Company leases satellite transponder on the Thai Com 1A from THAICOM and contract will effective until 21 June 2015. The Company pays US\$ 1,700,000 per year. The Company and its subsidiaries provide domestic and international phone services, handset sales and space for transponder equipment installation to THAICOM.					THAICOM is the only satellite operator in Thailand. The Company is charged at the same rate as with external customers.
	1. Service income	1.62	2.90	2.62	2.99	
	2. Other income	-	0.24	0.09	0.73	
	3. Rental and service expenses	51.30	51.30	51.58	51.58	
	4. Trade accounts receivable	0.05	0.10	0.96	1.18	
	5. Accrued income	-	0.10	-	0.02	
	6. Accrued expenses	4.51	4.51	4.28	4.28	
3. Matchbox Company Limited (MB) INTOUCH is a major shareholder, holds 99.96%, and Mr. Somprasong Boonyachai is a joint directors	The Company and its subsidiaries hire MB as an agency to provide publicity for the Group products/ services to customers through various media on a job-by-job basis. The Company and its subsidiaries provide mobile services and handset sales to MB.					MB is a creative advertising agency with good understanding of the Group's products & services and maintaining information as strictly confidential. Advertising fee is comparable to other agencies.
	1. Service income	-	-	0.01	0.01	
	2. Sale income	-	-	-	0.02	
	3. Advertising and other service expenses	470.92	1,340.77	875.82	982.95	
	4. Trade account receivable	0.01	0.01	-	-	
	5. Other payables	15.35	55.99	60.40	60.55	
	6. Accrued expenses	45.49	325.47	118.20	124.36	

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
4. Teleinfo Media Company Limited (TMC) INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire TMC to provide the following services; 1) Furnishing information or content on mobile phone such as astrology, lotto, and comic story. 2) Outsourcing call center The Company and its subsidiaries pay service fee on monthly basis. The Company and its subsidiaries provide mobile services and handset sales to TMC.					TMC has a specialization in providing information for content on mobile. The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers. Outsource call center fee is comparable to other call center providers.
	1. Service income	2.85	2.89	1.99	1.99	
	2. Other income	-	0.61	0.10	0.87	
	3. Service expenses	15.54	50.36	16.87	45.50	
	4. Trade accounts receivable	0.68	0.73	0.48	0.98	
	5. Trade accounts payable	0.71	2.20	3.55	5.80	
	6. Other payable	-	0.02	-	-	
	7. Accrued expenses	-	4.29	-	6.94	
5. I.T. Applications and Services Company Limited (ITAS) INTOUCH is a major shareholders, holds 100% and Mr. Somprasong Boonyachai is a joint director.	The Company and its subsidiaries hire ITAS to provide SAP solution and application development, and design and advertise the Group products/ service on website. The Company provides mobile services to ITAS.					ITAS provides SAP application development and improvement, including maintenance services. The services are timely and rapidly while the service fee is reasonable. ITAS charges the Company and its subsidiaries at comparable rate to other SAP consultant companies. The service charge depends on the type of work and the level of consultant.
	1. Service income	0.01	0.01	0.01	0.01	
	2. Other income	0.08	0.08	2.80	2.80	
	3. Service expenses	-	69.05	-	59.15	
	4. Trade account receivable	0.03	0.03	0.03	0.03	
	5. Trade accounts payable	-	-	0.02	37.37	
	6. Accrued expenses	-	7.01	-	7.12	

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
6. Group of SingTel Strategic Investments Private Limited (SingTel) SingTel is a major shareholder of the Company, holds 23.32%.	<p>The Company and its subsidiaries enter into an agreement with companies of SingTel group for the joint international roaming operation. The Company pays the salary and remuneration to Singapore Telecom International Pte Ltd. (STI) for sending its operational staff. The expense is charged on an actual basis, and the Company pays SingTel group a dividend in proportion of its shareholding percentage.</p> <p>1. Service income</p> <p>2. Other income</p> <p>3. Service expenses</p> <p>4. Salary and other remuneration</p> <p>5. Trade accounts receivable</p> <p>6. Other receivables</p> <p>7. Accrued income</p> <p>8. Trade accounts payable</p> <p>9. Other payable</p> <p>10. Accrued expenses</p>	<p>514.20</p> <p>-</p> <p>233.21</p> <p>57.38</p> <p>93.80</p> <p>-</p> <p>28.48</p> <p>-</p> <p>11.61</p> <p>23.62</p>	<p>593.26</p> <p>-</p> <p>468.97</p> <p>57.38</p> <p>95.77</p> <p>0.02</p> <p>30.18</p> <p>21.74</p> <p>11.61</p> <p>56.78</p>	<p>472.42</p> <p>0.21</p> <p>383.89</p> <p>69.35</p> <p>52.72</p> <p>0.04</p> <p>12.52</p> <p>-</p> <p>12.12</p> <p>23.62</p>	<p>495.58</p> <p>0.21</p> <p>454.56</p> <p>69.35</p> <p>56.03</p> <p>0.04</p> <p>15.00</p> <p>6.36</p> <p>12.12</p> <p>29.29</p>	<p>The International Roaming with SingTel is under the ordinary course of business since the Company and its subsidiaries provide international mobile service to foreign operators.</p> <p>Both parties charge each other at the accepted price by deduct profit from their customers. STI has an agreement with the Company that STI needs to provide operational staff to help the Company for management and any technique.</p> <p>The Company and its subsidiaries pay the service fee to STI by the actual basis according to the agreement.</p>
7. CS Loxinfo Public Company Limited (CSL) INTOUCH is an indirect major shareholder.	<p>The Company and its subsidiaries hire CSL for providing the internet service by connecting the network within and outside the country, and selling internet prepaid card through its distribution channel.</p> <p>The Company and its subsidiaries provide mobile services, handset sales and datanet equipment's rental to CSL.</p>					<p>CSL provides expertise on internet service by connecting internet data from local to worldwide through network.</p> <p>The Company and its subsidiaries are charged at the same rate as with external customers.</p>

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
	1. Service income	1.17	41.73	1.42	55.11	
	2. Other income	-	1.32	0.01	5.39	
	3. Rental and service expenses	3.81	4.15	3.88	4.17	
	4. Trade accounts receivable	0.05	6.28	0.09	5.96	
	5. Other receivable	-	0.01	-	-	
	6. Accrued income	-	2.06	-	1.40	
	7. Trade accounts payable	0.36	0.36	0.39	0.44	
	8. Other payables	-	0.04	0.01	0.03	
8. AD Venture Public Company Limited (ADV) INTOUCH is an indirect major shareholder.	<p>The Company and its subsidiaries hire ADV to provide content and value added service for mobile phone to the Company and its subsidiaries' customers such as game, ringtone, wallpaper and etc. by charging per month.</p> <p>The Company and its subsidiaries provide mobile services, software mall and handset sales to ADV.</p>					<p>ADV has a specialization in designing and creating website with variety contents which suit to the Company and its subsidiaries' need.</p> <p>The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers.</p>
	1. Service income	16.30	16.32	12.66	12.66	
	2. Other service income	-	1.46	-	0.40	
	3. Service expenses	0.03	481.91	0.10	496.13	
	4. Trade accounts receivable	1.65	2.47	1.29	1.37	
	5. Accrued income	-	0.02	-	0.02	
	6. Trade accounts payable	-	38.03	-	41.73	
	7. Accrued expenses	-	39.03	-	40.84	
9. DTV Service Company Limited (DTV) INTOUCH is an indirect major shareholder.	<p>The Company and its subsidiary hire DTV to create website.</p> <p>The Company and its subsidiaries provide mobile services to DTV.</p>					DTV has a specialization in an internet service and charge the Company at the comparable rate as with other content providers.
	1. Service income	0.13	0.13	0.33	0.33	
	2. Service expense	1.20	1.40	0.01	0.75	
	5. Trade account receivable	0.01	0.01	0.01	0.01	

Related parties/ Relation to the Company	Detail of transactions	31 December 2013 (Million Baht)		31 December 2012 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
10. Lao Telecommunications Company Limited (LTC) INTOUCH is an indirect major shareholder.	The Company and its subsidiaries have cooperated with LTC to provide international roaming. 1. Service income 2. Service expense 3. Trade accounts receivable 4. Accrued income 5. Trade accounts payable 6. Accrued expenses	 0.89 3.98 1.28 - - 0.07	 5.37 8.95 1.63 0.36 0.52 0.79	 0.79 2.50 0.31 - - 0.36	 8.48 6.64 5.16 0.69 2.25 0.80	LTC, the telecommunications service provider in Laos, provides fixed line, mobile phone, internet, and international roaming services. Roaming price is based on market rate.
11. Thai Yarnyon Co., Ltd Group (TYY) Mr. Vithit Leenutaphong is a joint director.	The Company and its subsidiaries hire TYY to provide car maintenance services and space rental for base station. The Company and its subsidiaries provide mobile services to TYY. 1. Service income 2. Service expenses 3. Trade accounts receivable 4. Trade account payable	 1.77 0.60 0.25 -	 1.91 0.85 0.27 0.03	 - - - -	 - - - -	TYY is a car dealer with specialist in car maintenance services. The Company is charged at the same rate as with external customers. Rate of base stations rental is comparable with another lessor in the nearby area.
12. Ookbee Company Limited INTOUCH is a direct shareholder, holds 25.04%.	MMT hire Ookbee to provide E-booking application on smartphones and tablets by charging per monthly AWN provides mobile services to Ookbee. 1. Service income 2. Service expenses 3. Trade account receivable 4. Trade account payable 5. Accrued expenses	 - - - - -	 0.02 10.42 0.01 0.24 0.27	 - - - - -	 - - - - -	Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers. MMT pays service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers.

Audit Committee

Report 2013

To the Shareholders of Advanced Info Service Public Company Limited)

The Audit Committee of Advanced Info Service Public Company Limited consists of three independent directors with combined experience in finance, accounting, law, and business administration. All members possess adequate qualifications for their posts as specified by the Audit Committee Charter and in accordance with the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand regulations (SET). The members are as follows:

- | | |
|--------------------------------|---------------------------------|
| 1. Mr. Aviruth Wongbuddhapitak | Chairman of the Audit Committee |
| 2. Mrs. Tasanee Manorot | Member of the Audit Committee |
| 3. Mr. Surasak Vajasit | Member of the Audit Committee |

and Mrs. Suvimon Kulalert, Chief Audit Executive, as Secretary. The summary of attendance of the member in 2013 is shown in "Management Structure".

The Audit Committee performed its duties and responsibilities independently, as assigned by the Board of Directors, supervising and overseeing the Company's state of affairs with adequacy of internal control systems, ensuring that the Company's business operations were carried out for beneficial to all shareholders and stakeholders and that management executed their duties with honesty, responsibility and in accordance with Company policies. In 2013, the meetings are summarized as follows:

1. The Audit Committee reviewed the Company's quarterly and annual financial statements, as well as the consolidated financial statements for 2013, which had already been reviewed and audited by the external auditor. Furthermore, the Audit Committee review the reasonableness of significant special items occur in the financial statements during the year prior to being agreed and submitted to the Board of Directors for approval. At all meetings, the Audit Committee invited management and the external auditor to the meetings for discussion.
2. The Audit Committee considered the external auditor's management letter and proposed external audit plan. The Audit Committee also held one exclusive meeting with the external auditor to freely discuss important issues concerning significant information to prepare the financial statements. The Audit Committee concluded that the internal control systems for financial reporting process were adequate to ensure that the financial statements accurately depicted the Company's financial status and operating results in all material respects. Furthermore, the Audit Committee determined that the financial statements were in accordance with all legally defined accounting standards and financial reporting standards and were adequately and promptly disclosed.
3. The Audit Committee reviewed connected transactions, or transactions that may lead to conflicts of interest. The Audit Committee concluded that the aforementioned transactions conducted by management were fair, without conflict of interest and maximized benefit to the Company and all shareholders on an arm's length basis and under normal commercial terms.
4. The Audit Committee, in conjunction with the Company's Internal Legal Counsel and the Compliance Department, reviewed adherence to the Securities and Exchange Act, respective regulations of the SEC and SET and other relevant laws, as well as business commitments with third party agreements. The Audit Committee determined that the Company was in compliance with all applicable regulatory requirements in all material respects. In the notes provided in the financial statements, believes that such issues shall turn out to be in the Company's favour.
5. The Audit Committee reviewed the effectiveness and adequacy of internal control systems by reviewing the internal audit reports, internal control assessment results, based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) 2013 Framework as well as SET and SEC guideline, and follow up results according to recommendations in internal audit and external audit reports. Furthermore, the Audit Committee visited Company operation sites to gain business process insight and also gave useful recommendations to improve effectiveness of internal control systems. No major structural weaknesses or significant errors were discovered in the internal control systems, which were in line with the external auditor's independent evaluation. Consequently, the Audit Committee concluded that internal control systems were adequate, sufficient and effective.

6. The Audit Committee conducted four review meetings to review risk management system with the Chief Executive Officer, representative of the Risk Management Committee. The Audit Committee concluded that risk management system had been operating appropriately.

7. The Audit Committee reviewed the Company's compliance with Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy and acknowledged all concerns of misconduct or fraud and the final investigation report by the investigating committee by quarterly. The Audit Committee gave some recommendations to take appropriate action fairly and comply with the Corporate Governance Policy. In 2013, all cases were resolved.

8. The Audit Committee was responsible for overseeing the Internal Audit Department to ensure that all internal audit activities and consulting activities were performed effectively and efficiently. In doing so, the Audit Committee reviewed its audit plan for 2013, scope of work, and those responsibilities, including annual budget, sufficiency and competency of manpower, and audit tools, which enhance quality of internal audit to conform to international standards. The Committee concluded that the internal audit processes and systems had been performed sufficiently and effectively, and its annual audit plan was in accordance with the Company's goals and key risk areas. The internal audit performance accomplished its goals. The internal audit process also demonstrated continuous improvement in respect of employee development and conformity with the International Standards for the Professional Practice of Internal Auditing.

Furthermore, the Audit Committee approved the internal audit plan for 2014, which based on the Company's key risk areas and emphasized on the evaluation of the effectiveness of key control points and control self-assessment for each process.

The Audit Committee also reviewed internal audit reports and performance, according to key performance indicators, and performance of the Chief Audit Executive. Each department was encouraged to evaluate and give suggestions to the internal auditors to improve quality of internal audit functions. In addition, the Audit Committee held one formal exclusive meeting with the Chief Audit Executive.

9. The Audit Committee submitted its quarterly reports to the Board of Directors and provided useful management performance recommendations, which were subsequently adopted.

10. The Audit Committee reviewed the Audit Committee Charter to propose amendments to the Board of Directors to be consistent with the Corporate Governance Policy, related regulation and the Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy.

11. The Audit Committee took into consideration the nomination and appointment of the external auditor and the annual audit fee for 2014. This process entailed assessment of the current external auditor for its independence, performance from the year 2013, knowledge, competency, experience in the telecommunications industry, available team support and the competitiveness of the audit fee as well as auditor rotation which legally required in every five years. After careful consideration the Audit Committee concluded that KPMG Phoomchai Audit Ltd. external auditors acted independently, demonstrated a high degree of expert knowledge and professional experience required for the purposes of conducting the Company's external audit and performed with satisfactory result. Consequently, the approved annual audit fee at the general shareholders meeting was appropriate.

12. The Audit Committee provided to conduct its performance self-assessment to review composition, authority, independence, meetings, auditing performance, and duties on reviewing and expressing opinions, all of which should benefit the Company on internal control and risk management systems, financial reporting, external audit process of the external auditor, the internal audit system and compliance with applicable regulatory requirements. The self-assessment was due to be benchmarked against guidelines from the SEC and the Audit Committee Charter. The result represented that the Audit Committee performed its duties and responsibilities with knowledge, ability, carefulness and sufficient independence. The Audit Committee had full access to all pertinent information from management, employees and associated parties. Furthermore, the Audit Committee gave creative comments and recommendations which were beneficial to all of the Company's stakeholders.

In summary, the Audit Committee determined that the Board of Directors, Management, and executive Directors all performed ethically with the intent to conduct their job functions professionally and in pursuit of the Company's performance goals. Furthermore, it concluded that the Company was fully committed to effective Corporate Governance as vital to its business and consequently established concise and appropriate risk management and internal control system.



Mr. Aviruth Wongbuddhapitak

Chairman of the Audit Committee



Mrs. Tasanee Manorot

Audit Committee member



Mr. Surasak Vajasit

Audit Committee member

Financial Report

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Advanced Info Service Public Company Limited's financial statements and Advanced Info Service Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in this annual report.

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, KPMG Phoomchai Audit Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Advanced Info Service Public Company Limited's financial statements and Advanced Info Service Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2013. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr. Vithit Leenutaphong

Chairman of the Board of Directors



Mr. Allen Lew Yoong Keong

Chairman of the Executive Committee

Independent Auditor's Report

To the Shareholders of Advanced Info Service Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Advanced Info Service Public Company Limited and its subsidiaries (the "Group"), and of Advanced Info Service Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2013, the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

D. Dinghanan

(Supot Singhasaneh)

Certified Public Accountant

Registration No. 2826

KPMG Phoomchai Audit Ltd.

Bangkok

11 February 2014

Statement of financial position

Advanced Info Service Public Company Limited and its Subsidiaries

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
		(in Baht)			
Current assets					
Cash and cash equivalents	6	11,473,120,876	19,833,022,300	3,964,630,780	10,356,825,174
Specifically-designated bank deposits	7	3,781,141,127	3,697,851,399	-	-
Current investments	8	1,576,941,592	1,340,247,890	-	-
Trade accounts receivable	5,9	10,264,184,371	8,065,058,909	11,529,604,208	9,560,307,462
Other receivables	5,10	4,851,425,229	3,661,732,370	1,205,237,858	1,293,639,363
Short-term loans to related parties	5	-	-	35,386,900,000	19,305,000,000
Inventories	11	2,864,932,209	1,426,532,182	80,021,810	271,262,145
Other current assets		153,136,150	78,963,627	-	23,791,727
Total current assets		34,964,881,554	38,103,408,677	52,166,394,656	40,810,825,871
Non-current assets					
Investments in subsidiaries	12	-	-	7,912,143,008	6,993,143,008
Other long-term investments	8	104,360,750	107,217,762	93,160,750	93,160,750
Property, plant and equipment	13	35,922,236,163	11,139,837,529	1,580,204,790	1,711,812,121
Assets under the Agreements for operations	14	20,499,802,732	29,156,810,877	20,491,416,123	28,458,678,092
Goodwill	15	34,930,692	34,930,692	-	-
Spectrum license	16	13,600,648,306	14,576,886,251	-	-
Other intangible assets	17	2,178,034,730	2,032,637,358	159,337,759	201,430,773
Swap and forward contracts receivable	36	653,397,782	-	653,397,782	-
Deferred tax assets	18	3,557,332,641	5,314,463,237	3,216,666,321	4,831,419,806
Other non-current assets		510,084,969	501,704,805	671,294,457	429,916,931
Total non-current assets		77,060,828,765	62,864,488,511	34,777,620,990	42,719,561,481
Total assets		112,025,710,319	100,967,897,188	86,944,015,646	83,530,387,352

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

Statement of financial position

Advanced Info Service Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
		(in Baht)			
Current liabilities					
Short-term loans from financial institution	19	4,000,000,000	-	4,000,000,000	-
Trade accounts payable	5,20	11,718,205,683	7,340,963,833	1,621,377,526	4,709,776,752
Other payables	5,21	9,536,172,211	7,444,147,767	4,925,418,639	7,137,603,149
Short-term loan from related party	5	-	-	4,400,000,000	-
Current portion of long-term borrowings	19	5,303,408,757	8,461,950,113	5,297,776,745	8,457,290,378
Current portion of Spectrum license payable	16	3,656,250,000	-	-	-
Accrued revenue sharing expenses	1	3,534,750,009	4,854,693,278	3,394,175,838	3,906,523,470
Unearned income - mobile phone service		1,599,664,604	1,699,344,990	1,134,085,114	1,925,790,790
Advanced receipts from customers		2,985,927,727	2,796,034,520	-	-
Income tax payable		2,816,611,446	3,524,842,800	1,923,263,743	3,069,438,491
Other current liabilities		340,245,305	165,648,825	304,012,947	58,428,389
Total current liabilities		45,491,235,742	36,287,626,126	27,000,110,552	29,264,851,419
Non-current liabilities					
Long-term borrowings	19	15,354,770,702	11,887,812,971	15,339,346,797	11,875,617,035
Employee benefit obligations	22	1,361,376,034	1,222,767,045	767,853,695	809,940,528
Swap and forward contracts payable	36	-	509,535,963	-	509,535,963
Spectrum license payable	16	3,656,250,000	7,312,500,000	-	-
Other non-current liabilities		269,491,753	205,803,780	55,861,060	55,578,310
Total non-current liabilities		20,641,888,489	21,138,419,759	16,163,061,552	13,250,671,836
Total liabilities		66,133,124,231	57,426,045,885	43,163,172,104	42,515,523,255

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

Statement of financial position

Advanced Info Service Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2013	2012	2013	2012
		(in Baht)			
Equity					
Share capital	23				
Authorised share capital		4,997,459,800	4,997,459,800	4,997,459,800	4,997,459,800
Issued and paid-up share capital		2,973,095,330	2,973,095,330	2,973,095,330	2,973,095,330
Additional paid-in capital					
Premium on ordinary shares	23	22,372,276,085	22,372,276,085	22,372,276,085	22,372,276,085
Retained earnings					
Appropriated					
Legal reserve	24	500,000,000	500,000,000	500,000,000	500,000,000
Unappropriated		19,729,332,548	17,344,196,146	17,928,485,775	15,169,492,682
Other components of equity	25	173,403,605	163,591,102	6,986,352	-
Equity attributable to owners of the Company		45,748,107,568	43,353,158,663	43,780,843,542	41,014,864,097
Non-controlling interests		144,478,520	188,692,640	-	-
Total equity		45,892,586,088	43,541,851,303	43,780,843,542	41,014,864,097
Total liabilities and equity		112,025,710,319	100,967,897,188	86,944,015,646	83,530,387,352

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

Statement of income

Advanced Info Service Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
		(in Baht)			
Continuing operations					
Revenues					
Revenues from rendering of services					
and equipment rentals	5	123,787,610,513	123,853,866,235	101,353,047,187	108,211,356,546
Revenue from sale of goods	5	18,995,274,129	17,695,242,411	516,324,259	519,177,612
Total revenue		142,782,884,642	141,549,108,646	101,869,371,446	108,730,534,158
Cost					
Cost of rendering of services and					
equipment rentals	31	(39,107,604,313)	(40,152,546,500)	(32,773,277,023)	(36,712,038,098)
Revenue sharing expense	1	(24,273,347,402)	(27,579,827,527)	(22,864,248,043)	(24,575,738,661)
Cost of sale of goods		(17,760,269,921)	(16,218,404,363)	(515,767,375)	(519,024,552)
Total cost		(81,141,221,636)	(83,950,778,390)	(56,153,292,441)	(61,806,801,311)
Gross profit		61,641,663,006	57,598,330,256	45,716,079,005	46,923,732,847
Selling and administrative expenses					
Selling expenses	31	(4,331,356,643)	(2,890,359,454)	(1,819,177,988)	(2,551,228,230)
Administrative expenses	31	(10,545,060,955)	(9,067,499,763)	(8,735,287,401)	(9,444,863,866)
Total selling and administrative expenses		(14,876,417,598)	(11,957,859,217)	(10,554,465,389)	(11,996,092,096)
Profit from sales, services and					
equipment rentals		46,765,245,408	45,640,471,039	35,161,613,616	34,927,640,751
Investment income	5,12,28	548,204,710	773,624,201	9,544,154,772	8,595,345,854
Other operating income	29	322,552,869	342,614,672	627,814,405	519,959,868
Impairment loss of assets	12,15	-	-	(216,000,000)	(2,475,000,000)
Net foreign exchange gain (loss)		(233,001,951)	102,307,469	57,558,526	54,865,813
Management benefit expenses	5	(163,084,715)	(152,639,314)	(162,774,715)	(152,304,314)
Finance costs	5,32	(1,002,278,159)	(1,092,793,795)	(1,017,269,330)	(1,082,488,520)
Profit before income tax expense		46,237,638,162	45,613,584,272	43,995,097,274	40,388,019,452
Income tax expense	33	(10,007,635,247)	(10,714,505,893)	(7,347,112,959)	(8,293,049,367)
Profit for the year		36,230,002,915	34,899,078,379	36,647,984,315	32,094,970,085
Profit attributable to:					
Owners of the Company		36,274,127,624	34,883,226,960	36,647,984,315	32,094,970,085
Non-controlling interests		(44,124,709)	15,851,419	-	-
Profit for the year		36,230,002,915	34,899,078,379	36,647,984,315	32,094,970,085
Earnings per share	34				
Basic earnings per share		12.20	11.73	12.33	10.80
Diluted earning per share		12.20	11.73	12.33	10.80

Statement of comprehensive income

Advanced Info Service Public Company Limited and its Subsidiaries

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
		(in Baht)			
Profit for the year		36,230,002,915	34,899,078,379	36,647,984,315	32,094,970,085
Other comprehensive income					
Net change in fair value of available- for-sale investments		2,863,186	1,283,679	-	-
Employee benefit obligation					
actuarial losses	22	-	(723,056,490)	-	(417,477,333)
Income tax on other comprehensive income	33	-	142,238,598	-	83,495,466
Other comprehensive income for the year, net of income tax		2,863,186	(579,534,213)	-	(333,981,867)
Total comprehensive income for the year		36,232,866,101	34,319,544,166	36,647,984,315	31,760,988,218
Total comprehensive income attributable to:					
Owners of the Company		36,276,953,775	34,300,585,675	36,647,984,315	31,760,988,218
Non-controlling interests		(44,087,674)	18,958,491	-	-
Total comprehensive income for the year		36,232,866,101	34,319,544,166	36,647,984,315	31,760,988,218

Statement of changes in equity

Advanced Info Service Public Company Limited and its Subsidiaries

Consolidated financial statements											
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity				Equity attributable to owners of the Company	Non-controlling interests	Total equity
			Legal reserve	Unappropriated	Reserve for share-based payment	Unrealised gain on dilution of investment	Fair value changes in available-for-sale investments	Total other components of equity			
Note	(in Baht)										
Year ended 31 December 2012											
Balance at 1 January 2012	2,973,095,330	22,372,276,085	500,000,000	13,245,952,355	-	161,186,663	1,156,232	162,342,895	39,253,666,665	209,886,277	39,463,552,942
Transactions with owners, recorded directly in equity											
Dividends	5.35	-	-	(30,201,093,677)	-	-	-	-	(30,201,093,677)	(40,152,128)	(30,241,245,805)
Total transactions with owners, recorded directly in equity		-	-	(30,201,093,677)	-	-	-	-	(30,201,093,677)	(40,152,128)	(30,241,245,805)
Comprehensive income for the year											
Profit		-	-	34,883,226,960	-	-	-	-	34,883,226,960	15,851,419	34,899,078,379
Other comprehensive income		-	-	(583,889,492)	-	-	1,248,207	1,248,207	(582,641,285)	3,107,072	(579,534,213)
Total comprehensive income for the year		-	-	34,299,337,468	-	-	1,248,207	1,248,207	34,300,585,675	18,956,491	34,319,544,166
Balance at 31 December 2012	2,973,095,330	22,372,276,085	500,000,000	17,344,196,146	-	161,186,663	2,404,439	163,591,102	43,353,158,663	186,692,640	43,541,851,303

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

Statement of changes in equity

Advanced Info Service Public Company Limited and its Subsidiaries

Consolidated financial statements													
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity					Equity attributable to owners of the Company	Non-controlling interests	Total equity
				Legal reserve	Unappropriated	Reserve for share-based payment	Unrealised gain on dilution of investment	Fair value changes in available-for-sale investments	Total other components of equity				
										(in Baht)			
Year ended 31 December 2013													
Balance at 1 January 2013		2,973,095,330	22,372,276,085	500,000,000	17,344,196,146	-	161,186,663	2,404,439	163,591,102	43,353,158,663	188,692,640	43,541,851,303	
Transactions with owners, recorded directly in equity													
Share-base payment transaction	25	-	-	-	-	6,986,352	-	-	6,986,352	6,986,352	-	6,986,352	
Cash returned from liquidation of subsidiaries		-	-	-	-	-	-	-	-	-	(610)	(610)	
Dividends	5,35	-	-	-	(33,888,991,222)	-	-	-	-	(33,888,991,222)	(125,836)	(33,889,117,058)	
Total transactions with owners, recorded directly in equity		-	-	-	(33,888,991,222)	6,986,352	-	-	6,986,352	(33,882,004,870)	(126,446)	(33,882,131,316)	
Comprehensive income for the year													
Profit		-	-	-	36,274,127,624	-	-	-	-	36,274,127,624	(44,124,709)	36,230,002,915	
Other comprehensive income		-	-	-	-	-	-	2,826,151	2,826,151	2,826,151	37,035	2,863,186	
Total comprehensive income for the year		-	-	-	36,274,127,624	-	-	2,826,151	2,826,151	36,276,953,775	(44,087,674)	36,232,866,101	
Balance at 31 December 2013		2,973,095,330	22,372,276,085	500,000,000	19,729,332,548	6,986,352	161,186,663	5,230,590	173,403,605	45,748,107,568	144,478,520	45,892,586,088	

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

Statement of changes in equity

Advanced Info Service Public Company Limited and its Subsidiaries

Separate financial statements						
	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
			Legal reserve	Unappropriated	Reserve for share-based payment	
(in Baht)						
Year ended 31 December 2012						
Balance at 1 January 2012	2,973,095,330	22,372,276,085	500,000,000	13,609,598,141	-	39,454,969,556
Transactions with owners, recorded directly in equity						
Dividends	-	-	-	(30,201,093,677)	-	(30,201,093,677)
Total transactions with owners, recorded directly in equity	-	-	-	(30,201,093,677)	-	(30,201,093,677)
Comprehensive income for the year						
Profit	-	-	32,094,970,085	-	32,094,970,085	
Other comprehensive income	-	-	-	(333,981,867)	-	(333,981,867)
Total comprehensive income for the year	-	-	-	31,760,988,218	-	31,760,988,218
Balance at 31 December 2012	2,973,095,330	22,372,276,085	500,000,000	15,169,492,882	-	41,014,864,097

Note

5.35

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

Statement of changes in equity

Advanced Info Service Public Company Limited and its Subsidiaries

		Separate financial statements					
	Note	Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	Total equity
				Legal reserve	Unappropriated	Reserve for share-based payment	
		(in Baht)					
Year ended 31 December 2013							
Balance at 1 January 2013		2,973,095,330	22,372,276,085	500,000,000	15,169,492,682	-	41,014,864,097
Transactions with owners, recorded directly in equity							
Share-base payment transaction	25	-	-	-	-	6,986,352	6,986,352
Dividends	5,35	-	-	-	(33,888,991,222)	-	(33,888,991,222)
Total transactions with owners, recorded directly in equity		-	-	-	(33,888,991,222)	6,986,352	(33,882,004,870)
Comprehensive income for the year							
Profit	-	-	-	36,647,984,315	-	36,647,984,315	-
Total comprehensive income for the year		-	-	-	36,647,984,315	-	36,647,984,315
Balance at 31 December 2013		2,973,095,330	22,372,276,085	500,000,000	17,928,485,775	6,986,352	43,780,843,542

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

Statement of cash flows

Advanced Info Service Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
		(in Baht)			
Cash flows from operating activities					
Profit for the year		36,230,002,915	34,899,078,379	36,647,984,315	32,094,970,085
Adjustments for					
Depreciation		3,037,080,038	2,183,059,143	607,516,902	860,180,299
Amortisation of intangible assets		13,504,064,271	13,446,818,269	11,111,915,640	11,951,896,741
Impairment loss of assets	12,15	-	-	216,000,000	2,475,000,000
Investment income	5,12,28	(548,204,710)	(773,624,201)	(9,544,154,772)	(8,595,345,854)
Finance costs	5,32	1,002,278,159	1,092,793,795	1,017,269,330	1,082,488,520
Doubtful accounts and bad debts expense	9	786,761,009	542,519,791	359,749,826	522,718,550
Share-based payment transaction	25	6,986,352	-	6,986,352	-
Allowance for obsolete, decline in value and write-off inventories		72,978,456	22,790,873	14,139,273	3,212,986
Loss on disposals and write-off of assets		562,133,543	363,724,008	556,336,656	365,804,393
Unrealised (gain) loss on exchange		(3,342,575)	78,725,479	(20,246,438)	81,721,689
Income tax expense	33	10,007,635,247	10,714,505,893	7,347,112,959	8,293,049,367
Cash provided by operation before changes in operating assets and liabilities		64,658,372,705	62,570,391,429	48,320,610,043	49,135,696,776
Changes in operating assets and liabilities					
Specifically-designated bank deposits		(83,289,728)	(171,685,379)	-	-
Trade accounts receivable		(2,968,007,766)	(1,564,470,326)	(2,311,658,520)	1,509,141,099
Other receivables		(989,977,626)	(1,003,063,859)	45,227,749	(25,496,937)
Inventories		(1,511,529,346)	(362,233,208)	177,101,062	(146,248,300)
Other current assets		(74,169,116)	33,388,779	23,791,727	(23,791,727)
Other non-current assets		(8,380,164)	33,371,762	(241,377,526)	43,846,547
Trade accounts payable		474,589,788	1,648,103,515	(1,596,514,056)	1,110,182,289
Other payables		2,135,419,423	1,406,641,977	(2,174,492,655)	399,593,901
Accrued revenue sharing expenses		(1,319,943,269)	262,089,345	(512,347,632)	541,084,228
Unearned income - mobile phone service		(99,680,385)	(664,269,691)	(791,705,677)	(614,088,265)
Advanced receipts from customers		189,893,206	121,638,291	-	-
Other current liabilities		66,508,915	(7,556,679)	137,501,526	(48,673,829)
Swap and forward contracts payable		(8,053,509)	(110,797,904)	(8,054,636)	(110,797,904)
Other non-current liabilities		91,621,954	50,613,031	(69,153,440)	32,095,667
Cash generated from operating activities		60,553,375,082	62,242,161,083	40,998,927,965	51,802,543,545
Income tax paid		(9,224,648,109)	(11,109,515,280)	(6,878,534,223)	(7,331,394,363)
Net cash from operating activities		51,328,726,973	51,132,645,803	34,120,393,742	44,471,149,182

Statement of cash flows

Advanced Info Service Public Company Limited and its Subsidiaries

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
		2013	2012	2013	2012
		(in Baht)			
Cash flows from investing activities					
Interest received		558,886,730	746,495,275	1,316,239,515	809,252,368
Purchase of property, plant, equipment and computer software		(23,013,592,746)	(5,502,658,884)	(513,837,398)	(453,283,311)
Sale of property and equipment		15,618,332	27,619,467	41,228,357	20,599,608
Purchase of assets under the Agreements for operations		(5,446,556,296)	(4,095,461,459)	(5,158,865,300)	(3,634,676,306)
Payment of spectrum license		-	(7,321,291,621)	-	-
Net changes increase of short-term loans to subsidiaries		-	-	(16,081,900,000)	(11,200,000,000)
Net changes increase in current investments	8	(233,830,517)	(612,419,788)	-	-
Net changes (increase) decrease in other long-term investments	8	2,857,012	(791,128)	-	-
Addition of investment in a subsidiary	12	-	-	(1,135,000,000)	-
Dividend received from subsidiaries	5	-	-	8,215,574,164	7,726,124,264
Net cash used in investing activities		(28,116,617,485)	(16,758,508,138)	(13,316,560,662)	(6,731,983,377)
Cash flows from financing activities					
Interest paid		(959,556,015)	(1,102,015,007)	(995,143,957)	(1,101,266,235)
Other finance costs paid		(20,384,781)	(44,724,905)	(14,392,840)	(42,753,061)
Finance lease principal payments		(29,829,880)	(26,470,970)	(23,876,887)	(21,521,028)
Net changes increase of short-term loans from financial institutions		4,000,000,000	-	4,000,000,000	-
Net changes increase of short-term loans from a subsidiary		-	-	4,400,000,000	-
Repayments of long-term borrowings		(8,485,647,730)	(5,486,147,730)	(8,486,147,730)	(5,486,147,730)
Proceeds from long-term borrowings		7,812,480,000	3,998,876,000	7,812,480,000	3,998,876,000
Cash returned paid to non-controlling interests from liquidation of subsidiaries		(610)	-	-	-
Dividend paid		(33,889,117,058)	(30,241,245,805)	(33,888,991,222)	(30,201,093,677)
Net cash used in financing activities		(31,572,056,074)	(32,901,728,417)	(27,196,072,636)	(32,853,905,731)
Net increase (decrease) in cash and cash equivalents					
		(8,359,946,586)	1,472,409,248	(6,392,239,556)	4,885,260,074
Cash and cash equivalents at 1 January		19,833,022,300	18,360,810,159	10,356,825,174	5,471,762,207
Effect of exchange rate changes on balances held in foreign currencies		45,162	(197,107)	45,162	(197,107)
Cash and cash equivalents at 31 December		11,473,120,876	19,833,022,300	3,964,630,780	10,356,825,174
Supplemental disclosures of cash flow information					
Non-cash transactions					
Outstanding debts arising from investment in property, plant and equipment, assets under the Agreements for operations and spectrum license		11,528,914,889	10,291,135,939	585,507,328	2,104,628,152

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

Notes to the financial statements

Advanced Info Service Public Company Limited and its Subsidiaries

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Notes to the financial statements

Advanced Info Service Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 11 February 2014.

1 General information

Advanced Info Service Public Company Limited “the Company”, is incorporated in Thailand and has its registered office at 414 Shinawatra Tower 1, Phaholyothin Road, Phayathai, Bangkok, Thailand.

The Company was listed on the Stock Exchange in Thailand in November 1991.

Shin Corporation Public Company Limited is a major shareholder, holding 40.45% (2012: 40.45%) of the share capital of the Company and is incorporated in Thailand. SingTel Strategic Investments Pte Ltd. is a shareholder holding 23.32% (2012: 23.32%) of the share capital of the Company and is incorporated in Singapore.

The major principal business operations of the Company and its subsidiaries (“the Group”) are summarised as follows:

- 1) The operation of a 900-MHz CELLULAR TELEPHONE SYSTEM as the operator. The Company has been granted permission from TOT Public Company Limited (“TOT”), under the Agreement for operation dated 27 March 1990, to operate and service of Cellular Mobile Telephone, either analog (NMT) or Digital GSM, 900 MHz frequency nationwide, parallel operation for 25 years since 1 October 1990, being the first commercial operating date of service. The Agreement ends on 30 September 2015. The Company is obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, the Company shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operating the 900-MHz Cellular System to TOT when the installation has been completed and the Company shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from the mobile phone service prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement. The Agreement does not specify a minimum cumulative amount over the term of the Agreement. The percentages of the service revenues and minimum annual revenue sharing for each year are as follows:

Year	Percentage of revenues	Minimum annual revenue sharing (in million Baht)
1 - 5	15	13 to 147
6 - 10	20	253 to 484
11 - 15	25	677 to 965
16 - 20	30	1,236 to 1,460
21 -25	30	1,460

- 2) The operation of a DATAKIT VIRTUAL CIRCUIT SWITCH as the operator. Advanced Data network Communications Co., Ltd. (“ADC”), an indirect subsidiary, has been granted permission from TOT Public Company Limited (“TOT”), under the Agreement dated 19 September 1989, for rendering services for DATAKIT VIRTUAL CIRCUIT SWITCH in the area of the Metropolitan Telephone Exchange.

Under the Agreement, ADC shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operation of DATAKIT System to TOT when the installation has been completed and ADC shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from service

of DATAKIT VIRTUAL CIRCUIT SWITCH prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement.

ADC and TOT have mutually agreed to amend the Agreement and signed the Supplemental Agreement on 25 September 1997 to extend the validity period from 10 years to 25 years (such validity period shall be ended on 24 September 2022) and waive the collection of annual revenue sharing under the agreements effective from 25 September 1997. ADC issued 10.75 million ordinary shares at a par value of Baht 10 (11.23% of total shares) to TOT on 17 March 1998 in consideration of such waiver. As at 31 December 2013, TOT owns 48.12% of ADC's total shares (2012: 48.12%).

- 3) The operation of a 1800-MHz CELLULAR TELEPHONE SYSTEM as the operator. Digital Phone Company Limited ("DPC"), a subsidiary, had been granted permission from CAT Telecom Public Company Limited ("CAT"), under the Agreement for operation dated 19 November 1996 ("the Agreement"), to operate and service Cellular Mobile Telephone: Digital PCN (PERSONAL COMMUNICATION NETWORK) 1800, frequency between 1747.9 MHz to 1760.5 MHz and 1842.9 MHz to 1855.5 MHz, nationwide. DPC started the operation commencing from 28 May 1997, ending 15 September 2013 and DPC was obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, DPC was entitled to immediately transfer the ownership right of its machineries, all equipment and tools or assets for operation to CAT upon installation completion and DPC paid CAT the annual revenue sharing at

Year	Percentage of revenues	Minimum annual revenue sharing (in million Baht)
1	25	9
2 - 9	20	60 to 320
10 - 14	25	350 to 650
15 - 16	30	670

the percentage of annual revenues and any benefit in according with the accrual basis from the mobile phone service prior to deducting any expenses and any tax and fees which the minimum revenue sharing must accumulate, over the term of the Agreement, not less than Baht 5,400 million as follows:

As at 31 December 2013, DPC had paid the revenue sharing to CAT in a total amount of Baht 15,853 million (2012: Baht 13,636 million).

The Agreement expired on 15 September 2013. The National Broadcast and Telecommunication Commission ("NBTC") has announced a temporary customer protection measure after the Agreement expired to assign the operator to provide continuing services to the subscribers for up to a further 1 year commencing from the Agreement expiration date. The operator must comply with the rules and conditions set forth in the announcement. The application of those rules and conditions has yet to be clarified in detail by NBTC (including expenses that may be deducted in arriving at a notional profit payable to the State). Consequently, the outcome of complying with this extension on DPC and the Group is, currently, uncertain.

- 4) The operation of a 2.1-GHz CELLULAR TELEPHONE SYSTEM as the operator. Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission ("NBTC"), under the license certificate ("License") dated 7 December 2012, to operate and service Cellular Mobile Telephone, frequency between 1950 MHz to 1965 MHz and 2140 MHz to 2155 MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1. AWN started the operation commencing from 7 December 2012, ending 6 December 2027 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

Details of the Company's subsidiaries as at 31 December were as follows:

Name of the entities	Type of business	Country of incorporation	Ownership interest (%)	
			2013	2012
Advanced Internet Revolution Co., Ltd.	Service Provider of internet	Thailand	99.99	99.99
Advanced Datanetwork Communications Co., Ltd. * (* Indirect subsidiary)	Service provider of online data communications service via telephone land line and optical fiber	Thailand	51.00	51.00
Advanced Contact Center Co., Ltd.	Service provider of call center	Thailand	99.99	99.99
Digital Phone Co., Ltd.	Service provider of digital mobile phone system in 1800 MHz frequency	Thailand	98.55	98.55
Advanced Magic Card Co., Ltd.	Distributor of cash card business	Thailand	99.99	99.99
Advanced Mpay Co., Ltd.	Service provider of electronic payment and cash card	Thailand	99.99	99.99
AIN GlobalComm Co., Ltd.	Service provider of international telephone service/gateway	Thailand	99.99	99.99
Advanced Wireless Network Co., Ltd.	Service provider of cellular telephone network in 2.1-GHz frequency, distributor of handsets and international telephone service	Thailand	99.99	99.99
Super Broadband Network Co., Ltd.	Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television	Thailand	99.99	99.99
Wireless Device Supply Co., Ltd.	Importer and distributor of handset and accessories	Thailand	99.99	99.99
Mobile Broadband Business Co., Ltd. (* Indirect subsidiary)	On liquidation process	Thailand	-	99.99
Advanced Mobile Broadband Co., Ltd. (* Indirect subsidiary)	On liquidation process	Thailand	-	99.99
Fax Lite Co., Ltd.	Operate in land and building rental and service, and related facilities	Thailand	99.97	99.97
MIMO Tech Co., Ltd.	Operate IT, content aggregator, and outsourcing service for billing and collection	Thailand	99.99	99.99
Advanced Broadband Network Co., Ltd.	Currently not start the operation	Thailand	99.97	99.97

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued the following new and revised TFRS relevant to the Group's/Company's operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group's/Company's accounting policies. The effects of these changes are disclosed in note 3. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group/Company.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 41.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- derivative financial instruments are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- available-for-sale financial assets are measured at fair value.

(c) Functional and Presentation currency

The financial statements are presented in Thai Baht, which is the Group/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 stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 4(s)	Current and deferred taxation
Note 9	Allowance for doubtful accounts
Note 11	Allowance for obsolete inventories
Note 13	Utilisation of property, plant and equipment
Note 14	Utilisation of asset under the Agreement for operation
Note 12, 15	Key assumptions used in discounted cash flow projections
Note 17	Utilisation of intangible assets
Note 22	Measurement of employee benefit obligations
Note 36	Valuation of financial instruments
Note 38, 39	Provisions and contingencies/Significant events, commercial disputes and litigation

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group/Company has changed its accounting policies in the following areas:

- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group/Company are included in notes 3(b) to 3(c) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group/Company.

(b) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group/Company has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's/Company's reported assets, liabilities or retained earnings.

(c) Presentation of information on operating segments

From 1 January 2013, the Group/Company has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's/Company's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's/Company's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the “management approach” to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group’s/Company’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to those segments. Previously the Group/Company presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group’s/Company’s financial statements.

4 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”).

Business combinations

The Group/Company applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group/Company to the previous owners of the acquiree, and equity interests issued by the Group/Company. 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/Company 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.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree’s employees (acquiree’s awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

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.

The Group/Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the 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.

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 losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency (Thai Baht) of the Group entities at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency using the foreign exchange rates ruling at the dates of the transactions.

(c) Derivative financial instruments

The Group/Company uses financial instruments to manage exposure to fluctuations in foreign currency exchange and interest rates. These instruments, which mainly comprise forward foreign currency contracts and cross currency swap agreements, are recorded in the financial statements on the contract date. The purpose of these instruments is to manage risk.

Forward foreign exchange contracts protect the Group/Company from fluctuations in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Forward contracts are recorded as forward contracts receivable and payable on inception, and are translated at the year end exchange rate. Unrealised gains or losses on transactions are recognised in profit and loss. Premiums or discounts are amortised in the statement of income on a straight-line basis over the contract period.

Interest rate derivatives help the Group/Company to better manage effects from fluctuations in floating interest rates. Any differential to be received or paid on an interest rate derivative is recognised as a component of interest income or expense over the period of such instrument. Gains or losses of early termination of interest rate derivatives or on repayment of the borrowing are charged to profit or loss.

(d) Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with original maturities of three month or less.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories comprise mobile phones, refill cards, sim cards, premiums and spare parts used for repairs and services.

Inventories are stated at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated as follows:

Finished goods	- moving weighted average method
Spare parts (mobile phones and network)	- moving weighted average method
Datanet equipment	- first-in, first-out (FIFO) method

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.

An allowance is made for all deteriorated, changed, obsolete and slow-moving inventories.

(g) Investments

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less impairment losses.

Investment in other debt and equity securities

Fixed deposit at bank is presented as part of current investment with maturities over three months, not exceeding one year.

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group/Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

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.

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 net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group/Company substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation

and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Subsequent costs

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 the Group/Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5, 20	years
Leasehold building improvements	5, 10	years
Tools and equipment (including computer)	2 - 20	years
Furniture, fixtures and office equipment	2-5	years
Communication equipment for rental	3	years
Communication equipment for major corporate customer rental	Over period of rental agreement	
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Assets under the Agreements for operation

Assets under the Agreements for operation represent the cost of certain equipment and other assets which have been or have to be transferred to the grantor of the Agreements of operation and are stated at cost less accumulated amortisation and impairment losses.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

License for operation right in spectrum of telecommunication

License for operation right in spectrum of telecommunication represents the acquisition cost of license to operate a mobile phone system under 2.1-GHz.

The operation right

The operation right represents the acquisition cost of certain rights and obligations to operate a mobile phone system.

Other intangible assets

Other intangible assets that are acquired by the Group/Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Asset under the Agreements for operation

- Mobile phone network digital system	10	years not exceeding the remaining period of the Agreement for operation
- Datanet tools and equipments	10	years not exceeding the remaining period of the Agreement for operation
- Computer system under the Agreement for operation of 1800-MHz operation	5	years not exceeding the remaining period of the Agreement for operation
Software licences and software development costs	5, 10	years
License for operation right in spectrum of telecommunication		Over the period of the license
The operation right		Over the period of the Agreement for operation

No amortisation is provided on advance payments and assets under construction of the Assets under the Agreements for operation.

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

(j) Other assets

Deferred charges

Deferred charges represent commitment fees for long-term loans, costs of long-term leases of space for base stations, expenditures relating to the increase of power of electricity at base stations and expenditures relating to the improvement project of mobile phone service network and are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Commitment fees of long-term loans	Over the loan agreement period
Costs of long-term leases for base stations	Over the lease agreement period
Expenditures relating to the increase of power of electricity at base stations	Over the remaining period of the Agreement of operation period
Expenditures relating to the improvement project of mobile phone service network	4 years
Operation right of the datanet service	10 years not exceeding the remaining period of the Agreement for operation

(k) Impairment

The carrying amounts of the Group's/Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) 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 with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Provident fund

The Group/Company had provident funds which is a defined contribution plan. The fund's asset of the provident fund is separated from the Group's/Company's asset and has been managed by a licensed fund manager. The provident fund receives a cash contribution from employee and the related Group/Company. The contribution expenditure of the provident fund is recognised as expense in profit or loss as accrued.

Employee benefit obligations and long-term service award

The obligation in respect of post-employment benefits that provide compensation according to labor law and long-term service award are recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method.

The Group/Company recognised all actuarial gain and loss arising from employee benefit obligations in other comprehensive income and all expenses related to employee benefit obligations in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group/Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

(p) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. 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. Service income is recognised as services are provided. Revenue from mobile phone and call center services are recognised when services are rendered to customers. Revenue from rendering voice/data communications via telephone line network services is recognised when service is rendered.

Rental income

Rental income from rental equipment is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(q) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments 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.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group/Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's/ Company's incremental borrowing rate.

(s) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax 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 is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised if it is probable that they will not be utilised in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they adjust, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group/Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Earnings per share

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company 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.

During the year, the Group/Company has entered into a number of transactions with related parties, the terms of which are negotiated in the ordinary course of business and according to normal trade conditions. Purchases of products and services are charged at reasonable prices and those prices are comparable to the market rate with general trading conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets.

Relationships with related parties that control or jointly control the Company or are being controlled or jointly controlled by the Company or have transactions with the Group were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Subsidiaries	Thailand	More than 50% shareholding or being controlled.
Shin Corporation Public Company Limited and its related parties ("INTOUCH Group")	Thailand and Laos	Shin Corporation Public Company Limited ("INTOUCH") is a major shareholder, 40.45% shareholding and has some joint directors.
SingTel Strategic Investments Pte Ltd. and its related parties ("SingTel Group")	Singapore	SingTel Strategic Investments Pte Ltd. ("SingTel") is a major shareholder, 23.32% shareholding.
Other related parties	Thailand	Other parties have some joint directors and directors of related parties.

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
<i>Service income</i>				
Subsidiaries	-	-	13,048	2,434
INTOUCH Group	70	85	24	22
SingTel Group	593	495	514	472
Other related parties	2	-	2	-
Total	665	580	13,588	2,928
<i>Sales of prepaid cards</i>				
Subsidiaries	-	-	137	6,961
<i>Sales of Refill on mobile (ROM)</i>				
Subsidiaries	-	-	28	857
<i>Sales of property and other assets</i>				
Subsidiaries	-	-	24	3
<i>Dividend income</i>				
Subsidiaries	-	-	8,216	7,726
<i>Interest income</i>				
Subsidiaries	-	-	1,102	489
<i>Other income</i>				
Subsidiaries	-	-	731	224
INTOUCH Group	4	8	-	-
Total	4	8	731	224
<i>Rental and other service expenses</i>				
Subsidiaries	-	-	21,128	24,101
INTOUCH Group	674	670	72	80
SingTel Group	526	524	290	453
Other related parties	1	-	1	-
Total	1,201	1,194	21,491	24,634
<i>Advertising expense</i>				
INTOUCH Group	1,345	984	475	876
<i>Sale promotion expense</i>				
Subsidiaries	-	-	136	172
INTOUCH Group	1	-	1	-
Total	1	-	137	172
<i>Commission expense</i>				
Subsidiary	-	-	3,714	3,748
<i>Purchases of property and other assets</i>				
Subsidiary	-	-	272	-

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
<i>Management employee benefit expense</i>	163	153	163	152
<i>Finance costs</i>				
Subsidiaries	-	-	42	-
INTOUCH Group	1	1	1	1
Other related parties	-	1	-	1
Total	1	2	43	2
<i>Dividend paid</i>				
INTOUCH	13,711	12,220	13,711	12,220
SingTel	7,904	7,044	7,904	7,044
Total	21,615	19,264	21,615	19,264

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
<i>Trade accounts receivable</i>				
Subsidiaries	-	-	3,962	2,539
INTOUCH Group	11	16	4	4
SingTel Group	96	56	93	53
Total	107	72	4,059	2,596
<i>Accrued income</i>				
Subsidiaries	-	-	2,913	82
INTOUCH Group	3	2	-	-
SingTel Group	30	15	29	12
Total	33	17	2,942	94
<i>Other receivables</i>				
- Other receivable				
Subsidiaries	-	-	1	11
- Accrued interest income				
Subsidiaries	-	-	176	164
Total	-	-	177	175
<i>Short-term loans to related parties</i>				
Subsidiaries	-	-	35,387	19,305

As at 31 December 2013, short-term loans at call to subsidiaries represent promissory notes, bearing interest at the rate of 3.73% per annum (2012: 4.47% per annum).

Movements during the years ended 31 December of loans to related parties were as follows:

			Separate financial statements	
			2013	2012
			(in million Baht)	
<i>Short-term loans to related parties</i>				
Subsidiaries				
At 1 January			19,305	8,105
Increase			19,240	46,150
Decrease			(3,158)	(34,950)
At 31 December			35,387	19,305

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
<i>Long-term rental deposit</i>				
Subsidiary	-	-	265	-
<i>Trade accounts payable</i>				
Subsidiaries	-	-	500	1,720
INTOUCH Group	41	98	1	14
SingTel Group	22	6	-	-
Total	63	104	501	1,734
<i>Other payables</i>				
- Other payable				
Subsidiaries	-	-	829	949
INTOUCH Group	57	61	17	60
SingTel Group	12	12	12	12
	69	73	858	1,021
- Accrued expenses				
Subsidiaries	-	-	1,522	2,266
INTOUCH Group	381	185	50	123
SingTel Group	57	30	24	23
	438	215	1,596	2,412
Total	507	288	2,454	3,433
<i>Short-term loan from related party</i>				
Subsidiary	-	-	4,400	-

As at 31 December 2013, short-term loan from subsidiary represent promissory notes, bearing interest at the rate of 2.49% per annum.

Movements during the years ended 31 December of loans to related parties were as follows:

	Separate financial statements	
	2013	2012
	(in million Baht)	
<i>Short-term loans from related party</i>		
Subsidiaries		
At 1 January	-	-
Increase	5,500	-
Decrease	(1,100)	-
At 31 December	4,400	-

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Long-term debentures				
Subsidiary	-	-	-	1
INTOUCH Group*	-	11	-	11
Other related parties	3	6	3	6
Total	3	17	3	18

* INTOUCH Group holds this long-term debenture through private funds, managed by an independent fund manager.

Significant agreements with related parties

The Group/Company has entered into agreements with related parties and has commitment for receipts and payments according to rates under the terms and conditions stipulated in the agreements. The significant agreements with related parties are as follows:

- 1) The Group has entered into interconnection and national roaming agreements among its related parties. The suspension or termination of the agreement shall be referred to the regulations and conditions of the National Telecommunications Commission.
- 2) The Group has entered into site share agreements among its related parties to provide site area including related facilities for installation of telecommunication equipment. The contract parties have a right to terminate the agreement by giving advance written notice to the counterparty of not less than 60 days.
- 3) The Group has received a service of a call center from Advanced Contact Center Co., Ltd. ("ACC"), a subsidiary. ACC will provide service and required information including resolving problem requests from the customers of the Group.
- 4) Advanced Contact Center Co., Ltd., a subsidiary, has entered into a call center service agreement with Teleinfo Media Plc. ("TMC"), a related party. TMC will arrange the agents and provide call center operation to execute each of incoming call service. The contract parties have a right to terminate the agreement by giving the counterparty a written notice for 30 days in advance.

- 5) The Company and its related parties have entered into an agreement with Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd, its subsidiaries, to provide payment service for goods/service purchased through electronic payments and cash card. The contract parties have a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 6) Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd, its subsidiaries, have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to distribute electronic money and cash card. The contract parties have a right to terminate the agreement by giving advance written notice of not less than 15 days.
- 7) The Company and its subsidiaries have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to provide card packaging. The contract parties have a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 8) The Company and its subsidiaries have entered into an international roaming service agreement with the SingTel Group, related parties. The contract parties have a right to terminate the agreement by giving a written notice of 60 days in advance.
- 9) The Company and its subsidiaries have entered into an agreement with MIMO Tech Co., Ltd., a subsidiary, of providing or aggregating the variety of content as value added services on mobile network or wireless device. The contract parties have a right to terminate the agreement by giving a written notice of 30 days in advance.
- 10) The Company and its subsidiaries have entered into an agreement with its related parties to provide or aggregate the variety of content as value added services on mobile network or wireless device. The contract parties have a right to terminate the agreement by giving advance written notice to the counterparty of not less than 30 days.
- 11) The Company has entered into a satellite transponder lease agreement with Thaicom Public Company Limited, a related party, for a monthly fee according to the rate and condition specified in the agreement. The agreement is valid until 21 June 2015.
- 12) MIMO Tech Co., Ltd., a subsidiary, has entered into agreements with I.T. Applications and Services Company Limited, a related party, to receive computer system maintenance services. The agreement is valid for one year and is renewable on an annual basis. The contract parties have a right to terminate the agreement by giving advance written notice of 3 months.

6 Cash and cash equivalents

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Cash on hand		16	84	15	14
Cash at bank - current accounts		736	932	87	205
Cash at bank - saving accounts		13,797	17,810	3,160	7,926
Highly liquid short-term investments		705	4,705	703	2,212
		15,254	23,531	3,965	10,357
Less Specifically-used bank deposits	7	(3,781)	(3,698)	-	-
Total		11,473	19,833	3,965	10,357

As at 31 December 2013, the effective interest rate on cash and cash equivalents was 0.01% - 2.60% per annum (2012: 0.19% - 2.93% per annum).

7 Specifically- designated bank deposits

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries' held deposits at call with banks equal to the subsidiaries' outstanding balance of advance receipts from customers which cannot be used for other purposes apart from payments to service providers as at 31 December 2013 amounting to Baht 3,781 million (2012: Baht 3,698 million).

8 Other investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Current investments				
Fixed deposit at financial institutions	92	589	-	-
Available-for-sale securities	1,485	751	-	-
	1,577	1,340	-	-
Other long-term investments				
Fixed deposit at financial institutions				
- pledged	11	14	-	-
Other non - marketable equity securities	93	93	93	93
	104	107	93	93
Total	1,681	1,447	93	93

Current and other long-term investments

As at 31 December 2013, fixed deposits at financial institutions of the Group have interest rates of 2.25% - 3.13% per annum (2012: 3.10% - 3.75% per annum).

Other long-term investments

On 29 June and 30 October 2007, the Company invested in Bridge Mobile Pte Ltd., a joint investment of 10 mobile phone operators in Asia-Pacific region to provide international roaming service (incorporated in Singapore), of 2.20 million ordinary shares, totaling USD 2.70 million (Baht 92.76 million). Total shares invested represent 10.00% of its paid-up share capital.

On 29 January 2010, the Company invested in Clearing House for Number Portability Co., Ltd., a joint investment of 5 mobile phone operators in Thailand to provide mobile number portability ("MNP") service, of 4.0 thousand ordinary shares, totaling Baht 0.4 million. Total shares invested represent 20.00% of its paid-up share capital.

Debt securities available for sale

As at 31 December 2013, the Group had debt securities held through private funds, managed by independent fund manager and have interest rates from 0.50% to 4.00% per annum (2012: 0.62% to 4.75% per annum).

Movements during the years ended 31 December of available-for-sale of marketable equity and debt securities were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
<i>Current investments</i>				
Available-for-sale securities				
At 1 January	751	727	-	-
Increase during the year	1,680	950	-	-
Decrease during the year	(946)	(926)	-	-
At 31 December	1,485	751	-	-

9 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Related parties:	5				
- Trade accounts receivable		107	72	4,059	2,596
- Accrued income		33	17	2,942	94
		140	89	7,001	2,690
Other parties:					
- Trade accounts receivable		5,930	4,816	2,579	3,806
- Accrued income		4,966	3,843	2,331	3,709
		10,896	8,659	4,910	7,515
Total		11,036	8,748	11,911	10,205
Less allowance for doubtful accounts		(772)	(683)	(381)	(645)
Net		10,264	8,065	11,530	9,560
Bad and doubtful debts expense for the year		787	543	360	523

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Related parties				
Current - 3 months	122	84	6,778	2,687
Overdue 3 - 6 months	16	3	221	3
Overdue 6 - 12 months	2	1	2	-
Overdue over 12 months	-	1	-	-
	140	89	7,001	2,690
Other parties				
Current - 3 months	8,699	6,833	2,899	5,776
Overdue 3 - 6 months	262	229	131	194
Overdue 6 - 12 months	218	272	203	243
Overdue over 12 months	1,717	1,325	1,677	1,302
	10,896	8,659	4,910	7,515
Less allowance for doubtful accounts	(772)	(683)	(381)	(645)
	10,124	7,976	4,529	6,870
Net	10,264	8,065	11,530	9,560

The normal credit term granted by the Group/Company ranges from 14 days to 30 days.

As at 31 December 2013, the Group/Company had the outstanding balance of accrued income of revenue sharing in international direct dial service (IDD) of Baht 1,526 million and Baht 1,517 million, respectively *(2012: Baht 1,301 million and Baht 1,293million, respectively)*. Part of that outstanding is presented in overdue 12 months of Baht 1,280 million and Baht 1,272 million, respectively *(2012: Baht 993 million and Baht 985million, respectively)*.

The Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited ("TOT") to pay this receivable plus interest, the total amount of Baht 1,526 million on 16 January 2013.

Digital Phone Company Limited, a subsidiary, has submitted a dispute to the Central Administrative Court demanding CAT Public Company Limited ("CAT") to pay this receivable plus interest, the total amount of Baht 11 million on 26 November 2013.

10 Other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Prepaid expenses		1,038	1,042	530	698
Account receivables - cash card/ refill on mobile		913	694	-	-
Account receivables - Revenue department		1,168	702	-	-
Others	5	1,732	1,224	675	596
Total		4,851	3,662	1,205	1,294

11 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Finished goods	2,711	1,328	4	159
Supplies and spare parts	280	173	42	67
Spare parts for mobile phone network maintenance	679	853	679	701
	3,670	2,354	725	927
Less allowance for obsolescence and decline in value	(805)	(927)	(645)	(656)
Net	2,865	1,427	80	271

12 Investments in subsidiaries

	Separate financial statements	
	2013	2012
	(in million Baht)	
At 1 January	6,993	9,468
Increase in share capital	1,135	-
Allowance for impairment	(216)	(2,475)
At 31 December	7,912	6,993

The Company recorded a loss from impairment for the year ended 31 December 2013 of Baht 216 million from the review of the carrying amount of investment in subsidiary, Digital Phone Co., Ltd. (DPC), by comparing net book value with the recoverable net present value of future cash generation assuming that DPC provides a continuing services to the subscribers for up to a further 1 year commencing from the Agreement for operation expiration date (see note 1.3 to the financial statement). based on value-in-use calculation and using a pre-tax discount rate of 8.9%.

On 19 September 2013, Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary, registered the increase in the share capital from Baht 350 million (3,500,000 ordinary shares, Baht 100 par value) to Baht 1,350 million (13,500,000 ordinary shares, Baht 100 par value) and premium on ordinary shares of Baht 135 million with the Ministry of Commerce. The purpose of the capital increase is for future investment. The Company paid for the increased shares by Baht 113.5 per share, totalling Baht 1,135 million and holds 99.99% of the issued share capital.

Investments in subsidiaries at 31 December 2013 and 2012, and dividend income from those investments for the years then ended were as follows:

Separate financial statements												
Ownership Interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend Income		
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
(%)		(in million Baht)										
Subsidiaries												
99.99	99.99	240	240	600	600	(335)	(335)	265	265	-	-	
99.99	99.99	272	272	811	811	-	-	811	811	27	54	
98.55	98.55	3,655	3,655	12,493	12,493	(8,230)	(8,014)	4,263	4,479	-	2,720	
99.99	99.99	250	250	250	250	-	-	250	250	-	-	
99.99	99.99	300	300	336	336	-	-	336	336	630	458	
99.99	99.99	100	100	100	100	-	-	100	100	1,460	1,150	
99.99	99.99	1,350	350	1,485	350	-	-	1,485	350	1,904	-	
99.99	99.99	300	300	300	300	-	-	300	300	1,785	829	
99.99	99.99	50	50	50	50	-	-	50	50	860	865	
99.97	99.97	1	1	1	1	-	-	1	1	320	-	
99.99	99.99	50	50	50	50	-	-	50	50	1,230	1,650	
99.97	99.97	1	1	1	1	-	-	1	1	-	-	
Total				16,477	15,342	(8,565)	(8,349)	7,912	6,993	8,216	7,726	

13 Property, plant and equipment

	Consolidated financial statements								
	Land	Building and building improvements	Leasehold building improvements	Computer, tools and equipment	Furniture, fixtures and office equipment	Communication equipment for rental	Vehicles	Assets under construction and installation	Total
	(in million Baht)								
Cost									
At 1 January 2012	139	500	834	35,962	1,498	13	254	956	40,156
Additions	-	-	91	3,458	51	-	47	2,123	5,770
Transfers and reclassify	-	-	-	101	-	-	-	(147)	(46)
Disposals	-	-	(129)	(177)	(29)	(5)	(46)	-	(386)
At 31 December 2012 and									
1 January 2013	139	500	796	39,344	1,520	8	255	2,932	45,494
Additions	36	-	169	14,786	69	-	36	12,760	27,856
Transfers and reclassify	-	-	-	4,013	-	-	-	(4,013)	-
Disposals	-	-	(13)	(1,612)	(28)	-	(54)	-	(1,707)
At 31 December 2013	175	500	952	56,531	1,561	8	237	11,679	71,643
Depreciation and impairment losses									
At 1 January 2012	-	(340)	(640)	(29,952)	(1,408)	(13)	(160)	(27)	(32,540)
Depreciation charge for the year	-	(35)	(71)	(2,002)	(41)	-	(34)	-	(2,183)
Disposals	-	-	126	169	29	5	40	-	369
At 31 December 2012 and									
1 January 2013	-	(375)	(585)	(31,785)	(1,420)	(8)	(154)	(27)	(34,354)
Depreciation charge for the year	-	(26)	(82)	(2,858)	(38)	-	(33)	-	(3,037)
Disposals	-	-	10	1,588	24	-	48	-	1,670
At 31 December 2013	-	(401)	(657)	(33,055)	(1,434)	(8)	(139)	(27)	(35,721)
Net book value									
At 1 January 2012									
Owned assets	139	160	194	6,011	90	-	20	929	7,543
Assets under finance leases	-	-	-	-	-	-	73	-	73
	139	160	194	6,011	90	-	93	929	7,616
At 31 December 2012 and									
1 January 2013									
Owned assets	139	125	211	7,559	100	-	13	2,905	11,052
Assets under finance leases	-	-	-	-	-	-	88	-	88
	139	125	211	7,559	100	-	101	2,905	11,140
At 31 December 2013									
Owned assets	175	99	295	23,476	127	-	9	11,652	35,833
Assets under finance leases	-	-	-	-	-	-	89	-	89
	175	99	295	23,476	127	-	98	11,652	35,922

The gross amount of the Group's fully depreciated property, plant and equipment that was still in use as at 31 December 2013 amounted to Baht 25,713 million (2012: Baht 25,829 million).

	Separate financial statements						
	Building and building Improvements	Leasehold building Improvements	Computer, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
	(in million Baht)						
Cost							
At 1 January 2012	412	739	26,047	1,344	215	11	28,768
Additions	-	50	252	36	39	111	488
Transfers and reclassify	-	-	-	-	-	(5)	(5)
Disposals	-	(126)	(169)	(29)	(34)	-	(358)
At 31 December 2012							
and 1 January 2013	412	663	26,130	1,351	220	117	28,893
Additions	-	139	213	41	30	114	537
Transfers and reclassify	-	-	1	-	-	(1)	-
Disposals	-	(12)	(1,607)	(30)	(54)	(4)	(1,707)
At 31 December 2013	412	790	24,737	1,362	196	226	27,723
Depreciation and impairment losses							
At 1 January 2012	(320)	(595)	(24,339)	(1,275)	(140)	-	(26,669)
Depreciation charge for the year	(29)	(53)	(719)	(30)	(29)	-	(860)
Disposals	-	125	163	28	32	-	348
At 31 December 2012							
and 1 January 2013	(349)	(523)	(24,895)	(1,277)	(137)	-	(27,181)
Depreciation charge for the year	(20)	(57)	(475)	(27)	(28)	-	(607)
Disposals	-	8	1,563	27	47	-	1,645
At 31 December 2013	(369)	(572)	(23,807)	(1,277)	(118)	-	(26,143)
Net book value							
At 1 January 2012							
Owned assets	92	144	1,708	69	18	11	2,042
Assets under finance leases	-	-	-	-	57	-	57
	92	144	1,708	69	75	11	2,099
At 31 December 2012 and 1 January 2013							
Owned assets	63	140	1,235	74	11	117	1,640
Assets under finance leases	-	-	-	-	72	-	72
	63	140	1,235	74	83	117	1,712
At 31 December 2013							
Owned assets	43	218	930	85	8	226	1,510
Assets under finance leases	-	-	-	-	70	-	70
	43	218	930	85	78	226	1,580

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2013 amounted to Baht 24,099 million (2012: Baht 24,766 million).

14 Assets under the Agreements for operation

	Consolidated financial statements			
	Cost of mobile phone networks	Cost of datanet tools and equipment	Advance payment and assets under construction of mobile phone networks	Total
	(in million Baht)			
Cost				
At 1 January 2012	190,992	1,551	431	192,974
Additions	3,797	10	2,330	6,137
Transfers and reclassify	(1,015)	-	-	(1,015)
Disposals	(1,650)	(13)	-	(1,663)
At 31 December 2012 and				
1 January 2013	192,124	1,548	2,761	196,433
Additions	4,193	-	(427)	3,766
Disposal and write-off	(14,294)	-	-	(14,294)
Transfer to CAT	(14,605)	-	-	(14,605)
At 31 December 2013	167,418	1,548	2,334	171,300
Amortisation				
At 1 January 2012	(154,927)	(1,542)	-	(156,469)
Amortisation charge for the year	(12,687)	-	-	(12,687)
Transfers and reclassify	603	-	-	603
Disposals	1,273	4	-	1,277
At 31 December 2012 and				
1 January 2013	(165,738)	(1,538)	-	(167,276)
Amortisation charge for the year	(11,876)	(1)	-	(11,877)
Disposal and write-off	13,748	-	-	13,748
Transfer to CAT	14,605	-	-	14,605
At 31 December 2013	(149,261)	(1,539)	-	(150,800)
Net book value				
At 1 January 2012	36,065	9	431	36,505
At 31 December 2012 and				
1 January 2013	26,386	10	2,761	29,157
At 31 December 2013	18,157	9	2,334	20,500

The gross amount of the Group's fully amortised assets under the Agreements for operation that was still in use as at 31 December 2013 amounted to Baht 95,553 million (2012: Baht 92,845 million).

	Separate financial statements		
	Cost of mobile phone networks	Advance payment and assets under construction of mobile phone networks	Total
	(in million Baht)		
<i>Cost</i>			
At 1 January 2012	177,299	431	177,730
Additions	3,254	2,330	5,584
Transfers and reclassify	(1,015)	-	(1,015)
Disposals	(1,649)	-	(1,649)
At 31 December 2012 and 1 January 2013	177,889	2,761	180,650
Additions	4,065	(427)	3,638
Disposals	(14,536)	-	(14,536)
At 31 December 2013	167,418	2,334	169,752
<i>Amortisation</i>			
At 1 January 2012	(142,162)	-	(142,162)
Amortisation charge for the year	(11,905)	-	(11,905)
Transfers and reclassify	603	-	603
Disposals	1,273	-	1,273
At 31 December 2012 and 1 January 2013	(152,191)	-	(152,191)
Amortisation charge for the year	(11,064)	-	(11,064)
Disposals	13,994	-	13,994
At 31 December 2013	(149,261)	-	(149,261)
<i>Net book value</i>			
At 1 January 2012	35,137	431	35,568
At 31 December 2012 and 1 January 2013	25,698	2,761	28,459
At 31 December 2013	18,157	2,334	20,491

The gross amount of the Company's fully amortised assets under the Agreement for operation that was still in use as at 31 December 2013 amounted to Baht 80,947 million (2012: Baht 79,186 million).

15 Goodwill

	Consolidated financial statements
	(in million Baht)
<i>Cost</i>	
At 1 January 2012	14,352
At 31 December 2012 and 1 January 2013	14,352
At 31 December 2013	14,352
<i>Amortisation and impairment losses</i>	
At 1 January 2012	(14,317)
At 31 December 2012 and 1 January 2013	(14,317)
At 31 December 2013	(14,317)
<i>Net book value</i>	
At 1 January 2012	35
At 31 December 2012 and 1 January 2013	35
At 31 December 2013	35

16 License for operation right in spectrum of telecommunication

	Consolidated financial statements
	(in million Baht)
<i>Cost</i>	
At 1 January 2012	-
Additions	14,644
At 31 December 2012 and 1 January 2013	14,644
At 31 December 2013	14,644
<i>Amortisation</i>	
At 1 January 2012	-
Amortisation charge for the year	(67)
At 31 December 2012 and 1 January 2013	(67)
Amortisation charge for the year	(976)
At 31 December 2013	(1,043)
<i>Net book value</i>	
At 1 January 2012	-
At 31 December 2012 and 1 January 2013	14,577
At 31 December 2013	13,601

On 16 October 2012, Advanced Wireless Network Co., Ltd. (AWN), a subsidiary, was the auction winner for 2.1GHz license (3G) at the bid price of Baht 14,625 million. On 7 December 2012 AWN was officially granted the license to operate 2.1GHz for 15 years from the National Broadcasting and Telecommunications Commission (NBTC). According to the auction terms and conditions, AWN paid 50% of the fee plus VAT, totaling Baht 7,824 million on 19 October 2012 and submitted bank guarantee to pay the remaining fee to the NBTC. Another 25% will be paid in the second year, and the remainder will be paid in the third year. As at 31 December 2013, the Group has recognised the remaining fee of Baht 7,313 million (excluding VAT) as the spectrum license payable in the consolidated financial statement (2012: Baht 7,313 million).

17 Other intangible assets

	Consolidated financial statements			
	Operation right	Software licences	Assets under installation	Total
	(in million Baht)			
Cost				
At 1 January 2012	6,993	5,130	-	12,123
Additions	-	405	-	405
Transfers and reclassify	-	46	-	46
At 31 December 2012 and				
1 January 2013	6,993	5,581	-	12,574
Additions	-	680	118	798
Transfers and reclassify	-	10	(10)	-
Disposals	(6,993)	(51)	-	(7,044)
At 31 December 2013	-	6,220	108	6,328
Amortisation				
At 1 January 2012	(6,216)	(3,632)	-	(9,848)
Amortisation charge for the year	(455)	(238)	-	(693)
At 31 December 2012 and				
1 January 2013	(6,671)	(3,870)	-	(10,541)
Amortisation charge for the year	(322)	(329)	-	(651)
Disposals	6,993	49	-	7,042
At 31 December 2013	-	(4,150)	-	(4,150)
Net book value				
At 1 January 2012	777	1,498	-	2,275
At 31 December 2012 and				
1 January 2013	322	1,711	-	2,033
At 31 December 2013	-	2,070	108	2,178

	Separate financial statements	
	Software licences	
	(in million Baht)	
<i>Cost</i>		
At 1 January 2012		2,922
Additions		10
Transfers		5
At 31 December 2012 and 1 January 2013		2,937
Additions		5
Disposals		(49)
At 31 December 2013		2,893
<i>Amortisation</i>		
At 1 January 2012		(2,689)
Amortisation charge for the year		(47)
At 31 December 2012 and 1 January 2013		(2,736)
Amortisation charge for the year		(47)
Disposals		49
At 31 December 2013		(2,734)
<i>Net book value</i>		
At 1 January 2012		233
At 31 December 2012 and 1 January 2013		201
At 31 December 2013		159

18 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Deferred tax assets	3,667	5,471	3,327	4,982
Deferred tax liabilities	(110)	(157)	(110)	(151)
Net	3,557	5,314	3,217	4,831

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements					
	At 1 January 2012	Charged/(credited) to		At 31 December 2012	Charged/ (credited) to Profit or loss	At 31 December 2013
		Profit or loss	Other comprehensive income			
		(note 33)			(note 33)	
	(in million Baht)					
Deferred tax assets						
Accounts receivable						
(doubtful accounts)	155	(26)	-	129	(4)	125
Inventories (allowance for						
obsolete and decline in value)	172	3	-	175	(25)	150
Assets under the Agreement						
for operation						
(amortisation difference)	5,438	(1,196)	-	4,242	(1,577)	2,665
Unearned income -						
mobile phone service						
(income recognised difference)	584	(199)	-	385	(65)	320
Employee benefit obligations	89	19	142	250	45	295
Others	184	106	-	290	(178)	112
Total	6,622	(1,293)	142	5,471	(1,804)	3,667
Deferred tax liabilities						
Prepaid expense under						
the Agreement for operation						
(expense recognised difference)	(132)	45	-	(87)	37	(50)
Accelerated tax						
(amortisation difference)	(15)	9	-	(6)	6	-
Others	(53)	(11)	-	(64)	4	(60)
Total	(200)	43	-	(157)	47	(110)
Net	6,422	(1,250)	142	5,314	(1,757)	3,557

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognised in the financial statements as at 31 December 2013 and 2012 were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Tax losses	234	-	-	-
Accrued expense of the Agreements for operations	238	-	-	-
Others	49	-	-	-
Total	521	-	-	-

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

	Consolidated financial statements					
	At 1 January 2012	Charged/(credited) to		At 31 December 2012	Charged/ (credited) to Profit or loss (note 33)	At 31 December 2013
		Profit or loss	Other comprehensive Income			
		(note 33)				
	(in million Baht)					
<i>Deferred tax assets</i>						
Accounts receivable <i>(doubtful accounts)</i>	146	(24)	-	122	(67)	55
Inventories <i>(allowance for obsolete and decline in value)</i>	135	(4)	-	131	(2)	129
Assets under the Agreement for operation <i>(amortisation difference)</i>	5,035	(1,003)	-	4,032	(1,367)	2,665
Unearned income - mobile phone service <i>(income recognised difference)</i>	584	(199)	-	385	(158)	227
Employee benefit obligations	73	10	83	166	(8)	158
Others	151	(5)	-	146	(53)	93
Total	6,124	(1,225)	83	4,982	(1,655)	3,327
<i>Deferred tax liabilities</i>						
Prepaid expense under the Agreement for operation <i>(expense recognised difference)</i>	(132)	45	-	(87)	37	(50)
Others	(53)	(11)	-	(64)	4	(60)
Total	(185)	34	-	(151)	41	(110)
Net	5,939	(1,191)	83	4,831	(1,614)	3,217

19 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Current				
Short-term loan from financial institutions	4,000	-	4,000	-
Current portion of long-term borrowings, net	2,775	438	2,775	438
Current portion of long-term debentures, net	2,500	7,997	2,500	7,997
Current portion of finance lease liabilities	28	27	23	22
	9,303	8,462	9,298	8,457
Non-current				
Long-term borrowings, net	15,279	9,315	15,279	9,315
Long-term debentures, net	-	2,500	-	2,500
Finance lease liabilities	76	73	60	61
	15,355	11,888	15,339	11,876
Total	24,658	20,350	24,637	20,333

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Within one year	9,275	8,435	9,275	8,435
After one year but within five years	15,279	11,596	15,279	11,596
After five years	-	219	-	219
Total	24,554	20,250	24,554	20,250

Long-term borrowings

As at 31 December, the details of long-term loans are summarised as follows:

Outstanding loan in foreign currency		Interest rate (per annum)	Term of interest Payment	Principal payment term	Amount	
2013	2012				2013	2012
(Million)					(Million Baht)	
USD 70.00	USD 70.00	LIBOR plus margin	Semi-annual	Entirely redeemed in 2014	2,306	2,154
USD 63.97	USD 78.18	LIBOR plus margin	Semi-annual	20 equal installments from 2008 to 2018	2,108	2,407
USD 125.00	USD 125.00	LIBOR plus margin	Semi-annual	2 equal installments in 2015 and 2016	4,118	3,847
USD 85.00	USD 45.00	LIBOR plus margin	Semi-annual	4 equal installments in 2016 and 2017	2,801	1,385
USD 85.00	-	LIBOR plus margin	Semi-annual	Entirely redeemed in 2018	2,801	-
-	-	Fixed interest rate as stipulated in the agreement				
			Semi-annual	Entirely redeemed in 2018	4,000	-
Total loans					18,134	9,793
Less transaction cost balance at 31 December					(80)	(40)
Net					18,054	9,753

Long-term debentures

As at 31 December, long-term debentures represent unsubordinated and unsecured debentures with a par value of Baht 1,000 each and are detailed as follows:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate (per annum)	Term of interest payment	Principal payment term	Amount		
						2013	2012	
						(Million Baht)		
7 September 2006	4.00	4,000	6.00%	Semi-annual	Entirely redeemed on 7 September 2013	-	4,000	
30 April 2008	4.00	4,000	4.00% for the first two year and 4.90% for the last three years	Quarterly	Entirely redeemed on 30 April 2013	-	4,000	
23 January 2009	2.50	2,500	4.00% for the first two year, 5.00% for the third and fourth year and 6.00% for the last years	Quarterly	Entirely redeemed on 23 January 2014	2,500	2,500	
Total debentures							2,500	10,500
Less bond issuing cost balance at 31 December							-	(3)
Net							2,500	10,497

Under the terms and conditions of the long-term borrowings and debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

As at 31 December 2013, the Group and the Company have no undrawn committed loans. (2012: USD 125 million and JPY 10,440 million).

The carrying amounts and fair values of long-term debentures (gross of issue costs) as at 31 December are as follows:

	Consolidated and separate financial statements			
	Carrying amount		Fair values*	
	2013	2012	2013	2012
	(in million Baht)			
Long-term debentures	2,500	10,500	2,505	10,672

* Fair values for traded debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

Movement during the years ended 31 December of interest-bearing liabilities was as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
At 1 January	20,350	22,006	20,333	21,989
Additions	18,353	4,048	18,343	4,037
Borrowing cost	(56)	(36)	(56)	(36)
Repayments	(15,015)	(5,513)	(15,010)	(5,507)
Terminate cost	(7)	(5)	(6)	-
Unrealised (gain) loss on foreign exchange	1,015	(162)	1,015	(162)
Amortisation	18	12	18	12
At 31 December	24,658	20,350	24,637	20,333

The effective weighted interest rates as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(% per annum)			
Long-term borrowings	3.34	3.36	3.34	3.36
Long-term debentures	4.75	5.14	4.75	5.14
Finance lease liabilities	5.05	5.48	5.06	5.41

20 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Related parties	5	63	104	501	1,734
Other parties		11,655	7,237	1,120	2,976
Total		11,718	7,341	1,621	4,710

21 Other payables

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Accrued expenses	5	7,759	5,174	3,413	4,664
Value added tax payable		349	528	326	476
Withholding tax payable		316	356	100	198
Others	5	1,112	1,386	1,086	1,800
Total		9,536	7,444	4,925	7,138

22 Employee benefit obligations

The Group and the Company had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long - term service awards.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Present value of obligations	1,361	1,223	768	810

Movement in the present value of the employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Employee benefit obligations at 1 January	1,223	422	810	345
Benefits paid	(16)	(10)	(15)	(8)
Current service costs and interest	154	88	83	56
Transfer out	-	-	(110)	-
Actuarial losses in other comprehensive income	-	723	-	417
Employee benefit obligations at 31 December	1,361	1,223	768	810

Expense recognised in profit or loss

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Current service costs	107	65	56	41
Interest on obligation	47	23	27	15
Total	154	88	83	56

The Group/Company recognised the expense in the following line items in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Cost of rendering of services and equipment rental	10	5	-	-
Administrative expenses	95	59	54	40
Management benefit expenses	2	1	2	1
Finance costs	47	23	27	15
Total	154	88	83	56

Actuarial losses recognised in other comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Included in retained earnings :				
At 1 January	723	-	417	-
Recognised during the year	-	723	-	417
At 31 December	723	723	417	417

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	%			
Discount rate	3.9	3.9	3.9	3.9
Future salary increases	8	8	8	8

Assumptions regarding future mortality are based on published statistics and mortality tables set as 100% of the 2008 Thailand Mortality rates ("TMO08").

23 Share capital

	Par value per share (In Baht)	2013		2012	
		Number	Baht	Number	Baht
		(million share / million Baht)			
Authorised					
At 1 January					
- ordinary shares	1	4,997	4,997	4,997	4,997
At 31 December					
- ordinary shares	1	4,997	4,997	4,997	4,997
Issued and paid-up					
At 1 January					
- ordinary shares	1	2,973	2,973	2,973	2,973
At 31 December					
- ordinary shares	1	2,973	2,973	2,973	2,973

As at 31 December 2013 and 2012, the total issued number of ordinary shares is 2,973 million shares with a par value of Baht 1 per share. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

24 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

25 Other components of equity

Share-based payment

The performance share plan

In March 2013, the Annual General Meeting of shareholders No.1/2013 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan ("Project"). The major information is listed below:

Approved date:	27 March 2013
Number of warrants offered:	405,800 Units
Exercise price:	206.672 Baht/share
Number of reserved shares:	405,800 Shares
Term of the Project:	5 years from the date of initial offer of the warrants
Offered price per unit:	Baht 0 (zero Baht)
Exercise ratio:	1 unit of warrant per 1 ordinary share

Fair value measurement

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

Weighted average fair value at the grant date	183.499 Baht/share
Share price at the grant date	262.000 Baht/share
Exercise price	206.672 Baht/share
Expected volatility	23.51%
Expected dividend	4.16%
Risk-free interest rate	3.07%

For the year ended 31 December 2013, the Group/Company recognised share-based payment expense at Baht 7 million and Baht 7 million, respectively on the consolidated and separate financial statements.

Accounting Policy

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date.

The expense of the Project is charged to the profit or loss from operation corresponding to the increase in "Reserve for share-based payment" in shareholders' equity over the periods in which the service conditions are fulfilled.

Unrealised gain on dilution of investment

The unrealised gain on dilution of investment comprises the cumulative net change in portion of investment until the investment is sold or otherwise disposed of.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

26 Segment information

The Group/Company has three reportable segments, as described below, which are the Group/Company's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group/Company's reportable segments.

- Segment 1 Mobile phone and call center services
- Segment 2 Mobile phone sales
- Segment 3 Datanet and broadband services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's/Company's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments:

	Mobile phone and call center services		Mobile phone sales		Datanet and broadband services		Total reportable segments	
	2013	2012	2013	2012	2013	2012	2013	2012
	(in Million Baht)							
External revenue	122,905	123,144	19,114	17,761	764	644	142,783	141,549
Investment income	515	729	24	31	9	14	548	774
Finance cost	(1,001)	(1,092)	-	-	(1)	(1)	(1,002)	(1,093)
Depreciation and amortisation	(16,427)	(15,549)	(8)	(14)	(106)	(67)	(16,541)	(15,630)
Segment profit (loss) before income tax	45,593	44,708	734	921	(89)	(15)	46,238	45,614
Material items of expense	11,154	8,899	346	419	257	208	11,757	9,526
Segment assets	102,597	94,836	7,162	4,999	2,267	1,133	112,02	100,968
Capital expenditure	31,565	26,677	2	4	852	275	32,419	26,956
Segment liabilities	63,854	55,029	1,871	2,088	408	309	66,133	57,426

Geographical segments

The Group/Company is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

27 Revenue of the Company under the NBTC's regulation

Revenue from rendering of services and equipment rentals of the Company for the year ended 31 December 2013 and 2012 was classified as follows:

	Separate financial statements	
	2013	2012
	(in million Baht)	
Internet License Type 1	1	-
Other service income	101,352	108,211
Total	101,353	108,211

28 Investment income

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Dividend income					
Subsidiaries	5,12	-	-	8,216	7,726
		-	-	8,216	7,726
Interest income					
Related parties	5	-	-	1,102	489
Financial institutions		548	774	226	380
		548	774	1,328	869
Total		548	774	9,544	8,595

29 Other operating income

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Bad debt recovery	99	97	96	93
Management income	-	-	155	163
Others	224	246	377	264
Total	323	343	628	520

30 Provident Fund

The defined contribution plans comprise provident funds established by the Group/Company for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group/Company at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

31 Expenses by nature

The statements of income include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Depreciation on plant and equipment (Note 13)	3,037	2,183	607	860
Amortisation of assets under Agreement for operation (Note 14)	11,877	12,687	11,064	11,905
Amortisation of intangible assets (Note 16, 17)	1,627	760	47	47
Doubtful accounts and bad debts (Note 9)	787	543	360	523
Marketing expenses	4,331	2,890	1,819	2,551
Staff cost	6,639	6,093	3,401	3,543

32 Finance costs

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Finance costs:					
Subsidiaries	5	-	-	42	-
Related parties	5	1	2	1	2
Financial institutions		1,001	1,091	974	1,080
Total		1,002	1,093	1,017	1,082

33 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		(in million Baht)			
Current tax expense					
Current year		8,244	9,450	5,735	7,100
Adjustment for prior years		7	15	(3)	2
		8,251	9,465	5,732	7,102
Deferred tax expense	18				
Movements in temporary differences		1,757	1,250	1,615	1,191
Total income tax expense		10,008	10,715	7,347	8,293

Income tax recognised in other comprehensive income

	Consolidated financial statements					
	2013			2012		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
	(in million Baht)					
Employee benefit obligation actuarial losses	-	-	-	723	(142)	581
Total	-	-	-	723	(142)	581

	Separate financial statements					
	2013			2012		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
	(in million Baht)					
Employee benefit obligation actuarial losses	-	-	-	417	(83)	334
Total	-	-	-	417	(83)	334

Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		46,238		45,614
Income tax using the Thai corporation tax rate	20	9,248	23	10,491
Expenses not deductible for tax purposes		173		244
Adjustment for prior year		7		15
Effect from elimination with subsidiaries		12		8
Current year losses for which no deferred tax asset was recognised		282		-
Written-off deferred tax asset		286		-
Recognition of previously unrecognised tax losses		-		(43)
Total	22	10,008	23	10,715

	Separate financial statements			
	2013		2012	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expense		43,995		40,388
Income tax using the Thai corporation tax rate	20	8,799	23	9,289
Income not subject to tax		(1,643)		(1,777)
Expenses not deductible for tax purposes		151		210
Adjustment for prior year		(3)		2
Impairment loss from investment in a subsidiary		43		569
Total	17	7,347	21	8,293

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

34 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht / million shares)			
Profit attributable to ordinary shareholders of the Company (basic)	36,274	34,883	36,648	32,095
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Earnings per share (basic) (in Baht)	12.20	11.73	12.33	10.80

Diluted earnings per share

The calculation of diluted earnings per share for the years ended 31 December 2013 and 2012 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht / million shares)			
Profit attributable to equity holders of the Company (basic)	36,274	34,883	36,648	32,095
Profit attributable to equity holders of the Company (diluted)	36,274	34,883	36,648	32,095
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Effect of share-based payment	-	-	-	-
Weighted average number of ordinary shares outstanding (diluted)	2,973	2,973	2,973	2,973
Earnings per share (diluted) (in Baht)	12.20	11.73	12.33	10.80

35 Dividends

At the annual general meeting and the board of directors meeting of the company, resolutions were passed to approve the dividend and interim dividend payment to the shareholders as follows:

Year ended 31 December 2012

The resolution of:	Date of meeting	Dividend ratio (Baht/share)	Total dividend Million Baht
The general shareholders	28 March 2012	4.26	12,662
The board of directors	10 August 2012	5.90	17,539

Year ended 31 December 2013

The resolution of:	Date of meeting	Dividend ratio (Baht/share)	Total dividend Million Baht
The general shareholders	27 March 2013	5.00	14,863
The board of directors	7 August 2013	6.40	19,026

36 Financial Instruments

Financial risk management policies

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

- The Group/Company aim to manage its capital structure to be stronger than industry peer and commit to be investment grade rating. This will allow the Group/Company to retain superior financial flexibility in order to capture future growth prospect. The Group's/Company's financial flexibility means diversified source of capital, ease of funding, and appropriate cost of capital.
- In an intermediate term, the Group/Company view that telecommunications industry in Thailand will face another phase of technology change and hence new investment will be required. The statement of financial position of the Group/Company is flexible to prepare the Group/Company for such investment and the Group/Company aim to leverage on its gearing through debt instrument.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows because some of debt securities and loan interest rates are floating interest rate. The Group/Company is primarily exposed to interest rate risk from its borrowings (Note 19). The Group/Company mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to expense and borrowings which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies and swap and forward contracts to hedge long-term borrowings denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to borrowings, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Assets				
United States Dollars	833	817	371	762
Euro Dollars	2	-	1	-
	835	817	372	762
Liabilities				
United States Dollars	(18,280)	(12,709)	(14,311)	(12,074)
Japan Yen	(102)	(66)	(14)	(40)
Singapore Dollars	(39)	(44)	(17)	(44)
Euro Dollars	(17)	(61)	(5)	(53)
Australian Dollars	(3)	(4)	(3)	(4)
Pound sterling	(121)	-	(4)	-
	(18,562)	(12,884)	(14,354)	(12,215)
Gross statement of financial position exposure				
Currency swaps	12,780	9,434	12,780	9,434
Currency forwards	865	924	865	924
Net exposure	(4,082)	(1,709)	(337)	(1,095)

As at 31 December swap and forward receivables (payables), net as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Swap contracts:				
Swap contracts receivable	13,333	8,993	13,333	8,993
Swap contracts payable**	(12,780)	(9,434)	(12,780)	(9,434)
Total swap contracts receivable/(payable)	553	(441)	553	(441)
Forward contracts:				
Forward contracts receivable	801	800	801	800
Forward contracts payable**	(865)	(924)	(865)	(924)
Total forward contracts payable	(64)	(124)	(64)	(124)
Total swap and forward contracts:				
Swap and forward contracts receivable	14,134	9,793	14,134	9,793
Swap and forward contracts payable**	(13,645)	(10,358)	(13,645)	(10,358)
Total swap and forward contracts receivable/(payable)	489	(565)	489	(565)
Current assets (liabilities)				
Other current liabilities	(164)	(56)	(164)	(56)
Non-current assets (liabilities)				
Swap and forward contracts receivable	741	35	741	35
Swap and forward contracts payable	(88)	(544)	(88)	(544)
Total non-current assets (liabilities)	653	(509)	653	(509)
Total	489	(565)	489	(565)

The nominal amounts and fair values of swap and forward contracts as at 31 December are as follows:

	Consolidated and separate financial statements			
	Nominal amounts**		Fair values*	
	2013	2012	2013	2012
	(in million Baht)			
Swap contracts	12,780	9,434	13,153	8,979
Forward contracts	865	924	817	838
Total	13,645	10,358	13,970	9,817

*The fair value of swap and forward contracts is the adjusted value of the original contracts which the Company entered with the commercial banks with the market price on the reporting date in order to reflect the current value of the contracts.

**The nominal amount of swap and forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk.

Liquidity surplus

Excess liquidity (defined as any excess cash after working capital and capital expenditures) after investment in new growth areas and any debt/regulatory obligations/restructuring will be returned to shareholders.

Determination of fair values

A number of the Group's/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The Group/Company uses the following methods and assumptions in estimating the fair value of financial instruments:

- The fair value of accounts receivable and accounts payable – trade and others is taken to approximate the carrying value.
- The fair values of investments in equity and debt securities, which are held-to-maturity, are taken to approximate the carrying value.
- The fair value of loans to and loans from related is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.
- The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

37 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Capital commitments				
<i>Contracted but not provided for</i>				
Assets under the Agreement for Operation				
Thai Baht	453	1,120	453	1,061
United States Dollars	8	159	8	118
Japanese Yen	33	50	33	50
Euro	-	1	-	1
Property and equipment				
Thai Baht	15,166	7,119	117	90
United States Dollars	268	170	-	-
Japanese Yen	411	754	-	-
Euro	1	4	-	-
Service maintenance agreements				
Thai Baht	1,043	815	372	562
United States Dollars	19	19	11	12
Japanese Yen	11	33	11	33

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in million Baht)			
Non-cancellable operating lease				
Commitments				
Within one year	1,321	1,297	414	616
After one year but within five years	1,511	1,367	415	517
After five years	2	15	2	15
Total	2,834	2,679	831	1,148
Other commitments				
Forward and swap contracts	13,645	11,586	13,645	11,586
Bank guarantees:				
- The Agreements for operation	1,460	12,413	1,460	8,467
- Spectrum license payable	7,824	7,824	-	-
- Others	945	2,065	418	1,726
Total	23,874	33,888	15,523	21,799

The Group has entered into lease and related service agreements for office space, cars, computers and base station for periods ranging from 1 year to 15 years with options to renew.

38 Contingent liabilities

Contingent liabilities arises from withholding tax

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

39 Significant events, commercial disputes and litigation

The Company

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between TOT Public Company Limited who is the Telephone Organization of Thailand at that time (“TOT”) and Advanced Info Service Public Company Limited after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines TOT should implement.

The Council of State was of the opinion by its Memorandum of the Council of State no. 291/2550 on Enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (in the case of the Agreement Permitting Undertaking of Cellular Mobile Telephone Services, “the Agreement” between TOT Public Company Limited and Advanced Info Service Public Company Limited) that

*“... since TOT being the contracting party in this case acted on behalf of the State by virtue of the authority and duty pursuant to Telephone Organization of Thailand Act, the executed Agreement thus represents the agreement between the State and the private sector in order to authorise the private sector to provide public services to the public on behalf of the State. The State therefore is obligated to perform according to those stipulated in that Agreement.

However, since the amendments to the Agreement upon which the consultation is being sought were not legitimately carried out according to the Act on Private Participation in State Undertaking, B.E. 2535 which was in force at the time of effecting those amendments because those amendments had not been proposed for the consideration of the Coordination committee according to Section 22 and not forwarded to the Cabinet, being the organ charged with the authority to approve of the amendments to the Agreement pursuant to the Act as aforesaid, the amendments made to the Agreement with TOT as the contracting party were therefore carried out without legal authority.

However, the procedures to amend the Agreement represent administrative juristic acts which are capable of being separated from the amendments to the Agreement already effected and those amendments to the Agreement are still in force so long as they are not rescinded or extinguished by statute of limitation or by other causes. In case the Cabinet, vested with the authority under the law and having considered the causes for the rescission, the impact, and the propriety on the basis of the State’s and the public interest, is of the opinion that the illegitimate procedures have resulted in damage that warrants rescinding the amendments to the Agreement already effected, the Cabinet may legitimately rescind such amendments to the Agreement. However, if the Cabinet, upon having considered the same, deems it justified, with regard to the State’s or the public interest and the continuity of providing public services, the Cabinet may exercise its discretion

to grant approval for the procedures to further amend the Agreement, as appropriate, with the unit owning the project and the Coordination committee pursuant to Section 22 being the parties to submit the facts, justifications, and opinion for the consideration of the Cabinet.”

*The above clauses in “...” represent some parts of the Memorandum of the Council of State no. 291/2550. The full text Memorandum of the Council of State is available only in Thai language.

In addition, the Coordinating Committee according to Clause 22 has already submitted the opinion regarding the amendments of the Agreement of the Company to the Minister of the Information and Communications Technology.

2) The deduction of excise tax from the revenue sharing between the Company and TOT Public Company Limited (“TOT”)

On 22 January 2008, TOT Public Company Limited (“TOT”) submitted a dispute no. black 9/2551 to the Arbitration Institute, Dispute Reconciliation Office, Justice Court Office demanding the Company to pay additional payment of revenue sharing under the Cellular Mobile Phone Contract in the amount of Baht 31,463 million under the Cellular Mobile Phone Contract plus interest at the rate of 1.25 percent per month computing from the default date on 10 January 2007 until the full payment is made.

This amount is the same as an excise tax that the Company had delivered to Excise Department during 28 January 2003 to 26 February 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Thus, the Company has fully complied with the Cabinet’s resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter no. Tor Sor Tor. Bor Yor./843 dated 10 March 2003 stating that the Company has fully complied with the Cabinet’s resolution and the Company’s burden remains at the same percentage rate as specified in the contract and the submission of the said excise tax return shall not affect the terms of the contract.

On 20 May 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that the Company was not in breach of the Agreement since the Company has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On 22 September 2011, TOT has submitted the case no. Black 1918/2554 to the Central Administrative Court to revoke the Arbitral Tribunal’s award. Presently, the said case is pending on the Central Administrative Court process.

3) Interconnection agreement in accordance with the announcement of National Telecommunication Commission (“NTC”)

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

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

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

Having considered the said TOT's letter, related laws and the legal counsel's opinion, the Company's management is of the opinion that non-compliance by the Company with the IC agreements shall be deemed violating the said NTC announcement. Therefore, the Company has decided to comply with the IC agreements in line with the current legal provisions.

According to the Agreement to operate cellular mobile telephone service, the Company has to pay the higher of stipulated annual minimum payment or the percentage of service revenues prior to deducting expenses and taxes. However, the Company had to comply with the regulation while TOT would like to wait for the final judgment of the Court. As a result, the Company anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. The Company 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 the Company. The Company will make adjustment in the financial statement in the period when the issue has been agreed. The Company's management is certain that it will not incur significant expense more than the revenue sharing amount which the Company has recorded.

However, after having considered the letter from TOT, the relevant laws and the comments of the legal consultant, the management of the Company is of the opinion that non-compliance with the above Interconnection Agreement would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, the Company decided to comply with the said Agreements which are in line with the legal provisions currently in force by issuing invoices to collect the interconnection charge from the contractual parties.

On 30 December 2008, the Company has remitted the revenue sharing incurred from the interconnection of the telecommunication network since February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of the Company to TOT. Later, the Company and TOT had set up the negotiation committee to seek for the conclusion but it could not be done as TOT required the Company to pay revenue sharing calculated on gross interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators. Thus, on 26 January 2011, TOT sent a letter demanding the Company to pay the revenue sharing on the interconnection charges of the concession year 17 - 20 in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month. But the Company disagreed and sent a letter opposing the said claim to TOT and the Company has submitted the dispute to the Dispute Reconciliation Office, Arbitration Institute ref. no. Black 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing. At present, the said dispute is pending on the Arbitration procedures.

4) Obligations of the bank guarantees in connection with the Agreement for Operation.

According to the Agreement, the Company has the duties to deliver the bank guarantees to TOT Public Company Limited ("TOT") to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 17th - 21st for a total value of Baht 7,007 million by claiming that the Company had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 11 May 2011 and on 5 October 2012, the Company has submitted the disputes to the Office of Dispute Resolution, Arbitration Institute, case no. Black 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to the Company because the Company has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects. At present, the above mentioned disputes are in the process of consideration of the Arbitral Tribunal.

Digital Phone Company Limited ("DPC")

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between CAT Telecom Public Company Limited ("CAT") and Digital Phone Company Limited ("DPC") after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (the "Act") are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines CAT should implement.

According to the opinion of the Council of State regarding the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 regarding the Contract permitting the provision of cellular mobile phone service between CAT and DPC on case no. 294/2550 that

*** "...the assignment of the rights and duties by Total Access Communication Public Company Limited ("DTAC") to DPC and the entering into an agreement between DPC and CAT dated 19 November B.E. 2539 are considered as the permission of CAT granted to a private sector to provide cellular mobile phone service, it shall not be deemed to be part of cellular mobile phone service between CAT and DTAC, so DPC shall be the contracting party of CAT and was under the supervision and regulation of CAT and pay remuneration to CAT. DPC shall, therefore, have to comply with the said Act since CAT has already specified the scope of the project and the private sector to provide the service. Besides, the project has already been carried out. Therefore, there is no need to invite private sector to submit any proposal according to Chapter 3. However, Chapter 3 shall be applied in so far as it is not contrary to the fact whereby CAT has to set up the Coordinating Committee in accordance with Section 13 to proceed according to Section 21 of the said Act, provided that the Coordinating Committee will propose the selection result including the reason, negotiation issues, state benefits and the draft of agreement to the Minister who supervised the project in order to propose to the Cabinet within 90 days since the decision by Coordinating Committee.

Therefore, the procedures are within the power and authority of the Committee according to Section 13 to consider as appropriate and DPC has already been assigned of the rights and duties from Total Access Communication Public Company Limited according to the Contract Permitting the Provision of Cellular Mobile Phone Service between CAT and Total Access Communication Public Company Limited, DPC shall have the right to provide telecommunication service even though the Contract between CAT and DPC has not been done or performed in accordance with the Act. However, the Contract between CAT and DPC shall remain valid in so far as it is not revoked or terminated by time of ending or other cause. Thus, CAT and DPC shall remain obliged to fulfil the said agreement."

**The above clauses in "... represent some parts of the Memorandum of the Council of State no. 294/2550. The full text Memorandum of the Council of State is available only in Thai language.

In addition, the Coordinating Committee pursuant to Clause 13 has already submitted the opinion regarding the amendments of the Agreement of DPC to the Minister of the Information and Communications Technology.

The Agreement for operation of cellular mobile telephone: Digital PCN between DPC and CAT expired on 15 September 2013.

2) The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited ("CAT")

On 9 January 2008, CAT Telecom Public Company Limited ("CAT") submitted a dispute no. black 3/2551 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC, a subsidiary, 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 has submitted the petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty for Baht 790 million and value added tax for Baht 171 million.

This amount is the same as an excise tax that DPC had delivered to Excise Department during 16 September 2003 to 15 September 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet's resolution. Thus, DPC has correctly and fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet.

On 1 March 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On 3 June 2011, CAT has submitted the case no. Black 1259/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

3) The deduction of access charge from revenue sharing between DPC and CAT Telecom Public Company Limited ("CAT")

Pursuant to the resolution of the meeting on 14 January 2004 between TOT Public Company Limited ("TOT"), CAT Telecom Public Company Limited ("CAT"), Digital Phone Company Limited ("DPC"), a subsidiary, and True Move Company Limited ("True Move") by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as Total Access Communication Public Company Limited ("DTAC") had received from TOT.

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

On 29 July 2008, CAT submitted a dispute no. black 68/2551 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus value added tax and interest at the rate 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute no. black 96/2552 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to 15 October 2009, total amount of claim is Baht 26 million.

On 23 March 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty fine and the value added tax.

On 25 June 2012, CAT has submitted the case no. Black 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

4) Access charge payment between DPC, CAT Telecom Public Company Limited ("CAT") and TOT Public Company Limited ("TOT")

On 9 May 2011, TOT Public Company Limited ("TOT") has submitted the case no. Black 1099/2554 to the Central Administrative Court against CAT Telecom Public Company Limited ("CAT") as the defendant no. 1 and Digital Phone Company Limited ("DPC") as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to 9 May 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute no. Black 68/2551 mentioned above but different in terms of the calculation period and interest.

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

5) To deliver and transfer ownership of towers and equipments of power supply between DPC and CAT Telecom Public Company Limited ("CAT")

On 3 February 2009, CAT Telecom Public Company Limited ("CAT") has submitted a dispute under Case no. Black 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary, to deliver and transfer ownership of 3,343 towers including 2,653 equipments of power supply under the Digital PCN ("Personal Communication Network Agreement"). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

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

On 25 October 2012, CAT has submitted the case no. Black 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

6) The reduction of roaming fee between DPC and CAT Telecom Public Company Limited ("CAT")

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

On 15 July 2010, CAT has submitted a dispute under case no. Black 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 - 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; case no. Black 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 - 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until full payment is made.

At present, the said dispute is pending on the Arbitration process. The Company's management believes that the outcome of the said dispute shall have no material impact on the consolidated financial statements of the Company since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

7) The damage arisen from uncollectible international call service charges between DPC and CAT Telecom Public Company Limited ("CAT")

On 8 April 2011, CAT Telecom Public Company Limited ("CAT") submitted a dispute no. Black 32/2554 to the Arbitration Institute and the Dispute Reconciliation Office, Justice Court Office demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) 1800 Service Agreement due to subscriber fraud on the Digital PCN 1800 Service Agreement between DPC and subscribers for 1,209 numbers during 1997 - 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stating 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 has submitted the case no. Black 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

8) Revenue sharing on interconnection charge between DPC and CAT Telecom Public Company Limited ("CAT")

On 24 August 2012, CAT has submitted a dispute under case no. Black 110/2555 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, the said dispute is pending on the Arbitration procedures. The Company's management believes that the outcome of the said dispute shall be settled favourably and has no material impact on the consolidated financial statements of the Company since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

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

According to the Agreement, Digital Phone Company Limited ("DPC") has the duties to deliver the bank guarantees to CAT Telecom Public Company Limited ("CAT") to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

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

On 8 October 2012, DPC has submitted a dispute to the Office of Dispute Resolution, Arbitration Institute, case no. Black 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects. At present, the above mentioned disputes are in the process of consideration of the Arbitral Tribunal.

AIN Globalcomm Company Limited ("AIN")

The international direct dialling service by using the symbol "+" between AIN and CAT Telecom Public Company Limited ("CAT")

On 7 March 2008, CAT Telecom Public Company Limited ("CAT") has submitted the black case no. 1245/2551 to the Civil Court against Advanced Info Service Public Company Limited ("the Company") as the defendant no. 1 and AIN Globalcomm Company Limited, a subsidiary, as the defendant no. 2 requesting the Company and the subsidiary to pay compensation with interest rate at 7.5% per annum for damage up to the date of case submission equalling to Baht 130 million. The reason is to change traffic of the international direct dialling service by the Company and the subsidiary during 1-27 March 2007 through the Company subscriber by using the symbol "+" dialling from no. 005 of the subsidiary, instead of no. 001 of CAT without the prior notification to subscriber. On 4 September 2008, CAT submitted a petition revision to adjust compensation for Baht 583 million (including interest) because CAT was damaged consecutively until 7 March 2008.

On 19 November 2008 CAT submitted the request for the order of provisional remedial measure before delivery of judgment to cease the Company and the subsidiary to transfer the traffic 001 or symbol “+” of CAT to traffic 005 of the subsidiary. On 26 February 2009, the Civil Court dismissed the CAT’ request and on 20 March 2009, CAT has appealed the dismissal. On 16 August 2012, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 19 October 2012.

On 17 December 2009, the Civil Court has dismissed the case as the facts cannot be proved that CAT has either an exclusive right to use the symbol “+” or the right to prohibit the Company and AIN to use the symbol “+” and it cannot also been proved that the changing of the connection setting of the international direct dialing service from using the symbol “+” for the code 001 of CAT to “+” for the code 005 of AIN has caused the subscribers who use international direct dialing service to believe that they are using the code 001 of CAT, therefore, the acts of the Company have not infringed any right of CAT and also of AIN which CAT alleged to jointly commit the wrongful act against the Company and have not infringed the right of CAT as well. CAT has appealed to the Court of Appeal on 10 March 2010. Subsequently on 27 June 2013, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 16 September 2013. Presently, the said case is pending on the Supreme Court process.

40 Events after the reporting period

Debenture issuance of a subsidiary

On 23 January 2014, the board of directors consented the issuance and offering of debenture of Advanced Wireless Network Co., Ltd. (AWN), a subsidiary, for an amount not exceeding Baht 20,000 million. The details of debenture issuance will be considered by the authorised directors of AWN.

Dividends

At the Board of Directors’ meeting held on 11 February 2014, the Board passed a resolution proposing to the annual general shareholders’ meeting the payment of dividends for the year 2013, at the rate of Baht 12.15 per share, Baht 6.40 each of which was paid as an interim dividend on 4 September 2013. The proposed dividends shall be approved by the shareholders.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group/Company has not adopted the new and revised TFRS that have been issued but are not yet effective. Those new and revised TFRS that are applicable to the Group’s/Company’s operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014

TFRS	Topic	Year effective
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 31 (revised 2012)	Interests in Joint Ventures	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 12	Service Concession Arrangements	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 29	Service Concession Arrangements – Disclosure	2014
TIC 32	Intangible Assets-Web Site Costs	2014

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate / Company's financial statements of those new and revised TFRS assessed to have the greatest potential impact on the financial statements in the period of initial application. These new and revised TFRS are as follows:

TFRIC 12 - Service Concession Arrangements

TFRIC 12 gives guidance on the accounting by operators for public-to-private service concession agreements under which the grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term. The operator recognises its interest in the concession as either a financial asset or an intangible asset arising from the concession agreement, depending on criteria set out in TFRIC 12, and not as property, plant and equipment.

The Group/Company will adopt TFRIC 12 with effect from 1 January 2014. The effects of the change will be recognised retrospectively in the financial statements. Management estimates that the impact on the financial statements will be as follows:

	Consolidated financial statements	Separate financial statements
	(in million Baht)	
The statement of income for the year ended 31 December 2013		
Increase in construction income from service concessions	3,766	3,638
Increase in construction cost from service concessions	(3,766)	(3,638)
Profit (loss)	-	-

42 Reclassification of accounts

Certain accounts in the statement of income for the year ended 31 December 2012 have been reclassified to conform to the presentation in the 2013 financial statements as follows:

	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
	(in million Baht)					
<i>Statement of income for the year ended 31 December</i>						
Revenue from rendering of service and equipment rentals	123,873	(19)	123,854	117,936	(9,725)	108,211
Cost of rendering of services and equipment rentals	(40,172)	19	(40,153)	(46,437)	9,725	(36,712)
		-			-	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Management Discussion and Analysis

Executive Summary

In 2013, AIS had officially launched 3G-2.1GHz service in May, by the year end we achieved 80% population coverage with 13,200 base stations in all 77 provinces on the CAPEX of Bt28bn. After 8 months of 3G launch, AIS registered 16mn subscribers which accounted for 40% of the total subscribers while revenue contribution on 3G 2.1GHz license also increased to 43% in 4Q13. This resulted in significant reduce in regulatory fee as the business model is shifting from Build-Transfer-Operate (BTO) with revenue sharing of 25-30% to license with a license fee of 5.25%. Accordingly, in 2013, EBITDA increased 3.7% YoY to Bt63,691mn despite higher operating expense on 3G network expansion while net profit improved 4% to Bt36,274mn.

Revenue driver remained upon non-voice service which grew 24% YoY to Bt32,376mn, the largest portion was data which contributed 19% of service revenue, excluding IC. Demand for smartphones continued increasing with more affordable prices and variety resulted in sales revenue rose 7.3% YoY.

However, voice usage has dropped on weak consumer sentiment and new NBTC's regulation to extend prepaid validity, leading to 4% YoY decline in voice revenue to Bt71,941mn.

Competition outlook in 2014 is expected to be driven by operators' push for smartphone adoption and 3G subscriptions, leading to price pressure, zero handset margin and increased marketing spending. On a positive side, rising 3G adoption will bring in lower regulatory cost and help offsetting cost pressure. We expect our service EBITDA margin to improve by 300bps but consolidated EBITDA margin to be flat given the handset adoption strategy. Revenue growth is expected to accelerate to 6-8% upon improving network and product competitiveness. To regain customer perception toward AIS 3G network, we plan to spend Bt40bn this year to further ramp up coverage to 95% of population and accelerate investment for quality including fiber optics and small cells.

Significant Events

Impairment loss of investment in DPC in the separate financial statement

Resulted from NBTC's one year remedy after the expiration of 1800MHz Build-Transfer-Operate (BTO) contract on Sep 15, 2013, the Company reviewed the carrying amount of investment in DPC, a subsidiary operating mobile service on GSM 1800MHz, assuming that DPC continue operation after the expiration of the BTO contract for one year. As a result, the company recorded a non-cash loss from impairment of Bt216mn, which impacted the net income on the separate financial statements. The recoverable amount of investment in DPC remains at Bt4,263mn (Note 12 of the Financial Statement 2013).

Operational Summary

In 2013, AIS registered 41mn subscribers with a net addition of 5.1mn mainly from prepaid segment. The subscriber growth reflected growing smartphone users and to a larger extent an impact from the new NBTC's regulation to extend prepaid validity, which resulted in lower prepaid churn and subsequently high net additions. After 8 months of the official launch of 3G 2.1GHz in May-13, AIS had 16.4mn 3G subscribers which accounted for 40% of the total subscribers. Subscription on 2G-900/1800MHz continued to decline to 24.5mn.

Prepaid average revenue per user (ARPU) decreased slightly 2.7% QoQ and 13% YoY to Bt182 due to weak consumer sentiment and the impact of larger subscriber base from longer validity regulation. Postpaid ARPU and minute of use (MOU) dropped YoY and QoQ, as new subscribers were mid-end which generated lower ARPU and the political situation in Thailand lead to the weak consumer spending.

Subscribers	4Q12	1Q13	2Q13	3Q13	4Q13
2G ¹⁾	35,743,700	37,118,900	33,720,100	28,653,700	24,494,400
3G ²⁾	-	-	3,946,300	10,471,400	16,366,500
Postpaid	3,683,300	3,825,800	3,947,000	4,053,700	4,266,900
Prepaid	32,060,400	33,293,100	33,719,400	35,071,400	36,594,000
Total subscribers	35,743,700	37,118,900	37,666,400	39,125,100	40,860,900

Net additions					
2G ¹⁾	419,800	1,375,200	-3,398,800	-5,066,400	-4,159,300
3G ²⁾	-	-	3,946,300	6,525,100	5,895,100
Postpaid	137,000	142,500	121,200	106,700	213,200
Prepaid	282,800	1,232,700	426,300	1,352,000	1,522,600
Total net additions	419,800	1,375,200	547,500	1,458,700	1,735,800

ARPU (Baht/subs/month)					
2G ¹⁾	258	254	236	208	194
3G ²⁾	-	-	396	360	289
Postpaid	683	683	686	698	658
Prepaid	210	204	195	187	182
Blended	258	254	244	236	226

MOU (minute/sub/month)					
2G ¹⁾	340	339	320	305	291
3G ²⁾	-	-	362	366	342
Postpaid	483	470	450	444	429
Prepaid	324	323	308	302	294
Blended	340	339	322	317	308

¹⁾ 2G refers to 900 & 1800MHz operation under Build-Transfer-Operate contract

²⁾ 3G refers to 2100MHz operation under license issued by the NBTC

4Q13 Snapshot

In 4Q13, 3G adoption continued to grow as 3G subscribers increased to 16.4mn from 10.5mn in 3Q13. Hence, 3G revenue increased to Bt11,437mn, representing 43% of revenue compared to 29% in 3Q13, while 2G revenue dropped. From the political situation and economic slowdown, 4Q service revenue, excluding IC, flat QoQ at Bt28,030mn but dropped 0.7% YoY. Regulatory fee was Bt5,497mn, a decrease of 12% QoQ, from the change in cost structure from BTO (Build-Transfer-Operate) to license scheme. With the increasing demand on iPhone, sales revenue rose 61% QoQ. Sales margin maintained at 5.4%. EBITDA was Bt16,316mn, an increase of 6.4% QoQ and 5.8% YoY mainly from the regulatory fee saving. Net profit was Bt8,816mn, an increase of 5.7% QoQ and 4.2% YoY. Without defer tax on DPC, normalized net profit was Bt9,098mn.

FY13 Financial Summary

Revenue

In 2013, AIS total revenue remained stable from last year at Bt142,783mn due to lower interconnection rate (from Bt1/minute to Bt0.45/minute starting since July 1st) offset rising data momentum.

- SIM & device sales, representing 13% of total revenue, were Bt18,995mn and increased 7.3% YoY on growing smartphone popularity. Sales margin, however, continued to decline from 8% to 7% due to declining device price and attractive co-branded handset offerings to push 3G handset adoption.
- Service revenue, excluding IC, stood at Bt112,528mn and increased 3.9% YoY, underpinned by strong demand for mobile internet whereas voice continued to decline. In May-13, AIS launched the new 3G-2.1GHz and encouraged customers to move to the new 3G-2.1GHz service. In 2013, revenue from 3G-2.1GHz represented 20% of service revenue, excluding IC. Voice revenue was Bt71,941mn, a decrease of 3.5% YoY, due to weak economic sentiment. The revenue contraction was mainly seen from the prepaid segment which dropped 5.9% YoY following the NBTC's prepaid validity regulation. This resulted in lower customer spending since the minimum top-up value for 30 days validity has reduced from Bt200 to Bt10. As a result of the new 3G launch, non-voice revenue for year 2013 grew 24% YoY to Bt32,376mn, underpinned by rising data demand and more affordable smartphone. The largest portion of non-voice revenue came from mobile data service which grew strongly, its contribution to service revenue, excluding IC rose to 19% from 14% in 2012. International Roaming (IR) went down 4% YoY from global price pressure, partly offset by growing users and usage of data roaming. International call & other businesses rose 16% in 2013 from infrastructure rental, AIS Wi-fi, and expanded international call business.
- Interconnection charges (IC) Both IC revenue and cost declined almost 30% due to IC rate reduction. In 2013, AIS was the IC recipient of Bt659mn, an increase of 17% YoY.

Cost & Expense

Despite 3G network expansion, cost of service, excluding IC, was stable YoY at Bt52,780mn in 2013 since 3G related costs was offset by lower regulatory cost.

- Regulatory fee was at Bt26,443, a decrease of 7.9% YoY, as the revenue shift from 2G (BTO contract) to 3G (license system), which carries lower regulatory cost. In 2013, the regulatory fee represented 23% of service revenue, including net IC, compared to 26% last year.
- Depreciation & Amortization (D&A) stood at Bt16,309mn, an increase of 5.7% YoY, due to 3G investment and 2.1GHz license amortization. This was partly offset by lower amortization of asset under BTO (2G).
- Network OPEX was Bt7,757mn, an increase of 19% YoY, as we rollout new 13,200 sites of 3G-2.1GHz in 77 provinces, covering 80% of population. Network opex was 5.4% of total revenue from 4.6% last year.
- Other cost of service was Bt2,271mn, an increase of 5.9% YoY, due to increased call center staff.

SG&A expense was Bt14,876mn, an increase of 24% YoY from marketing spending and other 3G related expenses. In 2013, SG&A to total revenue reached 10% compared to 8% last year.

- Marketing expense was Bt4,331mn, an increase of 50% YoY to launch and promote the new 3G service.
- General admin expense was Bt9,526mn, an increase of 14% YoY due to increased headcount, expense related to 3G and write-off in obsolete equipment.
- Depreciation stood at Bt232mn, an increase of 15% YoY mainly from shop expansion.
- Bad debt was Bt787mn, an increase of 45% YoY due to growth of postpaid segment. Bad debt as a percentage to postpaid revenue was 2.5%, compared to 2% last year. The level of bad debt remains under normal business circumstance.

Net Foreign Exchange In 2013, net foreign exchange loss was Bt233mn compare to Bt102mn net gain in 2012. This resulted from Thai Baht depreciation and USD denominated CAPEX on the expansion of 3G network.

Profit

In 2013, EBITDA was Bt63,691mn, an increase of 3.7% YoY. The key factor that drove the growth on EBITDA was lower regulatory fee on the new 2.1GHz license (license fee 5.25% vs revenue sharing 25-30%), amid higher network operation expense on expanding 3G network. This also resulted in a slight increase in EBITDA margin to 44.6% from 43.4% in 2012. Net income was Bt36,274mn, increasing 4% YoY, due to improved EBITDA and reduced corporate tax (from 23% to 20%), in spite of higher network depreciation and amortization on new 2.1GHz spectrum. Net profit margin remained flat at 25.4%.

Financial position

At the end of 2013, total asset increased to Bt112,026mn from Bt100,968mn in 2012 mainly from fixed-asset due to 3G network expansion. Cash was used to pay for dividend, as a result it decreased to Bt15,254mn from Bt23,531mn. Inventories increased to Bt2,865mn from Bt1,427mn in 2012 due to the stock on iPhone. Network under BTO contract continued to decrease to Bt20,500mn from Bt29,157mn in 2012, as the contract is approaching expiration. Liquidity remained healthy with the current ratio at 0.77.

Interest bearing debt increased to Bt24,169mn from Bt20,915mn in 2012. Our gearing remained low with net debt to equity of 0.19 times and average cost of debt was 3.4%. Consolidated equities were Bt45,893mn and increased from Bt43,542mn in 2012 due to net income growth.

Cash Flow

In 2013, AIS had cash flow from operation of Bt51,329mn, which remained flat YoY. CAPEX was Bt28,460mn and increased from Bt9,598mn due to the expansion on 3G-2.1GHz project. Free cash flow (OCF-CAPEX) was Bt22,869mn and decreased from Bt41,535mn mainly from 3G network expense.

Income statement (Bt mn)	4Q12	3Q13	4Q13	%YOY	%QoQ	FY12	FY13	%YOY
Voice revenue	18,992	17,828	17,232	-9.3%	-3.3%	74,557	71,941	-3.5%
Non-voice revenue	7,225	8,205	8,563	19%	4.4%	26,197	32,376	24%
International Roaming	782	622	759	-2.9%	22%	2,803	2,690	-4.0%
Others (IDD, other fee)	1,225	1,310	1,476	20%	13%	4,778	5,521	16%
Service revenue, ex. IC	28,224	27,964	28,030	-0.7%	0.2%	108,336	112,528	3.9%
IC revenue	3,908	1,826	1,845	-53%	1.1%	15,518	11,260	-27%
SIM and handset sales	6,068	3,687	5,947	-2.0%	61%	17,695	18,995	7.3%
Total revenues	38,200	33,477	35,822	-6.2%	7.0%	141,549	142,783	0.9%
Cost of service	(17,811)	(15,048)	(13,923)	-22%	-7.5%	(67,732)	(63,381)	-6.4%
Regulatory fee	(7,604)	(6,217)	(5,497)	-28%	-12%	(28,696)	(26,443)	-7.9%
Depreciation & Amortization	(3,848)	(4,338)	(4,147)	7.8%	-4.4%	(15,428)	(16,309)	5.7%
Network operating expense	(2,029)	(2,200)	(1,959)	-3.5%	-11%	(6,510)	(7,757)	19%
Other cost of services	(613)	(598)	(626)	2.2%	4.7%	(2,145)	(2,271)	5.9%
IC cost	(3,718)	(1,694)	(1,693)	-55%	-0.1%	(14,953)	(10,601)	-29%
Cost of SIM and handset sales	(5,565)	(3,483)	(5,625)	1.1%	62%	(16,218)	(17,760)	9.5%
Total costs	(23,376)	(18,351)	(19,547)	-16 %	5.5%	(83,951)	(81,141)	-3.3%
Gross profit	14,824	14,946	16,275	9.8%	8.9%	57,598	61,642	7.0%
SG&A	(3,616)	(4,066)	(4,440)	23%	9.2%	(11,958)	(14,876)	24%
Marketing Expense	(988)	(1,289)	(1,420)	44%	10%	(2,890)	(4,331)	50%
General administrative & staff cost	(2,417)	(2,522)	(2,748)	14%	9.0%	(8,324)	(9,526)	14%
Bad debt provision	(157)	(196)	(209)	33%	6.4%	(543)	(787)	45%
Depreciation	(54)	(59)	(63)	18%	6.8%	(201)	(232)	15%

Income statement (Bt mn)	4Q12	3Q13	4Q13	%Y0Y	%QoQ	FY12	FY13	%Y0Y
Operating profit	11,208	10,880	11,835	5.6%	8.8%	45,640	46,765	2.5%
Net foreign exchange gain (loss)	53	(35)	(215)	-509%	-519%	102	(233)	-328%
Other income (expense)	155	153	115	-26%	-25%	964	708	-27%
Finance cost	(258)	(241)	(228)	-12%	-5.2%	(1,093)	(1,002)	-8.3%
Income tax	(2,772)	(2,438)	(2,707)	-2.3%	11%	(10,715)	(10,008)	-6.6%
Non-controlling interest	71	22	16	-77%	-25%	(16)	44	-378%
Net profit for the period	8,458	8,341	8,816	4.2%	5.7%	34,883	36,274	4.0%

Revenue mix (Bt mn)	4Q12	3Q13	4Q13	%Y0Y	%QoQ	FY12	FY13	%Y0Y
2G revenue ¹⁾	26,999	19,005	15,117	-44%	-21%	103,557	85,613	-17%
3G revenue ²⁾	-	7,650	11,437	NA	50%	-	21,394	NA
Total 2G and 3G revenue (including voice, non-voice, IR)	26,999	26,654	26,554	-1.6%	-0.4%	103,557	107,007	3.3%
% 3G revenue	-	29%	43%			-	20%	

¹⁾ 2G refers to 900 & 1800MHz operation under Build-Transfer-Operate contract

²⁾ 3G refers to 2100MHz operation under license issued by the NBTC

EBITDA (Bt mn)	4Q12	3Q13	4Q13	%Y0Y	%QoQ	FY12	FY13	%Y0Y
Operating Profit	11,208	10,880	11,835	5.6%	8.8%	45,640	46,765	2.5%
Depreciation & amortization	3,902	4,398	4,211	7.9%	-4.2%	15,630	16,541	5.8%
(Gain) loss on disposals of PPE	372	93	323	-13%	248%	364	562	55%
Management benefit expense	(40)	(36)	(44)	9.6%	23%	(153)	(163)	6.8%
Other financial cost	(14)	(5)	(8)	-41%	81%	(45)	(14)	-68%
EBITDA	15,428	15,329	16,315	5.8%	6.4%	61,436	63,691	3.7%
Consolidated margin (%)	40.4%	45.8%	45.5%			43.4%	44.6%	
Service margin* (%)	46.4%	50.8%	53.5%			48.4%	50.5%	

*Service margin is derived from service business which excludes handset business.

Service margin = (EBITDA - Net sales)/(Total revenue - Sales revenue)

Financial Position	(Bt mn/% to total asset)			
	4Q12		4Q13	
Cash	23,531	23 %	15,254	14%
ST investment	1,340	1.3%	1,577	1.4%
Trade receivable	8,065	8.0%	10,264	9.2%
Inventories	1,427	1.4%	2,865	2.6%
Others	3,741	3.7%	5,005	4.5%
Current Asset	38,103	38%	34,965	31%
Spectrum license	14,577	14%	13,601	12%
Network and PPE	40,297	40%	56,422	50%
Intangible asset	2,033	2.0%	2,178	1.9%
Defer tax asset	5,314	5.3%	3,557	3.2%
Others	644	0.6%	1,303	1.2%
Total Assets	100,968	100.0%	112,026	100.0%
Trade payable	7,341	7.3%	11,718	11%
ST loan & CP of LT loans	8,462	8.4%	9,303	8.3%
Accrued R/S expense	4,855	4.8%	3,535	3.2%
Others	15,630	16%	17,279	15%
Current Liabilities	36,288	36%	45,491	41%
Debenture & LT loans	12,453	12%	14,866	13%
Total Liabilities	57,426	57%	66,133	59%
Retained earning	17,344	17%	19,729	17%
Total Equity	43,542	43%	45,893	41%

Key Financial Ratio	4Q12	3Q13	4Q13
Interest bearing debt to equity	0.48	0.58	0.53
Net debt to equity	Net cash	0.19	0.19
Net debt to EBITDA	Net cash	0.12	0.14
Current Ratio	1.05	0.73	0.77
Interest Coverage	46	46	54
DSCR	5.0	5.5	5.1
ROE	85%	80%	88%

Debt repayment schedule	(Bt mn)	
	Debenture	Loan
1Q13	-	-
2Q13	4,000	247
3Q13	4,000	-
4Q13		5,247
2014	2,500	6,939
2015	-	2,399
2016	-	3,707
2017	-	1,801
2018	-	6,799

Source and use of fund : FY13				(Bt mn)
Source of Fund		Use of Fund		
Operating CF before change in working capital	64,658	Dividend payment		33,889
Cash decreased	8,360	CAPEX & Fixed assets		28,460
Net Changes in short-term borrowings	4,000	Income tax paid		9,225
Proceeds of long-term borrowings	7,812	Debt repayment		8,486
Interest received	559	Finance cost and finance lease paid		1,010
Sale of property and equipment	16	Net change in current/long investments		231
		Changes in working capital		4,105
Total	85,405	Total		85,405

FY2014 MANAGEMENT OUTLOOK & STRATEGY

Revenue growth	Service revenue, excluding IC, increase 6 to 8%
3G-2.1GHz subscribers	75% of total subscribers 50% using 3G devices
EBITDA margin	Service margin increase 300bps to 53% Consolidated margin maintain at 44%
CAPEX	Bt40bn <ul style="list-style-type: none"> 20,000 3G BTSs with additional small cells, covering 95% population and faster fiber optic rollout AIS shop expansion and renovation
Total Depreciation & Amortization	Increase 18% YoY (<i>incl. network, license fee, and fixed asset in SG&A</i>)

Strengthen 3G-2.1GHz network to improve customer perception toward AIS 3G 2100

The investment plan for the year 2014 is to lift up customer experience on 3G by continued network expansion for both coverage and capacity. With 20,000 3G-2.1GHz base stations, we aim to provide similar network coverage as 2G, at 95% population coverage. We also plan to strengthen quality and expand network capacity in dense areas by adding small cells and accelerate fiber optic expansion. Our fiber transmission will support growing mobile data demand as well as new potential wired-broadband service. In addition, we plan to expand and renovate our AIS shops to increase customer touch points and brand attraction. Total estimated CAPEX is Bt40bn in 2014.

Rising device adoption will drive revenue growth momentum

With the lack of voice growth due to gloomy economic outlook and saturated market, revenue driver depends more on rising adoption of smartphone users. We aim to stimulate 3G/smart devices adoption among medium-tier users by offering campaigns on affordable devices with zero margins. Hence we target 3G device penetration to be 50% of 2.1GHz subscribers. Following that, devices sales will increase substantially while marketing spending could reach 4.5% of total revenue. Meanwhile, the fast 3G network expansion will enable us to offer superior services at competitive prices. There will be more segmented innovative applications and content to enhance users' experience in digital lifestyles. With accelerated non-voice momentum offset subdue voice segment, service revenue is expected to grow in a range of 6-8% YoY.

Improved cost competitiveness with the 3G subscription and device penetration

This year, 3G-2.1GHz users is expected to reach 75% of total subscribers from 40% last year. With rising 3G-2.1GHz subscription and device adoptions, regulatory cost is trending down (5.25% of revenue versus 20-30% on the original 2G-900MHz contract). In 2014, service margin is expected to improve by 300bps to 53% as regulatory savings offset higher marketing spending and other 3G related costs. However, the zero handset margin strategy and larger portion of handset sales will pressure consolidated EBITDA margin which is expected to be relatively flat compared to 2013 at 44%.

Maintain the dividend policy: 100% dividend payout

The company aims to maintain 100% payout ratio and pays dividend twice a year. The payout ratio is based on consolidated earnings and subject to the availability of retained earnings on the separated financial statement. This commitment is supported by strong operating cash flow and a low debt level. The CAPEX and license payment will be funded by internal cash flow and additional borrowings if required. If and when there are any new business opportunities or significant changes that may impact on our future operation and investment, and hence capital structure, the company will promptly discuss any new direction with the investment community.

Audit and non-audit fee

In 2012, the Company had the audit fee and quarterly review fee of total Baht 5.63 million and the audit fee and quarterly review fee of its subsidiaries was Baht 4.70 million.

The Company had a non-audit fee of total Baht 170,000.

Financial Covenants Compliance

Pursuance to the Terms and Conditions of the debentures of Advanced Info Service Plc.; AIS141A, the Company is required to maintain debt to equity ratio at not more than 2:1. This ratio will be calculated from a consolidated financial statement of the Company on semi-annually basis. The Company is, in addition, required to report a default on any debt obligation if there is any.

We would like to notify you that as at 31 December 2013 the debt to equity ratio were 0.53 times and the Company was not in default of any debt obligation. The Company is completely complied with the conditions set forth in the Terms and Conditions of the above debentures.

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 statement

Additional Information

General information and other significant information

General information of the Company

The Company name	: Advanced Info Service Public Company Limited
Symbol for trading	: ADVANC
Registered date on the SET	: 5 November 1991
Market capitalization	: Baht 593,132.52 million (as of 27 December 2013)
Registered capital	: Baht 4,997,459,800
Paid-up capital	: Baht 2,973,095,330
Total shareholders	: 18,664 persons (as of 21 August 2013, the latest book closing date for the rights to receive dividend)
Free float	: 36.22% (as of 22 February 2013)
Type of business	: Provide mobile telephone service in the 900MHz and 1800MHz frequency under the digital GSM technology and 2.1GHz frequency under the digital UMTS technology
Head office	: 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Registered No.	: 0107535000265
Website	: http://www.ais.co.th
Telephone	: (66) 2299 6000
Facsimile	: (66) 2299 5165

American Depositary Receipt

ADR ticker symbol	: AVIFY
Exchange	: Over The Counter (OTC)
Depository	: The Bank of New York Mellon
ADR to ORD share ratio	: 1:1
ADR CUSIP number	: 00753G103

General information of subsidiaries and affiliates

Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Digital Phone Co.,Ltd. (DPC) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax: (66) 2299 5455	Service provider of digital mobile phone network in 1800MHz frequency	365.55	10	3,655.47	98.55
Advanced Datanetwork Communications Co.,Ltd. (ADC) (an indirect subsidiary via DPC) 408/157, Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2270 1900 Fax: (66) 2270 1860 Website : www.adc.co.th	Service provider of online data communication service via telephone landlines and optical fiber	95.75	10	957.52	51.00 ^{1/}
Advanced Contact Center Co.,Ltd. (ACC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax: (66) 2299 5959	Call center service	27.2	10	272	99.99
Advanced MPAY Co.,Ltd. (AMP) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2687 4808 Fax: (66) 2687 4788	Service provider of payment business via mobile phone	30	10	300	99.99
Advanced Magic Card Co.,Ltd. (AMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax: (66) 2615 3330	Distributor of cash card business	25	10	250	99.99
AIN GlobalComm Co.,Ltd. (AIN) 408/127 Phaholyothin Place Tower, 29 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax: (66) 2278 7030 Website : www.ain.co.th	International telephone service gateway	2	100	100	99.99

Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Super Broadband Network Co., Ltd. (SBN) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax : (66) 2619 8777 www.sbn.co.th	Network operator for international service and international telecom service operator i.e. international & national internet gateway etc.	3	100	300	99.99
Wireless Device Supply Co.,Ltd (WDS) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 5777 Fax: (66) 2299 5200	Importer and distributor of handsets and accessories	0.5	100	50	99.99
Advanced Wireless Network Co.,Ltd. (AWN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax : (66) 2687 4986	Network operator, telecom service operator, and computer system service provider. AWN received an Internet License Type I, Telecommunication Business License Type III, and 2.1GHz License from the NBTC	13.5	100	1,350 ^{2/}	99.99
Advanced Internet Revolution Co.,Ltd. (AIR) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000 Fax : (66) 2299 5200	Service provider of internet	24	10	240	99.99
MIMO Tech Co.,Ltd. (MMT) 1291/1 Phaholyothin Road,Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000	Operate IT, and content aggregator businesses	0.5	100	50	99.99

Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Fax Lite Co.,Ltd. (FXL) 1291/1 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel : (66) 2299 6000	Operate in acquiring and/or lease building, and related facilities for telecommunications business	0.01	100	1	99.97
Advanced Broadband Network Co.,Ltd. (ABN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok	Currently not start the operation	0.01	100	1	99.97

Joint Venture	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Clearing House for Number Portability Co.,Ltd. (CLH) 598 Q House Ploenchit Building, 6 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel : (66) 2646 2523 Fax : (66) 2168 7744	Jointly invested, Operate the Information System and the centralized database for the mobile portability service	0.02	100	2	20.00
Bridge Mobile Pte. Ltd. (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel : (65) 6424 6270 Fax : (65) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	23	1 USD	USD 23 Million	10.00

Note:

1. The remaining 49% shareholding is non-related person
2. Advanced Wireless Network Co., Ltd. registered its share capital addition from Baht 350 million to Baht 1,350 million on 19 September 2013
3. On 7 February 2013, The Board of Directors approved to dissolve 2 subsidiaries; Mobile Broadband Business Co.,Ltd. (MBB) and Advanced Mobile Broadband Co.,Ltd. (AMB). The dissolution is now under liquidation process.

Other references

Ordinary Share Registrar

Thailand Securities Depository Company Limited
The Stock Exchange Thailand Building,
62, Ratchadapisek Road,
Klongtoey, Klongtoey, Bangkok 10110
Tel : (66) 2229 2800
Fax : (66) 2359 1259
Call Center : (66) 2229 2888

Auditor

Mr. Supot Singhasaneh
Certified Public Accountant Registration Number 2826
KPMG Phoomchai Audit Limited
195, Empire Tower 48th - 51st Floor,
South Sathorn Road, Sathorn, Bangkok 10120
Tel : (66) 2677 2000
Fax : (66) 2677 2222



Advance Info Service Public Company Limited
Head office 414, Intouch Tower, Phaholyothin Rd.
Samsen Nai, Phayathai, Bangkok 10400
Tel. : (66) 2299 6000
Fax : (66) 2299 5165
www.ais.co.th