

Annual Report 2015

Internet Thailand Public Company Limited

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Message from Chairman and Managing Director



P. Thajchayapong

(Prof. Dr. Pairash Thajchayapong)
Chairman of the Board



Morragot Kulatumyotin

(Mrs. Morragot Kulatumyotin)
Managing Director

The new four main driving forces such as Cloud Computing, Mobility, Big Data, and Social Network, the world step into the era of Digital Economy and Society. Digital technology integrated people life style and changed economic activities' pattern, production process, trading and service. This new phenomenon called the Digital Transformation, creates new businesses; Facebook, Uber, Line, Amazon, Google, etc.

The Government of Thailand has a policy to promote the Digital Economy to use as a fundamental of the country's economic and social development in order to keep on the same pace with other countries such as Internet Broadband, Data Center and E-government Services.

Internet Thailand Company Limited is an ICT infrastructure services provider which certified by international standards of network stability and security. The company is a leader in providing Cloud Solutions service in Thailand. The public and private sectors are able to adopt new ICT services which provided by the Company to enhance a capability and manage costs in their businesses which is an essential factor to support the businesses during the economy deceleration but still intend to continue moving forward. The company's services are popular as more customers respectively, as a result, the company revenue's growth rate was 22.99 % (from 508 million baht in 2014 to 624.04 million baht in 2015). Especially, the Cloud Solutions service's growth was as much as 68.97% and expects to increase continuously.

The Extraordinary General Meeting, on 18 December 2015, has a resolution to build the third company's Data Operations Center (INET-IDC3) at Saraburi province under the investment amount of 750 million baht to support the future demand from customers especially a demand for the Cloud Solutions service. Moreover, INET-IDC3 will be appropriate to serve customers as a Cloud Solutions backup Data Center.

In addition, on this Extraordinary General Meeting also resolved to transfer legal reserve to cover up a loss on retained earnings in a separate financial statement, therefore the Company has zero accumulated deficit and would have an ability to pay dividends to shareholders when the Company has Net Profit from operations on each period without any losses.

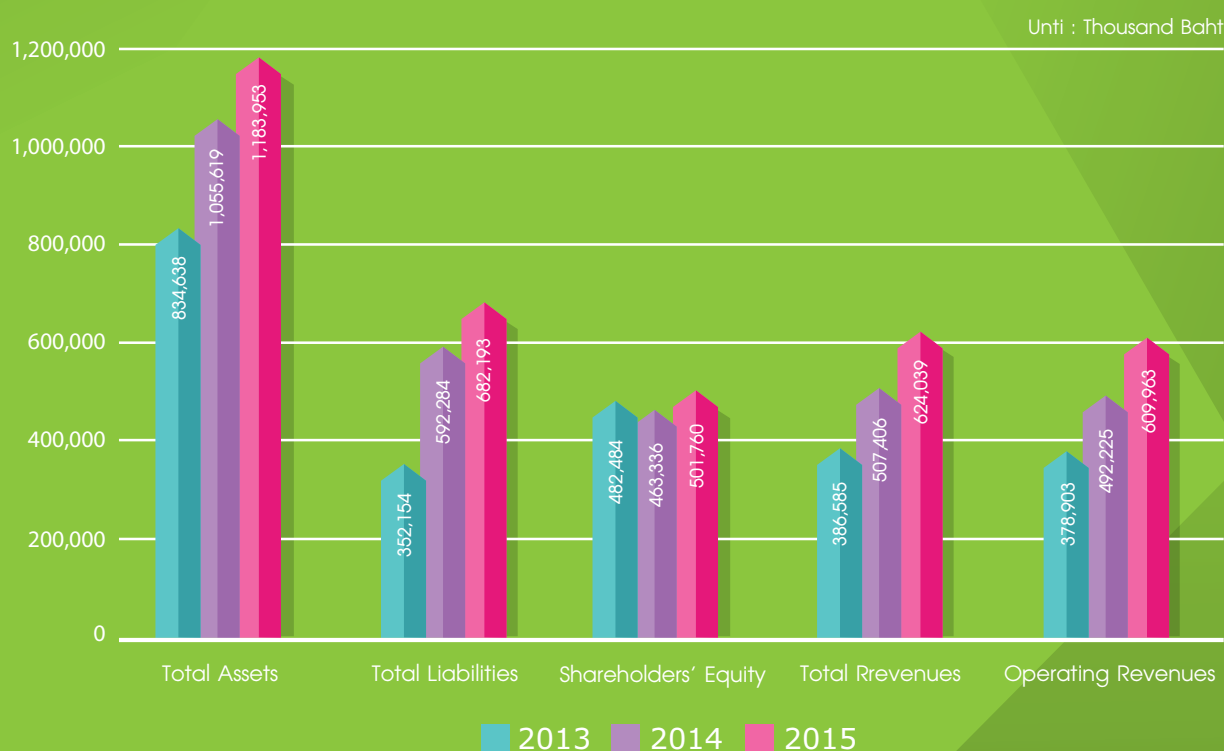
To build confidence among customers, as well as to demonstrate the Company's commitment to developing effective and up to date services, the company has continued to undertake the international standards on the Data Center, Core Network and Cloud Solutions services. In 2015, the Company has been certified standard on Cloud Security Alliance - Security, Trust & Assurance Registry (CSA-STAR) which is the process of managing security of a Cloud Service Provider. Such measures as marking confirms the Company's commitment to increase the service ability to become an absolute Cloud Service Provider.

Last but not least, on behalf of Internet Thailand Public Company Limited, I would like to express our sincere appreciation towards continued trust and support we have received from every single one of shareholders, customers and partners. We assure you that we will keep running our business based on the principles of good governance and professional ethics, and will continue taking part in activities that contribute to developments of our society and the country.

Highlights of Financial Performance

Unit : Thousand Baht

	2015	2014	2013
Financial Hightlights			
Total Assets	1,183,953	1,055,619	834,638
Total Liabilities	682,193	592,284	352,154
Shareholder's Equity	501,760	463,336	482,484
Total Revenues	624,039	507,406	386,585
Operating Revenues	609,963	492,225	378,903
Net Profit (Loss)	39,112	(7,409)	3,064
Financial Ratios			
Current Ratio (Times)	0.27	0.28	0.44
Gross Profit Margin (%)	26.17	22.17	24.85
Operating Profit Margin (%)	8.75	2.65	(0.32)
Net Profit Margin (%)	6.27	(1.46)	0.79
Return on Equity (%)	8.11	(1.57)	0.63
Return on Asset (%)	3.49	(0.78)	0.42
Debt to Equity Ratio (Times)	1.36	1.28	0.72
Information			
Earning (Loss) Per Share (Baht)	0.16	(0.03)	0.01
Book Value Per Share (Baht)	2.01	1.85	1.97



Board of Directors



1. Prof. Dr. Pairash Thajchayapong
*Chairman of the Board of Directors
and Chairman of Executive
Committee*

2. Dr. Thaweesak Koanantakool
*Director, Vice Chairman
of Executive Committee,
Risk Management Committee
Member and CEO Performance Review
Committee Member*

3. Dr. Montchai Noosong¹
*Director and CEO Performance
Review Committee Member*



4. Mrs. Preeya Danchaivijit²
Director

5. Dr. Kamthon Waithayakul³
Director

6. Ms. Tanwadee Wongterarit
*Director and CEO Performance
Review Committee Member*



7. Mr. Aniruth Hiranraks
Director

8. Prof. Emeritus Achara Chandrachai, Ph.D.
*Independent Director and
Chairman of Audit Committee*

Executives



1. Mrs. Morragot Kulatumyotin
Managing Director

2. Mr. Wanchai Vach-shewadumrong
Deputy Managing Director

3. Mr. Saknon Kangsumrith
Senior Vice President



9. Mr. Aran Permpiboon
*Independent Director,
Chairman of Nomination and
Remuneration Committee and
Audit Committee Member*



10. Ms. Narumol Wangsatorntanakun
*Independent Director,
Chairman of Risk Management
Committee and Audit Committee
Member*



11. Mr. Sahas Treetipbut
*Director, Executive Committee
Member and Nomination and
Remuneration Committee Member*



12. Ms. Nilobon Tangprasit
*Independent Director,
Chairman of Nomination and
Remuneration Committee and
Audit Committee Member*



13. Mrs. Morragot Kulatumyotin
*Director, Executive Committee
Member and Risk Management
Committee Member*

Remarks :

- 1 Dr. Montchai Noosong resigned from the Board of Directors and the CEO Assessment Committee, effective on October 7, 2015.
- 2 Mrs. Preeya Danchaivichit resigned from the Board of Directors, effective on February 9, 2015.
- 3 Dr. Kamthorn Waithayakul was appointed into the Board of Directors, effective on April 28, 2015.



4. Mr. Attawut Kampradit
Senior Vice President



5. Mr. Piyaret Saelee
Senior Vice President



6. Mr. Attaphong Habsa
Senior Vice President



Vision

“ As a reliable leading ICT infrastructure services provider with quality standards ”

Mission

- Commitment to our customers by offering safety and quality standards infrastructure services that meet the business needs with a fair price
- To operate the business that can generate good returns and has expanded the business to continue to grow sustainably
- To be a good member of society and be an environment friendly

Core Value

Internet Thailand Public Company Limited (INET) operates a business that transforms knowledge into business opportunities. We uphold 4 principles as follows:



1. Innovation

INET appreciates every idea that develops better solutions in response to customer's needs. In our terminology, innovation is more than just providing better goods or services - it includes business process optimization or improvement as well. Innovation is part of everyone's job.



2. Neutral

INET has a firm belief that we can prosper together with stakeholders including shareholders, customers, staff, partners alliances and society in general. INET, therefore, attempts to balance the benefits among every stakeholder.



3. Energetic

INET benefits from the diversity of our people. Our business succeeds by holistic communications, sharing, and working together where INET respects each other both the customers and internal organization point of view. INET is well prepared to be alert in new technology all the time in order to responsible to both internal and external customers with sense of enthusiasm. Hence, it can be ensure that our mission will be complete on time in order to meet the customer's needs both present and in the future.



4. Trustworthy

Our personnel are professional, honest, responsible, ethical and reliable at all times. INET does not engage in any unethical activities. We firmly believe that being a good corporate citizen can lead us to the greater success. INET treats the competitors with fairness and in accordance with free market competition principles which will in turn benefit our stakeholders in the long run.

Important Changes of the Company in 2015

In March, the Company was given some support from the Board of Investment of Thailand (BOI) in the form of lowered import taxes for equipment and 8-year exemption for corporate income tax for Cloud Solutions Service, allowing the Company to save some costs and reach more customers. In the same month, the Company obtained ISO/IEC 20000-1:2011 certification for its standard service management system over its cloud service and INET Information Data Center (INET-IDC), on top of the newly improved enterprise network connectivity at both Thai Summit Tower and Bangkok Thai Tower.

In July, the Company also obtained ISO/IEC 27001:2013 for its information security management over its cloud service and INET Information Data Center (INET-IDC) at both Thai Summit Tower and Bangkok Thai Tower.

In August, the Company obtained a certification from Cloud Security Alliance – SecurityTrust & Insurance Registry (CSA-STAR) that guarantees the Company's cloud security. For Cloud Service Providers, the certification signals the readiness and potential of the Company to become a full Cloud Service Provider (CSP), given the fact that the Company has made it to becoming the first CSP in Thailand to obtain the certification.

In November, the Company partnered with Synacor Inc. to deploy Email-as-a-Service (EaaS) using Zimbra, the globally leading platform which allows the Company to provide its clients in both private and public sectors with higher levels of efficiency and security of its service.

On December, the Extraordinary General Meeting of shareholders has a resolution to pass on an INET-IDC3 investment project of 750 million baht. It expected to be completed by the beginning of 2017.

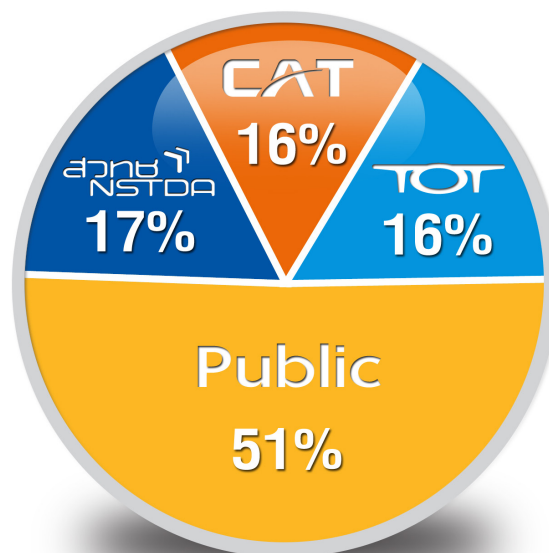


Internet Thailand Public Company Limited (the “Company”) is a one-stop IT service provider for businesses and individuals who need to utilize information and communication technologies to improve their competitive capacity. The Company’s services range from full Internet solutions, data center, and highly efficient facilities of international standard, to cloud computing.

The Company was originally established on March 1, 1995 under the name “Internet Thailand Service Center” (ITSC), and had been commercially operating until it was later registered as a company on May 13, 1997, under the Cabinet’s command. The paid-in capital was 16 million baht and the par value was 10 baht. On October 9, 1997, the Company was granted approval from then Communications Authority of Thailand to become an Internet service provider with an unexpired operator license, providing Internet services to juristic persons and organizations. Later, on August 28, 2001, the Company was transformed into a public company according to the Cabinet’s resolution and its registered capital was increased before it entered into the Stock Exchange of Thailand on November 14, 2001. The Company currently has a paid-in capital of 250.02 million baht and 333,333,333 shares, with the par value priced at 1 baht each.

The Company provides four main types of service:

1. Cloud Solutions
2. Internet access
3. Co-Location
4. EDC Network Pool





The Company is a provider of comprehensive ICT infrastructure services for businesses and individuals who want to use ICT as a tool to strengthen their business competitiveness. The Company offers services ranging from full scope of network connectivity to data center service with full equipment for those who want an effective service of international standards and cloud computing system which is used as a tool for enhancing efficiency and effectiveness for business. The Company's business can be divided into four major groups as follows:

1. Cloud Solutions Service

Cloud solutions service is a service which allows user to utilize any IT resources over the internet under the Information Security Management System of ISO/IEC 27001 and ISO/IEC 20000 which can be divided into 3 categories as follows:

- Infrastructure as a Service (IaaS) is the service that provides IT infrastructure such as Server or Storage for the company in terms of hardware which will reduce the user's IT investment cost and manage revenues relative to expenses.
- Platform as a Service (PaaS) is the service that company can run the applications on the system without worrying about an investment in hardware and software equipments.
- Software as a Service (SaaS) is the service in the form of applications such as Email on Cloud and Antivirus.

The Company has been providing Public Cloud Service Models for 3 years which certified standard by Information Security Management System of ISO/IEC 27001:2005 for providing services on internet data center at Thai Summit Tower and Bangkok Thai Tower, and also certified ISO 20000-1:2011 for Information Management Service and Cloud Solutions Service both at Thai Summit Tower and Bangkok Thai Tower for the first company in Thailand. This guaranteed quality and standard of Cloud Solutions Service that the customer would receive good services together with quality. Moreover, the company is the first one in Thailand to be certified on a Cloud Security Alliance–Security, Trust & Assurance Registry (CSA-STAR) which is a specific standard of Information Security for cloud. CSA-STAR affirms company's readiness and service ability whereof a number of large organizations has been trusted and the number of customers is increasing. In addition, the company also offers a trial service for potential customers.

In 2015, the company earned BOI privileges for an investment on Cloud Service, therefore, the company will be granted tax exemption on 2016. Furthermore, the Company also continuously develops new services in order to meet customers' demand and appropriate to their business for examples; Local Microsoft Azure service, HP Cloud, Email on cloud and VDI.



2. Full Internet Access for Business

The Company provides full Internet access services with various speeds and service areas cover all provinces. Users are able to access the nationwide Internet networks. Internet service can be connected in various means such as through Leased Lines over broadband connections and MetroLAN network connected to the offices' Intranet networks in leading buildings in the middle of Bangkok with the speed of 10 Mbps on 10 Gbps fiber optic network. The Company is committed to provide high quality and stable services. Bandwidth is managed to satisfy customer needs and the technical support team is available 24 hours. As a result, the Company services are recognized and chosen by many large business organizations in Thailand.

3. Co-Location Service

INET IDC is a service center for various kinds of services provided to all business organizations or agencies that need to present data through Internet/Intranet networks, both public and private networks. The followings are the examples.

- Co-Location: Renting secure space for organizations who may concerned on security and stable by storing their existing servers and other computing hardware.
- Business Continuity Planning/Disaster

Recovery Center: Data backup center for management of databases efficiently and safely with a backup space together with internet and facilities to support operation during emergency such as flood crisis and political crisis.

Both IDCs, at Thai Summit Tower and at Bangkok Thai Tower, perfectly run mutual backup systems in full redundancy manner through two 10 Gbps Metro Ethernet Ring. The security systems meet international standards and equipped for 24-hour service. The services are provided to leading organizations such as financial institutions operating online securities trading, popular website providers, and overseas users promoting products and services in Thailand.

4. EDC Network Pool Service

EDC Network Pool is the Credit Card Payment System Center linked between banks and other merchants through the various telecommunications networks such as landline telephone, mobile phone, and the internet internet which enable transactions through credit card to be safe and flexible in all nationwide areas. In 2012, the Company became a business alliance with Transaction Network Services Company Limited (TNS), a World leader in a payment service system, to provide EDC Network Pool. The collaboration aims to develop service standards in compliance with the PCI DSS standard that all organizations shall keep, process, or transmit information of electronic card users. The standard includes network maintenance and creation of secured physical environment to protect personal information of card users and stable back up switching systems to immediately replace the main system for 24 hours.

The Company's Operator License

The Company has already been given permission from the National Broadcasting and Telecommunications Commission (NBTC) to hold a type-1 license for Internet service provider, which is commonly given to an Internet service provider without its own network. The license is effective from July 7, 2013 to July 6, 2018, and can be renewed for five years at a time.

The Operator License of Mandala Communication Company Limited

Mandala Communication Company Limited is an affiliate of Internet Thailand Public Company Limited (the "Company") and has been given permission from the National Broadcasting and Telecommunications Commission (NBTC) to hold a type-1 license for Internet service provider, which is commonly given to an Internet service provider without its own network. The license is effective from February 16, 2006 to February 15, 2019, and can be renewed for five years at a time.



Revenue Structure of the Company, Subsidiaries and Associated Company

Services and Products	Consolidated Financial ^(1/) Statement 2015		Consolidated Financial ^(1/) Statement 2014		Consolidated Financial ^(1/) Statement 2013	
	Million Baht	%	Million Baht	%	Million Baht	%
Internet Access	129.67	21%	117.11	23%	98.42	25%
Co-Location Service	120.85	19%	113.54	22%	100.43	26%
Cloud Solutions Service	242.68	39%	143.62	28%	93.18	24%
EDC Network Pool	22.84	4%	22.16	4%	20.97	5%
Other Service income ^(2/)	93.93	15%	95.80	19%	65.91	17%
Total Revenues from operating business	609.96	98%	492.23	97%	378.90	98%
Other Revenues ^(3/)	14.08	2%	16.01	3%	7.68	2%
Total Revenue	624.04	100%	508.24	100%	386.59	100%
Share of profit from an associated Company ^(4/)	16.31	7.24	4.84	2.61	6.4	4.20

Remarks : 1/ Consolidating the Company's financial statement with the financial statement of its subsidiary, Mandala Communication Co., Ltd.

2/ Revenue from Other Service income included professional services and sales of computer and relevant equipment.

3/ Other Revenues consisted of interest income and other incomes

4/ The Company has been acknowledged the share of profit according to the Equity Method from the investment in 40% shares of the associated Company, Netbay Co.,Ltd. from year 2012-2013 and 25% for the year 2014

Business Strategies and Direction

The company has changed the organization direction and business strategies from the company who was a leading Internet service provider to become the company who provide Infrastructure as a Service (IaaS) in order to create an IT essential tool. Businesses in Thailand are able to adopt this tool to create a competitive advantage, to manage costs more effectively, and also to prepare to step confidently into a Digital Economy Era. Starting from a global standard Cloud Solutions Service in a form of IaaS which has high security and located in Thailand. The Cloud Solutions Service will be a core service that the Company strives to provide a new alternative to many organizations.

The Company earned the customer's confidence by persuade a trial test before purchasing the service. With this strategy, the company received a positive feedback and constantly has more new customers and increased ability to offer additional services to the existing customer. The company direction consistent with the outlook for rapidly growth in global Cloud Solutions usage which Gartner's research forecasted IaaS will grow up by 29% each year from 2014 to 2019.

The company analyzed competitive environment that affects the business operations of the organization, both internal and external. The company established core business strategies to cope with a dynamic environment and strong competition in order to achieve the goals of the business effectively.

Operating Strategies

The Strategies for achievement.

1. Focus on providing the Cloud Solutions especially the server and the storage to major customers who on concern quality of the service such as financial institutes and Thai listed companies
2. Offer alternative solutions to customers such as Development of Local Microsoft Azure Service, HP Cloud, Email on Cloud and VDI etc.
3. Collaborate with partners to provide Cloud Solutions by using Cloud Reseller Model in order to expand customer base and service especially private organizations.

Target customer

The Company's target customer includes organizations from both private and public sectors. The focus is placed on customers that might need cloud solutions in the future and providing additional services to meet their needs, for example:

1. The organizations that seek services from an accredited provider who can help them reduce their IT infrastructure cost, increase the efficiency of their IT systems, and make them work faster and more flexible.
2. The organizations that would like to control budget which relative to revenue, while still having access to the Internet and cloud service provided in accordance with an SLA guarantee.

The market in recent years and sales channels

The company specific market had offered services to target customers in specific group. In order to ensure that products and services can help customers do business more effectively and able to made the deal through the company's sale representative. Moreover, the collaboration from partners to promote Cloud Reseller Model in order to expand the customer base and services especially private organization.

Competitive Analysis

The Previous Year's Competition within the Industry

According to economic factors and customer's requirements has changed which affected to ICT Industries, especially the expansion and demanding of Smart Devices usage, alteration of ICT services, model and of products and services consumption adjustment by Social media for Business providers (SMB), ICT Service providers, as well as organization

customers and individual customers. All these factors change the demand of service by increasing the use of mobility devices combined with internal IT Consumerization. The growth and the use of ICT are from four major services which are Cloud Computing, Mobility, Social Business and Big Data.

The Industry and the Competition trend in the future

The government's digital economy policy promotes the ICT industry to grow and expand at a greater speed both in terms of hard infrastructure and soft infrastructure. All the Company's Core business such as Cloud solutions, Internet access, Co-Location and EDC network pool, will play a vital role in supporting other business in the digital economy area.

With an ISO/IEC 27001 security certification and an ISO 20000 cloud services certification, the Company has provided public cloud services for four years and has been trusted by a number of large organizations, and the number of customers is going up quarter by quarter. In addition, the Company also allows potential customers to test its system before they make a purchasing decision.

The Internet access and network connectivity markets are highly competitive with a number of competitors in various sizes, from small medium to large. Since customers see network providers are indistinguishable and are not loyal to any specific one. As a result, competitive advantages belong to the providers that have their own networks. The Company's strategies are to minimize the cost by seeking network alliance and to provide Access Service as a solution for the customers.

The Company's Competitive Strategies

To achieve the goals, the Company has set its competitive strategies as follows:

- Maintain trust and good relationship with partners and customers
- Stay neutral to all network providers
- Offer alternative solutions to customer such as Development of Local Microsoft Azure Service, HP Cloud, Email on Cloud and VDI etc.

- Focus on customer in private sector
- Enhance cloud security standard with effectiveness result
- Setup Security Operation Center for Cloud service in order to handle all issues regarding to security solution.
- The Company classified to be a middle size among the competitor and has adequate ability to compete in the market.

- Number of competitors, Size of the Company compare to Competitors, Company status and ability in competition.

In the industry where the Company runs its business, there are 103 companies that have been granted operator licenses from the NBTC and are considered the Company's competitors. (Source: The List of Internet providers with Type-1 License granted by NBTC)

Policy on Subsidiaries and Associated Company

Policy on Subsidiaries

The Company has a policy to invest in subsidiaries in order to run Internet service business for customers of small and medium sizes, and to provide Internet-related to the customers. The Company also placed its representatives in the subsidiaries' board of directors.

Policy on Associated Company

The Company has a policy to invest in associated company in order to run businesses concerning e-logistics, electronic system development, and information and Telecommunication and data communication consultant. The Company also placed its representatives in the associated company's board of directors.

The Company is well aware of the fact that risk management is fundamental to business operation as the Company has to cope with a number of risks that are imposed by changes in economic, social, political, and financial situations, as well as technological advancements. As a result, the Company's Risk Management Committee was established by the board in 2007 and has been in action since then. The Risk Management Committee has to work to ensure risk management effectiveness by identifying and measuring risk factors (both general and business-specific ones) and determining preventive measures and monitoring methods accordingly. This mission of the Risk Management Committee is in accordance with the Company's principal policy and strategy to keep their eyes on all kinds of risk and important issues as follows.

Strategic Risk

The Company is a one-stop service provider for IT infrastructure with a focus on providing its clients with cloud computing solutions that are up to standard stability, performance, and flexibility at reasonable prices. There are other cloud service providers from both inside and outside the country in the market, including Amazon Web Services (AWS), Microsoft Azure, and Google which have competitive advantages in size and technology that allow them to offer greater services at lower prices.

However, upon obtaining a cloud service a client has to make a transition from its infrastructure to the cloud facility. This process requires a great deal of consulting, mutual planning and development between the provider and the client, the process which is preferably carried out in Thai. In addition, the fact that clients feel more secure by having their databases stored in Thailand has led to the Company's conclusion that the Company will still be able to compete with providers from foreign countries in the market.

Operations Risk

The heart of cloud services and Infrastructure as a Service business is the stability and security of the service provided. Clients should be assured of the stability, security, and continuity of the service they are relying on for their businesses. As a result, the Company has come with backup networks for every major part of the main network, aside from its network monitoring system that can instantly report if any problem occurs. There are backups for every system and the Software-Defined Network (SDN) is used to reduce human errors. In addition, the Company has established the Security Operation Center (SOC) to work specifically to protect networks of the Company itself and those of its clients from any network attack 24 hours a day, and to monitor the performance of the system and cope with any arising problem.

Compliance Risk

The Company's businesses involve both engineering and telecommunications businesses, and the latter is at present under the monitoring of NBTC. Any change in the rules, regulations, and policy announced by the NBTC – for example, free competition policy, policy on fees and service charges, and user protection policy – might have a significant impact on the Company's business. The Company is fully aware of this issue and studies such rules, regulations, and policy carefully before making any decision. The Company stays tuned to news and updates on this issue all the time so it can always come with an appropriate strategy when any change comes.

Financial Risk

As the Company's capital consists partly of bank loans – both short-term and long-term, the volatility of interest rates may affect the Company's financial status. However, most of the Company's loans which are short-term loans, which impose low risk to the Company, and the Company's long-term loans are put at minimum low rate (MLR), and the loan is based on floating rate. In addition, the Company has been closely monitoring the changing interest rates so it can choose an appropriate financial mechanism to handle the risk if there is a sign of volatility.

Risk from Business Conflict with Major Shareholders

The Company's major shareholders are CAT Telecom Public Company Limited (CAT) and TOT Public Company Limited (TOT). Each Company holds 16% of the Company's registered and paid-up capital. CAT and TOT assigned directors as representatives of the shareholders to act as authorized persons of the Company. Currently, TOT and CAT also provide commercial Internet services to general people. However, the Company complies the code of conduct to maintain the Company's confidentiality and internal information. As the Company's regulation signed and acknowledged by all members of the Board, the directors with conflict of interest are not entitled to vote on related agendas. All directors were appointed by the shareholders' meeting and the shareholders were informed of the conflict of interests before the appointment according to the Public Limited Companies Act. In addition, as one of the risk mitigation strategy, the Company has collaborated with CAT and TOT as business alliances in providing joint customer services.

The Number of Shares and the Influence on the Right to Vote from NVDR Shareholders

On December 30, 2015, Thai NVDR Company Limited took 7,837,600 shares of the Company as reference asset to issue the Non-Voting Depository Receipts (NVDR), accounting for 3.13% of the paid-in shares. Thai NVDR is responsible for executing the purchase or sale of those listed company shares whose investors wish to trade through NVDRs. This service is offered to all, irrespective of the number of securities held or the holder's nationality. NVDR holders receive the same full financial benefits as they would receive had they invested directly in shares (i.e. dividends, rights, and warrants) but there are no voting rights for NVDR holders. Thai investors, as well as foreign investors, can be NVDR holders too.

Shareholding Structure

The first top 10 shareholders on the closing date of the registration book as of December 30, 2015 are as follows:

Rank	Name	No. of shares	%
1	National Science and Technology Development Agency	42,500,000	17.00
2	CAT Telecom Public Company Limited	40,000,000	16.00
3	TOT Public Company Limited	40,000,000	16.00
4	Thai NVDR Company Limited	7,837,600	3.13
5	Mr. Anurak Boonsawang	4,826,600	1.93
6	Mr. Thawatchai Tantipoj	4,676,000	1.87
7	ABN AMRO NOMINEES SINGAPORE PTE LTD	4,250,000	1.70
8	Mr. Charoen Sasilaksananukul	3,104,000	1.24
9	Mr. Somchart Namsricharoensuk	3,060,000	1.22
10	Mr. Pongsak Huntrakul	3,000,000	1.20

Source : Major shareholders as of December 30, 2015 prepared by Thailand Securities Depository Co.,Ltd.

Dividend Policy

The Company's dividend policy is to pay dividend no less than 30% of profit after tax, if the fund is not required elsewhere and subject to the economic and future project of the Company and its subsidiary and the payment would have no significant effect on the company's normal operation.

The Company's 2015 dividend payment was approved by the board of directors on February 26, 2015 in accordance with the Company's dividend policy, and is as follows:

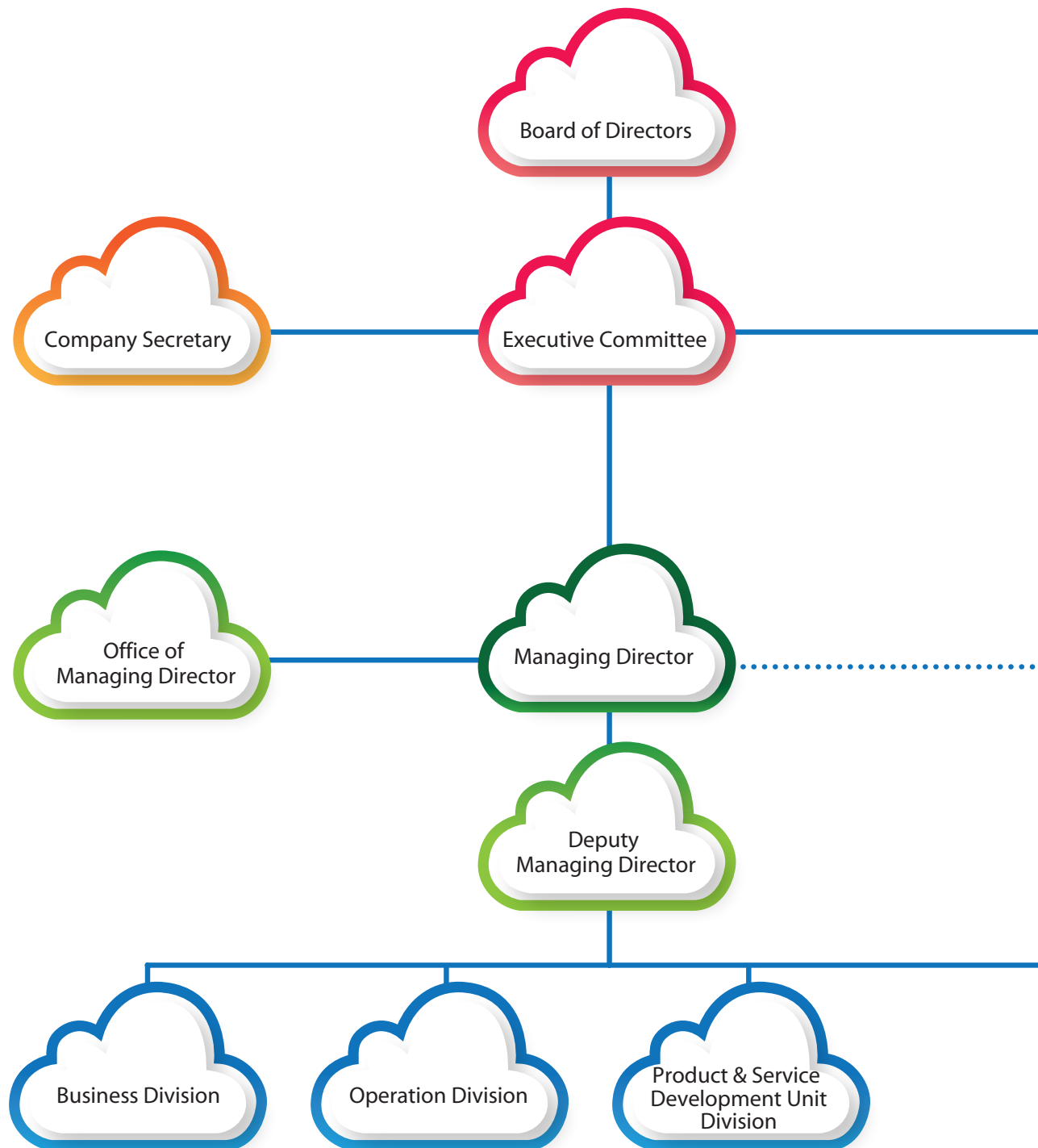
The Company's Dividend Payment Info

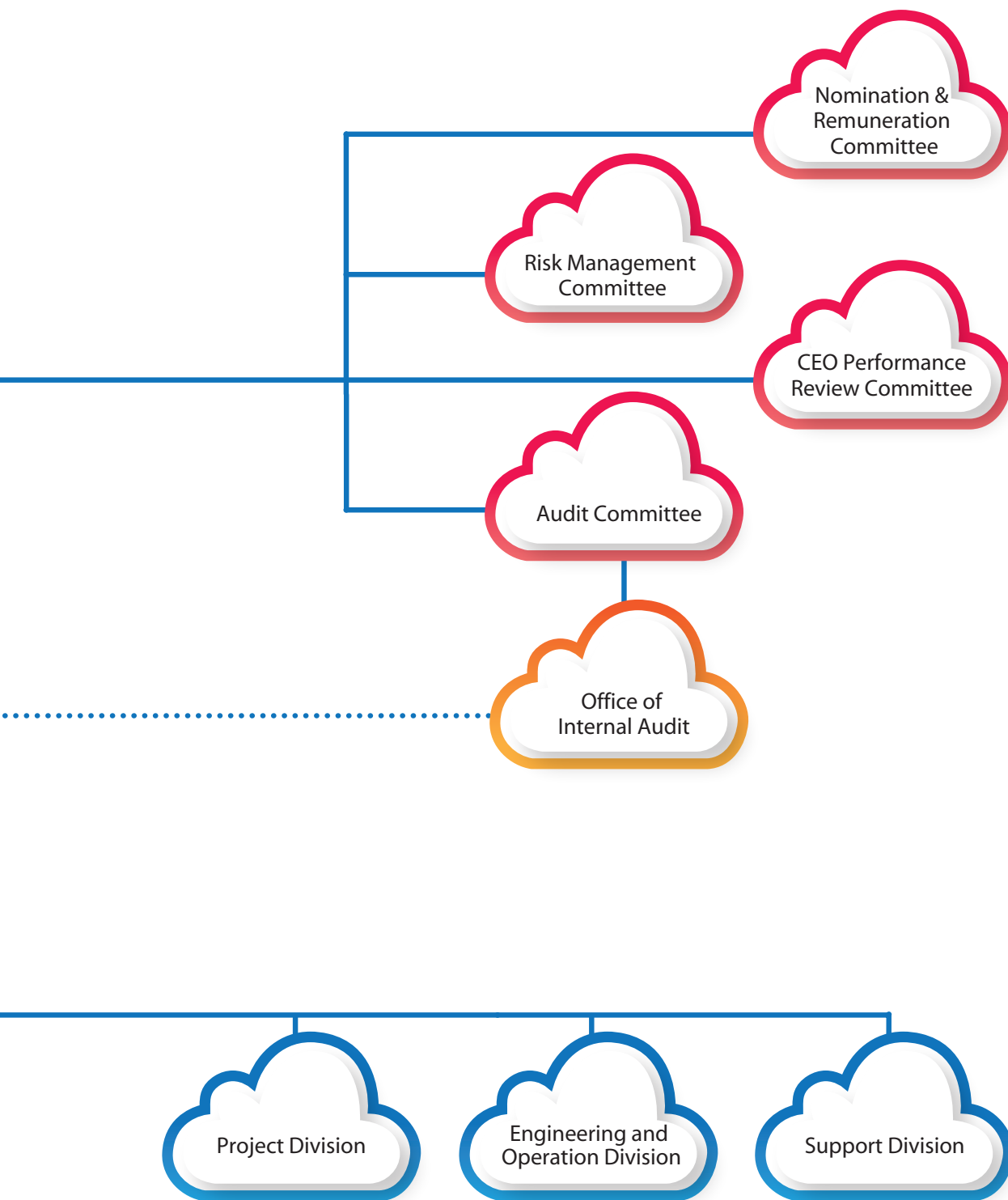
	2015	2014
Dividend per share (baht)	0.015	-
Dividend in total (million baht)	3.75	-
Dividend per net profit (%)	34.22	-

Note: Despite some profits the Company made in 2014, its accumulated deficit prevented it from paying any dividends according to the law and the Company's regulations.

Management Structure

The Organization Chart as of December 31, 2015





The Company's management structure consists of the Board of Directors and five subcommittees, namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the CEO Performance Review Committee.

Board of Directors

As of December 31, 2015, the Board of Director consisted of 11 members as follows;

- | | |
|---|--|
| 1. Prof. Dr. Pairash Thajchayapong | Chairman of the Board of Directors and
Chairman of Executive Committee |
| 2. Dr. Thaweesak Koanantakool | Director, Vice Chairman of Executive Committee, Risk
Management Committee Member and CEO Performance Review
Committee Member |
| 3. Dr. Kamthon Waithayakul ¹ | Director |
| 4. Ms. Tanwadee Wongterarit | Director, CEO Performance Review Committee Member |
| 5. Mr. Aniruth Hiranraks | Director |
| 6. Prof. Emeritus Achara Chandrachai, Ph.D. | Independent Director and Chairman of Audit Committee |
| 7. Mr. Aran Permpiboon | Independent Director, Chairman of Nomination and
Remuneration Committee Member and Audit
Committee Member |
| 8. Ms. Narumol Wangsatorntanakun | Independent Director, Chairman of Risk
Management Committee and Audit Committee Member |
| 9. Mr. Sahas Treetipbut | Director, Executive Committee Member and Nomination and
Remuneration Committee Member |
| 10. Ms. Nilobon Tangprasit | Independent Director, Audit Committee Member Nomination
and Remuneration Committee Member |
| 11. Mrs. Morragot Kulatumyotin | Director, Executive Committee Member and Risk Management
Committee Member |

Remarks :1 Dr. Kamthon Waithayakul was appointed into the Board of Directors, effective on April 28, 2015.

The number of committee members is in accordance with the articles of association, which state that the number must be no less than 11 and no more than 15. Half of them must have a permanent residence in Thailand and meet the requirements as stated by the 1992 Public Company Limited Act and the Notification of the Capital Market Supervisory Board. No. TorChor. 28/2551 concerning application for and approval of offer for sale of newly issued shares.

Authorized Directors

"Either one of Prof. Dr. Pairash Thajchayapong or Dr. Thaweesak Koanantakool jointly with either one of Mr. Kamthon Waithayakul, Ms. Tanwadee Wongterarit, Mr. Aniruth Hiranraks are authorized to sign on behalf of the Company with the Company's seal affixed" or "Either one of Mr. Kamthon Waithayakul jointly with either one of Ms. Tanwadee Wongterarit or Mr. Aniruth Hiranraks are authorized to sign on behalf of the Company with the Company's seal affixed".

Authority and duties of the Board of Directors

The Board of Directors has the authority and duty to ensure that the Company conforms to the objectives, articles of association and resolutions of the Shareholders' Meeting including the following duties:

1. Set the Company's business policies.
2. Approve the Company's business plans.
3. Set out the Company's investment and funding plans.
4. Control and ensure the business operations comply with the Company's business plans.
5. Manage and govern the Company's operations to achieve the highest benefit and comply with the Company's articles of association and the resolutions of the Shareholders' Meeting.
6. Assign one or more of the Company's directors or other persons to execute any task on behalf of the Board of Directors.
7. Any director not to operate any business which is similar to or competes with the Company, nor to become a partner in any ordinary partnership or an unlimited responsibility partner in any limited partnership or a director in any private company or other companies that operate a similar type of business and compete with the Company, whether for self-benefit or for the benefit of the others, provided that a notification thereof has been made to the Shareholders' Meeting before the appointment of any such director.
8. Any director to instantly inform the Company if he has any interest, either directly or indirectly, in the contracts signed on behalf of the Company or holds an increased or decreased amount of shares or debentures in the

Company or subsidiaries of the Company.

Except the following, which has to be approved from the resolution of the Shareholders' Meeting:

1. Issues prescribed by law have to be approved by the resolution of the Shareholders' Meeting.
2. Issue of related-party transactions with the value of item needed to be approved from the resolution of the Shareholders' Meeting according to the regulation or promulgation of the Stock Exchange of Thailand about related-party transactions of listed companies.
3. Issue of buying or selling significant assets with the value needed to be approved from the resolution of the Shareholders' Meeting according to the regulation or promulgation of the Stock Exchange of Thailand about acquisition and disposal of assets of listed companies.

The Company made a review of duties of the board of directors in order to harmonize with the good corporate governance policy.

The Executive Committee

In the meeting of the Board of Directors of the Internet Thailand Public Company Limited held on December 29, 2008, the appointment of Executive Committee of the Internet Thailand Public Company Limited to perform the duties to support work performance of the Company's Board of Directors in establishment of policies or strategies, including supervision of administration, management and business operation policies.

As of December 31, 2015, the Executive Committee consisted of 4 members as follows;

- | | |
|------------------------------------|--------------------------------------|
| 1. Prof. Dr. Pairash Thajchayapong | Chairman of Executive Committee |
| 2. Dr. Thaweesak Koanantakool | Vice Chairman of Executive Committee |
| 3. Mr. Sahas Treetipbut | Executive Committee Member |

Authority and duties of the Executive Committee

1. Write business strategy, policy, business plan, and budget of the Company and propose them for approval from the director board.
2. Manage the Company's operation and activity to achieve the Company's goals and objectives.
3. Manipulate and monitor the Company's performance and financial status, including those of the associated company and subsidiary, and give a report to the Company's director board in each monthly meeting.
4. Seek and consider opportunities to invest in new businesses.
5. Verify and approve activities relating to investment, purchase, procurement, sale, human resources management, finance and management, and general administration, as well as other activities of the Company, with a budget of no more than 30 million baht.
6. Consider and provide comments on any proposal that must be considered by the Company's board of directors, except for any activity that has been assigned to another subcommittee.

The Executive Committee will be in a post for 3 years similar to the term of the Company's directors.

The Audit Committee

In the meeting of the Board of Directors of the Internet Thailand Public Company Limited held on September 14, 2001, the appointment of Audit Committee has the duty to encourage operational efficiency and increase the organization's value to give effect to increase confidence and trust in the Company's financial statements and reports, improve the function and process of internal and external audits and improve the efficiency of communication between the internal Audit Committee and the auditor.

As of December 31, 2015, the Audit Committee consisted of 4 members. At least one member of the Audit Committee has understanding or experience of accounting and finance as follows:

- | | |
|---|-----------------------------|
| 1. Prof. Emeritus Achara Chandrachai, Ph.D. | Chairman of Audit Committee |
| 2. Mr. Aran Permpiboon | Audit Committee Member |
| 3. Ms. Narumol Wongsatorntanakul | Audit Committee Member |
| 4. Ms. Nilobon Tangprasit | Audit Committee Member |

Remark: 1. Prof. Emeritus Achara Chandrachai, Ph.D. was appointed as a Chairman of Audit Committee who has financial background and experiencing in Financial Statement revision.

Authority and duties of the Audit Committee

1. To review and ensure that the Company has correct and sufficient Financial reporting by coordinating with the external auditor and executives in charge to prepare the Company's financial report both quarterly and annually.

2. To review and ensure that the Company has an appropriate and efficient internal control and internal audit system, to consider the independence of the internal audit, and to approve an appointment, relocation or dismissal of the chief of the internal audit or the head of any other unit in charge of an Internal audit.
3. To review and ensure that the Company complies with the laws on securities and exchange, regulations of The Stock Exchange of Thailand or other legislations relevant to the business operation of the Company.
4. To consider, select and nominate auditor(s) of the Company and to suggest auditors' remunerations to the Board of Directors of the Company for nominating to shareholders by considering the independence, reliability, sufficiency of resource quality and quantity of cases managed by the accounting firm, including experience of the staff assigned to audit the Company. The Audit Committee should also meet with the auditor without the participation of the management team 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, are reasonable.
6. To prepare, and to disclose in the Company's annual report and audit committee's report which must be signed by the audit committee's chairman and consists of at least the following information:
 - (1) an opinion on the accuracy, the completeness and the creditability of the Company's financial report
 - (2) an opinion on the adequacy of the Company's internal control system.
 - (3) an opinion on the compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or the laws relevant to the Company's business.
 - (4) an opinion on the suitability of the external auditor (s).
 - (5) an opinion on the transactions that may lead to a conflict of interests.
 - (6) number of the Audit Committee's meetings, and the meeting attendance by each member.
 - (7) an opinion or overview comment of the Audit Committee derived from their performance of duties under the scope of the Audit Committee Charter.
 - (8) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, and are in the scope of the duties and responsibilities assigned by the Board of Directors.
7. To seek the advice of an independent, third party consultant where necessary at the expense of the Company.
8. To review the Audit Committee Charter and propose to the Board of Directors for consideration and approval if changes are needed.
9. To perform any other duties as may be assigned by the Board of Directors with the consent of Audit Committee.

The Nomination and Remuneration Committee

In the meeting of the Board of Directors of the Internet Thailand Public Company Limited held on April 30, 2006, the appointment of Nomination and Remuneration Committee has the duty to consider selecting appropriate person for the positions of the Audit Committee Member, the Nomination and Remuneration Committee Member and others to govern management and internal control system including establishing criteria for remuneration to the Board of Directors, other directors, and CEO.

As of December 31, 2015, the Nomination and Remuneration Committee consisted of 3 members as follows:

- | | |
|---------------------------|---|
| 1. Mr. Aran Permpiboon | Chairman of Nomination and Remuneration Committee |
| 2. Mr. Sahas Treetipbut | Nomination and Remuneration Committee Member |
| 3. Ms. Nilobon Tangprasit | Nomination and Remuneration Committee Member |

Authority and duties of the Nomination and Remuneration Committee

1. Propose the guideline, procedure and criteria on the remuneration payment to the Board of Directors and other Committees appointed by the Board of Directors, including the Managing Director which are fair and reasonable and present the details to the Shareholder's Meeting and/or the Board of Director's Meeting for consideration.
2. Propose remuneration policy for Management Incentive that harmonized with the company's outcome and Management's performance to Board Meeting for consideration.
3. Consider selecting appropriate persons who shall be appointed as the Company's Director, Independent Director, Nomination and Remuneration Committee Member or other Committee which the Board of Director agrees upon and proposes to Board Meeting for consideration.
4. Outline the procedure and criteria on selection and remuneration payment for the persons or Committee (referred in no. 3) which are fair and reasonable.
5. Perform any acts assigned by the Board of Directors.

The Risk Management Committee

In the meeting of the Board of Directors of the Internet Thailand Public Company Limited held on June 25, 2007, the appointment of Risk Management Committee for prescribing the policy framework, guideline, and recommendation to the Board of Directors for supervising risks that have adverse effect on the Company either internal or external factors to leaving the remaining risks to suitable and acceptable level.

As of December 31, 2015 the Risk Management Committee consisted of 3 members:

- | | |
|----------------------------------|---------------------------------------|
| 1. Ms. Narumol Wangsatorntanakun | Chairman of Risk Management Committee |
| 2. Dr. Thaweesak Koanantakool | Risk Management Committee Member |
| 3. Mrs. Morragot Kulatumyotin | Risk Management Committee Member |

Authority and duties of the Risk Management Committee

1. Consider risk management policy and framework of Internet Thailand Public Company Limited, and write a report to the board of directors.
2. Follow-up with development of risk management framework.
3. Follow-up identification process and risk evaluation.
4. Evaluate and approve the risk management plan.
5. Report to the Board of Directors about risks, and management of risks regularly. In case there is a matter having an effect on the Company materially, the Committee must report to the Board of Directors for consideration urgently.
6. Communicate and cooperate with the Audit Committee in examining important risk-related matters.
7. Nominate candidates for the subcommittee for risk management and encourage them to work in harmony with the Risk Management Committee.
8. Review the Risk Management Committee Charter as necessary.
9. Perform any acts assigned by the Board of Directors.

The CEO Performance Review Committee

In the meeting of the Board of Directors of the Internet Thailand Public Company Limited held on September 21, 2009, the Board of Directors passed the resolution to approve the appointment of CEO Performance Review Committee for imposing policies and processes for the review of the performance of the CEO in every 6 months.

As of December 31, 2015 the CEO Performance Review Committee consisted of 2 members as follows:

- | | |
|-------------------------------|---|
| 1. Dr. Thaweesak Koanantakool | CEO Performance Review Committee Member |
| 2. Ms. Tanwadee Wongterarit | CEO Performance Review Committee Member |

Remark : 1. Dr. Montchai Noosong resigned from the Board of Directors and the CEO Assessment Committee, effective on October 7, 2015.

Authority and duties of the CEO Performance Review Committee

1. To impose policies and processes for the review of the performance of the CEO and recommend to the Board of Directors for consideration.
2. To inform policies and processes approved by the Board of Directors to CEO.
3. To conduct the CEO evaluation review every six months and report to the Board of Directors on the results of the evaluation review.
4. To inform the results of the CEO evaluation review approved by the Board of Directors to CEO.

Independent Directors

A director who acts as an Independent Director has the responsibility of preventing a conflict of interest between the listed company and the Executives or the major shareholders or other companies which has the Executives, major shareholders or other companies which has the same group of the Executives or major shareholders and are independent from the Company's major shareholders and the group of major shareholders including protect fairly every shareholder's benefit. Besides, the Company followed the criteria of the Securities and Exchange Commission Thailand that the number of Independent Directors must be at least one third of the total number of directors and not less than 3 persons.

As of December 31, 2014 there were 4 Independent Directors as follows:

- | | |
|---|----------------------|
| 1. Prof. Emeritus Achara Chandrachai, Ph.D. | Independent Director |
| 2. Mr. Aran Permpiboon | Independent Director |
| 3. Ms. Narumol Wongsatorntanakul | Independent Director |
| 4. Ms. Nilobon Tangprasit | Independent Director |

Attendance of the Board of Directors' Meeting for the year 2014

The Board of Directors fixes the date to hold the Meeting in advance, and hold extraordinary meeting as necessary as well as prescribing the agenda of the meeting in advance. There is an agenda for following up with operation results regularly. The Chairman of the Board of Directors, Managing Director and Senior Executive Vice President, jointly make selection of the agenda of the Board of Directors' Meeting so that important agenda are raised in the meeting. Moreover, each director is free to propose the matters to be added to the agenda of the meeting. Secretary to the Board of Directors makes invitation letters to the Meeting accompanied with agenda and supporting documents 7 days in advance of the Meeting, to allow adequate time for the Board of Directors to study the data well before participating in the Meeting.

In each of the Board of Directors Meetings, the Chairman allocates sufficient time in arranging Minutes of Meeting to be taken in writing, and maintaining Minutes of Meeting certified by the Chairman, ready for inspection by the directors of the Company or related person in case they may wish to do so.

Details of the meeting of the Board of Directors in 2014 are as follows:

Board of Directors	Board of Directors' Meeting (Attendance 14 times)	Executive Committee's Meeting (Attendance 9 times)	Audit Committee's Meeting (Attendance 9 times)	Nomination & Remuneration Committee's Meeting (Attendance 2 times)	Risk Management Committee's Meeting (Attendance 4 times)	CEO Performance Review Committee's Meeting (Attendance 2 times)	Jointly meetings between Audit Committee and Risk Management Committee (Attendance 1 times)
1. Prof. Dr. Pairash Thajchayapong	13/14	9/9	-	-	-	-	-
2. Dr. Thaweesak Koanantakool	13/14	9/9	-	-	2/4	2/2	0/1
3. Dr. Montchai Noosong ¹	9/9	-	-	-	-	1/2	-
4. Mrs. Preeya Danchaivichit ²	0/0	-	-	-	-	-	-
5. Dr. Kamthon Waithayakul ³	6/11						
6. Ms. Tanwadee Wongterarit	12/14	-	-	-	-	2/2	-
7. Mr. Aniruth Hiranraks	13/14	-	-	-	-	-	-
8. Prof. Emeritus Achara Chandrachai, Ph.D.	13/14	-	9/9	-	-	-	1/1
9. Mr. Aran Permpiboon	13/14	-	9/9	2/2	-	-	1/1
10. Ms. Narumol Wangsatorntanakun	14/14	-	9/9	-	4/4	-	1/1
11. Mr. Sahas Treetipbut	14/14	9/9	-	2/2	-	-	-
12. Ms. Nilobon Tangprasit	12/14	-	9/9	2/2	-	-	1/1
13. Mrs. Morragot Kulatumyotin	14/14	9/9	-	-	4/4	-	1/1

Remarks : 1 Dr. Montchai Noosong resigned from the Board of Directors and the CEO Assessment Committee, effective on October 7, 2015.
2 Mrs. Preeya Danchaivichit resigned from the Board of Directors, effective on February 9, 2015.
3 Dr. Kamthon Waithayakul was appointed into the Board of Directors, effective on April 28, 2015.

Managing Director

At the meeting of Board of Directors no. 3/2556 on March 19, 2013, the resolution to appoint Mrs. Morragot Kulatumyotin as the Company Managing Director effective from April 1, 2013 onwards.

Authority and duties of Managing Director

At the 1/2001 Board of Directors' Meeting on September 14, 2001, the Board, with the consent of the Audit Committee, resolved to authorize the Managing Director to act on behalf of and in the name of the Company, i.e. legal act, contract, agreement, documents and evidence in which the Company made with the individuals or juristic persons with determination of amount for material procurement, etc. Such authorization will not allow the proxy to approve the transaction as the proxy or person may have conflict, interest or conflict of interest in other manner with the Company.

Executives

As of December 31, 2015, Management team consisted of 6 members as follows:

- | | |
|----------------------------------|--------------------------|
| 1. Mrs. Morragot Kulatumyotin | Managing Director |
| 2. Mr. Wanchai Vach-shewadumrong | Deputy Managing Director |
| 3. Mr. Saknon Kangsumrith | Senior Vice President |
| 4. Mr. Attawut Kampradit | Senior Vice President |
| 5. Mr. Piyaret Saelee | Senior Vice President |
| 6. Mr. Attaphong Hapsa | Senior Vice President |

Company secretary

At the meeting of the Board of Directors no. 1/2013 on February 7, 2013, the Board of Directors had a resolution to appoint Mrs. Morragot Kulatumyotin (Managing Director) as Company Secretary, instead of Mr. Pat Hosiri who resigned from the position, to be responsible for arranging meetings of the Board of Directors as well as the shareholders' meetings, preparing minutes of the Board of Directors' meetings, the shareholders' meetings, as well as annual report, filing documents specified by laws, and overseeing the compliance with laws and related regulations.

Remuneration of Directors and Executives

Directors' Remuneration

The Nomination and Remuneration Committee has carefully considered and determined the pay for 2015 committee and subcommittee members based on the Company's size and business type (in comparison with other businesses in the same industry), the Company's performance and growth potential, and the scope of responsibility of the committee members. A budget of up to 5.50 million baht was proposed to cover all kinds of compensation – such as meeting allowance and other benefits – for the committee members in 2015, and this proposed budget has been approved in the annual general meeting of 2015.

The Company's compensation for committee members comes in different forms as follows:

Meeting Allowance

The Board of Directors

Chairman of the Board of Directors	25,000 Baht / person / month
Directors	20,000 Baht / person / month

The Audit Committee

Chairman of the Audit Committee	12,500 Baht / person / month
Audit Committee Members	10,000 Baht / person / month

Other Subcommittees

Chairman of the subcommittee	12,500 Baht / person / month with meeting (s)
Vice Chairman of the subcommittee	10,000 Baht / person / month with meeting (s)
Subcommittee Members	10,000 Baht / person / month with meeting (s)

Directors' remuneration in 2015

Board of Directors	Meeting Allowances							Total
	Board of Directors'	Executive Committee	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	CEO Performance Review Committee	Jointly Meetings Between Audit Committee and Risk Management Committee	
1. Prof. Dr. Pairash Thajchayapong	300,000	112,500	-	-	-	-	-	412,500
2. Dr. Thaweesak Koanantakool	240,000	90,000	-	-	20,000	20,000	-	370,000
3. Dr. Montchai Noosong ¹	200,000	-	-	-	-	10,000	-	210,000
4. Mrs. Preeya Danchaivichit ²	40,000	-	-	-	-	-	-	40,000
5. Dr. Kamthon Waithayakul ³	160,000						-	160,000
6. Ms. Tanwadee Wongterarit	240,000	-	-	-	-	20,000	-	260,000
7. Mr. Aniruth Hiranraks	240,000	-	-	-	-	-	-	240,000
8. Prof. Emeritus Achara Chandrachai, Ph.D.	240,000	-	150,000	-	-	-	12,500	402,500
9. Mr. Aran Permpiboon	240,000	-	120,000	25,000	-	-	10,000	395,000
10. Ms. Narumol Wangsatorntanakun	240,000	-	120,000	-	50,000	-	12,500	422,500
11. Mr. Sahas Treetipbut	240,000	90,000	-	20,000	-	-	-	350,000
12. Ms. Nilobon Tangprasit	240,000	-	120,000	20,000	-	-	10,000	390,000
13. Mrs. Morragot Kulatumyotin	240,000	90,000	-	-	40,000	-	10,000	380,000

Remarks : 1 Dr. Montchai Noosong resigned from the Board of Directors and the CEO Assessment Committee, effective on October 7, 2015.

2 Mrs. Preeya Danchaivichit resigned from the Board of Directors, effective on February 9, 2015.

3 Dr. Kamthon Waithayakul was appointed into the Board of Directors, effective on April 28, 2015.

Executives' Remuneration

The total amount of remuneration for 6 executive board members is 13.0 million baht, including salary position allowance and bonus.

The company has provided employees and executives joined the provident fund as collateral and welfare to employees and executives to work out a disability retirement death or resigning from the provident fund. They can choose to apply the provident fund.

Personnel

The Number of Employees and Remuneration

As of December 31, 2015, The Company had a total of 303 employees who work in different parts as follows:

- | | |
|--------------------------|---------------|
| 1. High-level executives | 6 (persons) |
| 2. Business units | 74 (persons) |
| 3. Support units | 48 (persons) |
| 4. Engineering | 175 (persons) |

As of December 31, 2015, Mandala Communication Company Limited had a total of 18 employees, and has not undergone any significant change in the number in the last three years.

In 2015, the total amount of compensation for 297 employees (high-level executives not included) is 104.5 million baht, including salary, overtime pay, bonus, social security pay, provident fund support, and other benefits.

The Company's provident fund

The Company's provident fund has changed only for the new employee who starts working with the Company since September 1, 2007 onwards. The employee pays in the following ratio:

Working Period	Employee's Payment Ratio (% of salary)
Less than 3 years	3
From 3 years and less than 5 years	3 or 5
From 5 years onwards	3 or 5 or 7

The Company will add up the same ratio with the employee's payment ratio. In case of resigning from the provident fund, the employee has the right to get the add-up portion from the Company based on the number of working period as follows:

Working Period	The add-up portion and the benefit that the employee will get when resigning from the provident fund membership
Less than 3 years	0%
From 3 years and less than 5 years	50%
From 5 years onwards	100%

Employee Welfare

Apart from salary and bonus, the Company also provides employees with many forms of compensation.

1. To look after employees' health, the Company has provided them with a fund to ease their healthcare expenses, a fitness center, and an annual medical check-up in order to encourage them to stay healthy in the long run.
2. In collaboration with the Government Housing bank, the Company has provided employees with home loans at proper rate of interest, in order to support them in purchasing and having their own accommodation and to improve their morale and loyalty. The loan can also be payable directly to the bank through their bank accounts.
3. An agreement was made between the Company and Krung Thai Bank (KTB) to make KTB Thanawat Loan available to the Company and its employees as part of their welfare, allowing them to ease their financial hardships when necessary and enhance their livelihood.
4. Provide other benefits to employee such as support money for marriage, cremation and money for children Education.
5. The Company also provides employees with life and employment insurances as a measure to ease impact of their inability to work.

Policy on Human Resources Development

The Company usually places its focus on human resources development. It has continuously held a variety of activities to develop skills and expertise of its employees at all levels to improve their potential and enable them to achieve work goals, which will eventually result in improved competitive advantage of the Company in the long run. Last year the Company encouraged a number of employees to join programs and courses on technical training and knowledge management, allowing them to share their valuable working experience and learn from others, as well as preparing them for future changes and challenges.

1) Internal Training

1.1) Training for executives

The Company has consistently been developing its executives through a variety of high-level management programs to improve their knowledge, expertise, and leadership. This is to prepare them for their future positions in their career paths and to keep the Company's ability to compete and become a leader in any industry it is in.

1.2) Training for operation-level employees

The Company has consistently been developing its employees at operation levels through a variety of programs - for example, contract management, Awareness Training ISO/IEC 27001:2013, Awareness Training ISO/IEC 20000-1, CSA-STAR, Interconnecting Cisco Networking, and VMware.

1.3) Training for all employees

The Company works to ensure that all the employees receive proper training so that they can work in accordance with the Company's values to guarantee good practice and high standards by providing courses such as orientation, INET Product & Service, INET DNA, and other personality development courses.

2) External Training

Apart from internal training, the Company also encourages its executives and employees to join development programs that are held by recognized organizations or experts inside the country or overseas. This kind of encouragement also is aimed to push the Company's executives and employees to establish a greater network with people in their field.

- Leadership Succession Program (LSP) by Institute of Research and Development for Public Enterprises (IRDP)
- Smart Disclosure Program (SDP) by the Securities and Exchange Commission (SEC)
- Accounting for Non-Accountants Program by Chulalongkorn University
- CPD & CPA Program by Investor Club Association

- Strategic CSR Management Program by SET
- CSR for Corporate Sustainability Program by SET
- Director Accreditation Program (DAP) by Thai Institute of Directors
- Anti-Corruption Seminar by Thai Institute of Director

The overall data on both internal and external trainings of the Company's executives and employees is as follows:

Number of Employees	Training Attendance in 2015 (hours)	Average amount of time for training (hours/ person/year)
330	6,450.60	21.29

In addition, the Company also sees the importance of physical, mental, and emotional fitness of all employees at work. The Company manages to have activities relating to its core values held by the Employees' Welfare Committee which was elected by the employees themselves. Such activities include Songkran Tradition Party and annual seminar.

The Company's absence rates in 2015 are as follows:

Total Number of Employees	The Rate of Absence due to business leave, sick leave, and vacation leave (days/person)	The Rate of Absence due to other kinds of leave (days/person)
303	9.05	1.29

Remark : Other kinds of leave include maternity, ordination, sterilization, military service, sabbatical, and pilgrimage (for Muslims).

1. Report on Good Corporate Governance Practices

The Board of Directors has recognized and placed a great emphasis on good corporate governance where they have operated with integrity, transparency and commitment to its core value in enhancing the organization to have efficient management system. Over the past years, the Board of Directors has committed to conform to the Code of Practices for Directors of Listed Companies under the Good Corporate Governance Policy of the Stock Exchange of Thailand (SET).

To implement this policy, the Board of Directors has applied the management guideline of good corporate governance and set it in the vision, mission and policy of INET in order to be the main mechanism driving the involvement in implementation of such principles. Moreover, the Board shall monitor, oversee, revise and communicate the management policy from executives to employees of the organization, including being informed any problems occurring within the organization and evaluating the operation results of INET in order to achieve the goal.

INET has operated under SET practice guideline which can be summarized as follows:

1.1 Rights of shareholders

The Board of Directors has placed great emphasis on rights and equality of the shareholders by clearly stating in the Good Corporate Governance Policy on the equality of basic rights e.g. rights to receive sufficient information in a timely manner and appropriate form for decision making, rights to obtain the Share Certificate and rights to transfer the shares.

Disclosure

The Board of Directors is aware of the disclosure of significant information whereby the information disclosed shall be accurate, complete, sufficient, updated, transparent, and traceable and the most important is such information shall be equally available to all shareholders.

In 2015, INET has completely disclosed information according to SET regulation on Disclosure of Information of Listed Companies within a specific period. INET has submitted the document to Securities and Exchange Commission (SEC) and SET, including disseminating the periodic and non-periodic reports via electronic system of SET. Those periodic reports to be disclosed including the annual financial statement, quarterly financial statement, annual report,

Annual registration statement and etc. The non-periodic reports comprised of the date, time and venue of Annual General Meeting of Shareholders, including the meeting agendas, annual record date, book closing date for collecting shareholders' names according to Section 225 of the Securities and Exchange Act, dividend payment, dividend record date, dividend book closing date for collecting shareholders' names according to Section 225 of the Securities and Exchange Act, resolution passed at the Annual General Meeting of Shareholders, appointment of the Audit Committee and independent directors, and etc.

The Board of Directors and the management have greatly emphasized on any actions or operations that do not limit the opportunity of the shareholders in accessing INET's information. Moreover, INET has organized the communication channels for the shareholders, investors, interested parties and the public to Conveniently access the information of INET. As such, INET has published their information both in English and in Thai languages on their website (www.inet.co.th) where the information has been grouped into categories which make it easy for searching and communicating with INET.

Shareholders' meeting

INET has stated that the shareholder's general meeting shall be held once a year within 4 months starting from the end of accounting period of INET and the shareholders' meeting shall be organized such that its process has supported the shareholders to have equal rights. The Board of Directors has paid great attention and respected the rights of shareholders by encouraging the shareholders to attend the shareholders' meeting. This is for the shareholders, who are the owner, to have an opportunity to be informed of INET's operation results, to participate in making important decisions of INET and to examine the operations of the Board of Directors and the management. Therefore, INET has organized the shareholders' meeting to be in accordance with the law and guideline specified in the AGM Checklist of the Thai Investors Association, Thai Listed Companies Association and SEC. It is the duties and responsibilities of the Board of Directors and the management to operate with transparency, fairness and best interests to all shareholders and related parties.

In 2015, INET held 2 shareholders' meeting, the 2015 Annual General Meeting of Shareholders, on Thursday 27nd April 2015 at 09.00 a.m. at INET Hall meeting room, IT Floor, Thai Summit Tower, 1768 New Petchaburi Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok and the Extraordinary General Meeting of shareholders No.1/2015 at 13:30 p.m. at INET Hall meeting room, IT Floor, Thai Summit Tower, 1768 New Petchaburi Road, Bang Kapi Sub-district, Huai Khwang District, Bangkok whereby this location has a good public transportation system, making it more convenient for the shareholders to commute. INET has arranged all meeting facilities e.g. audio-visual media for presentation, computers and bar code system for meeting registration and vote counting. These have made the vote counting more convenient, quickly, accurate, transparent and traceable.

INET opened for registration from 07.00 a.m. onwards, 2 hours before the commencement of the meeting, and the shareholders who arrived after the commencement of the meeting can still register until the meeting has ended. INET has assigned the attorney of INET to check the identification document presenting before attending the meeting. This procedure is not complicated and is in accordance with information provided to shareholders with the invitation letter. All Directors, chairpersons of all sub-committees as well as the management team attended the meeting along with the auditors and legal consultants, in order to provide additional information and answer questions.

Before the meeting date

INET has disclosed sufficient and timely information Which is relevant for making a decision at the shareholders' meeting in advance. In other words, after the Board of Directors has called for the 2015 Annual General Meeting of Shareholders (AGM), INET shall inform the shareholders the date, time, venue of the meeting, meeting agenda and relevant information, including opinions of the Board on each agenda which are proposed to the meeting via the electronic system of SET before 9.00 a.m. of the next following day after the Board's resolution.

The invitation letter shall include details of meeting agendas and opinions of the Board, details of agenda for consideration and justification, positive and negative impacts of each agenda, proxy letter and list of independent directors in order for the shareholders to choose as their proxy to attend the meeting, including the venue map. These shall be sent to shareholders at least 14 days in advance and the meeting announcement shall be advertised in the Thai newspapers for at least 3 consecutive days and at least 14 days before the meeting to call for the shareholders' meeting in advance.

Moreover, INET has given the shareholders the opportunity to study the meeting materials in advance where they have published the 2015 AGM invitation letter and its documents which are the same documents that INET has sent to the shareholders on INET's website in advance before the meeting date.

At the 2015 Annual General Meeting of Shareholders, INET has applied the practice guideline of SET in encouraging the listed companies to give the minority shareholders opportunity to propose the Board of Directors the meeting agendas and nominate qualified person to be the directors. INET has announced their meeting invitation to the shareholders via SET's Communication Channel and company's website which states the clear details of rules, procedures and process for consideration and channel to propose the agenda whereby the shareholders have been given time to consider from 1 January 2015 to 31 January 2015. For this year, it is found that the shareholders have neither proposed the meeting agenda nor any person to be the director. Moreover, the Board of Directors has given the shareholders opportunity to ask questions or acquire additional information of those meeting agenda and or provide recommendations, which would benefit INET's operations, in advance before the meeting date so that INET can provide clarification or additional information at the meeting.

During the meeting date

In the 2015 AGM, the Chairman of the meeting has introduced the directors, the management and auditors who have attended the meeting. After that, the Chairman has appointed the employee of INET to inform the meeting about voting procedures in order to be in accordance with SET code of practice for shareholders' meeting of listed companies, including the voting method where INET have the ballots for each agenda which the shareholders attending the meeting received during the registration. INET has used the computer and barcode system for counting the votes.

During the meeting, the Chairman of the meeting has proceeded the meeting according to agenda. After the information of the agenda has been informed, the Chairman of the meeting has given the shareholders who attend the meeting opportunity to give comment, suggestions and ask questions on each agenda, including appropriate time for discussion. After that, the management shall provide a clear and precise answer and pay great attention to every question. After that the shareholders shall vote on that agenda whereby the Chairman of the meeting shall inform the voting results of that agenda to the meeting by category of "approved", "disapproved" and "abstained" votes. During the voting on each agenda, INET has required the shareholders who attend the meeting to use the ballots and computer shall be used to process the voting results. For the agenda on the appointment of directors and determination of

directors' remunerations, these agendas have been proposed to the meeting to be voted separately and the agenda on the appointment of directors shall be voted by individual.

After the meeting

INET shall inform the resolution passed at the 2015 AGM and state the voting results of each agenda with "approved", "disapproved" and "abstained" votes, including the portion of each vote type via SET electronic system (ELCID system) after the meeting has adjourned by 9.00 a.m. of the following day.

The minutes of the 2015 AGM has recorded and written the significant matter of each agenda proposed to the meeting, significant questions of the shareholders and the clarification of the Board of Directors and the management, recommendations and additional opinions of the meeting, including a clear and complete meeting resolution of each agenda with numbers of each vote type and portion of each vote type. INET submitted the minutes of the meeting signed by the Chairman of the meeting to SET, SEC and the registrar (Department of Business Development) for evidence and reference, including publishing on INET's website within 14 days after the shareholders' meeting.

1.2 Equitable treatment of shareholders

The Board of Directors and the management have committed to conform to equitable treatment of shareholders regardless of being major shareholders, minority shareholders, Thai investors and foreign investors as clearly specified in the good corporate governance policy on the equality of basic rights. This is considered to be important and necessary for sustainable growth of its business. As such, INET has placed a great emphasis on rights and equality of the shareholders e.g. rights to receive sufficient information in a timely manner and appropriate form for decision making, rights to obtain the share certificate and rights to transfer the shares.

As the owner of the business according to the portion of their shareholding, the shareholders are entitled to receive the dividends according to the operation results of INET. However, even INET reported a net profit for the year 2014, but the Company still has a retained loss. Therefore, the Company has suspended the dividend payment.

In order for the shareholders to gain the equal basic rights in receiving the information of INET, INET has not only complied with the rules on disclosure of information of SET and SEC, but INET has also increased the channel to access the information of INET via INET's website whereby the information has been updated and published both in Thai and English languages.

Moreover, in order to maintain the rights of shareholders who cannot attend the Annual General Meeting of Shareholders, INET has sent the proxy letter where the shareholders can appoint other persons or independent directors as listed in the proxy letter specified by the Ministry of Commerce to be their proxy, attend the meeting and vote on their behaves without any conditions. The details and procedures shall be published on the website of INET 30 days in advance before the meeting date and the shareholders can inquire information via the telephone or other channels.

By giving the minority shareholders the opportunity to propose the topic to the Board of Directors to be placed in the agenda of the shareholders' meeting and propose the persons to be directors in advance, this is considered to be one of the equitable treatments of shareholders. The Board of Directors has greatly emphasized on the preventive measure for the case where the directors or the management may illegally use the inside information for their own or other interests. As such, the Board of Directors has set the guideline for confidentiality in writing where this has been complied by the management and employees since 2001.

1.3 Roles of stakeholders

INET has paid great attention to all stakeholders who are in and outside the company, including the society, shareholders, customers, partners, employees and responsibility towards environment. The Board of Directors has set the policy and code of conduct in 2001 in writing in order to be the practice guideline for stakeholders. These shall cover the policy of the Board of Directors, policy on human resource management and the employees' code of conduct, policy on conflict of interests, policy on internal control and procurement ethics, policy on accounting and financial transactions, policy on supporting the public activity, policy on confidentiality of INET, policy on buying and selling the securities and etc. whereby the directors, the management and all employees have been aware and strongly complied with.

Practice towards major stakeholders of the company

Shareholders

Under the code of conduct of INET, INET has paid great attention to the equitable treatment of shareholders, disclosure of quality information to the shareholders, encouraging the shareholders to attend the shareholders' meeting in order to participate in the significant decision making and be informed of the operations and activities of INET, including monitoring the operations of the Board of Directors and the management, setting the preventive measure for the use of inside information for the interests of the Board of Director and the management in order to protect the interests

of the shareholders. Moreover, INET shall not perform or do anything that could violate or deprive the rights of the shareholders.

Customers

The Company holds the commitment to delivering satisfying services to its customers and building trust. The Company places its focus on making continued developments of its services and keeping good relationship with the customers. The Company has worked to ensure that its services are constantly improved by frequently seeking feedback. At the same time, the Company works to ensure that its staff members are trained well to assure the customers that they will always receive the best services possible.

Employees

The Company pays close attention to human resources development, managing to help its employees at all levels keep enhancing their capability, skills, and attitude, so they can work with enhanced efficiency and meet the expectation.

In the previous year, the Company conducted training programs on advance management for their executives. The Company also supported employees on internal and external training programs continuously, together with knowledge management. The employees will be prepared for business competition and rapid changes in the future.

In addition, the Company takes into consideration a development of quality of life. It includes physical, mental and emotional development. Several activities related to its core value were arranged by the Welfare Committee appointed internally to promote relationships and participation of all parties, such as Songkran festival, annual meeting and party, etc.

The Company encourages its employees to receive trainings, both inside and outside of the Company, to enhance the quality of their working lives, mentality, and physicality, while at same time holding activities to better their relationship and engagement.

Partners

INET has emphasized on the procurement process which is the important process in setting the cost and quality of the products. Therefore, the procedure has been set to be transparent, traceable and provide the best benefits. INET has also paid attention to its partners who have supported and become one of the driving factors in making INET's operations to efficiently achieve the success. INET has treated the partners with equality and fair competition and has great respect for one another.

Business Competitors

The Company follows the policy that dictates it to operate in compliance with laws and code of conduct in relation to trade and competition, not trying to obtain their trade secrets in an illegal and unprofessional way. The policy dictates that the Company shall:

1. Maintain good practices in trade and competition;
2. Never attempt to obtain any trade secret of a competitor in an illegal and unprofessional manner;
3. Never attack the reputation of a competitor by maliciously uttering anything injurious.

Creditors

The Company realizes that the trade creditors play important roles in supporting company's business operation flow. Therefore, the Company has strictly paid their bills for services and/or products bought from trade creditors on time and no discrimination either big or small creditors.

Society, Community and Environment

Company realized and concerned about influence of social network in all aspect no matter in social, business and education. As an Internet and ICT infrastructure provider, the company strictly in compliance with relevant laws such as the Computer Crime Act and support activities to promote the secure and productive use of the Internet.

Communication channels to the stakeholders

The stakeholders can communicate directly to INET via several channels e.g. company's website, company secretary, public relation unit and investor relations unit or can communicate through other channels that the stakeholders find it appropriate. Moreover, the stakeholders can report or file a complaint regarding the illegal action or misconduct to the independent directors or the Audit Committee in order for them to order the investigation and report to the Board of Directors.

1.4 Policy not to violate the Intellectual Property Right

The Company's Board of Directors has paid an importance to the Intellectual Property Right and is considered as a Company's main policy. Therefore, the Company do not promote both directly and indirectly to use the illegal software which is violated other people's Intellectual Property Right. The Company requires that all employee has to sign and acknowledge the Company's policy concerning the use of personal software. In addition, the company also

has the internal announcement under the subject “Forbidden activities regarding as violation of the law” by which the summary is about the announcement of forbidding an employee to break the Intellectual Property Right and/or other activities considered as a fraud specified in Computer Crime Act.

1.5 Disclosure and transparency

Quality of the disclosed information

The Board of Directors, the management, and all employees have been well aware that any information relating to INET has an impact to the decision making of the shareholders and investors, interests of the shareholders and stakeholders and the buying and selling of INET’s securities. All departments have been aware and emphasized on governing the disclosure of INET’s significant information with accuracy, rapidness, transparency and equal access by every group. This has showed their responsibilities of duties, transparency of operations and other activities.

The information to be disclosed shall be correct, accurate, clear, supported by a clear conclusion, sufficient for making the investment decision, traceable and certified according to SET regulation in order for the information to be widely and equally accessed.

Disclosure channels

The Board of Directors and the management have committed to conform to the regulation on disclosure of information for listed companies of SEC and SET. This includes the regulation on disclosure of periodic and non periodic reports whereby these documents can be sent to SEC and SET via the ELCID system of SET which is the main disclosure channel. Moreover, INET has highly emphasized on disclosing the correct, complete, timely and transparent information. As such, INET has increased the disclosure channels so that the information can be widely and easily accessed e.g. via company’s website (www.inet.co.th/ir), annual registration statement (Form 56-1) and annual report (Form 56-2).

Investor relations

The investor relations has been set up to be a center to disseminate information, news and is responsible for communication in order to enhance the good relationship between INET and shareholders, investors, securities analyst and relevant units to be fair and equal. Moreover, the investor relations shall govern the process of financial report e.g. reporting the operation results, financial statement and information of INET to SET, including conducting the management discussion and analysis report (MD&A). To contact the investor relations unit, please contact via telephone no. 0 2257 7000, fax no. 0 2257 7222, Company’s website at www.inet.co.th/ir and e-mail address : ir@inet.co.th.

Securities Analyst

The Company has provided a fair and accessible opportunity to securities analysts from many brokers to get the Company’s information. The given information is related to the company’s performance, trend and business direction which the analysts can review these information to the public later on.

1.6 Responsibilities of the Committees

The Board of Directors comprises of persons with knowledge, expertise, skills and experience from various fields. This has caused the operations of the directors to be efficient. The Board of Directors has emphasized on developing the organization to its success by setting the appropriate strategy and policy in enhancing its competitive advantages and performing its operations to be in accordance with regulation and resolution passed at the shareholders’ meeting with integrity and ethics under the code of conduct and management policy of INET. Moreover, the Board of Directors has participated in setting the vision, mission, strategy, goal and business plan of INET including effectively and efficiently governing, monitoring and evaluating the performance of the Executive Committee and the management to be in accordance with the goal and business plan. Furthermore, the Board of Directors shall ensure that it has conformed to rules and regulations of the supervisory agency and relevant government agencies, including resolution passed at the shareholders’ meeting in order to enhance the best economic value of INET and shareholders stability and interests of all stakeholders.

The Board of Directors is aware of the duty towards shareholders (the business’s owners and the appointees of the Board of Directors) by performing the duty and responsibility for the shareholder’s best interest. The Board of Director’s Fiduciary Duty consists of 4 main functions as follows:

1. Duty of Care: duty to work with carefulness.
2. Duty of Loyalty: duty to conduct business with honesty.
3. Duty of Obedience: duty to obey laws, company’s objectives, regulations and shareholder’s resolutions.
4. Duty of Disclosure: duty to disclose the information to the shareholder correctly and completely.

Segregation of duties

In order for INET to perform its operations smoothly, a clear segregation of duties and responsibilities of the Board

of Directors has been set.

The Chairman of the Board who represents major shareholders with shareholding of 17% of total shares shall not be the same person as the Managing Director. This is to segregate the duties in developing the supervisory policy and day-to-day operations. As such, the stakeholders can be certain that the directors can perform their duties as representatives of shareholders with independency whereby this shall cause the reviewing and balancing in management.

The Chairman of the Board of Directors is a leader and a person in charge of superintending the Board meeting to be efficient and effective by supporting and encouraging all directors to participate in the meeting e.g. asking significant questions, discussing, recommending and supporting the operations of the management through Managing Director regularly whereby this shall not interfere with the day-to-day operations of the management which is the responsibility of the management with Managing Director as their leader. The Board of Directors has assigned the Managing Director or the authorized person to sign on behalf of INET according to authorization. The Managing Director has assigned the management to operate efficiently according to their roles and responsibilities which have been clearly stated. Therefore, it is obvious that the roles and responsibilities of the Board and the management have been clearly segregated.

Managing Director

The Managing Director is the person with the highest level in the executive position of INET. The responsibilities include managing INET's operations to have highest efficiency and effectiveness under the management policy of INET and governing the entire internal operations of INET e.g. hiring, recruiting, appointing, promoting, revising the salary rate and setting the disciplinary action in case the employees have not complied with the rules, regulation and discipline of INET. Moreover, the Managing Director shall establish an order and notification regarding the management procedure which are not against the rules and regulations of INET and shall authorize and approve the procurement of no more than Baht 10 million per transaction, including approving the management in other areas so that INET can smoothly operate whereby this shall not violate rules, regulations and management policy of INET.

The meeting of the Board of Directors

INET has greatly emphasized on the independence of the Board of Directors in making decision for the best interest of INET and shareholders. The directors shall perform their duties with integrity and greatly emphasize on INET's interests. The directors shall always be aware that they are representatives of the shareholders with responsibilities to lead, observe, provide recommendation and support the operations of the management closely. INET has stated that the Board Meeting shall be held regularly or at least once in 3 months. The clear meeting agendas shall be set in advance and include the agenda to consider the operation results. The meeting invitation letter with the meeting agendas and meeting document shall be sent at least 7 days in advance before every the meeting in order for the Board of Directors to have sufficient time to carefully study the material before the meeting. In each meeting, the meeting shall take approximately 2 hours. In 2015, the Board of Directors has held 14 meetings.

Remuneration of the directors

The Board of Directors set a clear and transparent policy and criteria on remuneration payment of directors whereby the remuneration approved by the shareholders meeting are considered to be in the same level as those paid in the industry and high enough to maintain the qualified directors. The directors who have been appointed to act as the company's director, the Executive Committee, the Audit Committee, the Nomination and Remunerations Committee, the Risk Management Committee, and CEO Performance review Committee shall receive additional remuneration according to additional workload. The Nomination and Remuneration Committee shall consider and propose the appropriate amount of remuneration to the Board of Directors to later propose to the ordinary annual general meeting

Development of directors and the management

The Board of Directors has policy to prepare the newly appointed directors. This shall include providing the brief to the new directors, the important document of INET which comprises of structure of the Board of Directors, important rules, regulation, policy and code of conduct, code of practice for directors according to SET and SEC regulations. This is in order for the new directors to be able to completely perform their duties. Moreover, the presentation of the overview of INET and its subsidiaries shall be prepared.

The Board of Directors has the policy to enhance the knowledge of the directors. This is for a continuous development and to enhance the knowledge, understanding of their roles, duties and responsibilities. Moreover, the Board of Directors has enhanced the skills of the directors in performing their duties efficiently by attending the training programs organized by Thai Institute of Directors and SET, i.e. Director Accreditation Program (DAP), Director Certification Program (DCP), Role of the Chairman Program (RCP) and Audit Committee Program (ACP)

Moreover, INET has sent their employees for training courses of secretary and other relevant courses organized by other institutes and agencies of the public and private sectors. This is to enhance the knowledge and understanding

of their responsibilities in order to support the operations of the Board of Directors and the sub-committees to perform efficiently.

Evaluation of the Board of Directors' Performance

Result of the Annual Evaluation of the Board of Directors' Performance (group evaluation)

Evaluation of the board of directors' performance is conducted on a yearly basis. In 2015, this evaluation was conducted in the 13/2015 meeting on 13 November 2015. In this session, the performance of the board of directors as a whole was evaluated based on the criteria from the Corporate Governance Center, the Stock Exchange of Thailand, including:

1. Structure and qualifications of the Committee
2. Role, duty and responsibility of the Committee
3. The Committee's meetings
4. The Committee's duties
5. The Committee's relation with the management
6. Self-improvement of members of the Committee and improvement of the management

The evaluation result showed that the average value of performance in 2015 was 3.86 (0 = strongly disagree or zero performance, 1 = disagree or little performance, 2 = agree or some performance, 3 = quite strongly agree, or good performance, 4 = strongly agree, or excellent performance).

The Annual Performance Evaluation by the Audit Committee

The Audit Committee's performance also is evaluated on a yearly basis. In 2015, the Audit Committee managed to have a self-assessment session in the 7/2015 meeting on 15 October 2015. In the meeting, the Audit Committee employed the self-assessment form that has been developed by Office of the Securities and Exchange Commission. The form consists of two parts: (1) structure and components of the Audit Committee, and general working conditions, and (2) the functioning of the Audit Committee.

Code of conduct

INET has committed to do the right things whereby this has served as the guideline in conducting business for directors and all employees. INET has a policy to develop the guideline on business ethics or code of conduct whereby this shall be complied by the directors, the management and all employees with integrity, honesty and fairness when they perform their duties under INET's mission to all groups of stakeholders. The supervisory policy has been published on the intranet system whereby the management and all employees can easily access at all times.

Conflict of interests

The Board of Directors has set a clear guideline on transactions with conflict of interests. This includes the processes to approve the connected transactions, the process to develop policy and procedure in preventing the Board of Directors, the management and any relevant parties to use the inside information for their own interests, and the procedure to govern the transactions that may lead to conflict of interests. The Board of Directors has been informed about the connected transactions as the Audit Committee shall constantly present the Board about the conflict of interest transactions and connected transactions whereby these transactions have been carefully considered by the Board every time and in accordance with SET rules. The price and conditions shall be set based on engaging the transactions on arm's length basis. The significant related transactions shall be disclosed with details of value of transaction, party to this agreement and justification/necessity in an annual report and the annual registration statement (Form 56-1).

At the meeting of the Board of Directors, if there is any conflict of interest on the part of directors in any agenda, the Chairman of the Board shall request cooperation from the directors in complying with the policy. As such, the directors shall declare their interests in that agenda to the Meeting where such directors shall be prohibited to vote or give any comments in that agenda.

In managing the use of inside information, INET has stated that the Board of Directors and the management of INET (including spouse and immature children) shall report the changes in securities holding to SEC as specified in Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 days starting from the date where the securities holding has been changed and set the regulation on maintaining the confidentiality and/or inside information of INET. If the Board of Directors or the management have exploited the inside information for their own interests, they shall be punished as specified in the Securities and Exchange Act B.E. 2535 (1992).

Furthermore, the Board of Directors has set up the procedure, condition and method to report the interests of directors and management. As part of Board of Directors and management's responsibilities, the interests report should be made and kept at the Company as an evidence. Thus, the Company can be notified about the interests which might be related to the Company's business operation and does not cause the conflict of interests as specified

in Section 89/14 of the Securities and Exchange Act B.E. 2551.

Internal control system

INET has placed a great emphasis on the internal control system both at the management level and operational level. The Audit Committee is responsible for examining to ensure that the core function and significant financial activities have been operated with efficiency and in accordance with the guideline, including examining the compliance with the laws and compliance control. In order for the internal audit department to be able to work

Independently and maintain a good balance, the Board of Directors has structured the internal audit department to directly reports to the Audit Committee and shall be evaluated by the Audit Committee. INET has set their internal management to be in accordance with the good corporate governance. As such, INET has developed the performance evaluation system to be conformed to INET's strategy and established the enterprise risk management system. This is to enhance their competitive advantage in long term and build confidences towards the customers and shareholders.

Financial report

The Board of Directors is responsible for INET's financial report and financial information stated in the annual report. Such financial statements have been conducted according to the generally accepted Thai accounting principles with appropriate and consistent accounting policy. Moreover, the careful judgment and best estimation have been used when conducting the financial statements and sufficient material information has been disclosed in the notes to financial statement with effective internal control system to ensure that the accounting records are correct, complete and sufficient for maintaining the assets and to identify the weakness in order to prevent the fraud or significant unusual operations.

Internal control

The 13/2015 meeting of the Company's board of directors on 13 November 2015 was attended by four of the Audit Committee. The board of directors evaluated the internal control system of Internet Thailand Public Company Limited in 2015. The Board has assessed the adequacy of INET's internal control systems in 5 areas, namely, Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities. The Board found that the Company's internal control system consists of adequate and appropriate control mechanisms. The Company has allocated sufficient resources to accomplish its goals and has an internal control system for properly monitoring the operations of its subsidiaries and affiliates to keep their businesses transparent.

Risk Management

The board has assigned the Risk Management Committee to responsible on the policy and framework of risk management, follow up on the development of risk management framework, measure and approve the risk management plan, as well as identifying potential risks, evaluating and determining preventive measures. The Risk Management Committee is anticipated to monitor the risk management process and to ensure that it proceeds properly, to encourage the implementation of the developed risk management policy, and report the result back to the Audit Committee and the board for their consideration.

2. Structure of the Board of Directors

The Company's management structure consists of the Board of Directors and 5 subcommittees, namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee and the CEO Performance Review Committee. INET has set the management structure to be in accordance with the regulation and guideline suggested by the law and supervisory agency. This management structure has also complied with the Articles of Association which is a result of the resolution passed at the Annual General Meeting of Shareholders and complied with the company's regulations.

At 31 December 2015, the Board of Directors comprises of 11 directors whereby this has an appropriate number consistent to business type of the company. INET has directors with various knowledge and expertise (engineering, economics, accounting, business administration and law), experiences, skills which have benefited the operations of the Board of Directors. This includes setting the direction and policy to govern the management on operating and managing. The directors have a term of 3 years in position according to the Public Limited Companies Act B.E. 2535

Moreover, all directors have no criminal records regarding the fraud and have no historical records of engaging in any transactions that may cause conflict of interests with INET.

For the past year, INET has 1 director who have held the executive positions i.e. the Managing Director. The Chairman of the Board of Directors is the director who has not held any executive position and is not the same person as the Managing Director who has held the highest executive position of INET. Although the Chairman of the Board of Directors represents the major shareholders, National Science and Technology Development Agency (NSTDA), the

Chairman shall perform its duties with independency whereby such person shall not be dominated or guided during the discussion. The Chairman of the Board of Directors has encouraged all directors to fully participate in the discussion and present their opinions by providing sufficient and appropriate time for discussion in order to have a consensus conclusion in all matters proposing to the Board meeting.

Moreover, none of the directors of INET have held position in the listed companies more than 3 companies whereby this has been in accordance with the recommendation of SET in considering the efficiency and dedication of directors to their duties. Moreover, this is to encourage the Managing Director who has the highest executive position of INET to perform his duties with utmost and has opportunity to exchange experience, including building relationship and forming alliance network with other agencies which shall benefit INET's operations.

Furthermore, INET has disclosed the information regarding the positions of the directors and the management by person at INET's website under the topic of Board of Directors and Executive Committee.

2.1 Neutrality of non-executive directors

As of December 31, 2015 The Board of Directors comprises of 11 directors and can be summarized as follows:

Status	Executive Directors	Non-Executive Directors	Audit Committee
Directors who are the representatives of Shareholders	-	5	-
Directors who are not the representatives of Shareholders	1	5	4

The Company has total 4 Independent Directors, or one-third of all 11 directors in line with legal requirements. Moreover, the Audit Director is neither the major shareholders' representative nor executive directors. Hence, the stakeholders are confident that the directors, as their representatives, will work independently. This will create balance and management auditing.

The Board of Directors has responsibility to ensure that its operations are in accordance with laws, objectives and Articles of Association, including resolutions passed at the shareholders' meeting with integrity and cautiousness to protect the interests of INET. The directors have a fixed term of their post according to the Articles of Association which states that in every annual general meeting one-third of directors shall be released from the post whereby the directors with longest period shall be retiring.

2.2 Sub-committees

The Board of Directors has appointed the sub-committees as deemed appropriate in order to consider and provide recommendations for any problems so as to lessen the burden of the Board of Directors, including enhancing the efficiency of the Board's operations. There are 5 subcommittees and can be summarized as follows:

1. The Executive Committee has been appointed on December 29, 2008 in order to support the Board of Directors in developing the policy or strategies. Moreover, it shall govern the management and business policy in order to achieve the specified financial target and strategies whereby the roles and responsibilities of the Executive Committee are in accordance with details specified under the topic of Committees.

2. The Audit Committee has been appointed on September 14, 2001 to assist governing the operations of INET. The roles and responsibilities of the Audit Committee are in accordance with details specified under the topic of Committees.

3. The Nomination and Remuneration Committee has been appointed on April 30, 2006 to select persons qualified to nominate as directors and propose the remuneration policy whereby this shall be in accordance with details specified under the topic of Committees.

4. The Risk Management Committee has been appointed on June 25, 2007 to develop the policy framework, guideline and recommendation to the Board of Directors in managing the inherent risks occurring from internal and external factors so that the residual risks can be in an appropriate and acceptable level. The roles and responsibilities of the Risk Management Committee are in accordance with details specified under the topic of Committees.

5. The CEO Performance Review Committee of the Managing Director has been appointed on September 21, 2009 to develop the criteria and methods in evaluating the performance of the Managing Director and monitor the performance of Managing Director for every 6 months, including providing recommendation to the Board of Directors.

3. Nomination and Appointment of Directors and Executives

3.1 Independent Directors

The Board of Directors has considered and set the definition of “independent directors” to be in accordance with the minimum requirements of the definition of independent directors specified by SEC and SET which can be summarized as follows:

- Hold shares no more than 1% of total shares with voting rights whereby these include the shares of subsidiaries and associated companies, including shares held by the related parties e.g. spouse and immature children
- Do not participate in managing and are not the employees, staffs, consultant who have received salary, or persons who have controlling powers of the company or subsidiaries or associated companies, or persons with conflict of interests. Such persons shall have no benefits or interests as mentioned above no less than 2 years.
- Have no business relationship, no direct or indirect benefits or interests in the areas of finance and managing the company, subsidiaries, associated companies or no relation with persons who may have conflict of interests which could cause the lack of independence.
- Are not close relatives of the management, major shareholders of the company, subsidiaries, associated companies or persons who may have conflict of interests and have not been appointed as the representatives for the interests of the directors or major shareholders.

3.2 Nomination of Directors and Executives

The Board of Directors has set the process for the nomination of the directors whereby this shall emphasize on transparency and true benefits of INET. The Nomination and Remuneration Committee shall consider the director's denomination and appointment for both the director's retiring by rotation and not by rotation. The director appointment agenda will be proposed to the Board of Directors and Annual General Shareholder's Meeting for further approval. Directors represent main shareholders : The company has directors who represent major shareholders as follows : 2 directors are representatives from National Science and Technology Development Agency, 2 directors are representatives from TOT Public Company Limited and 2 directors are representatives from CAT Telecom Public Company Limited.

Component and Appointment of the Board of Directors : According to Article of Association, the Board of Director consists of at least 11 persons and not more than 15 persons. More than half of the Directors must have domicile in Thailand.

Nomination and Remuneration Committee shall consider and propose names of persons selected as Directors to the Board of Directors or to the Shareholders' Meeting for consideration to appoint them as Directors. According to Article of Association, the Shareholders' Meeting appoints Directors with criteria and method as follows :

1. A shareholder has one vote for one share it holds.
2. Each shareholder may exercise all the votes he has under 1. above to elect one or several director(s). In the event of election several directors, he may not allot his votes to each unequally.
3. Candidates who received the highest votes in their respective order shall be elected as directors, at the number equal to the number of directors required at that time. In the event of an equality of votes among the persons elected in order of respective high numbers of votes, which number exceeds the required number of directors at that time, drawing will be taken to determine.

In case the directorship falls vacant ahead of period of completion of office, Board of Directors may select any qualified person who has no forbidden characters by law to fill the void with not less than $\frac{3}{4}$ votes of the remaining directors in the next Board of Directors Meeting, except the period left is less than 2 months. Director so elected shall remain in the office for the period left unused by the predecessor. The Shareholders' Meeting may vote for any director to leave its position ahead of the office term, with not less than $\frac{3}{4}$ votes of the shareholders attending the Meeting and having the right to vote, and representing not less than half of the shares held by the shareholders attending the Meeting and having the right to vote.

Component and Appointment of the Executive Committee : The Board of Directors appoints the Executive Committee by selection from the Company's Directors.

Component and Appointment of the Audit Committee : The Board of Directors appoints the Audit Committee by selection from the Company's Directors. Each member is qualified according to the promulgations of the Stock Exchange of Thailand.

Component and Appointment of the Nomination and Remuneration Committee : The Board of Directors appoints the Nomination and Remuneration Committee by selection from the Company's Directors.

Component and Appointment of the Risk Management Committee : The Board of Directors appoints the Risk

Management Committee by selection from the Company's Directors.

Component and ApPOINT of the CEO Performance Review Committee : The Board of Directors appoints the CEO Performance Review Committee by selection from the Company's Directors.

In the 2015 annual general meeting of the shareholders, a single shareholder or a group of shareholders with at least 5% of the Company's shares who have held the shares for at least 12 months Consecutively (as of the day the agenda is set) can nominate eligible candidates for the Company's board of directors, during 1-31 January 2015.

Succession Plan

Internet Thailand Public Company Limited is a public company and listed on the Stock Exchange of Thailand, therefore, the recruitment and appointment of Managing Director has to follow the procedure of Public Limited Companies Act and the Securities and Exchange Act. The Managing Director should not have forbidden characters by laws. The hiring contract should be clearly written, as well as the CEO performance reviews have to be regularly conducted throughout the contract period.

4. Manipulating and Monitoring the Associated Company and Subsidiaries

The Company has appointed its representatives to serve as board members in the subsidiaries in order to align business policy and strategy of the two companies. The board member(s) in the subsidiary must submit a report about the subsidiary's performance to the Company's board on a monthly basis.

In monitoring the associated company's performance, the Company has appointed its representatives to serve as board members in the company to ensure that the company operates its business as anticipated.

Manipulating and monitoring the associated company and subsidiary are conducted based on the OECD Principles of Corporate Governance to ensure that the business is operated in an effective, transparent, and fair manner on the way to achieving its goals.

5. Managing the use of inside information

INET has established the regulation in maintaining the confidentiality and /or inside information of INET which can be summarized as follows:

1. The Board of Directors, the management, staffs and employees shall maintain the confidentiality and/or inside information of INET.
2. The Board of Directors, the management, staffs and employees shall not directly or indirectly disclose or exploit the secret and/or inside information of INET for their own interests or for the interests of other persons either with or without receiving the return.
3. The Board of Directors, the management, staffs and employees shall not buy or sell securities by using confidentiality and/or inside information of INET and/or entering into other legal acts due to the use of confidentiality and/or inside information of INET which may directly or indirectly cause the damages to INET.
4. Moreover, INET has stated that the Board of Directors and the management shall report the changes in their securities holding to SEC and SET as specified in Section 59 of the Securities and Exchange Act B.E. 2535 and if the inside information has been used for their own interest, they shall be punished as specified in the Securities and Exchange Act B.E. 2535.

The Board of Directors has greatly emphasized on the preventive measure for the case where the directors or the management may illegally use the inside information for their own or other interests. As such, the Board of Directors has set the guideline for confidentiality in writing where this has been complied by the management and employees since 2001.

6. Auditor's Remuneration

Audit fee

Audit fee for account period ended December 31, 2015 of the Company pay to ANS Audit Co., Ltd. was 985,047 Baht Audit fee for account period ended December 31, 2015 of the subsidiary pay to ANS Audit Co., Ltd. was 150,000 Baht

Non-audit fee

None

Internet Thailand Public Company Limited is determined to running a sustained business, taking into account its social responsibility and every party involved. The Company has set its plan and practice in accordance with the eight good governance principles specified by Corporate Social Responsibility Institute (CSRI) of the Stock Exchange of Thailand (SET).

1. Fair Operating Practices

The Company takes into account interests of all the stakeholders, from shareholders, customers, partners, creditors, employees, to competitors and the community, while also bearing environmental awareness. The Company's Code of Conduct has been established since 1991 as a written guideline, including matters such as the board policy, policy on human resources management and employee code of conduct, policy on conflict of interest, policy on internal control, ethical standard in purchasing, policy on financing and accounting, policy on public activity support, confidentiality policy, and securities trading policy. This code of conduct has been adhered to by the Company's management and employees at all levels thus far.

2. Anti-corruption Value and Practice

The Company is against all kinds of corruption and is fully aware of the plausible aftermath of corrupt acts. In the 8/2014 meeting on Friday October 17, 2014, the Company's board of directors agreed to join the Collective Action Coalition of the private sector in Thailand to work against corruption, in accordance with the policy of the Government and the National Anti-Corruption Commission. By doing so, the Company has clearly announced its intention to work against corruption in the large scale.

In November 2014, the Company received a reply and the Declaration of Intent to confirm its participation in the program from the Thai Institute of Directors. The Company has a plan to determine its anti-corruption measures and communication methods for people both in and out of the Company to use the whistle-blower hotline safely and, later, to identify common practice for its employees.

The Company has publicized its anti-fraud-and-corruption policy, which was approved by the board on September 24, 2015 via its website, email and intranet.

In addition, the Company took part in the Anti-Corruption Seminar that was organized by Thai Institute of Directors and was meant to fight against systemic corruption.

Whistleblowing

The board has assigned the Audit Committee to be the recipient of information from any whistleblower through channels that are addressed in this policy.

The whistleblower must specify an alleged wrongdoing in detail as well as his/her name, address, and contact while reporting via the following channels:

1. Email to the chairman of the Audit Committee: achandrachai@gmail.com; chandrachai@hotmail.com; or, the Company's secretary: CS@inet.co.th, or the Internal Control Unit: watasat@inet.co.th

2. Sealed letter to:

Professor Emeritus Achara Chandrachai, Chairman of the Audit Committee
Internet Thailand Public Company Limited
1768 Thai Summit Tower, 10-12 & IT Floors
New Petchaburi Road, Bang Kapi, Huai Khwang, Bangkok 10310

No matter who the whistleblowers are (shareholder, customer, competitor, creditor, government agency, or the community), they will be protected by laws and/or the Company's anti-corruption policy.

Protective measures for whistleblowers

1. Personal information and identity of the whistleblower will be kept confidential by the Company and will be accessible only to those in charge of investigation.
2. Recipients of the information must keep confidential the information received this way and identity of the whistleblower, unless required otherwise by law.
3. The Company will reveal only parts of the information that it has to, taking into close consideration risks towards and safety of the whistleblower and those involved.
4. The affected will be compensated properly.

Employees who detect any sign of fraud or corruption can report via the given channels. The Audit Committee will subsequently take the report into consideration and proceed accordingly for an investigation. If the reported person is found guilty, he/she will be given the punishment by the Company and/or the sentence as imposed by laws.

3. Respect for Human Rights

The Company has been running its businesses with respect to the right and freedom of each individual, and has never violated the human right of any employee, regardless of the title or position. The Company also has strictly followed Thai labor laws and provided extra benefits based on each employee's performance, which makes employees stay with the Company for a long period of time.

4. Fair Practice for Employees

The Company sees the importance of human resources development, thus having supported its employees in making improvements to their knowledge, skills, and attitude based on their potential so they can always work in a more efficient manner to accomplish their mission. This kind of human resources practice allows the Company to build a competitive advantage in the long run. In the previous year, the Company held advanced management courses for the management, and continuously encouraged its employees to take self-improvement and knowledge management courses. A lot of working experiences were exchanged and shared. The Company also has a fair practice policy, which results in a performance-based assessment, as well as a reasonable salary and benefits based on the position, experience, the Company's overall performance, and other socio-economic factors.

In addition, the Company also sees the importance of physical, mental, and emotional fitness of all employees. The Company manages to have activities relating to its core values held by the Employees' Welfare Committee which was elected by the employees themselves. Such activities include Songkran Tradition Party and annual seminar. The Company also provides its employees with annual checkup and fitness center.

In the previous year, the Company came up with a Welfare Committee through internal election under the Labour Protection Act B.E. 2541 (1998).

5. Responsibilities towards Customers



The Company has been determined to developing and delivering the best service to satisfy its customers' needs, which results in ISO 9001:2008 certification that it has achieved. The scope of quality guarantee covers corporate node, MetroLAN, and data center services. In addition, the Company has received the following certifications for the past year.

- Cloud Security Alliance – Security, Trust & Assurance Registry (CSA-STAR)
- ISO/IEC 27001:2013 on Information Security Management for both the Company's offices at



Thai Summit Tower and Bangkok Thai Tower

- ISO/IEC 20000:2013 on Service Management System (SMS) Standard for both the Company's offices at Thai Summit Tower and Bangkok Thai Tower

6. Environment Care

The Company encourages electricity and water conservation among its employees by asking them to use electricity only when necessary and make sure to turn lights off when not in use. The employees also are asked to reduce their use of paper and use digital files instead of hard copies. At the Company's data center, the technology that helps to prevent the heat from outside the building from getting in is used, allowing the facility to consume much less electricity for its air-conditioning. LED motion sensor technology has been brought into use as well, to turn lights off automatically when they are not in use, thus extending the lifespan of light bulbs. Fire extinguishers and refrigerant used in the offices also are environmentally friendly.

7. Participation in Community and Society Improvement

The Company is fully aware of the influence of the Internet in everyday life, especially among kids and youth. The Company has encouraged the society to use the Internet in a safe, creative manner by having worked closely with the Internet Foundation for the Development of Thailand for more than ten years. In so doing, the Company has promoted the use of information technology and the Internet in developing the economy and society, especially in the rural areas and among the disadvantaged, so they can make a proper use of these technologies and live a better life.

The Company has consistently contributed to the society through a variety of activities – for example:

1. The Company, in collaboration with INET Foundation for the Development of Thailand, donated clothes, socks, and blankets to students in need at Maehangwitthaya in Lampang province to help them get through winter. The Company also held a feast for the students on National Children's Day.

2. The Company donated learning materials and stationery to Lat Krabang Discovery Learning Library that held an event on National Children's Day to encourage moral values among children, with an aim to make them realize the importance of engaging with family activities.

8. Innovation and Innovation Distribution

As the Company focuses on a sustained development,





it has a policy to sustain its leading role in providing IT services in Thailand too. It looks to distribute as much of its IT knowledge to the society as possible so the society can make the best use of it. At the same time, the Company keeps creating a push towards innovation in Thailand and The Company also works in collaboration with education institutes, by sharing practical knowledge and experience, to prepare them for the IT professional scene. The Company works with both private and public sectors as well to help extend their understanding of how to use technology to develop their performances and working efficiency.



The 13/2015 meeting of the Company's board of directors on Friday November 13, 2015 was attended by four of the Audit Committee. The board of directors evaluated the internal control system of Internet Thailand Public Company Limited in 2015 based on the information given by the executive body and the internal auditors. This evaluation form was used in making sure that the Company's internal control system is appropriate and effective enough to keep the Company's operation on the lawful track, and is helping the Company to accomplish its goals without any arising corruption or damage. The complete reliable report consists of five parts as follows:

Part 1 Control Environment

1. The organization shall express its value in integrity and ethics through actions.
2. The Audit Committee shall be independent from the executive body, and be responsible for overseeing and developing internal control.
3. The executive body shall provide a report mechanism and identifies a clear organization chart that is appropriate for the organization to achieve its goals under the oversight of the Committee.
4. The organization shall show its commitment in keeping and developing employees with high performances.
5. The organization shall make its employees responsible for internal control so the organization is able to accomplish its goals.

Part 2 Risk Assessment

6. The organization shall state its goals clearly enough so all the related risk factors can be identified and taken into consideration in the evaluation process.
7. The organization shall identify and analyze all kinds of risk that may arise in and affect the organization.
8. The organization shall estimate the chance of corruption during risk assessment in order to achieve its goals.
9. The organization shall point out to plausible changes that may occur and affect the internal control and evaluate them.

Part 3 Control Activities

10. The organization shall have measures to reduce to an acceptable level the risks that may prevent the organization from being successful.
11. The organization shall utilize technologies in control activities.
12. The organization shall put internal control into its policy, listing its expectations and protocols to enable this policy to be implemented.

Part 4 Information and Communication

13. The organization shall provide quality data in supporting internal control to make it run as anticipated.
14. The organization shall communicate across all of its units to facilitate internal control.
15. The organization shall communicate with other agencies about any matter that may affect its internal control.

Part 5 Monitoring Activities

16. The organization shall monitor and evaluate internal control to make sure that it runs smoothly and properly.
17. The organization shall try to find the defect in internal control and point it out to the person in charge, including the management and the Committee, in a timely manner.

After an evaluation on the five parts was finished, the Committee found that the Company's internal control system consists of adequate control mechanisms. The Company has allocated sufficient resources to accomplish its goals and has an internal control system for properly monitoring the operations of its subsidiaries and affiliates to keep their businesses transparent.

In addition to internal control on the aforementioned matters, the Audit Committee suggested that the Company should provide practical knowledge about risk management during orientations, make the management consider

the possibility of fraud or corruption and define proactive measures to prevent it, and posts on its website how the whistleblowers will be protected while providing a means of direct communication such as a hotline. The management was informed of this point and would subsequently follow the suggestion.

In addition, the Company's auditor for 2015 – Mr. Yuttapong Chamuangpan, Registration No. 9445 – who is responsible for the Company's audit until December 31, 2015, has not all at pointed out in his report that the Company's internal control system has any defect.

Internal Auditor

From the 10/2014 meeting of the Audit Committee on Monday 15 December 2014, the Committee selected Dharmniti Co., Ltd. as a successful candidate to provide auditing service to the Company for 2015. Dharmniti Co., Ltd. subsequently assigned Ms. Korakoch Wanasawas, the manager, to serve as the main auditor for the Company.

After the Committee conducted an examination on Ms. Wanasawas's qualifications and the scope of services that Dharmniti Co., Ltd. provided, they found that she was qualified for the job due to her auditor independence and 12 years of auditing experience. She had also attended a number of auditor training programs such as COSO 2013, IT Audit (by Audit Council), and CPIAT, as well as an internal audit improvement project, the newly revised auditing curriculum, self-evaluation on anti-corruption measures, and a program on methods of evaluating accounting system. The Company also assigned an auditor of the company to cooperate with an outsource auditor as well.

The decision to appoint, dismiss, or transfer the main auditor of the Company must be approved (or agreed) by the Company's Audit Committee.

1) Transactions which the Company accepted and provided services

Person/juristic person with joint benefits	Relationship	Type of mutual transaction	Value of mutual transaction (thousand Baht) Year 2015	Opinion on connected transaction
1. A related party ^{1/}	Major shareholders	Cost of international and domestic leased line	62,678	Market price
		Revenues from Internet service and hire of work contract	4,376	Market price
2. Netbay Co., Ltd.	Associated Company	Revenues from Internet service	12,189	Market price

Note : 1. The National Science and Technology Development Agency ("NSTDA"), CAT Telecom Public Company Limited ("CAT Telecom") and TOT Public Company Limited ("TOT") hold 17%, 16% and 16% of the Company's equity interest, respectively, and have representatives on the Company's Board of Directors. They are therefore considered related parties.

2) Accounts receivable and accounts payable as at 31 December 2015

A related party^{1/}

(Unit : thousand Baht)

- Trade accounts receivable	2,687
- Unbilled service income	0
- Account payable	5,994

Netbay Co., Ltd.

(Unit : thousand Baht)

- Trade accounts receivable - Associated Company	3,075
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3) Necessity and reasonableness of transactions

Such mutual transactions are in accordance with business operation practices in general in providing the Internet access to the public. INET has taken into account the necessity and appropriateness for the maximum benefits of the Company and its shareholders. In this regard, INET has received and paid remuneration at fair market price as shown in the above table.

4) Measures or procedure for the approval of mutual transactions

As regards the procedure for the approval of mutual transactions, INET has conformed to the law regarding securities and securities exchange, and the regulations, announcements, orders or rules of the Stock Exchange of Thailand that persons with a vested interest in any transaction are not entitled to vote for the approval of that transaction. Such measures have been set forth in INET's regulations.

5) Policy or tendency for mutual transactions in the future

In the future, such mutual transactions will still arise continuously. INET has appointed the Audit Committee to be responsible to ensure that the disclosure of the Company's information in the case of connected transactions or transactions with possible conflicts of interest is correct and complete. Moreover, INET has set up measures and procedure for the approval of mutual transactions in the future via compliance with the following methods:

- To follow normal business practice in general
- To have mutual transactions approved by the Company's Board of Directors (as deemed necessary)
- To disclose connected transactions as per the rules and regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET)
- To disclose accounting standards stipulated by the Institute of Certified Accountants and Auditors of Thailand.

6) Investors protection standards

- Definite provisions have been set forth in the Company's regulations that the directors with vested interest in any case are not entitled to vote for that case.
- INET shall disclose the type and value of mutual transactions together with the reasons for choosing to make such transactions to the Company's shareholders meeting in the annual report.

Audit Committee's Report

The Audit Committee of Internet Thailand Public Company Limited currently consists of four independent auditors who have the qualifications as stated in the announcement of SET's Audit Committee and that of Securities and Exchange Commission (SEC). They are experienced experts in management, finance and accounting, and law, namely:

1. Professor Emeritus Achara Chandrachai, Ph.D (Chairman)
2. Mr. Aran Permpiboon
3. Ms. Narumol Wangsatorntanakun (Audit committee)
4. Ms. Nilobon Tangprasit

In 2015, the Audit Committee held nine meetings, which were always attended by the management, auditors, and internal auditors accordingly. In each of the meeting the Audit Committee presented a report to the Company's board of directors. In 2015, there were two meetings that were not attended by the management: the first meeting on Thursday 26 February 2015 and the ninth meeting on Monday 21 December 2015, to discuss the auditing of its financial statement.

The Audit Committee has:

1. Reviewed quarterly and annual financial statements.

The Audit Committee has carefully reviewed the Company's quarterly and annual financial statements in collaboration with the management and the internal auditors with regard to the accounting policy in use, examined major changes and reliability of the financial statements, as well as the revelation of the information in a timely manner, according to the general principles of auditing and related regulations. The statements are subsequently approved by the Committee.

2. Ensured the Company has an internal control system.

The Audit Committee has carefully examined the Company's internal control system based on the internal audit report of 2015, and selected internal auditor(s) to monitor the Company closely. After the examination, the Committee agrees that the Company has a proper internal control system to keep its operation in the lawful track, and the system contains no major defect, and that proper improvements have been made to the system in response to the changing situation.

3. Examined risk management.

The Committee has had one official meeting with the Risk Management Committee to make sure that the Company has already set up a proper policy and risk management framework, has clearly and appropriately stated the level of risk that is acceptable to the Company, has prepared proper reactive measures, and has informed of the policy the management and employees at all levels for them to follow and practice.

4. Examined the subsidiaries and affiliates.

The Committee has thoroughly examined the transactions among the Company's, its subsidiary, and its affiliate, in order to make sure that they have operated under the terms and conditions, and have adequately revealed information.

5. Conducted self-assessment.

The Committee has assessed itself with regard to the components of the Audit Committee, seminars and resources, meetings, the Committee's activities, the relationship among internal auditors, auditors, and the management. The finding shows that the Committee has completed every task it needs to do according to the charter, and the performance agrees with the principles of good practice, all of which contribute to the efficiency in monitoring the Company.

6. Selected auditors for 2016.

Taking reliability and independence factors into consideration, the Committee has carefully examined the performance of auditors and agrees to select ANS Audit Co., Ltd. to serve as the auditor of Internet Thailand Public Company Limited for 2016, thus proposing the company to the board of directors for their consideration and to the annual shareholders' meeting 2016 for their approval.



(Professor Emeritus Achara Chandrachai, Ph.D)
Chairman of the Audit Committee

INET is a one-stop provider of ICT infrastructure services, whose services range from internet access and co-location to cloud solutions. Nowadays, organizations are incorporating digital technologies into their business strategies to enhance their competitiveness, allowing the Company's cloud services to successfully find continued growth.

The Company has been providing cloud solutions for three years, currently certified with ISO/IEC 27001:2015 security standard and ISO 20000-1:2011 information management and cloud solutions standards, which are a guarantee that clients will receive quality services with high security. In addition, the Company is the first in Thailand to have achieved the certification from Cloud Security Alliance – Security, Trust & Assurance Registry (CSA-STAR), which is the industry's most powerful program for security assurance in the cloud. These indicate the Company's readiness and capability to run the business, in addition to the fact that the Company has gained trust from its clients which are large organizations and the number of clients is increasing. The Company is offering free trials to a number of organizations as well.

Company's Performances

In 2015, the Company's net income stood at 624.04 million baht, a 22.99% increase from the previous year. Most of the increased income comes from the Company's cloud solutions, a growth rate of which stood at 68.97%. The Company's internet access and co-location services also find their growth rates at 11% and 6% respectively. An increase in the income has led to a 17.55% increase in cost of sales and services as well. The Company's gross profit margin also grew from 22.17% in 2014 to 26.17% in 2015 while the selling and administrative expenses increased by 7.32% due to the increased number of employees and increased financial costs from purchasing new equipment to improve the facility and quality of service. Given the numbers, the Company's income in 2015 was 46.52 million baht, considering that the net income was 39.11 million baht and the net deficit was 7.41 million baht, and the net profit margin was 6.27%.

The Company paid zero corporate income tax in 2015 due to its accumulated deficit, showing this number in its financial statement as of 31 December 2015 considering the deferred tax. This practice of the Company is in compliance with Thai Accounting Standards (TAS) 12 on Income Taxes.

The Company's total income in 2015 was 624.04 million baht – 609.96 million baht from sales and services, and the rest 14.08 million baht from others. Income from sales and services by types of services is shown in the table. As illustrated in the table, most of the income - approximately 40% - comes from cloud solutions, the growth rate of which was 68.97% considering the previous year's figure. This growth is in accordance with the Company's strategy which focuses on providing large-scale Infrastructure as a Service (IaaS) clouds of international standard.

Operating Revenue Proportion	
Cloud Solutions Service	40%
Internet Access Service	21%
Co-Location Service	20%
Other Services	15%
EDC Network Pool Service	4%

Costs of Goods Sold and Services Rendered

In 2015, the Company's total cost of goods sold and services rendered was 450.35 million baht, a 17.55% increase from the previous year, going up in the same direction with the Company's increased income. The major part of the increased cost came from depreciation that occurred when the newly completed project was taken into account as an asset.

Selling and Administrative Expenses

In 2015, the Company's selling and administrative expenses increased by 7.32% due to the increased number of employees and purchasing of new equipment to sustain the growth of the business.

Net Profit/Loss

In the Company's consolidated financial statement, its net profit in 2015 was 39.11 million baht – an increase of 46.52 million from the previous year when the Company saw a net loss of 7.41 million baht. This has resulted in the Company's accumulated deficit lowering from 61.48 million baht in 2014 to 3.77 million baht as of 31 December 2015.

Statement of Financial Position

Assets

At the end of 2015, the Company's asset was worth 1,184 million baht in total, an increase of 128 million baht or 12.16% from the previous year. Important details are as follows.

The Company's cash and cash equivalents decreased by 16.11 million baht or 65.86% due to the Company's purchasing of new equipment and making debt payments.

Core network and Software

The Company's trade receivables increased by 36.48 million baht or 49.33% in response to the Company's increased sales.

Regarding plant and equipment, the Company's net intangible asset increased by 102.42 million baht from its IDC improvements at both Thai Summit Tower and Bangkok Thai Tower, as well as purchasing of core network equipment and software.

Liabilities

The Company's bank overdraft and short-term loan increased from the previous year due to further investments for business expansion, with the loan being secured by bank deposits. The financial lease liabilities also increased due to the fact that the Company has invested more in improving IDC and purchasing more network equipment to improve its range and quality of services. The lease contract has a 3-to-5-year term.

Shareholders

At the end of 2015, the Company's shares were worth 501.76 million baht. Of this number, paid-in capitals made up 250 million baht, the premium on common stocks 272 million baht, and legal reserve 6.79 million baht which was lower than that of the previous year as the Company spent it on reducing its accumulated deficit. As of 31 December 2015, the Company's consolidated financial statement showed an accumulated profit of 11.02 million baht. The book value per share for consolidated financial statements is 2.01 baht and for separate financial statements is 2.16 baht. (Par value is 1 baht.)

Statement of Cash Flow

At the end of 2015, the Company's net cash inflow was 8.35 million baht, given that early year cash inflow was 24.46 million baht and 16.10 million baht was spent during the year. The Company's cash inflow during the year worth of 88.84 million baht came from its business operation, a 50.39% increase from the previous year. The Company also spent 62.51 million baht of its cash flow on investments, 145.41 million baht less than the cash flow it spent in the previous year. The Company's cash spent on financing activity was 42.44 million baht, which includes debt payments as obliged by the finance lease contract and the long-term loan payback.

Key Financial Ratio

Financial Ratio	2015	2014	2013
Liquidity Ratios			
Current Ratio (times)	0.27	0.28	0.44
Quick Ratio (times)	0.23	0.22	0.33
Activity Ratios			
Account Receivable Turnover (times)	6.62	6.45	4.63
Collection Period (days)	55.00	57.00	79.00
Fixed Asset Turnover (times)	0.89	0.90	1.18
Asset Turnover (times)	0.56	0.53	0.53
Financial Policy Ratios			
Debt-to-Equity Ratio (times)	1.36	1.28	0.72
Debt-to-Asset Ratio (times)	0.58	0.56	0.42
Dividend Payout Ratio (%) ¹	9.59	N/A	N/A
Profitability Ratios			
Gross Profit Margin (%)	26.17	22.17	24.85
Operating Income Margin (%)	8.75	2.65	(0.32)
Net Profit Margin (%)	6.27	(1.46)	0.79
Return on Assets (%)	3.49	(0.78)	0.42
Return on Equity (%)	8.11	(1.57)	0.63
Per Share Informations			
Book value per share (Baht)	2.01	1.85	1.97
Earnings (Loss) per share (Baht) ¹	0.16	(0.03)	0.01
Dividend per share (Baht)	0.015	N/A	N/A

Remarks :

1. Calculated from weighted average number of ordinary shares issued and paid up during the period.

The key financial ratio table shows that the Company's current ratio of 2015 was close to that of 2014 and that its loss per share was slightly higher than that of the previous year as the Company kept investing in improving the quality of its services. The Company thus managed to get more loans through finance lease contracts. Such investments, in turn, enabled the Company to gain greater trust from its clients, resulting in a 22.99% increase in income. As a result, the Company's gross profit margin increased from 22.17% in 2014 to 26.17% in 2015, and the net profit margin from -1.34% to 6.41%, allowing the Company to reach dividend payout ratio at 9.59% and dividend per share of 0.015 baht which makes a total dividend payout of 3.75 million baht.

Moreover, the Company managed to successfully improve its efficiency in collecting debts, given that its account receivable turnover increased from 6.45 times in 2014 to 6.62 times in 2015, on top of the fact that its collection period also decreased from 57 days to 55 days.

Report of the Board of Directors' Responsibilities for Financial Statement

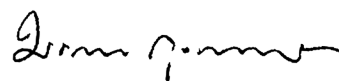
The Board of Directors of Internet Thailand Public Company Limited ("the Company") is responsible for the Company's financial statements and information of the company and the Subsidiary company that are reported in the Annual Report. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Principles, demonstrating the accurate and complete information regarding the financial status, operation results worked out with absolute prudence and adherence to the practice of adequately disclosing significant information as indicated in the notes to financial statements. All in all, both the shareholders and general investors would benefit from this remarkable transparency.

In addition, the Board of directors has appointed an Audit Committee to be responsible for the financial statement and adequately disclosure to be accordance with Accounting Principles appropriated with the business operation and provide the efficiently internal control systems. The comments of the Audit Committee on these issues are presented in the Audit Committee's Report available in the Annual Report.

The Board of directors believes that the Company's overall effective internal control systems can be trusted with justifiable financial statements of Internet Thailand Public Company Limited as of December 31, 2015. The Company's auditor conducted his audits and expressed an opinion on the financial statements and the results of its operation in accordance with generally accepted auditing and accounting principles.



(Prof. Dr. Pairash Thajchayapong)
Chairman of the Board



(Mrs. Morragot Kulatumyotin)
Managing Director

To the Board of Directors and Shareholders of Internet Thailand Public Company Limited:

I have audited the accompanying consolidated and separate financial statements of Internet Thailand Public Company Limited and its subsidiaries and of Internet Thailand Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2015, and the related consolidated and separate statements of profit or loss and other comprehensive income, of changes in shareholders' equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory note.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 referred to above present fairly, in all material respects, the consolidated and separate financial position of Internet Thailand Public Company Limited and its subsidiaries and of Internet Thailand Public Company Limited respectively as at December 31, 2015, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Yuttapong Chuamuangpan)
Certified Public Accountant
Registration Number 9445
ANS Audit Company Limited

Bangkok, February 26, 2015

Statements of Financial Positions

As at December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2015	2014	2015	2014
Assets					
Current Assets					
Cash and cash equivalents	6	8,354,618	24,456,898	2,966,411	22,421,490
Investments in available-for-sale securities	7	2,845,604	3,579,790	2,845,604	3,579,790
Trade and other receivables - net	5, 8	110,426,994	73,950,968	135,417,510	85,741,863
Current portion of finance lease receivables	5, 9	-	-	3,608,453	27,168,750
Receivable from and loan to unrelated party - net	10	-	-	-	-
Inventories - net	11	1,559,100	4,267,638	53,974	496,894
Other current assets	5, 12	18,733,351	23,380,774	16,094,923	20,085,422
Total Current Assets		141,919,667	129,636,068	160,986,875	159,494,209
Non-Current Assets					
Pledged deposits with financial institutions	13, 19, 22	114,379,364	119,819,847	114,379,364	119,819,847
Finance lease receivables - net	5, 9	-	-	12,535,292	15,581,250
Withholding tax receivable		63,609,897	51,466,980	60,950,246	50,111,141
Investments in associated company	14	39,344,407	26,630,244	39,999,900	39,999,900
Investments in subsidiary	15	-	-	28,249,960	4,999,960
Leasehold improvements and equipment - net	16	750,075,198	659,321,441	741,392,286	653,894,129
Intangible assets - net	17	49,538,914	37,874,246	40,526,677	29,676,373
Deferred income tax assets - net	18	7,800,930	14,644,297	7,800,930	14,644,297
Other non-current assets		17,284,940	16,225,973	17,282,137	16,223,171
Total Non-Current Assets		1,042,033,650	925,983,028	1,063,116,792	944,950,068
Total Assets		1,183,953,317	1,055,619,096	1,224,103,667	1,104,444,277



Prof. Dr. Pairash Thajchayapong
(Director)



Dr. Kamthon Waithayakul
(Director)

The accompanying note are an integral part of the financial statements

Statements of Financial Positions (Continued)

As at December 31, 2015

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2015	2014	2015	2014
Liabilities and Shareholders' Equity					
Current Liabilities					
Bank overdrafts and short-term loans from financial institutions	19	264,439,809	242,002,851	264,439,809	242,002,851
Trade and other payables	5, 20	123,683,937	130,987,096	128,882,414	127,514,838
Unearned service income		10,074,709	6,605,551	9,827,519	6,457,386
Current portion of liability under financial lease agreements	21	94,000,524	54,599,498	94,000,524	54,599,498
Current portion of long-term loan from financial institutions	22	22,308,000	19,008,000	22,308,000	19,008,000
Other current liabilities		13,518,962	12,948,740	12,420,196	12,463,100
Total Current Liabilities		528,025,941	466,151,736	531,878,462	462,045,673
Non-Current Liabilities					
Liability under financial lease agreements - net	21	119,049,669	70,294,758	119,049,669	70,294,758
Long-term loan from financial institutions - net	22	27,425,382	49,740,055	27,425,382	49,740,055
Employee benefit obligations	23	7,485,146	5,890,042	6,654,105	5,361,844
Other liabilities		206,997	206,997	206,997	206,997
Total Non-Current Liabilities		154,167,194	126,131,852	153,336,153	125,603,654
Total Liabilities		682,193,135	592,283,588	685,214,615	587,649,327
Shareholders' Equity					
Share capital					
Registered					
333,333,333 ordinary shares, at Baht 1 each		333,333,333	333,333,333	333,333,333	333,333,333
Issued and paid-up					
250,020,799 ordinary shares, at Baht 1 each		250,020,799	250,020,799	250,020,799	250,020,799
Share premium		272,133,956	272,133,956	272,133,956	272,133,956
Deficit on business combination under common control of associated company		(19,208,121)	(19,208,121)	-	-
Retained earnings					
Appropriated - Legal reserve	24	6,794,299	25,492,427	6,794,299	25,492,427
Unappropriated		(3,766,205)	(61,476,356)	11,020,744	(30,358,835)
Other components of shareholders' equity		(4,214,546)	(3,627,197)	(1,080,746)	(493,397)
Total Shareholders' Equity attributable to owners of parent		501,760,182	463,335,508	538,889,052	516,794,950
Non-controlling interests		-	-	-	-
Total shareholders' equity		501,760,182	463,335,508	538,889,052	516,794,950
Total Liabilities and Shareholders' Equity		1,183,953,317	1,055,619,096	1,224,103,667	1,104,444,277

The accompanying note are an integral part of the financial statements

Statements of Comprehensive Income

For the year ended December 31, 2015

(Unit:Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
	5, 26				
Revenues from service		598,403,722	482,098,865	586,034,364	456,231,559
Revenues from sales		11,558,919	10,126,375	7,485,800	60,010,044
Costs of services		(441,677,864)	(374,998,506)	(443,986,185)	(370,250,827)
Cost of sales		(8,669,133)	(8,111,546)	(5,928,335)	(14,495,216)
Gross profit		159,615,644	109,115,188	143,605,644	131,495,560
Dividend income		-	-	3,600,000	2,600,000
Other income	29.3	14,076,258	15,181,088	17,227,502	14,796,185
Profit before operating expenses		173,691,902	124,296,276	164,433,146	148,891,745
Selling expenses		(50,347,766)	(50,017,200)	(46,658,203)	(38,747,803)
Administrative expenses		(69,966,007)	(62,091,866)	(64,576,464)	(61,633,019)
Total expenses		(120,313,773)	(112,109,066)	(111,234,667)	(100,380,822)
Profit before share of profit from associated company		53,378,129	12,187,210	53,198,479	48,510,923
Share of profit from investment in associated company	14	16,314,162	4,837,684	-	-
Profit before finance costs and income tax		69,692,291	17,024,894	53,198,479	48,510,923
Finance costs		(23,589,934)	(17,822,221)	(23,589,934)	(17,822,221)
Profit (loss) before income tax		46,102,357	(797,327)	29,608,545	30,688,702
Tax expenses	18	(6,990,205)	(6,611,853)	(6,990,205)	(6,611,853)
Profit (loss) for the years		39,112,152	(7,409,180)	22,618,340	24,076,849
Other comprehensive income:					
<i>Items that will not be reclassified to profit or loss</i>					
Defined benefit plan actuarial gain (loss) - net income tax	2	(100,129)	593,636	63,111	958,224
<i>Items that may be reclassified subsequently to profit or loss</i>					
Gain (loss) on changes in value of available-for-sale investments - net income tax	7	(587,349)	871,244	(587,349)	871,244
Loss on changes in shareholding in associated company		-	(3,133,800)	-	-
Other comprehensive income (loss) for the years		(687,478)	(1,668,920)	(524,238)	1,829,468
Total comprehensive income for the years		38,424,674	(9,078,100)	22,094,102	25,906,317

The accompanying note are an integral part of the financial statements

Statements of Comprehensive Income (Continued)

For the year ended December 31, 2015

(Unit:Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit (loss) attributable to:					
Equity holders of the Company		39,112,152	(7,409,180)	22,618,340	24,076,849
Non-controlling interests of the subsidiary		-	-	-	-
		39,112,152	(7,409,180)	22,618,340	24,076,849
Total comprehensive income (loss) attributable to					
Equity holders of the Company		38,424,674	(9,078,100)	22,094,102	25,906,317
Non-controlling interests of the subsidiary		-	-	-	-
		38,424,674	(9,078,100)	22,094,102	25,906,317
Basic earnings (loss) per share (Baht)	3	0.16	(0.03)	0.09	0.10
Weighted average number of issued and fully paid-up common shares (shares)		250,020,799	250,020,799	250,020,799	250,020,799

The accompanying note are an integral part of the financial statements

Internet Thailand Public Company Limited and its subsidiaries

Statements of Change in Shareholders' Equity

For the year ended December 31, 2015

(Unit:Baht)

Consolidated Financial Statements										
	Notes	Issued and Paid-Up Share Capital	Shares Premium	Deficit on Business Combination under Common Control of Associated company	Retained Earnings (deficit)	Other Components of Shareholders' Equity				
						Gain (loss) on Investment - Available for Sale Revaluation	Loss on Change in Shareholding	Total Other Components of	Non-Controlling Interests	Total
				Legal Reserve	Unappropriated	in Associated Company	Shareholders' Equity	of The Subsidiary	Shareholders' Equity	
Balance as at January 1, 2014		250,020,799	272,133,956	(9,138,321)	25,492,427	(54,660,812)	(1,364,641)	-	(1,364,641)	482,483,408
Deficit on business combination under common control in associated		-	-	(21,594,600)	-	-	-	-	-	(21,594,600)
Changes in shareholding in associated company		-	-	11,524,800	-	-	-	-	-	11,524,800
Total comprehensive income (loss) for the year		-	-	-	-	(6,815,544)	871,244	(3,133,800)	(2,262,556)	(9,078,100)
Balance as at December 31, 2014		250,020,799	272,133,956	(19,208,121)	25,492,427	(61,476,356)	(493,397)	(3,133,800)	(3,627,197)	463,335,508
Recorded legal reserve to settle the deficit	24	-	-	-	(19,278,168)	19,278,168	-	-	-	-
Legal reserve	24	-	-	-	580,040	(580,040)	-	-	-	-
Total comprehensive income (loss) for the year		-	-	-	-	39,012,023	(587,349)	-	(587,349)	38,424,674
Balance as at December 31, 2015		250,020,799	272,133,956	(19,208,121)	6,794,299	(3,766,205)	(1,080,746)	(3,133,800)	(4,214,546)	501,760,182

The accompanying note are an integral part of the financial statements

Statements of Change in Shareholders' Equity (Continued)

For the year ended December 31, 2015

Separate Financial Statements										(Unit:Baht)
	Notes	Issued and Paid-up Share capital	Shares Premium	Retained Earnings (dificit)		Other Components of Shareholders' Equity				
				Appropriated to Legal reserve	Unappropriated	Other Comprehensive Income			Total Shareholders' Equity	
						Gain (less) on Investment	Available for Shareholders'	Components of Equity		
Balance as at January 1, 2014		250,020,799	272,133,956	25,492,427	(55,393,908)	(1,364,641)	871,244	(1,364,641)	490,888,633	
Total comprehensive income for the year		-	-	-	25,035,073	871,244		871,244	25,906,317	
Balance as at December 31, 2014		250,020,799	272,133,956	25,492,427	(30,358,835)	(493,397)		(493,397)	516,794,950	
Recorded legal reserve to settle the deficit	24	-	-	(19,278,168)	19,278,168	-	-	-	-	
Legal reserve	24	-	-	580,040	(580,040)	-	-	-	-	
Total comprehensive income (loss) for the year		-	-	-	22,681,451	(587,349)		(587,349)	22,094,102	
Balance as at December 31, 2015		250,020,799	272,133,956	6,794,299	11,020,744	(1,080,746)		(1,080,746)	538,889,052	

The accompanying note are an integral part of the financial statements

Statements of Cash Flows

For the year ended December 31, 2015

(Unit:Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash Flows from Operating Activities		(Restated)		(Restated)
Profit (loss) before income tax	46,102,357	(797,327)	29,608,545	30,688,702
Adjustments to reconcile profit (loss) before tax to net cash flows from (used in) operating activities:				
Share of profit from associated company	(16,314,162)	(4,837,684)	-	-
Dividend income	-	-	(3,600,000)	(2,600,000)
Depreciation and amortization	109,489,091	64,373,376	107,667,132	64,055,692
Allowance for doubtful accounts (Reversal)	1,578,296	(1,595,679)	1,578,296	(1,595,679)
Gain on sales of investments in available for sale securities	-	(625,483)	-	(625,483)
Gain on sales of assets	(384,599)	(258,865)	(1,974,199)	(311,037)
Gain on sales of intangible assets	-	(27,971)	-	(35,408,962)
Reversal of provision for litigation loss	(3,492,115)	-	(3,492,115)	-
Estimated employee benefit obligations	1,510,753	1,271,686	1,371,150	1,175,019
Interest income	(1,982,520)	(2,894,019)	(3,276,266)	(2,884,929)
Interest expenses	23,589,934	17,822,221	23,589,934	17,822,221
Profit from operating activities before changes in operating assets and liabilities	160,097,035	72,430,255	151,472,477	70,315,544
Operating assets (increased) decreased				
Trade and other receivables	(38,157,107)	6,586,053	(47,982,358)	(8,940,457)
Finance lease receivables	-	-	3,356,254	-
Inventories	2,708,538	4,264,764	442,920	8,035,508
Other current assets	4,647,423	2,433,545	3,990,499	7,963,824
Other non-current assets	(1,058,967)	(1,161,445)	(1,058,966)	(1,188,446)
Operating liabilities increased (decreased)				
Trade and other payables	(9,768,090)	(6,064,159)	(875,545)	(6,340,027)
Unearned service income	3,469,158	3,233,739	3,370,133	3,623,919
Other current liabilities	570,222	3,385,408	(42,904)	3,257,276
Cash from operating activities	122,508,212	85,108,160	112,672,510	76,727,141
Cash received on interest income	2,085,305	2,599,051	3,004,681	2,589,961
Cash paid for interest expenses	(23,589,934)	(17,822,221)	(23,589,934)	(17,822,221)
Cash paid for corporate income tax	(12,158,697)	(10,810,955)	(10,854,883)	(9,582,636)
Net cash from operating activities	88,844,886	59,074,035	81,232,374	51,912,245

The accompanying note are an integral part of the financial statements

Statements of Cash Flows (Continued)

For the year ended December 31, 2015

(Unit:Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash Flows from Investing Activities				
(Increased) decreased in pledged deposits with financial institutions	5,440,483	(23,622,301)	5,440,483	(23,622,301)
Cash received from sales of available for sale securities	-	5,335,366	-	5,335,366
Dividend received	3,600,000	2,600,000	3,600,000	2,600,000
Cash paid for purchases of equipment	(53,315,351)	(169,392,134)	(51,055,638)	(164,403,258)
Cash received from equipment sales	611,215	427,338	611,215	416,138
Cash paid for intangible assets	(18,845,400)	(23,294,859)	(16,845,400)	(22,438,858)
Cash received from intangible assets sales	-	28,067	-	28,067
Net cash used in investing activities	(62,509,053)	(207,918,523)	(58,249,340)	(202,084,846)
Cash Flows from Financing Activities:				
Net increased (decreased) in bank overdrafts and short-term loans from financial institutions	22,436,958	135,104,307	22,436,958	135,104,307
Cash payments for financial lease agreements	(45,860,398)	(42,860,006)	(45,860,398)	(42,860,006)
Cash received from long-term loan from financial institutions	-	112,000,000	-	112,000,000
Cash payments for long-term loan from financial institutions	(19,014,673)	(43,251,945)	(19,014,673)	(43,251,945)
Net cash from (used in) financing activities	(42,438,113)	160,992,356	(42,438,113)	160,992,356
Net Cash and Cash Equivalents increased (decreased)	(16,102,280)	12,147,868	(19,455,079)	10,819,755
Cash and Cash Equivalents at the Beginning of the years	24,456,898	12,309,030	22,421,490	11,601,735
Cash and Cash Equivalents at the End of the years	8,354,618	24,456,898	2,966,411	22,421,490
Supplemental Disclosures of Cash Flows Information				
Non-Cash transaction:				
Payables for purchase of assets decrease	5,957,046	(18,515,140)	5,735,236	(19,023,890)
Assets increased from financial lease agreements	134,016,335	96,658,788	134,016,335	96,658,788
Receivables for sale of assets increase	-	-	3,000,000	-
Investment in subsidiary increased from settlement by finance lease receivables	-	-	23,250,000	-

The accompanying note are an integral part of the financial statements

Note to Financial Statements

For the year ended December 31, 2015

1. General Information

Internet Thailand Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Thailand on November 14, 2001 and engages in the provision of telecommunication services, including internet access services. The Company's registered office is located at No. 1768 Thai Summit Tower, 10th - 12th Floors, and the IT Floor, New Petchburi Road, Bangkok Sub-district, Huay Khwang District, Bangkok.

2. Basis for preparation of the financial statements

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Securities and Exchange Commission.

The financial statements are presented in compliance with stipulations of the Notification of the Department of Business Development, dated September 28, 2011, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and are expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant in the Thai language, an English translation of the Thai version of the financial statements is provided.

The accompanying financial statements are prepared on the historical cost basis, except as disclosed in respective accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Basis for preparation of consolidated financial statement

The consolidated financial statements include the financial statements of Internet Thailand Public Company Limited, and its subsidiaries (together referred to as the "Group"). The Company's shareholding in subsidiaries as at December 31, 2015 and 2014, is as follows:

Name of subsidiary	Business type	% Equity interest owned by the Company	
		2015	2014
Mandala Communications Co., Ltd.	provision of telecommunication services including other related services	99.99	99.99
<u>The subsidiary held by Mandala Communications Co., Ltd.</u>			
Thai Dot Com Co., Ltd.	Provision and development of electronics system	99.97	99.97

Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary are prepared using the same significant accounting policies as the company.

Material balances and transactions between the Company and its subsidiary company have been eliminated from the consolidated financial statements.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

The separate financial statements, which present investment in a subsidiary and an associate under the cost method, have been prepared solely for the benefit of the public.

New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries. However, some of these standards involve changes to key principles, which are summarized below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognize such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognize them gradually in profit or loss.

At past, the Company and its subsidiaries immediately recognize actuarial gains and losses in profit or loss in the period in which they occur. The assessment of the management of the Company and its subsidiaries is that when the revised standard is applied in 2015 and the method of recognizing those gains and losses is changed to immediately recognize them in other comprehensive income, there will be no impact on provision for long-term employee benefit liabilities and brought forward retained earnings in the financial statements.

The impact to statement of profit or loss and other comprehensive income for the years ended December 31, 2015 and 2014 are as follows:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net profit for the period increased (decreased)	100,129	(593,636)	(63,111)	(958,224)
Other comprehensive income increased (decreased)	(100,129)	593,636	63,111	958,224
Basic earnings per share increased (decreased) (Baht per share)	-	-	-	-
Diluted earnings per share increased (decreased) (Baht per share)	-	-	-	-

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiaries believes that the standards will not have any significant impact on the Company and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

The management of the Company and its subsidiaries believes that this standard will not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

3. Significant accounting policies

Revenues and expenses recognitions

Sales of goods

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Rendering of service

Service revenues under operating contracts are recognized as revenue under the percentage of completion method. The expected loss on unprofitable contracts is recognized as soon as such loss can be for seen.

The Company recognizes revenue from service contracts with a term on a straight line basis over the term of the contracts. Unearned revenue is presented as deferred service income.

Internet services income is recognized as revenue based on actual time usage.

Other services income is recognized as revenue when services have been rendered with reference to the stage of completion.

Cost of uncompleted jobs or undelivered jobs are recorded as work in process.

Interest income and dividend income

Interest income is recognized on an accrual basis based on the effective interest rate. Dividend income is recognized when the right to receive the dividends is established.

Expenses

Expenses are recognized on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid short-term investments with an original maturity of three months or less and that not subject to withdrawal restrictions.

Trade and other receivables

Trade and other receivables are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Finance lease receivables

Finance lease receivables are stated at outstanding balances net of deferred interest income and unearned related service income and allowance for doubtful accounts (if any).

Work in process and supplies

Cost of work, which is not yet recognized as revenue, is recorded in work in process using the invoiced value after discounting.

Inventories are valued at the lower of cost and net realizable value. Cost is determined by the first-in, first-out method. The Company sets up provision for diminution in value of inventories when inventories were obsolete, slow-moving or deteriorated.

Investments

a) Short-term investment included promissory notes, term deposit with banks with maturity period of longer than 3 months but not longer than one year or term deposits with banks with an original maturity of three months or less, which the Company and its subsidiary intend to roll-over or reinvest when due.

- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded in profit or loss when the securities are sold.
- c) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiary and associated company are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognized in profit or loss. If the Company disposes of only part of the investment, the carrying value per share used to calculate the cost of the portion sold is determined using the weighted average method.

Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of leasehold improvements and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Leasehold improvement	3 to 10	years
Network equipment	5 to 10	years
Computer equipment	5	years
Office equipment	5	years
Motor vehicles	5	years

Depreciation is included in determining income.

Intangible assets

The intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortized on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method of such intangible assets are reviewed at least at each financial year end. The amortization expense is charged to profit or loss.

The Company's intangible assets with finite useful lives consist of software licenses and softwares, which have an estimated useful life of 5 - 10 years.

Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated company and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

Long-term leases

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables,

while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognized as an expense in profit or loss on a straight line basis over the lease term.

Foreign currency

Transactions in foreign currencies are translated into Baht at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate prevailing at the end of reporting period.

Gains and losses on exchange are included in determining income.

Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiary also carry out annual impairment reviews in respect of intangible assets with indefinite useful lives. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in profit or loss.

Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The Company and its employees contribute to the fund on a monthly basis. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary, using the projected unit credit method. Such determination is made based on various assumptions, including discount rates, future salary increase rates, staff turnover rates, mortality rates, and inflation rates.

When the actuarial assumptions are changed, the Group recognized actuarial gains or losses in the other comprehensive income for the period in which they arise.

Provision

Provisions are recognized when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Income tax

Income tax expenses represent the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognizes deferred tax liabilities for all taxable temporary differences while it recognizes deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized. At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Basic earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation, and longer-term volatility of financial instruments.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

Impairment of investment in subsidiary

In considering impairment of investment in a subsidiary, the Company assesses the fair value of investment in its subsidiary by the present value of future cash flows generated by the subsidiary, discounted by a discount rate determined by the Company's management. The cash flow projections are based on financial budgets covering a five-year period, which reflect the subsidiary's business plan, growth rates and expense to revenue ratios. The value derived from the afore-mentioned method may vary due to changes in competitive forces, revenue structure, cost structure, industrial conditions and economic conditions.

Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for impairment on a periodic basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits. In addition, the management has to use their judgement to prepare the Company's financial projections to determine the provision for impairment of deferred tax assets in the account.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rate and staff turnover rates.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and found that it is probable that loss will be incurred. Therefore, it recorded contingent liabilities with estimated future loss.

5. Related Parties Transactions

The National Science and Technology Development Agency ("NSTDA"), CAT Telecom Public Company Limited ("CAT Telecom") and TOT Public Company Limited ("TOT") hold 17%, 16% and 16% of the Company's equity interest, respectively, and have representatives on the Company's Board of Directors. Therefore, they are considered related parties.

Mandala Communications Co., Ltd. and Netbay PLC. are a subsidiary and an associate, respectively.

The Company had business transactions with related parties. These parties are directly and indirectly related through common shareholding and/or directorship. The financial statements reflect the effects of these transactions on the basis determined by the Company and the parties concerned. For the years ended December 31, 2015 and 2014, the significant transactions with related parties can be summarized as follows:

(Unit:Baht)					
	Consolidated financial statements			Separate financial statements	
	2015	2014	2015	2014	Pricing Policy
Transactions with related parties					
For the years ended December 31,					
Subsidiary Company					
Sales	-	-	-	42,750,000	Cost plus profit and agreed contract price
Service income	-	-	15,238,079	10,145,442	Cost plus profit and agreed contract price
Other income	-	-	3,165,982	575,022	Cost plus profit and agreed contract price
Equipment rental expenses	-	-	24,130,885	17,315,389	Cost plus profit and agreed contract price
Service expenses	-	-	720,000	190,000	Cost plus profit and agreed contract price
Associated company					
Service income	12,189,229	7,290,460	12,189,229	7,290,460	Market price
Dividend income	-	-	3,600,000	2,600,000	As declared
Related companies					
Service income	4,375,704	6,275,026	4,375,704	6,275,026	Market price
Service expenses	62,678,053	52,566,990	62,678,053	52,566,990	Market price

Significant balances with related parties as at December 31, 2015 and 2014 can be summarized as follows:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade and other receivables - related parties				
Subsidiary company	-	-	31,724,381	16,150,151
Associated company	3,074,929	2,692,281	3,074,929	2,692,281
Related company (The Company's shareholder)	2,687,480	3,117,298	2,687,480	3,117,298
Total trade and other receivables - related parties	5,762,409	5,809,579	37,486,790	21,959,730
Finance lease receivables - related parties				
Subsidiary company	-	-	16,143,745	42,750,000
Total Finance lease receivables - related parties	-	-	16,143,745	42,750,000
Accrued interest - related parties				
Subsidiary company	-	-	374,370	-
Total accrued interest - related parties	-	-	374,370	-
Prepaid service expenses - related parties				
Subsidiary company	-	-	859,935	1,585,364
Total prepaid service expenses - related parties	-	-	859,935	1,585,364
Trade and other payables - related parties				
Trade payables				
Subsidiary company	-	-	8,325,290	2,181,605
Related company (The Company's shareholder)	5,994,481	8,011,148	5,994,481	9,769,243
Total trade payables	5,994,481	8,011,148	14,319,771	11,950,848
Accrued costs				
Subsidiary company	-	-	834,968	235,001
Related company (The Company's shareholder)	29,244,690	36,839,132	29,244,690	36,839,132
Total accrued costs	29,244,690	36,839,132	30,079,658	37,074,133
Total trade and other payables - related parties	35,239,171	44,850,280	44,399,429	49,024,981

Directors and management's remuneration

Directors and management's remuneration for the years ended December 31, 2015 and 2014, consist of the following:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Short-term employee benefits	17,301,476	13,494,910	15,285,476	12,894,910
Long-term post-employment benefits	209,069	122,028	179,885	122,028
Total directors' and management's remuneration	17,510,545	13,616,938	15,465,361	13,016,938

6. Cash and cash equivalents

Cash and cash equivalents as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	262,770	255,173	240,360	235,173
Cash at banks - at call	8,091,848	24,104,117	2,726,051	22,088,709
Highly liquid short-term investments	-	97,608	-	97,608
Total cash and cash equivalents	8,354,618	24,456,898	2,966,411	22,421,490

7. Investments in available for sale securities

Investments in available for sale securities as at December 31, consisted of:

	(Unit:Baht)			
	Consolidated and Separate financial statements			
	2015		2014	
	Cost price	Fair value Level 1	Cost price	Fair value Level 1
Investments in available-for-sale securities				
Equity securities	4,196,537	2,845,604	4,196,537	3,579,790
Total investments in				
available-for-sale securities	4,196,537	2,845,604	4,196,537	3,579,790
Add : Unrealised loss on changes in values				
of investments	(1,350,933)	-	(616,747)	-
Investments in available-for-sale securities - net	2,845,604	2,845,604	3,579,790	3,579,790

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The levels applicable to the Company's investments are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets (Stock Exchange) for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

During the years ended December 31, 2014, the Company sold an investment with a gain of Baht 0.63 million, which is shown as "other income" in the statement of profit or loss for the years ended December 31, 2014.

8. Trade and other receivables – net

Trade and other receivables as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Trade receivables				
Trade receivable – related companies	5,762,409	5,809,579	37,486,790	21,959,730
Trade receivables – other companies	110,433,186	72,255,709	103,324,951	67,896,453
Total Trade receivables	116,195,595	78,065,288	140,811,741	89,856,183
Less: Allowance for doubtful Accounts	(6,723,412)	(5,145,116)	(6,723,412)	(5,145,116)
Total Trade receivables - net	109,472,183	72,920,172	134,088,329	84,711,067
Other receivables				
Interest receivable	846,149	948,934	1,220,519	948,934
Other receivables	108,662	81,862	108,662	81,862
Total Other receivables	954,811	1,030,796	1,329,181	1,030,796
Total trade and other receivables - net	110,426,994	73,950,968	135,417,510	85,741,863

The Company has trade receivables can be classified by age analysis as follows:-

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related companies				
Not yet due	1,112,326	1,463,090	4,579,086	9,167,122
Past due				
Not over 3 months	-	1,926	5,155,509	1,960,722
Over 3 months but not over 6 months	-	-	4,543,060	6,202,424
Over 6 months but not over 12 months	1,043,037	-	16,916,641	-
Over 12 months	2,287,480	2,287,480	6,287,480	2,287,480
Unbilled receivables - related companies				
Not over 3 months	1,319,566	1,086,359	5,014	1,371,258
Over 3 months but not over 6 months	-	485,362	-	485,362
Over 6 months but not over 12 months	-	485,362	-	485,362
Total trade receivables – related companies	5,762,409	5,809,579	37,486,790	21,959,730
Trade receivables – other company				
Not yet due	86,252,896	36,290,296	81,867,769	33,051,179
Past due				
Not over 3 months	10,418,133	12,935,286	9,568,924	11,982,174
Over 3 months but not over 6 months	896,946	413,498	794,226	293,979
Over 6 months but not over 12 months	191,484	144,573	185,064	97,065
Over 12 months	5,624,190	5,066,685	5,551,430	5,066,685
Unbilled receivables - others				
Not over 3 months	6,208,862	14,043,489	4,516,863	14,043,489
Over 3 months but not over 6 months	-	3,045,021	-	3,045,021
Over 6 months but not over 12 months	840,675	316,861	840,675	316,861
Total trade receivables – other company	110,433,186	72,255,709	103,324,951	67,896,453
Total trade receivables	116,195,595	78,065,288	140,811,741	89,856,183

A portion of receivables overdue for 12 months, which has not yet been provided for the allowance for doubtful accounts, represented Baht 2.29 million, the amount due to TOT Public Company Limited, and Mandala Communications Company Limited of Baht 4.00 million. The management is in the process of follow-up and believes that they will finally be recovered.

9. Finance lease receivables

Finance lease receivables as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Due within 1 year				
Minimum to be received within one year	1,224,000	1,224,000	5,874,000	29,124,000
Deferred interest income	-	-	(1,041,547)	(731,250)
Present value of minimum payment	1,224,000	1,224,000	4,832,453	28,392,750
Due over 1 year but not over 4 years				
Minimum to be received longer than one year	-	-	13,950,000	18,600,000
Deferred interest income	-	-	(1,414,708)	(3,018,750)
Financial lease receivables - net of current portion	-	-	12,535,292	15,581,250
<u>Less</u> Allowance for doubtful Accounts	<u>(1,224,000)</u>	<u>(1,224,000)</u>	<u>(1,224,000)</u>	<u>(1,224,000)</u>
Financial lease receivables - net	-	-	16,143,745	42,750,000

On December 29, 2014, the Company entered into a business purchase agreement for online recruitment with Mandala Communications Co., Ltd, a subsidiary company, for Baht 46.50 million whereby Mandala Communications Co., Ltd. agreed to pay the cost of the assets of Baht 23.25 million, by issuing 2.33 million new shares at a price of 10 Baht each to the Company. The parties anticipate the share transfer will be completed by March 2015. The remaining of Baht 23.25 million will be paid in annual installments without interest of Baht 4.65 million each on June 30th of every year, until December 31, 2019. The installments will begin being paid on June 30, 2015. If the buyer fails to pay the cost of the assets, the Company is entitled to charge the interest at the rate of 7.5 percent per annum for the unpaid balance until full settlement.

As a result, the Company incurred revenue from sales amounting to Baht 42.75 million, and the respective costs amounted to Baht 8.22 million, resulting in a net profit amounting to Baht 34.53 million in the separate statements of profit or loss for the year ended December 31, 2014.

10. Receivable from and loan to an unrelated party

Loan to an unrelated party is a Baht-denominated loan granted to a company and secured by a personal guarantee. The loan bore interest at the rate of 7% per annum and was due for repayment in May 2007. However, as at September 30, 2015 and December 31, 2014, the Company set allowance for doubtful accounts on the principal balance of Baht 18 million and the interest receivable of Baht 1.06 million because the borrower had defaulted on payment and the Company had sought collection until the agreement expired. Currently, the Court of First Instance already rendered its judgment. However, the Company disagreed with several issues in the judgment and lodged an appeal. The Court of appeal ruled in favor of the Company. However, the borrower and the guarantor has filed a petition to the Supreme Court. The Supreme Court also ruled in favor of the Company. At present, the case is finalized.

Simultaneously, the borrower submitted a complaint to the Court of First Instance regarding a trade-secret disclosure issue arising in relation to the Joint Service Agreement. The Court of First Instance issued its judgment ruling in favour of the Company. Thereupon, the borrower filed an appeal against the lower court's ruling with the Court of Appeals. The decision of the Court of Appeals also ruled in favour of the Company. The plaintiff has since filed a Deka appeal with the Supreme Court. The Company has already submitted its answer thereof. The case is now pending with the Supreme Court.

The Company has other receivable arising from an agreement to assign the aerial photographing of Bangkok amounting to Baht 25 million, since the supplier was unable to deliver work to the Company in accordance with the conditions of the agreement. The Civil Court rendered its final judgment, calling the supplier to pay the receivable plus interest amounting to Baht 19.3 million to the Company. Subsequently, that company could not pay the receivable amounts to the Company as the court's judgment. The Company therefore set up allowance for doubtful accounts in full amount in 2012.

11. Inventories - net

Inventories as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Finished goods	1,563,781	3,829,399	58,655	58,655
Work in process	53,974	438,239	53,974	438,239
Total inventories	1,617,755	4,267,638	112,629	496,894
<u>Less : Allowance for obsolete inventories</u>	<u>(58,655)</u>	<u>-</u>	<u>(58,655)</u>	<u>-</u>
Total inventories - net	1,559,100	4,267,638	53,974	496,894

12. Other current assets

Other current assets as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Unclaimed input tax	3,808,454	2,604,324	2,380,978	1,857,531
Value Added Tax receivable	1,625,968	11,129,725	-	7,949,360
Prepaid expenses	13,093,596	9,563,719	13,508,618	10,195,525
Other	205,333	83,006	205,327	83,006
Total other current assets	18,733,351	23,380,774	16,094,923	20,085,422

13. Pledged deposits at financial institutions

As at December 31, 2015 and 2014, deposits with banks amounting to Baht 114.38 million and Baht 119.82 million, respectively, were pledged as collateral for bank overdrafts and letters of guarantee issued by the banks (Notes 19 and 22).

14. Investments in associated company

Investments in associated company as at December 31 consisted of:

		(Unit:Baht)							
Company's name	Nature of business	Ownership %		Paid-up capital		Consolidated financial statements		Separate financial statements	
						Carrying amounts		Carrying amounts	
		2015	2014	2015	2014	based on equity method		based on cost method	
		(%)	(%)			2015	2014	2015	2014
Net Bay PLC.	Provision and development of electronics system	24.99	24.99	160,000,000	160,000,000	39,344,407	26,630,244	39,999,900	39,999,900
						39,344,407	26,630,244	39,999,900	39,999,900

Summarized financial information of associated company

Financial information of the associated company is summarized below.

		(Unit:Baht)							
Company's name		Total assets		Total liabilities		Total revenues for the		Net incom for the	
		as at		as at		years ended		years ended	
		December 31,		December 31,		December 31,		December 31,	
		2015	2014	2015	2014	2015	2014	2015	2014
Net Bay PLC.		251,081,386	198,011,725	93,661,223	91,464,530	225,220,893	185,218,608	65,272,968	15,066,177
		251,081,386	198,011,725	93,661,223	91,464,530	225,220,893	185,218,608	65,272,968	15,066,177

Share of profit and dividend received

During the years, years ended December 31, 2015 and 2014, the Company has recognized its share of profit from investment in associated company in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	Share of profit from investment in an associate company		Dividend income	
	2015	2014	2015	2014
Net Bay PLC.	16,314,162	4,837,684	3,600,000	2,600,000

The carrying value of investments in associated company are recognized in the consolidated financial statements are as follows.

	(Unit:Baht)
	As at December 31, 2015
Current Assets	212,904
Non-current Assets	38,178
Current Liabilities	(81,368)
Non-current Liabilities	(12,293)
Net assets of the associated company	157,421
Investments (%)	24.99%
Proportion of equity interest in the associated company	39,344

On January 1, 2014, the associated company acquired the assets of another company. Such acquisition was considered as a business combination under common control. The difference between the costs of the business combination under the same control over the book value of the investee company was Baht 54 million. The Company, therefore, reduced the value of investments in associated company against the loss on business combination under the control of the associated Company, shown in the statement of changes in shareholders' equity in the consolidated financial statements amounting to Baht 21.60 million, according to the proportion of interest of 39.99 percent.

On April 1, 2014, the associated company offered shares to the shareholders whose names appeared in the register of shareholders at the Annual General Meeting of Shareholders. The Company did not apply the offering. As a result, the Company's interest is reduced from 39.99 percent to 24.99 percent. The Company had recorded a loss from change of shareholding in the associated company in the amount of Baht 3.13 million in the consolidated statement of comprehensive income and reduced losses on business combinations under common control in the amount of Baht 11.53 million in the consolidated statement of changes in shareholders' equity and the investments in the associated company.

15. Investments in subsidiary

Investments in subsidiary as at December 31 consisted of:

Seperate financial statements

Company's name	(Unit:Baht)					
	Ownership %		Paid-up capital		Cost	
	2015	2014	2015	2014	2015	2014
Mandala Communications Co., Ltd.	99.99	99.99	28,250,000	5,000,000	28,249,960	4,999,960
					28,249,960	4,999,960

During the year ended December 31, 2015, Mandala Communications Co., Ltd. has issued the additional ordinary shares of 2.325 million shares at Baht 10 per share totaling of Baht 23.25 million to pay the costs of the assets on Online Recruitment (Note 9).

16. Leasehold improvements and equipment - net

Leasehold improvements and equipment as at December 31, 2015 consisted of:

(Unit:Baht)				
Consolidated financial statements				
	As at	Movement during the year		As at
	January 1, 2015	Increase	Decrease	December 31, 2015
Cost				
Leasehold improvements	72,493,393	116,095,461	40,304,220	148,284,634
Network equipment	396,546,114	325,019,443	12,145,461	709,420,096
Computers	7,816,711	2,473,557	-	10,290,268
Office equipment	28,638,133	7,163,146	186,252	35,615,027
Moter vehicles	3,227,940	-	-	3,227,940
Assets under installation	296,065,737	186,360,836	408,795,927	73,630,646
Total	804,788,028	637,112,443	461,431,860	980,468,611
Accumulated depreciation				
Leasehold improvements	16,374,768	24,752,464	4,446,373	36,680,859
Network equipment	102,135,547	72,936,897	12,748,995	162,323,449
Computers	4,117,544	1,523,090	-	5,640,634
Office equipment	22,826,354	2,450,674	186,165	25,090,863
Moter vehicles	12,374	645,234	-	657,608
Total	145,466,587	102,308,359	17,381,533	230,393,413
Net booked value	659,321,441			750,075,198

Depreciations for the years ended December 31, 2015 and 2014, amounted to Baht 102.31 million and Baht 60.16 million, respectively, in the Company's consolidated statements of profit or loss.

As at December 31, 2015 and 2014, the Company's and its subsidiary's leasehold improvements and equipment amounting to Baht 39 million and Baht 41 million, respectively, are fully depreciated but are still in use.

(Unit:Baht)				
	Separate financial statements			
	As at	Movement during the year		As at
	January 1, 2015	Increase	Decrease	December 31, 2015
Cost				
Leasehold improvements	72,493,393	116,095,461	40,304,220	148,284,634
Network equipment	391,491,996	319,867,983	11,564,969	699,795,010
Computers	7,670,712	2,473,557	-	10,144,269
Office equipment	28,638,133	7,163,146	186,252	35,615,027
Moter vehicles	3,227,940	-	-	3,227,940
Assets under installation	292,565,737	186,360,835	405,295,926	73,630,646
Total	796,087,911	631,960,982	457,351,367	970,697,526
Accumulated depreciation				
Leasehold improvements	16,374,767	24,752,464	4,446,373	36,680,858
Network equipment	98,949,251	72,335,536	9,928,040	161,356,747
Computers	4,031,036	1,488,128	-	5,519,164
Office equipment	22,826,354	2,450,674	186,165	25,090,863
Moter vehicles	12,374	645,234	-	657,608
Total	142,193,782	101,672,036	14,560,578	229,305,240
Net booked value	653,894,129			741,392,286

Depreciation for the years ended December 31, 2015 and 2014 for the separated financial statements amounting Baht 101.67 million and Baht 59.89 million, respectively, are included in the statements of profit or loss.

As at December 31, 2015 and 2014, the Company's leasehold improvements and equipment amounting to Baht 39 million, are fully depreciated but are still in use.

During the year ended December 31, 2014, the Company's authorized director approved to write off the equipment, which was fully depreciated, for total cost of Baht 173.25 million.

17. Intangible assets - net

Intangible assets as at December 31, 2015 consisted of:

				(Unit:Baht)
	Consolidated financial statements			
	As at January 1, 2015	Movement during the year		As at December 31, 2015
		Increase	Decrease	
Cost				
Computer software	53,923,049	20,101,900	-	74,024,949
Computer software under development	8,735,000	7,878,500	9,135,000	7,478,500
Accumulated amortization	(24,783,803)	(7,180,732)	-	(31,964,535)
Intangible assets - net	37,874,246			49,538,914

Amortization for the years ended December 31, 2015 and 2014, amounted to Baht 7.18 million and Baht 4.21 million, respectively, in the Company's consolidated statements of profit or loss.

				(Unit:Baht)
	Separate financial statements			
	As at January 1, 2015	Movement during the year		As at December 31, 2015
		Increase	Decrease	
Cost				
Computer software	45,663,490	19,701,900	-	65,365,390
Computer software under development	8,735,000	5,878,500	8,735,000	5,878,500
Accumulated amortization	(24,722,117)	(5,995,096)	-	(30,717,213)
Intangible assets - net	29,676,373			40,526,677

Amortization for the years ended December 31, 2015 and 2014 for the separated financial statements amounting Baht 6.00 million and Baht 4.17 million, respectively, are included in the statements of profit or loss.

During the year ended December 31, 2014, the Company's authorized director approved to write off intangible assets, which were fully amortized, for the total cost of Baht 9.86 million.

18. Deferred tax assets - net

Deferred tax assets as at December 31, 2015 consisted of:

(Unit:Baht)				
Consolidated and separate financial statements				
Movement increase (decrease)				
As at	Other comprehensive		As at	
January 1, 2015	Profit loss	income	December 31, 2015	
Deferred tax assets:				
Allowance for doubtful accounts	8,946,132	315,660	-	9,261,792
Accrued gratuities	1,824	-	-	1,824
Inventories	-	11,731	-	11,731
Employee benefit obligations	1,072,368	274,230	(15,778)	1,330,820
Tax losses	11,552,440	-	-	11,552,440
Total deferred tax assets	21,572,764	601,621	(15,778)	22,158,607
Deferred tax liabilities :				
Unrealised profit on changes in values of investments	(123,350)	-	(146,837)	(270,187)
Depreciation	7,051,817	7,576,047	-	14,627,864
Total deferred tax liabilities	6,928,467	7,576,047	(146,837)	14,357,677
Deferred tax assets - net	14,644,297			7,800,930

Income tax for the years ended December 31, 2015 and 2014 as follows:

	(Unit:Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Profit (loss) before income tax	46,102,357	(797,327)	29,608,545	30,688,702
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	9,220,471	(159,465)	5,921,709	6,137,740
Non-deductible expenses by the Revenue Code	6,000	784,788	6,000	744,791
Double expenses by the Revenue Code	(166,559)	(270,618)	(166,559)	(270,618)
Dividend income	(33,990)	(51,431)	(753,990)	(571,431)
Share of profit from investment in associated company	(3,262,832)	(967,537)	-	-
Tax on profit of inter-company transactions	(420,764)	7,102,348	-	-
Non-utilized tax loss	1,647,879	246,686	1,983,045	571,371
Difference from income tax rate	-	(72,917)	-	-
Tax expense (revenue)	6,990,205	6,611,853	6,990,205	6,611,853
The average effective tax rate	15.16%	(829.25%)	23.61%	21.54%

The Company's unused tax loss carry forward as at December 31, 2014, amounting to Baht 129.48 million, which management believes are exploiting the instability of such tax. Therefore the Company recognized as deferred tax assets from tax losses carried forward amounting to Baht 11.55 million. The balance of deferred tax assets which have not been recognized are Baht 25.90 million.

The Group applied the 20% corporate income tax rate for the years ended December 31, 2015 and 2014 pursuant to Royal Decree Issued Under the Revenue Code RE: Tax Rate Reduction (No. 530) B.E. 2554, dated December 14, 2011, reducing the corporate income tax rate from 30% to 20% of net profits for accounting periods beginning on or after January 1, 2013, but no later than December 31, 2014; and pursuant to Royal Decree Issued Under the Revenue Code RE: Tax Rate Reduction (No. 577) B.E. 2554, dated November 10, 2014, continuing the 20% corporate income tax rate for net profit for the accounting period beginning on or after January 1, 2015, but no later than December 31, 2015.

19. Bank overdraft and short-term loan from financial institutions

Bank overdraft and short-term loan from financial institutions as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Bank overdraft	65,182,159	92,303,336	65,182,159	92,303,336
Promissory note	60,000,000	90,000,000	60,000,000	90,000,000
Bill of exchange	140,000,000	60,000,000	140,000,000	60,000,000
Less discount	(742,350)	(300,485)	(742,350)	(300,485)
Bill of exchange - net	139,257,650	59,699,515	139,257,650	59,699,515
Total bank overdraft and short-term loan from financial institutions	264,439,809	242,002,851	264,439,809	242,002,851

On August 21, 2015, the Company issued unsecured bills of exchange to a financial institution, totaling Baht 80 million, to renew the matured bills of exchange, bearing interest rate of 4.20% per annum. The maturity date is February 18, 2016.

On November 12, 2015, the Company issued unsecured bills of exchange to a financial institution, totaling Baht 60 million, to renew the matured bills of exchange, bearing interest rate of 4.40% per annum. The maturity date is February 11, 2016.

As at December 31, 2015 and 2014, the Company had credit lines from banks are as follows:

	(Unit:Million Baht)			
	Consolidated and Separate financial statements		Interest rate	
	2015	2014	2015	2014
Bank overdraft	101.00	101.00	Market Rate to MOR	Market Rate to MOR
Letter of guarantee	67.00	67.00	-	-
Promissory note	90.00	90.00	Market Rate to MOR	Market Rate to MOR

These credit lines are secured by pledging the Company's fixed deposit (Note 13).

20. Trade and other payables

Trade and other payables as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables				
Trade payables - related companies	35,239,171	44,850,280	44,399,429	49,024,981
Trade payables - others	52,168,045	64,167,445	48,912,688	57,612,251
Total trade payables	87,407,216	109,017,725	93,312,117	106,637,232
Other payables				
Payables for purchase assets	13,781,013	7,823,967	13,050,453	7,315,217
Other payables	8,312,737	3,616,761	8,218,876	3,519,625
Accrued expenses	14,182,971	10,528,643	14,300,968	10,042,764
Total other payables	36,276,721	21,969,371	35,570,297	20,877,606
Total trade and other payables	123,683,937	130,987,096	128,882,414	127,514,838

21. Liabilities under financial lease agreement - net

Liabilities under financial lease agreements as at December 31 consisted of:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Due within 1 year				
Minimum payments	103,647,857	60,556,223	103,647,857	60,556,223
Deferred interest	(9,647,333)	(5,956,725)	(9,647,333)	(5,956,725)
Present value of minimum payment	94,000,524	54,599,498	94,000,524	54,599,498
Due over 1 year but not over 5 years				
Minimum payments	127,824,437	73,314,535	127,824,437	73,314,535
Deferred interest	(8,774,768)	(3,019,777)	(8,774,768)	(3,019,777)
Present value of minimum payment	119,049,669	70,294,758	119,049,669	70,294,758
Net book value of assets under financial leases	301,711,633	164,605,802	301,711,633	164,605,802

The Company entered into lease agreements with a certain companies for operating equipment and vehicles. The leases agreements have the terms of one to five years and bear interest rates of 4.00% to 11.00% per annum.

22. Long-term loans from financial institution – net

Long-term loans from financial institution as at December 31 consisted of:

	(Unit: Baht)	
	Consolidated and Separate financial statements	
	2015	2014
Long-term loans from financial institution	49,733,382	68,748,055
Less Current portion	(22,308,000)	(19,008,000)
Long-term loans from financial institution - net	27,425,382	49,740,055

On March 3, 2014, the Company borrowed a long-term loan from a financial institution the total of which did not exceed Baht 52 million, in order to invest in a Computer Data Center. The loan carries interest rate of MLR - 1.50 per annum. Repayment of the principal together with interest will be made in 48 monthly installments at Baht 1,084,000 each. The first repayment will be made in April 2014. The loan is secured by pledge of the Company's fixed deposit amounting to Baht 15.60 million (Note 13). The Company has to comply with certain conditions specified in the loan agreement. This includes the negative pledge on its equipment and computer centers (Data Center).

On October 16, 2014, the Company entered into a refinance agreement with a financial institution and obtained the new loan of Baht 28 million, with the objective to repay the loan to other creditors. This long-term loan accrues interest at the MLR per annum, with scheduled payments of principal and interest every month for 39 months, starting from November 2014; the 1st – 15th month of Baht 500,000 each, the 16th – 17th month of Baht 800,000 each, the 18th – 38th month of Baht 900,000 each and full settlement in last installment. The long-term loan is secured by deposits with financial institutions in the amount of Baht 8.40 million (Note 13). The Company has to comply with certain conditions specified in the loan agreement.

23. Employee benefit obligations

The Group made a defined benefits plan in accordance with severance payment under the labor law which entitles retired employees within work certain service periods, such as more than 10 years, to receive severance payment for not less than 300 days or 10 months of the last salary.

Movements of the present value of employee benefit obligations for the years ended December 31, are as follows:

	(Unit:Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Post-employment benefit plan				
Employee benefit obligations as at beginning of the years	5,890,042	5,451,548	5,361,844	5,384,604
Current service cost recognition	1,275,151	1,053,624	1,156,676	959,636
Cost of interest	235,602	218,062	214,474	215,384
Actuarial gain on defined employee benefit plans	84,351	(833,192)	(78,889)	(1,197,780)
Net employee benefit obligations as at ending of the years	7,485,146	5,890,042	6,654,105	5,361,844

Employee benefit expenses in the statements of profit or loss for the years ended December 31 consisted of:

	(Unit:Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Current service cost	1,275,151	1,053,624	1,156,676	959,636
Interest from obligation	235,602	218,062	214,474	215,384
Total employee benefits expenses	1,510,753	1,271,686	1,371,150	1,175,020

Employee benefit expenses for the years ended December 31, as shown in the statements of profit or loss as follows:

	(Unit:Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Costs of sales	520,315	556,801	520,315	460,135
Selling expenses	327,309	322,785	327,309	322,785
Administrative expenses	663,129	392,100	523,526	392,100
Total employee benefits expenses	1,510,753	1,271,686	1,371,150	1,175,020

Principal actuarial assumptions as at December 31, 2015 and 2014 (expressed as weighted averages) are as follows

	(Percentage/Year)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Discount rate	4.00	4.00	4.00	4.00
Future salary increases	5.00	5.00	5.00	5.00
Turn over rate	4.00	5.00	4.00	5.00

Mortality rate 100 percent as Mortality Table 2008

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from a mortality table.

24. Legal reserve

In compliance with the Public Company Act, B.E. 2535 (1992), the Company set aside as a legal reserve at least 5% of its net profit until the reserve equal 10% of the authorized share capital. This reserve is not available for dividend distribution.

The resolution of Extraordinary Shareholders Meeting No. 1/2015 held on December 18, 2015, has approved the transfer of the legal reserve to clear the deficit of the company. According to the financial statement of the third quarter ended September 30, 2015 reviewed by the auditor, of Baht 19.28 million.

25. Expenses by nature

The Company's has significant expenses by nature for the years ended December 31, are as follows:

	(Unit:Baht)			
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Rental expenses from operating lease agreements	69,313,212	64,194,021	69,073,212	63,897,021
Salary and wages and other employee benefits	145,946,417	121,857,605	135,719,714	110,675,132
Depreciation expenses	102,308,359	60,162,860	101,672,036	59,886,986
Amortisation expenses	7,180,732	4,210,514	5,995,096	4,168,705

26. Operating Segment

The Company and its subsidiary operate in two business segments, which are (a) provision of internet access services ("Access business"), and (b) integrated services in relation to information and communication technologies ("Business solutions"). Financial information presented by operating segments of the Company and its subsidiary for the years ended December 31, 2015 and 2014 can be set out below.

	(Unit:Baht)					
	2015			2014		
	Accesss business	Business solutions	Total	Accesss business	Business solutions	Total
Service income and sales	129,665,151	480,297,490	609,962,641	117,106,696	375,118,544	492,225,240
Cost of services and sales	(108,083,279)	(342,263,718)	(450,346,997)	(91,464,289)	(291,645,763)	(383,110,052)
Segment result	21,581,872	138,033,772	159,615,644	25,642,407	83,472,781	109,115,188
Other income	1,829,914	12,246,344	14,076,258	3,567,556	11,613,532	15,181,088
Unallocated selling expenses	(6,545,210)	(43,802,556)	(50,347,766)	(11,754,042)	(38,263,158)	(50,017,200)
Unallocated administrative	(9,095,581)	(60,870,426)	(69,966,007)	(14,591,589)	(47,500,277)	(62,091,866)
Profit before share						
of profit from an associate	7,770,995	45,607,134	53,378,129	2,864,332	9,322,878	12,187,210
Share of profit from an						
associate	2,120,841	14,193,321	16,314,162	1,136,856	3,700,828	4,837,684
Profit before finance						
costs and income tax						
revenue	9,891,836	59,800,455	69,692,291	4,001,188	13,023,706	17,024,894
Finance costs	(3,066,691)	(20,523,243)	(23,589,934)	(4,188,222)	(13,633,999)	(17,822,221)
Profit (loss) before income						
tax (expenses) revenue	6,825,145	39,277,212	46,102,357	(187,034)	(610,293)	(797,327)
Tax expenses	(908,727)	(6,081,478)	(6,990,205)	(1,553,785)	(5,058,068)	(6,611,853)
Profit (loss) for the years	5,916,418	33,195,734	39,112,152	(1,740,819)	(5,668,361)	(7,409,180)

For the Company and its subsidiary, there are no sales or other transactions occurring between the business segments. Since both business segments are sharing the same revenue-generated assets and liabilities, the Company and its subsidiary did not allocate costs of providing services and assets and liabilities used between these two business segments.

The report showing the calculation of income allocated to the National Broadcasting and Telecommunication Commission by the Company's and its subsidiaries for the years ended December 31, 2015 and 2014 are as follows.

	(Unit: Baht)	
	Consolidated and Separate financial	
	2015	2014
Revenue from telecommunications license type 1	263,097,665	118,412,923
Revenue not related to telecommunications licenses	335,306,057	363,685,942
Total revenue from services	598,403,722	482,098,865

27. Promotional privileges

The Company has Board of Investment promotion to engage in the activity of "Cloud Services" under Promotion Certificate No. 58-1841-1-00-2-0, dated July 7, 2015. The Company received the license from the Board of Investment to start operations as from May 19, 2015 and has obtained benefits and privileges under Sections 25, 26, 28, 31, 34 and 37 of the Investment Promotion Act B.E. 2520. Granted privileges include corporate income tax exemption for eight years on total net profit commencing from the date revenue is first derived from the operation, but not exceeding 100% of investment and excluding land and working capital. The Company received its first income from sales on November 2, 2015.

28. Financial Instruments

28.1. Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, loans, and notes receivable. The Company manages this risk by adopting appropriate credit control policies and procedures. As such, the Company does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, loans, and notes receivable as stated in the statement of financial position.

28.2. Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and current investments. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which have maturity period of no longer than 1 year. Therefore, the interest rate risk is expected to be minimal.

28.3. Foreign currency risk

The Company and its subsidiary have foreign currency-dominated assets and liabilities, giving rise to an exposure to changes in foreign exchange rates. However, the outstanding balance of foreign currency-dominated assets and liabilities are not material. The Company and its subsidiary do not enter into forward exchange contract to minimize the foreign currency risk since the management considers that such foreign currency risk is expected to be low.

28.4. Fair values

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

29. Commitments and contingent liabilities

29.1. Penalty from a service contract

As at December 31, 2015 and 2014, the Company had contingent liabilities from the penalty amounting to Baht 2.48 million under a service contract it entered with an associated company. The Company's management anticipates not having to make such payments and believes it will ultimately end the case without any penalty payment. As a result, the Company has not made any reserve in the consolidated and separate financial statements for the year ended December 31, 2015 and 2014.

29.2. Guarantees

As at December 31, 2015 and 2014, the Company has contingent liabilities in relation to letters of guarantee issued by banks amounting to approximately Baht 33.10 million and Baht 25.55 million, respectively (Notes 13 and 22).

29.3. Litigation

As at December 31, 2014, the Company was a defendant in claim for damages. The Court of First Instance ruled that the Company must compensate the plaintiff in the amount of Baht 3.13 million with interest. The Company, therefore, recorded the provision for liability incurred from compensation and interest. However, the Company has appealed the judgment to the Supreme Court. The Supreme Court ruled in favor of the Company. At present, the case is finalized.

As at December 31, 2015, the Company reversed liabilities for such damages and accrued interest in order to compensate for the sales and administrative expenses of the severance payment in the amount of Baht 2.03 million and other income in the amount of Baht 1.46 million, respectively.

29.4. Operating lease commitments

The Company has commitments with regard to operating lease agreements with leasing terms of 1 - 30 years. As at December 31, 2015 and 2014, the Company has future obligations to make lease payments are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
Due within 1 year	61.49	63.90	61.49	63.90
Due over 1 year but not over 5 years	28.92	48.78	28.92	48.78
Over 5 years	34.04	-	34.04	-
Total	124.45	112.68	124.45	112.68

During the year 2015, the Company entered into a land lease agreement with a company for a period of 30 years (January 1, 2016 to December 31, 2045) renewable within 60 days from the expiration date. The agreement is a operations lease and is non-terminable. As at December 31, 2015, the Company is obligated to pay a rental fee of Baht 1,077,700 per year. The rental fee will increase every three years at the rate of 5% of the value of the previous years. When the lease term ends, the Company is required to restore the lease space to its original condition so as to be available within 90 days of receiving notice from the lessor.

29.5. Agreements

As at December 31, 2015 and 2014, the Company is committed to pay the cost of equipment amounting of Baht 39.06 million and Baht 84.82 million, respectively.

30. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2552. Both employees and the Company contribute to the fund on a monthly basis at the rate of 3% - 10% of salary. The fund, which is managed by Krung Thai Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. Total contributions by the Group for the years ended December 31, 2015 and 2014 amounted to approximately Baht 4.61 million and Baht 4.16 million respectively, in the consolidated financial statements and amounted to Baht 4.40 million and Baht 3.94 million respectively, in the separated financial statements.

31. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the statements of financial position as at 31 December 2015 and 2014, total debt to equity ratio was 1.36:1 and 1.28:1, respectively for the Group and was 1.27:1 and 1.14:1, respectively, for the Company.

32. Event after the reporting period

Board of Directors' Meeting No. 2/2016, held on February 26, 2016, resolved pay a dividend from its operating result for the year ended December 31, 2015, for 250,020,799 shares at the rate of Baht 0.015 per share, amounting Baht 3.75 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

33. Approval of interim financial statements

These financial statements have been approved for issuance by the Company's authorized director on February 26, 2016.

Brief Profile of Directors as of 31 December 2015

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
1. Prof. Dr. Pairash Thajchayapong <ul style="list-style-type: none"> Chairman of the Board of Directors Chairman of Executive Committee Authorised Director <p>Date of appointment. : 28 August 2001 (Date of registered as a public limited company)</p>	71	Education <ul style="list-style-type: none"> Ph.D. Electronics and Computer Engineering University of Cambridge, United Kingdom Training Program <ul style="list-style-type: none"> Director Certification Program (DCP) by Thai Institute of Directors (IOD) Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) 	-	-	2001 – present 2008 – present Other Listed Companies 2007 - present 2008 - present Other Companies 2008 – present Other Organizations 2005 – present	<ul style="list-style-type: none"> Chairman of the Board of Directors Chairman of Executive Committee Director Member of the Human Resources and Remuneration Committee Chairman of the Board Senior Adviser 	<ul style="list-style-type: none"> Internet Thailand Public Company Limited Internet Thailand Public Company Limited Kasikornbank Public Company Limited Kasikornbank Public Company Limited Netbay Public Company Limited National Science and Technology Development Agency, Ministry of Science and Technology
2. Dr. Thaweesak Koanantakool <ul style="list-style-type: none"> Director Vice Chairman of Executive Committee Risk Management Committee Member CEO Performance Review Committee Member Authorised Director <p>Date of appointment. : 28 August 2001 (Date of registered as a public limited company)</p>	62	Education <ul style="list-style-type: none"> Ph.D. Digital Communications, Imperial College of Science and Technology, University of London, United Kingdom Training Program <ul style="list-style-type: none"> Role of the Chairman Program (RCP) by Thai Institute of Directors (IOD) Director Certification Program (DCP) by Thai Institute of Directors (IOD) 	-	-	2001 - present 2008 - present 2011 - present 2010 - present 2009 - 2010 2007 - 2011 Other Organizations 2010 - present 2006 - 2010	<ul style="list-style-type: none"> Director Vice Chairman of Executive Committee Risk Management Committee Member CEO Performance Review Committee Member Adviser of CEO Performance Review Committee Chairman of Risk Management Committee Director Deputy Director 	<ul style="list-style-type: none"> Internet Thailand Public Company Limited Internet Thailand Public Company Limited Internet Thailand Public Company Limited Internet Thailand Public Company Limited Internet Thailand Public Company Limited Internet Thailand Public Company Limited National Science and Technology Development Agency National Science and Technology Development Agency, Ministry of Science and Technology

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
3. Dr. Kamthorn Waithayakul • Director Date of appointment. : 28 April 2015	56	Education • Diplome de Docteur, Computer , L'Universite Paris VI, France Training Program • Director Certification Program (DCP) by Thai Institute of Directors (IOD) • Financial Statements for Directors (FSD) by Thai Institute of Directors (IOD)	-	-	2015 – present Other Companies 2012 – present 2012 - 2014 Other Organizations 2015 – present 2012	• Director • Senior Executive Vice President – Operations • Director • Director Dept.12 • Adviser of Subcommittee Promote the Use of Scientification	• Internet Thailand Public Company Limited • TOT Public Company Limited • Thai Longdistance Telecommunications Company Limited • The Telecommunications Association of Thailand Under The Royal Patronage • Senate
4. Ms. Tanwadee Wongterarvit • Director • CEO Performance Review Committee Member • Authorised Director Date of appointment. : 24 April 2009	54	Education • Master of Science in Electrical Engineering, University of Miami, U.S.A. Training Program • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) • Director Certification Program (DCP) by Thai Institute of Directors (IOD) • Financial Statements for Directors (FSD) by Thai Institute of Directors (IOD)	-	-	2009 – present 2009 – present Other Listed Companies 2013 – present Other Companies 2015 – Present 2013 - 2015 2009 – 2012	• Director • CEO Performance Review Committee Member • Director • Senior Executive Vice President (Information Technology) • Senior Executive Vice President (Corporate Strategy) • Senior Executive Vice President (Voice Business)	• Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Total Access Communication Public Company Limited • CAT Telecom Public Company Limited • CAT Telecom Public Company Limited • CAT Telecom Public Company Limited
5. Mr. Aniruth Hiranraks • Director • Authorised Director Date of appointment. : 24 April 2009	43	Education • Master of Engineering (Electrical - Communications) Cornell University U.S.A. Training Program • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD)	-	-	2009 – present Other Companies 2013 – present 2009 – 2013	• Director • Manager Dept. 10 – Information Technology Strategy Department • Manager Dept. 10 – International Network	• Internet Thailand Public Company Limited • CAT Telecom Public Company Limited • CAT Telecom Public Company Limited

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
6. Prof. Emeritus Achara Chandrachai, Ph.D. <ul style="list-style-type: none"> Independent Director Chairman of Audit Committee Date of appointment : 27 April 2006	67	Education <ul style="list-style-type: none"> Ph.D. Quantitative Business Analysis, Arizona State University, U.S.A. Training Program <ul style="list-style-type: none"> Audit Committee Program (ACP) by Thai Institute of Directors (IOD) Director Certification Program (DCP) by Thai Institute of Directors (IOD) 	-	-	2006 – present 2009 – present Other Listed Companies 2013 – present 2007 – present Other Companies 2005 – present Present Other Organizations 2006 – present	<ul style="list-style-type: none"> Independent Director Chairman of Audit Committee Independent Director and Chairman of Audit Committee Independent Director and Chairman of Audit Committee Independent Director and Audit Committee Member Independent Director and Audit Committee Member Professor Emeritus, Technopreneurship & Innovation Management Program 	<ul style="list-style-type: none"> Internet Thailand Public Company Limited Internet Thailand Public Company Limited Saha Union Public Company Limited Dimet Public Company Limited Pan Rajdhevee Group Public Company Limited Chaoprayamahankorn Public Company Limited Chulalongkorn University
7. Mr. Aran Permpiboon <ul style="list-style-type: none"> Independent Director Chairman of Nomination and Remuneration Committee Audit Committee Member Date of appointment : 28 August 2001 (Date of registered as a public limited company)	71	Education <ul style="list-style-type: none"> Master's Degree of Public Administration (Personnel Management), National Institution of Development Administration (NIDA) Training Program <ul style="list-style-type: none"> Monitoring Fraud Risk Management (MFM) by Thai Institute of Directors (IOD) Monitoring the Quality of Financial Reporting (MFR) by Thai Institute of Directors (IOD) Monitoring the Internal Audit Function (MIA) by Thai Institute of Directors (IOD) Monitoring the System of Internal Control and Risk Management (MIR) by Thai Institute of Directors (IOD) Audit Committee Program (ACP) by Thai Institute of Directors (IOD) Director Certification Program (DCP) by Thai Institute of Directors (IOD) 	-	-	2005 - present 2008 - present 2008 - present	<ul style="list-style-type: none"> Independent Director Chairman of Nomination and Remuneration Committee Audit Committee Member 	<ul style="list-style-type: none"> Internet Thailand Public Company Limited Internet Thailand Public Company Limited Internet Thailand Public Company Limited

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
8. Ms. Narumol Wangsatorntanakun <ul style="list-style-type: none"> • Independent Director • Chairman of Risk Management Committee • Audit Committee Member <p>Date of appointment. : 26 February 2009</p>	61	Education <ul style="list-style-type: none"> • M.A. in International Economics (Economics), Marquette University, Milwaukee, Wisconsin, U.S.A. • M.S. in Electrical Engineering, Major in Data Communication, University of Wisconsin, Milwaukee, Wisconsin, U.S.A. Training Program <ul style="list-style-type: none"> • Audit Committee Program (ACP) by Thai Institute of Directors (IOD) • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) 	0.02	-	2009 - present 2011 - present 2013 - present 2009 - 2011 Other Listed Companies 2008 - 2014 2003 - 2014 Other Companies 2002 - present 2010 - 2012	<ul style="list-style-type: none"> • Independent Director • Chairman of Risk Management Committee • Audit Committee Member • Risk Management Committee Member • Chairman of the Nomination and Remuneration Committee • Independent Director and Audit Committee Member • Chief Information Officer • Director 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • ACAP Advisory Group Public Company Limited • ACAP Advisory Group Public Company Limited • Thai Smart Card Company Limited • ITBC Business Consultant Group Company Limited
9. Mr. Sahas Treetipbut <ul style="list-style-type: none"> • Director • Executive Committee Member • Nomination and Remuneration Committee Member <p>Date of appointment. : 28 August 2001 (Date of registered as a public limited company)</p>	68	Education <ul style="list-style-type: none"> • Master of Computer and Information Science, Syracuse University, U.S.A. Training Program <ul style="list-style-type: none"> • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) • Successful Formulation & Execution of Strategy (SFE) by Thai Institute of Directors (IOD) • How to Measure the Success of Corporate Strategy (HMS) by Thai Institute of Directors (IOD) 	-	-	2001 - present 2008 - present 2006 - present Other Listed Companies 2014 - present 2014 - present 2012 - present 2008 - present 2008 - Present 2008 - Present Other Companies 2013 - present 2008 - 2012 2008 - 2012	<ul style="list-style-type: none"> • Director • Executive Committee Member • Nomination and Remuneration Committee Member • Independent Director • Chairman of Audit Committee • Chairman of the Board • Chairman of the Board • Audit Committee Member • Independent Director • Director • Director • Chairman of the Board 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Origin Property Public Company Limited • Origin Property Public Company Limited • Thiensurat Public Company Limited • COL Public Company Limited • COL Public Company Limited • COL Public Company Limited • Netbay Public Company Limited • Tradesiam Public Company Limited • KTB General Services Co.,Ltd

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
10. Ms. Nilobon Tangprasit <ul style="list-style-type: none"> • Independent Director • Chairman of Nomination and Remuneration Committee • Audit Committee Member <p>Date of appointment : 12 May 2014</p>	54	Education <ul style="list-style-type: none"> • LL.M., Temple University School of Law, at Philadelphia, Pennsylvania, U.S.A. • Barrister-at-Law, The Institute of Legal Education, Thai Bar Association Training Program <ul style="list-style-type: none"> • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) 	-	-	2014 – present 2014 – present 2014 – present Other Listed Companies 2009 – present Other Companies 2005 – present 2006 – present 2007 – present 2007 – present 2009 – present 2011 – present 2012 – present	<ul style="list-style-type: none"> • Independent Director • Chairman of Nomination and Remuneration Committee • Audit Committee Member • Company Secretary • Director • Director • Director • Director • Director • Director • Director 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Siam Makro Public Company Limited • Siam City Law Offices Limited • Hanna Instruments (Thailand) Limited • Chavalit & Partners Limited • Sabre Travel Network (Thailand) Limited • SCL International Limited • Tonami (Thailand) Company Limited • SCL Tax Consultants Limited
11. Mrs. Morragot Kulatumyotin <ul style="list-style-type: none"> • Director • Executive Committee Member • Risk Management Committee Member • Managing Director • Acting Company Secretary <p>Date of appointment : 23 April 2003</p>	49	Education <ul style="list-style-type: none"> • Master of Science in Computer Science, University of Missouri Columbia, U.S.A. • Master of Business Administration, Thammasart University Training Program <ul style="list-style-type: none"> • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) • Effective Minutes Taking (EMT) by Thai Institute of Directors (IOD) • Company Secretary Program (CSP) by Thai Institute of Directors (IOD) • Poom Palung Pandin Program by Chula Unisearch, Chulalongkorn University 	0.17	-	2003 - present 2008 - present 2008 - present 2013 - present 2013 - present 2012 - 2013 1999 - 2013 Other Companies present 2008 - present	<ul style="list-style-type: none"> • Director • Executive Committee Member • Risk Management Committee Member • Managing Director • Acting Company Secretary • Acting Managing Director • Deputy Managing Director • Director • Chairman of the Board 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Thai Dot Com Company Limited • Mandala Communication Company Limited

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
12. Mr. Wanchai Vach-shewadumrong • Deputy Managing Director	41	Education • Master of Business Administration Chulalongkorn University Training Program • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) • Leadership Succession Program (LSP) by Institute of Research and Development for Public Enterprise (IRDP)	-	-	2013 - present 2012 - 2013 2011 - 2012 Other Companies present 2013 - present 2012 - present 2007 - 2011 2007 - 2011	• Deputy Managing Director • Executive Vice President • Senior Vice President • Director • Managing Director • Director • Deputy Managing Director • Vice President	• Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Thai Dot Com Company Limited • Mandala Communication Company Limited • Netbay Public Company Limited • Wall Technology Company Limited • Wall Technology Company Limited
13. Mr. Saknon Kangsumrith • Senior Vice President	48	Education • Master of Science in Information Technology Management, University of the Thai Chamber of Commerce	-	-	2013 - present 2011 - 2012 2007 - 2011	• Senior Vice President • Vice President • Senior Consultant	• Internet Thailand Public Company Limited • Internet Thailand Public Company Limited • Internet Thailand Public Company Limited
14. Mr. Attawut Kampradit • Senior Vice President	45	Education • Master Degree , University of the Thai Chamber of Commerce Training Program • ITIL V3. Expert • CDCP : Certified Data Centre Professional • CDFOM : Certified Data Centre Facilities Operations	-	-	2014 - present Other Companies 2009 - 2013	• Senior Vice President • Services Management Director	• Internet Thailand Public Company Limited • MPEC Public Company Limited

Name / Position / Date of appointment.	Age (yrs)	Education / Training Program	Percentage of Shareholding (%)	Relationship between directors and executives.	Experiences during the past 5 years.		
					Professional Experience	Position	Organization / Company
15. Mr.Piyaret Saelee • Senior Vice President	50	Education <ul style="list-style-type: none"> • Mini MBA Thammasart University Training Program <ul style="list-style-type: none"> • TOI solaris by SUN Micro System • ITIL foundation by Pink • Informix/ Oracle Administor 	-	-	2014 - present Other Companies 2013 - 2014 2009 - 2013	<ul style="list-style-type: none"> • Senior Vice President • Vice President • Director 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • G-ABLE Company Limited • G-ABLE Company Limited
16. Mr.Attaphong Habsa • Senior Vice President	44	Education <ul style="list-style-type: none"> • Master of MIS&Marketing City University of Seattle, U.S.A. Training Program <ul style="list-style-type: none"> • Consulting Sale by Microsoft Cooperation • Project Management by Project Decision (PMI Certify) • Supervisory Skill and Service Quality for Supervisory by Thailand Management Association (TMA) • Telecom industry and technology trend of 2.5G, 3G and 4G by Hutchison CAT Wireless Multimedia Ltd. • 3G Technology & Trend with BREW and JAVA by Qualcomm • Wireless and Mobile Network integration technology by Cisco (Thailand) • Small Business Management (Entrepreneurship) by Bellevue Community College: Bellevue, WA, U.S.A. 	-	-	present Other Companies 2014 - 2015 2012 - 2014 2010 - 2012 2005 - 2010	<ul style="list-style-type: none"> • Senior Vice President • Head of Commercial • Business Development Director • Business Development Director • Business Development Manager 	<ul style="list-style-type: none"> • Internet Thailand Public Company Limited • True Internet Data Center Company Limited • MFECC Public Company Limited • Sawasdeeshop Limited • MFECC Public Company Limited

Details of the positions of the management and the controlling persons of the Company

31 December, 2015

Name	Internet Thailand Public Company Limited	Subsidiaries Company		Associated Company
		Mandala Communication Co., Ltd.	Thai Dot Com Co., Ltd.	Netbay Co., Ltd.
1. Prof. Dr. Pairash Thajchayapong	C			C
2. Dr. Thaweesak Koanantakool	D			
3. Dr. Kamthon Waithayakul	D			
4. Ms. Tanwadee Wongterarit	D			
5. Mr. Aniruth Hiranraks	D			
6. Prof. Emeritus Dr. Achara Chandrachai	D			
7. Mr. Aran Permpiboon	D			
8. Ms. Narumol Wangsatorntanakun	D			
9. Mr. Sahas Treetipbut	D			D
10. Ms. Nilobon Tangprasit	D			
11. Mrs. Morragot Kulatumyotin	D, MD	C	D	
12. Mr. Wanchai Vach-shewadumrong	M	MD	D	D
13. Mr. Saknon Kangsumrith	M			
14. Mr. Attawut Kampradit	M			
15. Mr. Piyaret Saelee	M			
17. Mr. Attaphong Habsa	M			

Remarks : C = Chairman MD = Managing Director
D = Director M = Management

Details of Directors in the Subsidiaries as of 31 December 2015

Name	Mandala Communication Co., Ltd.	Thai Dot Com Co., Ltd.
1. Mrs. Morragot Kulatumyotin	C	D
2. Mr. Wanchai Vach-shewadumrong	MD	D
3. Mr. Songsak Danubumrungsart	D	
4. Ms. Hunsu Nawaraphan	D	D
5. Mr. Pat Hosiri		D

Remarks : C = Chairman
D = Director
MD = Managing Director

General Information

Registered Office :	Internet Thailand Public Company Limited 1768 Thai Summit Tower, 10th -12th Floor and IT Floor New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310
Type of Business	Infrastructure as a Service Provider and Integrated Communication.
ISIN No.	0107544000094
Tel:	0-2257-7000
Fax:	0-2257-1379
Home page	http://www.inet.co.th
Registered Capital	333,333,333 Baht
Registered and paid-up Capital	250,020,799 Baht
No. of Paid-up Share	250,020,799 shares
Type of Share	Ordinary Share
Par Value	1 Baht per share

Subsidiaries and Associated Companies Information

Company	Type of Business	Registered Capital (Baht)	Registered and paid-up Capital (Baht)	No. of Paid-up Ordinary Shares	Shareholding (%)
1. Mandala Communication Co., Ltd. 1768 Thai Summit Tower, IT Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-7222	Telecommunication Business and related services	33,250,000	28,250,000	3,325,000	99.99
2. Thai Dot Com Co., Ltd. 1768 Thai Summit Tower, 12 nd Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-7222	Provide services and develop electronic systems	1,000,000	250,000	10,000	99.99 (held by Mandala Communication Co., Ltd.)
3. Netbay Plc. 719/8-9 Rama VI Road, Khwang Wangmai, Khet Pathumwan, Bangkok 10330 Tel: 0-2612-3529 Fax: 0-2612-3051	e-Logistic and electronics system provider and telecommunication and communication consultant	200,000,000	160,000,000	160,000,000	25.00

References

Registrar

Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Tower 4th, 6th –7th Floor
62 Ratchadaphisek Road, Khwaeng Klongtoey,
Khet Klongtoey, Bangkok 10110
Tel: 0-2359-1200
Fax: 0-2359-1259

Auditor

ANS Audit Co.,Ltd.
100/72, 22nd Floor, 100/2 Vongvanij Building B,
Rama 9 Road, Huaykwang, Bangkok, 10320
Tel: 0-2645-0109
Fax: 0-2645-0110
Mr. Sathien Vongsnan registration No. 3495
Mr. Atipong Atipongsakul registration No. 3500
Mr. Vichai Ruchitanont Registration No.4054
Ms. Kultida Pasurakul registration No. 5946
Mr. Yuttapong Chuamuangpan registration No. 9445

Legal Advisor

Kanung & Partner International Consultancy Co., Ltd.
The 9 th Towers Grand Rama 9 (Tower B)
33/4, 25th Floor, Rama IX Road,
Huay Kwang, Bangkok 10310
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For further information about the company can be found on Form 56-1 in www.sec.or.th. or company's website www.inet.co.th

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Head Office

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Tel: 0-2257-7000, Fax. 0-2257-1379
Call Center : 0-2257-7299



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Rajdhevee, Bangkok 10400





Internet Thailand Public Company Limited

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and IT Floor, New Petchaburi Road,
Bangkapi, Huai Khwang, Bangkok 10310