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MESSAGE FROM CHAIRMAN AND MANAGING DIRECTOR



In preparation for the emergence of the digital economy, the Company continued to develop various cloud service platforms in Thailand with a local data storage to fulfill the variety of IT-related needs of organizations, with the aim to facilitate organizations to enhance their competitiveness and adaptability to the digital economy.



In 2017, Internet Thailand Public Company Limited displayed substantial growth in terms of both revenue and number of customers. The Company recorded a total revenue of THB 1,541 million, an increase of 54% from 2016, along with the operating revenue of THB 988 million, an increase of 16% from 2016. Such surge in revenue was primarily due to revenue from co-location services, which significantly increased by 26.88% on account of the Company's official opening of its new INET Data Center 3 (INET-IDC3) at Saraburi Province. This new data center enabled the Company to appropriately manage its services and effectively correspond to customers' needs, which further contributed to the growth in other services. Meanwhile, the revenue from cloud services posted a growth rate of 11.93%, despite the fact that the major government client did not extend the service agreement with the Company.

In preparation for the emergence of the digital economy, the Company continued to develop various cloud service platforms in Thailand with a local data storage to fulfill the variety of IT-related needs of organizations, with the aim to facilitate organizations to enhance their competitiveness and adaptability to the digital economy. These services include IoT platforms, software as a service, and data analytics platforms.

The Company continued to emphasize on developing human resources and researches in order to deliver

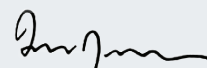
new services as a result of innovation by Thai people. Likewise, the Company has collaborated with business partners in the industry to strengthen IT networks under the objective to provide services to all regions of Thailand.

In addition, the Board of Directors has accentuated the policy on good corporate governance and anti-corruption policy, and has been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) earlier this year. This reflects the Company's intention to operate its businesses with integrity and transparency under strict management practices against all forms of corruption.

On behalf of Internet Thailand Public Company Limited, I would like to express my gratitude to all shareholders, employees, business partners, customers, and stakeholders for your continuous support in our businesses. We are certainly committed to adhere to the principles of good corporate governance in order to provide benefits to the country, shareholders, and all stakeholders in a sustainable manner.



Prof. Dr. Pairash Thajchayapong
Chairman of the Board of Directors



Mrs. Morragot Kulatumyotin
Managing Director

BOARD OF DIRECTORS



01

Prof. Dr. Pairash Thajchayapong
Chairman of the Board of Directors
/ Chairman of Executive Committee

02

Mr. Sahas Treetipbut
Director / Executive Committee Member
/ Nomination and Remuneration
Committee Member

03

Ms. Narumol Wangsatorntanakun
Independent Director
/ Chairman of Risk Management
Committee
/ Audit Committee Member

04

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

05

Dr. Kamthon Waithayakul
Director / CEO Performance
Review Committee Member

06

Ms. Tanwadee Wongterarit
Director / CEO Performance
Review Committee Member



07

Mrs. Morragot Kulatumyotin
Director / Executive Committee Member
/ Risk Management Committee Member
/ Corporate Governance Committee member

08

Dr. Narong Sirilertworakul
Director
/ Risk Management Committee Member
/ Corporate Governance Committee Member

09

Mr. Aniruth Hiranraks
Director

10

Mrs. Nilobon Tangprasit
Independent Director / Chairman of
Nomination and Remuneration Committee
/ Audit Committee Member
/ Corporate Governance Committee Member

11

Dr. Apiruck Preechayasomboon
Director

12

Mr. Aran Permpiboon
Independent Director
/ Chairman of Nomination and
Remuneration Committee
/ Audit Committee Member

EXECUTIVES



01

Mrs. Morragot Kulatumyotin
Managing Director

02

Mr. Wanchai Vach-shevadumrong
Deputy Managing Director

03

Mr. Saknon Kangsumrith
Senior Vice President

04

Mr. Attawut Kampradit
Senior Vice President

05

Mr. Piyaret Saelee
Senior Vice President

06

Mr. Attaphong Habsa
Senior Vice President

07

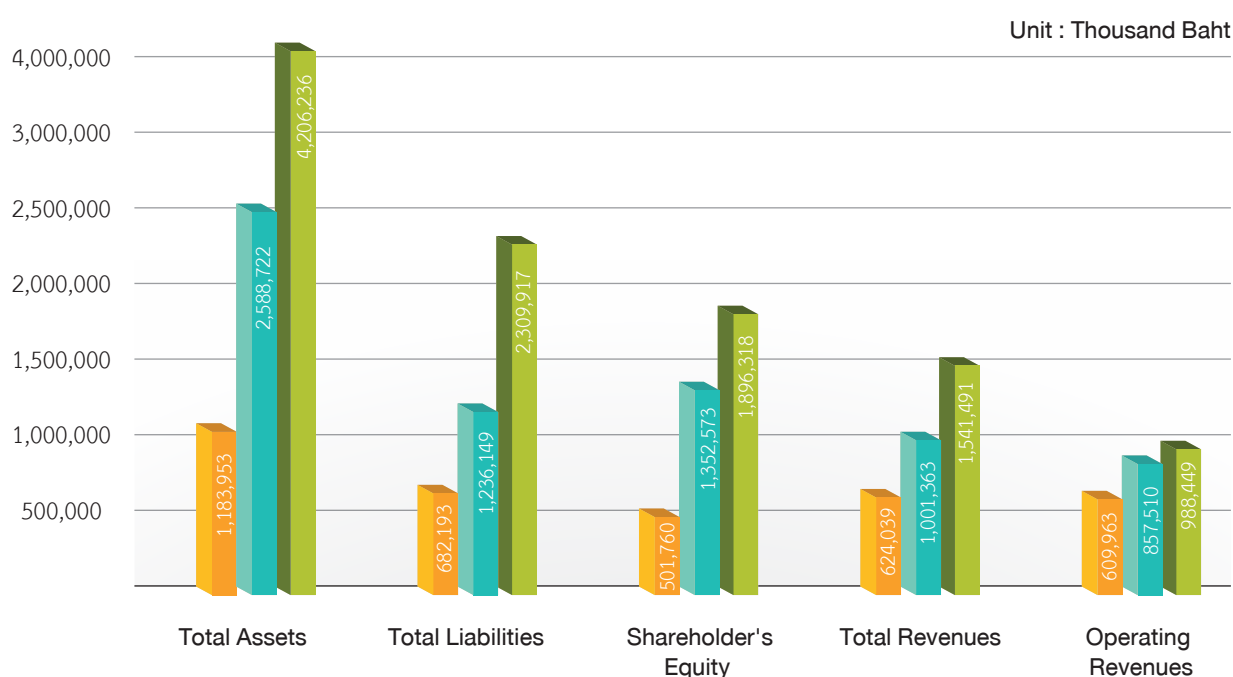
Mrs. Varaporn Pintola
Senior Vice President

HIGHLIGHTS OF FINANCIAL PERFORMANCE

Unit : Thousand Baht

Financial Highlights	2015	2016	2017
Total Assets	1,183,953	2,588,722	4,206,236
Total Liabilities	682,193	1,236,149	2,309,917
Shareholder's Equity	501,760	1,352,573	1,896,318
Total Revenues	624,039	1,001,363	1,541,491
Operating Revenues	609,963	857,510	988,449
Net Profit (Loss)	39,112	84,368	375,544
Financial Ratios			
Current Ratio (Times)	0.27	0.77	1.00
Gross Profit Margin (%)	26.17	22.91	25.20
Operating Profit Margin (%)	8.75	12.92	47.62
Net Profit Margin (%)	6.27	8.43	37.99
Return on Equity (%)	8.11	9.10	23.16
Return on Asset (%)	3.49	4.47	11.05
Debt to Equity Ratio (Times)	1.36	0.91	1.22
Information			
Earning (Loss) Per Share (Baht)	0.16	0.23	0.75
Book Value Per Share (Baht)	2.01	3.76	3.79

2015 2016 2017



VISION MISSION AND CORE VALUES



VISION

“ A leading service provider of ICT infrastructure with high creditability and emphasis on the innovation of ICT infrastructure to develop the next generation of IT personnel. ”

MISSION



To transform IT innovation into services for corporate customers in order to develop the country towards digital economy.



To provide ICT infrastructure services to Thai customers on the basis of security and international standards, and to serve as the data center of Thailand.



To operate businesses that generate satisfactory return with continual and sustainable growth.



To be a good member of the society with environmental consciousness for the benefits of stakeholders and society.



CORE VALUE

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



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.



Neutral

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



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 view. INET is well prepared to be alert in new technology all the time to 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.



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 begin 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 witch will in turn benefit our stakeholders in the long run.

CHANGES AND SIGNIFICANT DEVELOPMENT OF THE COMPANY IN THE YEAR 2017



In February, the Company was certified with ISO 22301:2012 on business continuity management systems under the scope of cloud services for both Thai Summit Tower and Bangkok Thai Tower.

In March, the Company officially launched its first phase of INET Data Center 3 (INET-IDC3) that embraces international standards.

In June, the Company was certified with ISO 27799 :2016 on information security management under the scope of cloud services, according to the best practice in health informatics, for both Thai Summit Tower and Bangkok Thai Tower.

In September, the Company was the first company in Thailand to have been certified with PCI DSS under the scope of PCI Cloud IaaS that encompasses both Thai Summit Tower and Bangkok Thai Tower. Such certification indeed enhances the Company's standards in providing security for financial transactions. In addition, the Company was awarded with PCI DSS certification, which is an information security standard that is widely adopted across the globe to secure credit card information. This certification serves as a means to support customers in the ASEAN region in making electronic transactions and enable them to use PCI Cloud IaaS services of Thailand at affordable prices with optimal security, under the solid confidence that information of electronic card users will be strictly managed and secured.

In October, the Company received standard certification from Uptime TIER III Certification of Design Documents (TCDD) for INET Data Center 1.



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the Company officially launched its first phase of INET Data Center 3 (INET-IDC3) that embraces international standards.

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POLICY AND BUSINESS OVERVIEW



Internet Thailand Public Company Limited (“Company”) is a one-stop service provider of ICT infrastructure for businesses and individuals who wish to use ICT as a tool to enhance competitiveness of their businesses. The Company offers a comprehensive array of services, ranging from full internet access services, internet data center services and supporting equipment for those who seek for efficient and quality services with international standards, and all the way to cloud computing services (cloud solutions provider) to be used as a tool to improve both efficiency and efficacy of businesses.

The Company was established on March 1, 1995 under the name of “Internet Thailand Service Center (ITSC)” that offered internet services for commercial purposes. On May 14, 1996, the Council of Ministers passed a resolution for the incorporation of the Company. Accordingly, the Company was incorporated on May 13, 1997 with the paid-up capital of THB 16 million and a par value of THB 10 per share. Moreover, on October 9, 1997, the Company received approval from Communications Authority of Thailand (at that time) to act as the internet service provider for legal entities or organizations, as well as natural persons, without limitation of time. On August 28, 2001, the Company was converted into a public limited company and increased its registered capital according to the resolution of the Council of Ministers, and was first traded in the Stock Exchange of Thailand on November 14, 2001. In addition, on June 13, 2016, the Company held its first 2016 Extraordinary General Meeting of Shareholders, which passed a resolution to increase the registered capital by THB 262,520,799 from the original registered capital of THB 250,020,799 through the issuance of 265,520,799 new ordinary shares. As of present, the Company has a registered capital of THB 512,541,598

and paid-up capital of THB 500,041,575, with a total of 500,041,575 shares at the par value of THB 1 per share.

On April 21, 2017, the Company held its first 2017 Annual General Meeting of Shareholders, which passed a resolution to decrease the Company’s registered capital by THB 12,500,023 from the original registered capital of THB 512,541,598 to THB 500,041,575 through the cancellation of 12,500,023 unissued shares at the par value of THB 1 per share. The Company’s shareholding structure is as follows:

- Employees and individual investors held 51% of shares.
- National Science and Technology Development Agency held 17% of shares.
- TOT Public Company Limited (“TOT”) held 16% of shares.
- CAT Telecom Public Company Limited (“CAT”) held 16% of shares.

The Company engages in the businesses of providing ICT infrastructure services, which can be classified into three major groups, as follows:

1. Cloud services
2. Internet access services
3. Co-location services

TYPE OF BUSINESS

The Company is a one-stop service provider of ICT infrastructure for businesses and individuals who wish to use ICT as a tool to enhance competitiveness of their businesses. The Company's services range from cloud services, full internet access services, and data center services (INET-IDC), along with various equipment for those who seek for services with high efficiency and international standards.



1) Cloud Services

Cloud services are services that incorporate the use of computer resources and internet networks under security standards that comply with ISO/IEC 27001 and ISO/IEC 20000. Cloud services can be classified into three major categories, as follows:

- **Infrastructure as a Service (IaaS)** is a service that provides IT infrastructure, such as server and storage, which enables users to save IT-related costs and efficiently manage their revenues to correspond to their expenses.
- **Platform as a Service (PaaS)** is a platform-based service where users can run applications on the system without having to invest in hardware and software.
- **Software as a Service (SaaS)** is an application-based service, such as Email on Cloud and ERP on Cloud.

For over six years, the Company has been offering cloud services in the form of public cloud for enterprises under the security standards that have been certified with ISO/IEC 27001:2013 for services provided by INET data centers (INET-IDC) at Thai Summit Tower, Bangkok Thai Tower and Kaeng Khoi District, Saraburi Province. In addition, the Company has been certified with ISO/IEC 27001:2013 for Cloud Services and ISO 2000-1:2011 for information management and Cloud Services at both Thai Summit Tower and Bangkok Thai Tower. These standard certifications undoubtedly guarantee that customers will receive high-quality services with optimal security. Moreover, the Company is the first company in Thailand to have been certified with Cloud Security Alliance-Security, Trust & Assurance Registry (CSA-STAR),



which is an information security standard that is specific to cloud-based systems. Such certification substantiates the Company's readiness and competency in providing services, whereby the Company has acquired trust from an increasing number of large organizations. In addition to the provision of services that are of high quality and security, the Company also offers free trials to various organizations.

To provide Cloud meet the needs of customers more coverage. the Company has more platform in Cloud Service as VMware , Microsoft Azure , Openstak platform. And additional certification ISO27799:2016 Information Security Management Scope of the Cloud Services at Thai Summit Tower and Bangkok Thai Tower and PCI DSS , the first in the country under the scope of PCI Cloud IaaS encompasses Summit Building, Thailand. Tower and Tower Bangkok Thailand to raise service standards, safety and financial transactions. As part of the customer support electronic transactions in the Asian region, have used PCI Cloud IaaS Thailand's affordable, fast and secure.

In 2015, the Company was granted with investment privileges by the Board of Investment (BOI) through the waiver of corporate income taxes on revenue from cloud services for a term of 8 years. Alternatively, the Company has consistently developed new services on the cloud system to fulfill the variety of needs of customers and their businesses, such as the development of local Microsoft Azure services, HP Cloud, Email on Cloud, and virtual desktop services.



2)Internet Access

The Company provides internet access services for businesses with a variety of speeds. The service areas cover all provinces in Thailand, which enable users to access nationwide internet networks. Internet services can be connected through various means, including broadband internet networks and high-speed leased lines, with the bandwidth that has been appropriately managed to correspond to the needs of customers. Likewise, customers are able to check their usage status in real time. The Company also provides technical support staff who are available 24 hours. Guaranteed high quality with a Service Level Agreement (SLA) Uptime 99.90%.

In order to raise the level of service. It has improved service system. With the Software-defined network systems to help manage a network that is one of the critical infrastructure of the company automatically. Reduce the risk of human error and down. Result in the service being accepted, and select run from the country's large businesses, enterprise organizations.



3) Co-Location Services

Internet Data Center (INET-IDC) is a center for providing services to agencies or business organizations that intend to transmit data through internet/intranet, both public and private networks. INET data centers offer an array of services, which include:

- **Co-Location :** a server depository service for organizations that seek for security and stability by depositing their equipment at the provided area.
- **Business Continuity Planning / Disaster Recovery Center:** a data backup center for secured and efficient database management through the provision of backup operating areas that encompass internet and supporting equipment to support the operations of employees during all emergency crises, such as flood and political crises.

Both Internet data centers of the Company, Thai Summit Tower, Bangkok Thai Tower and Saraburi Province The design focuses on the 3 site can be connected to each other at high speed and with high stability. With security standards and provides a convenient stop for 24 hours, are equipped with mutual backup systems in full redundancy Dark Fiber Size 10 Gbps. Route 4 (Fiber Route) means that if any emergency routes are missing. The Company's customers range from the national leading organizations such as securities firms that

engage in online securities trading, popular website providers, and all the way to foreign users who want to disseminate information to users in Thailand. The center has 3 design concepts and construction. Based on the global standards and highlight the subject of value and safe for both the equipment, human and environment.

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.

OVERVIEW OF REVENUE STRUCTURE (CONSOLIDATED)

Details of Revenue	Consolidated Financial Statements ¹		Consolidated Financial Statements		Consolidated Financial Statements	
	2017		2016		2015	
	THB Million	%	THB Million	%	THB Million	%
Cloud services	480.84	31	429.59	43	242.68	39
Internet access services	212.78	14	152.65	15	129.67	21
Co-location services	185.28	12	146.03	15	120.85	19
EDC network pool services	34.90	2	27.82	3	22.84	4
Revenue from other services ²	74.65	5	101.42	10	93.93	15
Total operating revenue	988.45	64	857.51	86	609.96	98
Other Income ³	553.04	36	143.85	14	14.08	2
Total Revenue	1,541.49	100	1,001.36	100	624.04	100
Share of profits of associates ⁴	4.57	44.49	19.32	6.97	16.31	7.24

Remarks:

- The consolidated financial statements include separate financial statements of the Company and of its subsidiaries, which include:
 - Mandala Communication Company Limited
 - Thai Dot Com Company Limited
 - Thai Dot Com Payment Company Limited
 - Digital Healthcare Solutions Company Limited
 - Sawasdee Cloud Dot Com Company Limited
 - D Solution Dot Com Company Limited
 - Open Landscape Company Limited
 - One Email Company Limited
 - Nexpie Company Limited
 - I Recruit Company Limited; and
 - Thai Starter Dot Com Company Limited
- Revenue from other services include software services, manage services, and sales of computer equipment or other related equipment.
- Other income comprises of gains on classification of investment, gains on sales of available-for-sale securities, gains on sales of investment in associates, interest income, and other income.
- In 2017, the Company recognized the share of profits of associates (equity method) from investments in the ordinary shares of 34.99% of the registered capital of Intelligist Company Limited, 29.99% of the registered capital of Talk To Me Company Limited, 40% of the registered capital of One Geo Soft Company Limited, and 29.99% of the registered capital of Inex Broadband Company Limited.



MARKETING AND COMPETITION SITUATION

Significant Marketing Practices for Products and Services

Since 2012, the Company had changed its directions and business strategies from providing internet services to emphasizing on providing cloud services in the form of infrastructure as a service (IaaS). Such shift in directions was in order to provide essential ICT tools for Thai businesses to enhance their competitiveness and efficiency in cost management, in preparation for the emergence of digital economy. To achieve such goals, the Company started off by providing Thai customers with cloud services in the form of IaaS that have international standards and high security. Indeed, cloud services are regarded as the Company's primary services of which the Company is highly committed to offer such services to various organizations as a new alternative.

In order to instill confidence in customers, the Company offers free trials to various organizations and has received positive feedback, which subsequently leads to a continuous surge in new customers who wish to try the services. At the same time, the Company is able to offer additional services to existing customers. The Company's business directions correspond to the future outlook of cloud services across the globe, which exhibit rapid growth; and according to Gartner, IaaS is forecasted to grow at the average of 29% per year from 2014-2019.

The Company has analyzed the market environment and competition that have an impact on both internal and external operations of the organization, and has stipulated the main business strategies to thrive in a highly competitive and fast-changing environment in order to achieve its goals in operating businesses with efficiency.

The following strategies have been adopted as guidance for the Company's business operations in order to successfully attain its goals:

1. Emphasize on becoming a high-quality cloud provider in Thailand.
2. Emphasize on offering cloud services to enterprises that intend to use IT to enhance their competitiveness, such as financial institutions, retailers, and SMEs.
3. Emphasize on providing knowledge and comprehensive understanding about cloud services to students and those who are interested in new innovation.
4. Emphasize on creating new platforms to correspond to the increase in demand of customers who seek to reduce costs on IT maintenance, such as data analytics, IoT, payment, and drone for agricultural purposes.
5. Expand options and alternatives that are appropriate to the needs of customers, such as object storage, container, open stack, big data and analytics, artificial intelligence (machine learning, language processing AI, image recognition AI), and API access that is easy for use.

Attributes of Customers and Target Groups

The Company's customers comprise of agencies from both public and private sectors. The Company emphasizes on customers who have high potential for the Company to expand its cloud services and other additional services, and all the way to customers who seek for service flexibility in order to support their businesses.

1. Corporate customers that intend to reduce costs on IT infrastructure and enhance efficiency, while seeking for new innovation to bolster organizational agility and responsiveness and quality services.
2. Corporate customers that intend to manage costs to

correspond to revenues and use internet services or cloud services by focusing on services that have reliable, stable, and flexible SLAs.

3. Small to medium enterprises (SMEs) that want to use IT infrastructure or software as a service (SaaS) for the purposes of agility, innovation, and time to market.

Distribution and Channels of Distribution

The Company employs a focus strategy by offering services to each target group in order to ensure that its products and services are able to facilitate corporate customers with optimal efficiency. The Company promotes its products and services through sales staff and websites, www.thaidotcommarketplace.com and <https://portal.openlandscape.cloud>. The Company also collaborates with its business partners in providing cloud services with the aim to expand its customer base and services by emphasizing on corporate customers and those who are interested in innovation.

Competition

Intra-Industry Competition

The economic conditions and changes in consumer demand have continuously impacted the ICT industry, specifically the surge in demand for smart devices, changes in the nature of ICT services, and adaptability of entrepreneurs, social media for businesses (SMBs), information service providers, and both corporate and individual consumers in selecting and purchasing these products and services. Such changes have inevitably led to the increase in demand for mobile communication devices and IT consumerization. The growth and prevalence of ICT applications are driven by four primary factors: cloud computing, mobility, social businesses, and big data. According to ETDA's survey on the behaviors of internet users in Thailand in 2017, the average time per day spent by internet users was higher during holidays than working/school days. The average time spent during working/school days was 6 hours and 30 minutes per day, while the average time spent during holidays was 6 hours and 48 minutes per day, which increased from the previous year that was found to be at 6 hours and 24 minutes per day. Moreover, it can be observed that the most popular internet activity in 2017 was the use of social media, such as LINE, Facebook, Instagram, and YouTube for the purposes of text messaging, watching online movies, watching live videos, and talking through online applications, which accounted for 86.9%. Meanwhile, the second-most common internet activity was online searches (86.5%),

followed by email activities (70.5%), watching online TV programs/listening to online music (60.7%), and online shopping (50.8%).

Industry and Competition Outlook

The government's policy on digital economy that aims to promote sustainable economic growth (Thailand 4.0) serves as an opportunity for expansion of ICT services in Thailand, including both hard infrastructure and soft infrastructure, and all other ICT-related services. Undoubtedly, such policy corresponds with the main businesses of the Company that include cloud services, internet access services, and co-location services – all of which play a significant role in facilitating organizations to operate their businesses in the digital economy.

The Company has been offering cloud services for six years through security and service standards that have been certified with ISO/IEC 27001 and ISO/IEC 20000, respectively. Over the past years, the Company had also expanded its standards, namely ISO 24799 Healthcare and PCI DSS, to be more specific to each group of enterprises, such as healthcare and financial institutions. The Company has gained trust from an increasing number of both large and medium-sized corporations. In addition, the Company also provides opportunities for businesses to try services in order to acquire knowledge and facilitate their decision-making.

Internet access services and network services are highly competitive with numerous competitors from small, medium, to large-sized competitors; wherein network service providers have a high competitive advantage. Accordingly, the Company's strategy to thrive in this "Red Ocean" is to offer customers with Internet access services as an integral part of IT transformation solutions.

Company's Competitive Strategies

In order to achieve its stipulated objectives, the Company has devised its competitive strategies as follows:

- Marketing management
- Quality-focused services
- Cost management

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)



RISK FACTORS

The Company discerns the importance of risk management in supporting business operations to be in line with the stipulated strategies, concerning the fact that the Company has to encounter a variety of risks, such as changes in economic, social, political, and financial conditions, as well as innovation and technologies. These factors will indisputably affect the Company's business operations. With that respect, the Board of Directors had appointed the Risk Management Committee since 2007 in order to manage risks that may potentially impact the Company's businesses. The Risk Management Committee is responsible for ensuring that the Company's risk management procedures are efficient and effective by specifying risks, assessing both internal and external risk factors, including general risks and risks that are specific to the Company's businesses, and stipulating appropriate preventive and monitoring measures. The foregoing practices must be in accordance with enterprise risk management and prescribed policies, and must conform to the corporate strategies in order to assure that all potential risks and major issues have been extensively addressed for. The Company has classified its risks into five major types, as detailed below.

Strategic Risk

The Company is a leading service provider of ICT infrastructure with high creditability and emphasis on the

innovation of ICT infrastructure to develop the next generation of IT personnel. In addition, the Company provides consultation, design, and network installation services to fulfill the needs of customers and maximize their satisfaction on a continual basis. The Company emphasizes on providing cloud services to corporate customers who seek for services that have high stability, international standards, promptness, and flexibility, yet with affordable prices. Regarding the market environment, there are both domestic and international cloud service providers, such as Amazon Web Services (AWS), Microsoft Azure, and Google – all of which have the competitive advantages in terms of size and technology, which enable them to provide services at a lower price and in a more timely manner.

Nonetheless, in order to use cloud services, it is necessary for customers to switch from their current system to cloud system, which undoubtedly entails consultations to instill confidence in customers, along with collaborative planning and development between service providers and customers – all of which are provided by the Company. In addition, the Company's cloud services have been certified with security standards that are in compliance with ISO/IEC 27001:2013 and data have been stored within the country in correspondence with the government's policy that promotes the use of cloud services from service providers that have a local data center. The Company perceives that the foregoing elements will enable it to compete with international competitors.

With the aim to enhance the stability of its cloud services, the Company had invested in the construction of the third INET Data Center (INET-IDC3) in order to install cloud system and link the systems of all three data centers together for functional substitution.

Additionally, the Company had modified the strategy in driving its businesses from function-based to business unit-based strategy with a dynamic organizational structure that embraces high flexibility. This will certainly provide all executives with a comprehensive insight into business management and enable all business units to cooperatively perform their duties and move towards the same goals. The Company strives to engage in the innovation of IT infrastructure in order to develop the next generation of IT personnel. In preparation for potential changes with the readiness to address such changes in a timely manner, the Company emphasizes on strengthening the adaptability of both the systems and personnel, as well as accuracy and stability of administration and management practices that conform to customers' needs and expectations.

Operational Risk

The Company is a provider of cloud services and ICT infrastructure that embrace high stability, security, and continuity. These elements enhance confidence of customers in incorporating cloud systems into their business operations. The Company has designed its telecommunication network to encompass both main network and sub-networks in major nodes of important networks. Likewise, the Company has a network monitoring system that is highly efficient in managing networks and sending notifications in case of unanticipated events. The Company has also adopted the software-defined network to manage all of its networks in order to minimize risks from errors and lessen repetitive tasks, as well as automating the system. Moreover, the Company has established the Security Operation Center (SOC) to closely monitor and prevent network attacks that may incur by both the Company and customers throughout a 24-hour period, and to examine the status of the systems and solve any problems that may occur in a timely manner.

Compliance Risk

The Company's businesses are associated with telecommunication businesses, which are currently under the supervision of the National Broadcasting and Telecommunications Commission (NBTC); whereby the imposition of policies or amendment to various laws and regulations by the NBTC may substantially affect telecommunication businesses, such as policy on free competition, policy on fees and service charges, and policy on consumer protection.

One of the Company's main priorities is to thoroughly study all applicable laws and regulations before making any decision on investment, as well as actively monitoring movements and situations regarding these matters in order to devise an appropriate action plan that complies with the law in case of changes to legal provisions or government's policies.

Financial Risk

The Company operates its businesses through the use of its own source of capital and loans from financial institutions, including both short-term and long-term loans. Hence, the fluctuation of interest rates will affect the finance costs of the Company. However, the majority of loans obtained by the Company are short-term loans, which have a low risk of interest rates since they fluctuate according to the money market conditions. As for the long-term loans, the Company was able to obtain a minimum loan rate (MLR) less predetermined differentials, due to its good credit score wherein the MLR is a floating rate. Additionally, the Company closely monitors changes in the interest rates. Therefore, in the event that there is a sign of interest rate fluctuation, the Company is able to effectively implement various preventive instruments to limit such financial risk.

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 of which hold 16% in shares of the Company's registered and paid-up capital. Moreover, both CAT and TOT have elected representatives to assume positions of the Company's directors and authorized signatories, and both companies also offer commercial internet services to individual customers. Nonetheless, the Company has implemented preventive measures to mitigate risks from conflict of interests by stipulating the code of conduct on confidentiality and internal information of the Company. Likewise, the Company has also prescribed that directors who have interests in a particular agenda shall have no rights to vote on such agenda, which has been included in the Company's Articles of Association with acknowledgement by the Board of Directors. Furthermore, all of the Company's directors have been appointed by the general meeting of shareholders and have informed the shareholders of the conflict of interests prior to their appointment, according to Public Limited Companies Act. In addition, the Company has collaborated with both CAT and TOT in the form of business partners to provide services to customers, which serves as an alternative means of preventing risks from conflict of interests.

SHAREHOLDERS

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

On December 29, 2017, Thai NVDR Company Limited took 22,619,327 shares of the Company as reference asset to issue the Non-Voting Depository Receipts (NVDR), accounting for 4.52% 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 29, 2017 are as follows:

Rank	Name	No. of shares	% of shareholding
1	National Science and Technology Development Agency	85,000,000	17.00
2	CAT Telecom Public Company Limited	80,000,000	16.00
3	TOT Public Company Limited	80,000,000	16.00
4	Thai NVDR Company Limited	22,619,327	4.52
5	Mr. Boonkiert Eur-sudkich	12,649,900	2.53
6	Mrs. Patchara Nitivasin	7,266,500	1.45
7	Mr. Tanatip Pichedvanitchoke	6,800,000	1.36
8	Mr. Surachai Prachasiitisak	6,300,000	1.26
9	Mr' Chao Kara	4,205,000	0.84
10	Mr. Charoen Sasilaksananukul	4,201,100	0.84

Source : Major shareholders as of December 29, 2017 prepared by Thailand Securities Depository Co.,Ltd.



Dividend Policy

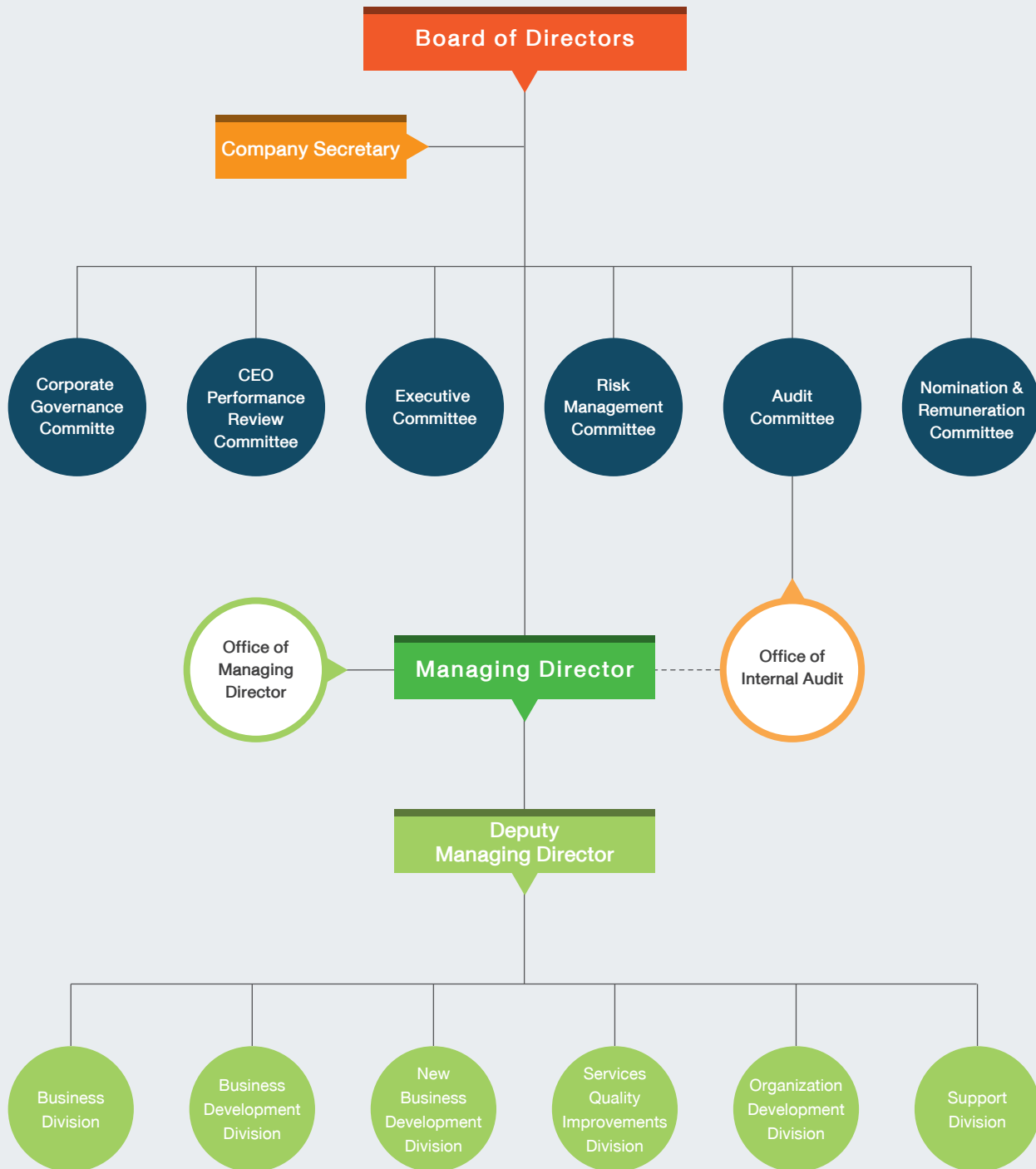
The Company's dividend policy is to pay dividend no less than 30% of profit after tax, if the fund is not required elsewhere and subject to the economic and future project of the Company and its subsidiary and the payment would have no significant effect on the company's normal operation.

The Company's 2017 dividend payment was approved by the board of directors on February 27, 2018 a dividend payment of 21 percent of net profit after tax. This was below the dividend policy of the company. Since the year 2018 the company is planning to expand its investment by continuing to expand INET-IDC3 Phase 2 to provide support services by the year 2561, including the expansion of the BCP. Reserve some money to use in the investment. The submitted to the Annual General Meeting of shareholders of the company.

The Company's Dividend Payment Info

	2017	2016	2015
Dividend per share (baht)	0.1259	0.0789	0.015
Dividend in total (million baht)	62.94	39.45	3.75
Dividend per net profit (%)	21	50	34.22

MANAGEMENT STRUCTURE



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

1. Board of Directors

As of December 31, 2017, the Board of Director consisted of 12 members as follows;

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

Remarks :

- 1 Dr. Narong Sirilertworakul was appointed into the Board Director Member effective on August 12, 2017. And was appointed into Risk Management Committee Member, Corporate Governance Committee Member, effective on December 21, 2017.
- 2 Dr. Kamthon Waithayakul was resignation. Effective from February 16, 2018.
- 3 Mr. Sahas Treetipbut was appointed into CEO Performance Review Committee Member, effective on December 21, 2017.

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 2.Dr. Narong Sirilertworakul jointly with either one of 12.Mrs. Morragot Kulatumyotin, 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 Mrs. Morragot Kulatumyotin or 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.

2. 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, 2017, the Executive Committee consisted of 3 members as follows;

1. **Prof. Dr. Pairash Thajchayapong**
Chairman of Executive Committee
2. **Mr. Sahas Treetipbut**
Executive Committee Member
3. **Mrs. Morragot Kulatumyotin**
Executive Committee Member and Secretary

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 50 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.

3. 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, 2017, 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.** ¹
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

Remarks:

- 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 is in compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand and the laws relevant to the Company's businesses.
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 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.
6. To prepare, and to disclose in the Company's annual report an audit committee's report which must be signed by the audit committee's chairman and 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.

4. 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, 2017, 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.

5. 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, 2017 the Risk Management Committee consisted of 3 members:

1. **Ms. Narumol Wangsatorntanakun**
Chairman of Risk Management Committee
2. **Mr. Narong Sirilertworakul**
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.

6. 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, 2017 the CEO Performance Review Committee consisted of 2 members as follows:

1. **Mr. Sahas Treetipbut**
CEO Performance Review Committee Member
2. **Ms. Tanwadee Wongterarit**
CEO Performance Review Committee Member
3. **Dr. Kamthorn Waithayakul**
CEO Performance Review Committee Member

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.

7. Corporate Governance Committee

The Board of Directors of Internet Thailand Public Company Limited at the Meeting held on 11 August 2016 resolved to appoint Corporate Governance Committee to oversee the compliance with policies, rules and regulations effective on the Company, as well as to assist generating sustainable business value which indicates the responsibility to the Company's Shareholders and Stakeholders.

As of December 31, 2017 the Corporate Governance Committee consisted of 3 members as follows:

1. **Dr. Narong Sirilertworakul**
Corporate Governance Committee
2. **Ms. Nilobon Tangprasit**
Corporate Governance Committee Member
3. **Mrs. Morragot Kulatumyotin**
Corporate Governance Committee Member

Authority and duties of the Corporate Governance Committee

1. Set policies and practices of corporate governance, including other relevant policies under the law, rules and regulations of regulatory authorities such as the Stock Exchange of Thailand, the Securities and

Exchange Commission, and related agencies, as well as guidelines for good corporate governance in accordance with the international standards, to propose to the Board of Directors for approval.

2. Monitor, support, and advise the directors and executives of the Company on the duties and responsibilities in compliance with the good corporate governance policy, including arrange activities to educate staff and set a manual to use in communicating.
3. Review and update policies and practices of corporate governance, other relevant policies, code of ethics, and business ethics as necessary and appropriate in order to conform to the international standard, laws, rules and regulations, as well as the Company's business.
4. Prepare the annual report regarding the good corporate governance and present to the Board of Directors for comments and suggestions.
5. Appoint working committees or hire advisors/specialists as necessary. The Company shall be responsible for all cost incurred.
6. Perform any other duties assigned by the Board of Directors.

8. 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, 2017 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

9. Attendance of the Board of Directors' Meeting for the year 2017

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 2017 are as follows.

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

Remarks :

- 1 Dr. Thaweesak Koanantakool was resignation. Effective from August 12, 2017.
- 2 Dr. Narong Sirilertworakul was appointed into the Board Director Member effective on August 12, 2017. And was appointed into Risk Management Committee Member, Corporate Governance Committee Member, effective on December 21, 2017.
- 3 Dr. Kamthon Waithayakul was resignation. Effective from February 16, 2018.
- 4 Mr. Sahas Treetipbut was appointed into CEO Performance Review Committee Member, effective on December 21, 2017.

10. 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.

11. Executives

As of December 31, 2017, Management team consisted of 7 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
7. Mrs. Varaporn Pintola Senior Vice President

12. 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, 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.

13. Remuneration of Directors and Executives

Directors' Remuneration

The Nomination and Remuneration Committee has carefully considered and determined the pay for 2017 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 THB 6.50 million baht and reward for 2016 to THB 7.30 million was proposed to cover all kinds of compensation – such as meeting allowance and other benefits – for the committee members in 2017, and this proposed budget has been approved in the annual general meeting of 2017.

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	Baht 30,000 /person/month
Directors	Baht 25,000 /person/month

The Audit Committee

Chairman of the Audit Committee	Baht17,500 /person/month
Audit Committee Members	Baht15,000 /person/month

Other Subcommittees

Chairman of the subcommittee	Baht17,500 /person/month with meeting (s)
Vice Chairman of the subcommittee	Baht15,000 /person/month with meeting (s)
Subcommittee Members	Baht15,000 /person/month with meeting (s)

Directors' remuneration in 2017

Board of directors	Meeting Allowances									Total
	Board of directors'	Executive Committee	Audit Committee	Nomination & Remuneration Committee	Risk Management Committee	CEO Performance Review Committee	Corporate Governance Committee	Jointly meetings between Audit Committee and Risk Management Committee	Reward and pension	
1. Prof. Dr. Pairash Thajchayapong	360,000	157,500	-	-	-	-	-	-	811,857.	1,329,357
2. Dr. Thaweesak Koanantakool	200,000	90,000	-	-	15,000	30,000	35,000	15,000	650,285	1,035,285
3. Dr. Narong Sirilertworakul	100,000	-	-	-	-	-	-	-	-	100,000
4. Dr. Kamthon Waithayakul	300,000	-	-	-	-	30,000	-	-	650,285	980,286
5. Dr .Apiruck Preechayasomboon	300,000	-	-	-	-	-	-	-	379,333	679,333
6. Ms. Tanwadee Wongterarit	300,000	-	-	-	-	30,000	-	-	650,285	980,286
7. Mr. Aniruth Hiranraks	300,000	-	-	-	-	-	-	-	650,285	950,285
8. Prof. Emeritus Achara Chandrachai, Ph.D.	300,000	-	210,000	-	-	-	-	35,000	650,285	1,195,286
9. Mr. Aran Permpiboon	300,000	-	180,000	52,500	-	-	-	30,000	650,285	1,212,786
10. Ms. Narumol Wangsatorntanakun	300,000	-	180,000	-	70,000	-	-	35,000	650,285	1,235,286
11. Mr. Sahas Treetipbut	300,000	135,000	-	45,000	-	-	-	-	650,285	1,130,286
12. Ms. Nilobon Tangprasit	300,000	-	180,000	45,000	-	-	60,000	30,000	650,285	1,265,286
13. Mrs. Morragot Kulatumyotin	300,000	135,000	-	-	60,000	-	60,000	30,000	650,285	1,235,286

Executives' Remuneration

The total amount of remuneration for 7 executive board members is 28.8 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.

14. Personnel

The Number of Employees and Remuneration

As of December 31, 2017, The Company had a total of 710 employees who work in different parts as follows.

1. High-level executives	7 (persons)
2. Business units	144 (persons)
3. Business Development	289 (persons)
3. Support units	113 (persons)
4. Engineering	157 (persons)

As of December 31, 2017, Associates and subsidiaries, employs 107 employees .

In 2016, the total amount of compensation for 875 employees (high-level executives not included) is 312.7 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 maintain and promote the health of employees.

The company has set up welfare funds for medical expenses. To help pay for employees. Including the provision of fitness and sport. To provide a recreational activity for the health of employees and executives. And provide an annual health check. To promote self-care for healthy, sustainable and quality in the long term.

2.The availability of loans for housing welfare. In order to encourage employees to live their own firm. Encouraging morale in the workplace for employees. And contributes to the loyalty to the organization. The Company has provided benefits for housing loans with the Bank. To facilitate the employees who wish to apply for housing loans by obtaining reasonable interest rates. And get a loan due to be repaid from payroll directly.

3.The Memorandum of loans in Thailand Circle to benefit the company. To enhance liquidity The cost of private borrowers and help alleviate the financial problems of borrowers when necessary. As well as to support the living conditions of their employees better.

4.Preparation of agreement with the Islamic Bank loans to benefit the company. The employees have the option of using appropriate credit. Because most employees are older build. The company, with an average age of employees is 27 years, has selected loans with interest rates. The object of the credit varies for each bank is provided.

5.The provision of benefits in cash in the agenda such as contribution to the marriage. The funeral grant allowance for staff, parents, spouse, children, the grant ordination. The contribution of education of children.

6.Provide a group life insurance policy. And grants for income. Disability due to a reason other than performance. To help employees and their families if the victims.

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 Finance for non-Finance Program Strategic Planning Program, KPIs , Succession Planning Program etc.

1.2) Training for operation-level employees

The Company has consistently been developing its employees at operation levels through a variety of ITIL Foundation Certificate Edition 2011 programs , Big Data programs , MySQL for Administrator program Security Service program ,Cloud Streaming program ISO 22301 (Business Continuity Management) program etc.

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 Road Map , ISO 22301 :2012 program , Excell , ISO/IEC 22301 : 2012, ISO 27799 Health informatics - Information security management , PCIDSS v.3.2 requirements and training materials ,ISO 27001:2013 Awareness and Interpretation, CSA Cloud STAR requirement and Interpretation, ISO/IEC27017 Information security controls practice for cloud services ,Introduction & Awareness to ISO 20000 etc.

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.

- the Capital Market Academy Leader Program.(CMA)
- Professional recruitment strategies.
- Professional interviewing techniques.
- the role of Commander of line in human resource management.
- the development of career advancement and career-path creation practice.
- Analyzing financial information to management's decision.
- After the practice encouraged investment.
- Enterprise risk management Version 10
- IT Audit for Non - IT Auditor Masterclass 11
- Configurung Advanced Windows Swever 2012
- OpenStack Administration Workshop
- Zimbra Open Source Edition Administration
- Filing of income tax calculations and a half years (PND. 51).
- Strategic Financial Leadership Program
- Implement Cisco Collaboration Devices
- Workshop Automate Sofeware Development
- Project Managemenet Professional Examination

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 2016 (hours)	Average amount of time for training (hours/ person/year)
599	14,500	24.20

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 2017 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)
710	6.0	0.85

Remark:

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



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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.

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CORPORATE GOVERNANCE

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) 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 2017, 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 2017, INET held 1 shareholders' meeting, the 2017 Annual General Meeting of Shareholders, on Thursday 21 April 2017 at 1.30 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 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 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 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 2017 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 2017 to 31 January 2017. 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 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 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 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.

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.

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.

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. The company recognizes the importance of the Good Corporate Governance and adheres the significant international principles as follows;

- Accountability
- Responsibility
- Fairness and Integrity
- Transparency
- Creation of Long-Term Value to all Stakeholders
- Promotion of Best Practice
- Vision
- Development of Corporate Governance and Business Ethics

Apart from the above principles, the Company also upholds the following 3 internal factors that effectively accelerate the growth of the Company.

1. Professionalism of every personnel which includes the competency, trustworthiness, discipline, responsibility and preparation for development
2. Good Internal Control System which refers transparent operation
3. Fiduciary Duties towards Stakeholders including Shareholders, Customers, Employees, Government, Partners, Suppliers and Creditors

The Company places the importance on all stakeholders and treats every party equally. Good Corporate Governance will happen with the cooperation of personnel at all levels to recognize, understand and comply it properly. It is the duty of all employees to recognize Board of Directors Policy, Human Resource Policy, Employee Code of Conduct, Policy on Conflicts of Interest, Policy on Internal Audit, Procurement Code of Conduct, Policy on Accounting and Finance, Policy Corporate Social Responsibility, Policy on the Company's Confidentiality, and Policy on Securities Trading, etc., which executives and employees acknowledge and uphold strictly and constantly.

In 2016, the Company created a Code of Conduct Manual as a guideline and a moral standard of the Company for the business operations by emphasizing the management

for sustainable growth. Thus, the goal of the Company is not only to generate maximum profit, but also to recognize all responsibilities for all aspects of environmental factors, namely, economy, legal and business ethics by respecting all stakeholder as a basis for sustainable growth. In this regard, the Company assigned a Corporate Governance Committee to regularly evaluate the compliance with the Code of Conduct, and report to the Board of Directors at least 1 time a year.

Practice towards major stakeholders of the company

SHAREHOLDERS

The Company has set the policy and practices regarding the shareholders in the Code of Conduct Manual. 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 has set the policy and practices regarding the customers in the Code of Conduct Manual. 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.

In 2560, the company issued a survey of customer satisfaction with the services of the company. The survey by the customer service and support. The poll results are as follows:

Total 89.7%	
Services 88.6%	Support 89.8%

EMPLOYEES

The Company has set the policy and practices regarding the employees in the Code of Conduct Manual by giving priority to human resource management and employee ethics and recognizing the value of human resources. The Company shall induce employees to work most effectively under the fair employment which provides the equitable career advancement opportunity. All employees are equally treated without the discrimination on the ground of race, gender, color, religion, national origin, age, ethnicity, physical disability and personal issues irrelevant to job performance. The Company shall protect all employees from harassment and intimidation from any persons and by all means. Moreover, the Company sets up the fair wage system by the following factors.

- Position, field of knowledge, individual competency, complication of job, assigned responsibility, and normal work condition
- Capability of each employee showed up in terms of a performance result according to the assigned duties and responsibilities. The objective is to attract and retain talented individuals that match the Company's requirement to work efficiently
- In the case that employee is assigned to travel on duty or for strengthening one's ability, the Company shall bear the expenses derived from the travel according to the necessity and social status of the employee
- Working for the Company, employees should receive a compensation in order not to pay the expense incurred from work. On the other hand, employees should not receive any other special compensation except normal compensation and compliment.

The Company has established policies and practices regarding health, safety and work environment. Placing an importance on health, the Company arranges an annual health check and Vaccination against infectious diseases, provides the reimbursement of medical expenses, promotes a workout campaign for good health of employees, designs safe and hygienic working environment in which risk of accidents is reduced and controlled, provides protection device and training regularly, as well as sets business continuity management plan to support emergency situations or disasters that may occur.

The Company has established policies and practices regarding social, community and environment in order for the employee to realize the importance and influence of online media in Thailand in all aspects such as, a social, a business, and an education. As an internet and ICT services provider, the Company urges the employees to strictly comply with relevant laws such as the Computer Crimes Act, and supports activities to promote the use of Internet safety.

For environment, the Company places the importance on both directly and indirectly by supporting and encouraging employees to save electric energy and water supply.

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. 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

The Company has set the policy and practices regarding the business partners in the Code of Conduct Manual. 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 has set the policy and practices regarding the business competitors in the Code of Conduct Manual. The business competitors are not considered just business rivals, but under the competition circumstances, they might turn into significant business alliances in the future in conformity with the international principles under the laws relevant to the business competition practices 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 has set the policy and practices regarding the creditors in the Code of Conduct Manual and 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

The Company has established policies and practices regarding society, community and environment in order for the employee to realize the importance and influence of online media in Thailand in all aspects such as, a social, a business, and an education. As an internet and ICT services provider, the Company urges the employees to strictly comply with relevant laws such as the Computer Crimes Act, and supports activities to promote the use of Internet safety.

In social/community aspect, the Company realizes the significance of the use of Internet which highly influences the daily life of modern society. Especially for children and youth, the Company supports the use of the Internet in a safe and creative way. The Company also promotes the adoption of information technology and the Internet as a medium for social and economic development, especially for rural community and disadvantaged people to be familiar and able to use such kind of technology to enhance the quality of life in Thailand's society.

In educational aspect, the Company grants an opportunity to the interested academic institutes and organizations to visit the INET Data Center or computer data operation center to study new technologies of the Company, which is an important source of Internet information in Thailand and worldwide, as well as to observe the Company's operations which attracts a number of institutions and organizations to continuously visit the Company.

In environmental aspect, the Company gives the importance to both directly and indirectly. For direct focus, the Company supports and induces employees to save electricity and water supply by using as necessary, turning off the light during a luncheon break and after work time, using both sides of paper for maximum benefit, and reducing the unnecessary use of paper by using digital files instead of copied documents. For indirect focus, the Company's Computer Information Operation Center was constructed with the technology that helps to save energy as the walls of the building have features to prevent the external heat so that the air conditioner inside does not need to fully work resulting in energy savings. Moreover, the light bulb selected are LED Motion Sensor which illuminates when motions are detected and turns off automatically after inactivity. This kind of light bulb not only saves the energy but also lasts longer than regular bulb. Furthermore, the fire extinguisher chemical solution and refrigerant selected to use in the Center neither harm the environment nor cause global warming.

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.

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.



5 Disclosure and transparency

5.1 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 awarded 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.

5.2 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 document 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 (<http://ir.inet.co.th>), annual registration statement (Form 56-1) and annual report (Form 56-2).

5.3 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 1379, Company's website at <http://ir.inet.co.th> and e-mail address : ir@inet.co.th. In 2560 the Company's investor relations activities as follows:

- Joined the Opportunity Day 1 of the Stock Exchange of views
- Analyst 5 times

The investor relations activities. Executives involved

every time.

5.4 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.

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.

In 2017, the Board of Directors Has reviewed and approved the vision, mission, strategic direction and business operations of the company. According to the business based on the principles of corporate governance. And monitor compliance with the company's strategy into practice. In the meeting on time. The Commission has monitored the implementation of the management. By requiring the reporting of operating results and performance of the Company.

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:

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

6.1 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.

6.2 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 30 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.

6.3 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 2017, the Board of Directors has held 9 meetings.

Directors must have a duty to participate in a meeting, except as required in the lap of the meeting and at every Board meeting, invite the executives of all attendees, including invited executives on matters related to clarify information or to provide additional information as a particular story directly applies to decisions of the Board of Directors.

Also in 2017, has set the meeting schedule for the year 2018 in advance. (Meeting schedule is subject to change), excluding the special meeting agenda follows

No	Board of Directors	Board of Directors	Board of Directors	The CEO Performance Review Committee
1	January, 24 2018	January,13 2018	January, 24 2018	February, 22 2018
2	February, 26 2018	February,10 2018	February, 22 2018	December, 20 2018
3	March, 24 2018	March, 10 2018	May,14 2018	-
4	May,14 2018	May, 5 2018	August, 14 2018	-
5	August,14 2018	August , 4 2018	November,12 2018	-
6	November,12 2018	November, 3 2018	December, 20 2018	-
7	December, 20 2018	December,15 2018	-	-

No	The CEO Performance Review Committee	Corporate Governance Committee	The Risk Management Committee	Jointly meetings between Audit Committee and Risk Management Committee
1	February ,26 2018	March,15 2018	February, 8 2018	February ,15 2018
2	December ,20 2018	June,14 2018	May, 3 2018	November,29 2018
3	-	September,13 2018	August, 2 2018	-
4	-	December,12 2018	November, 22 2018	-

6.4 Executive Sessions for Non-executive Directors

Under the Company's Corporate Governance Policy, non-executive directors shall hold meetings to discuss matters related to the Company's business, or issues of common interest, without the presence of executive directors.

During the year 2017 has been a meeting of the non-executive directors including 1 times on December, 21, 2017.

6.5 Orientation

The company will provide orientation director at the inauguration of new directors in the board of directors. To create knowledge and understanding of the business and the various aspects of the company to prepare in the performance of directors. As well as the duties and responsibilities of the board of directors and board committees of various, including various data related to the Company regulations, annual report, policy, corporate governance and ethics guide.

However, on September, 8, the Company conducted an orientation for new directors 1 director is Dr. Narong Sirilertworakul.

6.6 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 of shareholders to consider and approve.

6.7 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.

In the Year 2016, Mrs. Morakot Kulatumyotin, Director, Executive Director, Member of Risk Management Committee, Member of Corporate Governance Committee and Managing Director, attended the Capital Market Academy Leader Program.(CMA), to build Executive knowledge capital markets business with vision is a dynamic and consists of leadership integrity. Can make your organization reach the goal of both the Organization's mission and role in society.

Evaluation of the Board of Directors' Performance

Evaluation of the annual performance of the entire board of directors.

The performance assessment of the board of directors is conducted on a yearly basis. In 2017, the assessment was conducted on both the individual and the whole board basis at the Meeting No. 9/2017 held on

December 21, 2017. 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

Self-assessment process:

1. To evaluate the effectiveness of the Board as well as the 1 time per year
2. Company Secretary and summarized the results of evaluating the performance of the operations of the Board of Directors and the Board. And propose solutions to improve operational efficiency, the Board of Directors.

The results of annual performance evaluation of the Board of Directors. In the year 2017 evaluation to 97.67%
Evaluation of the annual performance of individual Directors.

The performance assessment of the board of directors is conducted on a yearly basis. In 2017, the assessment was conducted on both the individual and the whole board basis at the Meeting No. 9/2017 held on December 21, 2017. In this session, the performance of individual 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. The Committee's meetings
3. Role, duty and responsibility of the Committee

Self-assessment process:

1. To evaluate the effectiveness of the Board as well as the 1 time per year
2. Company Secretary and summarized the results of evaluating the performance of the operations of the Board of Directors and the Board. And propose solutions to improve operational efficiency, the Board of Directors. The results of annual performance evaluation of individual Directors. In the year 2017 evaluation to 97.92%

The Annual Performance Evaluation by the Audit Committee

The Audit Committee's performance also is evaluated on a yearly basis. In 2017, the Audit Committee managed to have a self-assessment session in the 9/2016 meeting on October 20, 2017. 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.

6.8 Code of conduct

The Company is committed to the rightful conduct as a business operation guideline for the directors, executives and all employees. In the year 2016, the Company has established a Code of Conduct Manual for the directors, executives and all employees to adhere to in performing mission duties with honesty and integrity, both towards the Company and all stakeholders. The Code of Conduct and the Corporate Governance Policy are published on the Company's intranet where the directors, executives and all employees can access conveniently throughout time.

6.9 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.

6.10 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.

6.11 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.

6.12 Internal control

The 9/2017 meeting of the Company's board of directors on December 21, 2017 was attended by four of the Audit Committee. The board of directors evaluated the internal control system of Internet Thailand Public Company Limited in 2017. The Board has assesse 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.

6.13 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 6 subcommittees, namely the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, the Corporate Governance 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 December 31, 2017 the Board of Directors comprises of 12 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.

1) Neutrality of non-executive directors

The Board of Directors comprises of 12 directors and can be summarized as follows:

Status	Executive Directors	Non-Executive Directors	Audit Committee
Directors who are the representatives	-	6	-
Directors who are not the representative of shareholders	1	5	4

The Company has total 4 Independent Directors, or one-third of all 12 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) 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 6 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.

6. The Corporate Governance Committee was appointed on August 11, 2016 in order to ensure the compliance with the relevant rules, regulations and policies effective on the Company as well as to create the sustainable value to the business which represents the responsibility to the Company's shareholders and stakeholders.

3. Nomination and Appointment of Directors and Executives

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.

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.

Component and Appointment of the Corporate Governance Committee : The Board of Directors appoints the Risk Management Committee by selection from the Company's Directors.

In the 2017 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 2017.

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 31,2017 of the Company pay to ANS Audit Co.,Ltd. was 1,545,210 Baht Audit fee for account period ended December 31,2017 of the subsidiary pay to ANS Audit Co.,Ltd. was 1,120,000 Baht

Non-audit fee

None

7. Compliance with corporate governance good in others.

The company recognizes the importance of good governance and give priority to equal treatment to the mutual benefit of all parties. Has established a Corporate Governance and Ethics Guide is written. In order to promote the implementation of good corporate governance.

CORPORATE SOCIAL RESPONSIBILITY (CSR)



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 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. In 2017, the appropriate policy is under review. Published by 2017, when the June 22 via email, Intranet, and website of the company.

In addition, the company sent employees to attend a course encompassing 400 companies to fight the corrupt systems. Organized by the Institute of Directors of Thailand.

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.

In 2016, the Company conducted a self-assessment on measures against corruption version 2.0 under the Thailand's Private Sector Collective Action Coalition against Corruption (CAC). Since the data to be submitted for certification and some of the information in the compulsory assessment form had not completely met the criteria determined by the Board of CAC, the Company requested an extension to file the information and the assessment form. The CAC Board has thus extended an additional six months from the due date to apply for certification, the schedule of which to submit the document is within June 15, 2017,

In 2017, the company was informed of the resolution of the document submitted for certification. Secretary of the Committee recognizes companies that are taking place practices to prevent corruption. In August 2017 that the documents should be improved further. By asking companies to consider the risks identified corrupt. And in accordance with appropriate procedures and internal controls of the Company. And send amendments back to the subcommittee. The closing date for the Quarter 4/2017 Quarter document is dated December 15, 2017, the Company entered into a joint project with the Workshop alignment practices (Collective Action Coalition) Thailand's private sector in the fight against

corruption. Delivered an updated document on the advice of the project is expected to be determined by the results of the certification quarter 1/2018.

In addition, the company has joined the project and listen to clarify the criteria for awarding organization Transparency No. 7 (NACC Integrity Awards) in honor of ethics and integrity. The Office of the Anti-Corruption Center (NCC) to show the spirit of the anti-corruption and corrupt in all forms.

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. Notification of whistleblower and clues via the company's website.
(<http://www.inet.co.th/whistleblower>)
2. Sealed letter to:

*Chairman of the Audit Committee or Chairman of the Corporate Governance Committee or Company Secretary or Executive of Internal Audit Department:
Internet Thailand Public Company Limited
1768 Thai Summit Tower, 10-12 & IT Floors
New Petchaburi Road, Bang Kapi, Huai Khwang,
Bangkok 10310*

the whistleblower should include details of fact or evidence sufficient to show that there are reasonable grounds. Believes that there is an act that violates laws, regulations, company. Or the Company's Code of Business Conduct occurred.

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.

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 strengthen their commitment to the best service to meet their needs. Customers gave the company quality system is certified to international standards continuously. The scope of certification covers the Service Cloud, Enterprise Network Connectivity and Internet Data Center follows.

- ISO/IEC 20001:2013 on Management information

service, the scope of services and service Enterprise Cloud Network Connectivity. At Thai Summit Tower and Bangkok Thai Tower Comprehensive Data Center all 3 site

- ISO 22301:2012 on business continuity management systems under the scope of cloud services for both Thai Summit Tower and Bangkok Thai Tower.
- 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 27001:2013 on Information Security Management for both the Company's offices at Thai Summit Tower and Bangkok Thai Tower
- ISO/IEC 27001:2013 on information security management systems under the scopes of cloud services and INET Data Center (INET-IDC) for both Thai Summit Tower and Bangkok Thai Tower.
- ISO/IEC 27799:2016 on information security management under the scope of cloud services, according to the best practice in health informatics, for both Thai Summit Tower and Bangkok Thai Tower.
- PCI Data Security Standard (PCIDSS) Version 3.2 under the scope of cloud services, for both Thai Summit Tower and Bangkok Thai Tower.
- Uptime TIER III Certification of Design Documents (TCDD) for INET-IDC3 Internet Data Center 1

The company is also certified as suppliers of a quality partner, from the owner of official world class products include:

- Cisco Cloud and Managed Service Program Partner (Cisco CMSP Partner)
- SAP® Certified Outsourcing Partner for both SAP® Hosting, SAP® Cloud Infrastructure SAP® HANA

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 is built using technologies that help to save energy. For example, the walls are insulated to prevent heat outside to the inside

and the fire makes the air-conditioning in Internet Data Center (INET-IDC), contribute to saving energy. Also within Data Center to use products bulb LED motion sensor lamp which illuminates when the activists were arrested. And turns off after no movement. Thus saving energy and the life of the system for 15 years, fire extinguishing agents. The eco-friendly biodegradable to them. There is air conditioning (Air Condition) is a substance that does not destroy the clean atmosphere. A variable speed fan when the temperature within the center has changed Electrical (Electrical System) based UPS (Uninterruptible Power Supply) with efficiency.

7) Participation in Community and Society Improvement

The company recognizes the importance of the Internet has highly influenced the daily life of modern society. Specifically for use in children and youth. The company supports the use of the Internet in a safe and creative by providing support for the development of the Internet Foundation Thailand. (www.inetfoundation.or.th) continuously for over 10 years to promote the adoption of information technology. And using the Internet as a medium. In the economic and social development especially in rural and disadvantaged communities. They can learn Familiarity and use of technology enhance the well-being of Thailand for the better, the company has provided opportunities for institutions and organizations that are interested, visit Internet Data Center (INET-IDC) and learn the operations of the company. The institutions and organizations interested in the study of many companies.

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

1. The activities with Thai Summit Company Limited, Project volunteers, artificial flower, “999 flower For the King Rama 9” to the personnel working in the building Thai summit tower have participated in this activity. And then delivered to the government to bring in the Royal Highness for the body of Bhumibol Adulyadej. On Thursday, October 26 2017.

2. Foundation social innovation of labor and the Ministry of social development and human security, join a campaign "The project to work disability employment in the community and promote the career for people with disabilities."

3. The activities with Siam City Cement Public Company Limited to kathin at Wat Paphai, Saraburi Province on October 15 2017 supported by charity from executives and employees of the company. Internet Thailand Public Company Limited and its affiliates. In order to build good relationship between the company and the community in the temple the nurture of Buddhist religion together.

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.

INTERNAL CONTROL AND RISK MANAGEMENT



The 9/2017 meeting of the Company's board of directors on December 21, 2017 was attended by four of the Audit Committee. The board of directors evaluated the internal control system of Internet Thailand Public Company Limited in 2017 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

1. 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.

2. The organization shall identify and analyze all kinds of risk that may arise in and affect the organization.
3. The organization shall estimate the chance of corruption during risk assessment in order to achieve its goals.
4. The organization shall point out to plausible changes that may occur and affect the internal control and evaluate them.

Part 3 Control Activities

1. The organization shall have measures to reduce to an acceptable level the risks that may prevent the organization from being successful.
2. The organization shall utilize technologies in control activities.
3. 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

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

Part 5 Monitoring Activities

1. The organization shall monitor and evaluate internal control to make sure that it runs smoothly and properly.
2. 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 2017, the Company adopted the recommendations of the Audit Committee to take action to improve the effectiveness of internal control systems, such as knowledge about managing risk in the orientation of new employees every training Fraud Risk. Awareness and evaluate opportunities that may be fraud. With support measures, including policies to combat corruption and corrupt. Communication on the protection of the complainant and other interested parties. On the website of the company. And linked to channel complaints and identify the whereabouts of misconduct or corruption. (Whistle-blower hotline)

In addition, the Company's auditor for 2017 – Mr. Yuttapong Chamuangpan, Registration No. 9445 – who is responsible for the Company's audit until December 31, 2017, has not all at pointed out in his report that the Company's internal control system has any defect.

Internal Auditor

From the 11/2016 meeting of the Audit Committee on December 19, 2016, the Committee selected Dharmniti Co., Ltd. as a successful candidate to provide auditing service to the Company for 2017. 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 14 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.

RELATED PARTY TRANSACTIONS

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 2017	Opinion on connected transaction
1. A related party ^{1/}	Major shareholders	Cost of international and domestic leased line	44,362	Market price
		Revenues from Internet service and hire of workcontract	7,742	Market price
		Dividends	19,330	According to the announcement.
2. Netbay Co., Ltd.	Associated Company	Revenues from Internet service	5,928	Market price
3. INET Manage Services Co.,Ltd	Joint Venture	Revenues from Internet Service	4,923	Cost plus profit on agreement

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.

Accounts receivable and accounts payable as at 31 December 2017

A related party^{1/}

(Unit : thousand Baht)

- Trade accounts receivable	3,993
- Unbilled service income	0
- Account payable	1,742

Netbay Co., Ltd.

(Unit : thousand Baht)

- Trade accounts receivable - Associated Company	6,440
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INET Manage services Co.,Ltd.

(Unit : thousand Baht)

- Trade accounts receivable – Joint Venture	2,810
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2) 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.

3) 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.

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) 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.

The Company 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.



EXECUTIVE COMMITTEE REPORT



The executive committee of the Company currently consist of three people, two directors, and the chairman as follows:

- | | |
|------------------------------------|--|
| 1. Prof. Dr. Pairash Thajchayapong | Chairman of the Executive Committee |
| 2. Mr. Sahas Treetipbut | Executive Committee Member |
| 3. Ms. Morragot Kulatumyotin | Executive Committee Member and Secretary |

The Board of Directors created the Executive Committee in order to develop a policy and strategy, support in management, and making sure that the Company is following its vision, mission, goal, and direction that it had set. The executive committee is also there to make sure that the tasks given by the Board of Directors is done with quality to ensure the most returns for everyone related.

In 2017, the Executive Committee held 9 meetings which is done according to the regulations and have reported the results of each meeting to the Board of Directors in agendas constantly to keep a good business trend. Important details on what the Executive Committee have done are as follows:

1. Follow up on the progress of the Company and compare the results with the goal. Prioritize on making sure that the management team is following on the decisions of the Board of Directors.
2. Set the policies, vision, mission, business plan, and other investment in 2017 to match the current economy and competition and bring them to the Board of Directors for consideration
3. Review the 2017 Company Business Plan and bring it to the Board of Directors for consideration
4. Review and approve of credit loaning for different projects including buying equipment to expand and improve the quality of service, so that the Company can manage its budget under reasonable risks and bring it to the Board of Directors for consideration
5. Review and approve of other business given by the Board of Directors

P. Thajchayapong

(Prof. Dr. Pairash Thajchayapong)
Chairman of Board of Directors
Internet Thailand Public Company Limited

AUDIT COMMITTEE REPORT



The Audit Committee of Internet Thailand Public Company Limited currently consists of members with the qualifications of the Audit Committee of the Stock Exchange Thailand (SET) and Securities and Exchange Commission Thailand (SEC). In addition, all the members are experienced in finance and banking, managing, and law, the members are as follows:

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

In 2017, the Audit Committee held 11 meetings. The meetings mentioned consists of the directors, external auditors, and internal auditors. The Audit Committee reports the results of the meetings to the Board of Directors in agendas constantly and in 2017, the Audit Committee held a meeting without an external auditor once on meeting No.7/2560, Friday 11 August 2017. The meeting was about consideration regarding the accuracy of the financial statements.

The important details regarding the operation of the Audit Committee can be summarized as follows:

1. Auditing Financial Statements

The Audit Committee reviews the financial statement of each quarter and the annual budget. The directors and the external auditor are asked to joined the meeting to questions any concern regarding the accounting policy implemented which in 2017, the Company has revised the accounting policy to fit the current economy status along with important changes throughout the year, the trustworthiness of the financial report, availability of the information, and meeting the standards that is accepted globally and legally before approving the budget.

2. Auditing the internal control system and internal audit

The Audit Committee have audited and reviewed the internal control system by looking at the internal audit report 2017 and choosing an internal auditor from within the Company to audit the internal control system and follow the results closely. The audit reports say that the

(Prof. Emeritus Achara Chandrachai, Ph.D.)
Chairman of the Audit Committee
Internet Thailand Public Company Limited

Company has a reasonable internal control system and didn't find any problems or failures of any importance.

3. Auditing the Risk Management

The Audit Committee had 2 meetings with the Risk Management Committee to ensure that the Company had set policies and range of the risk management and the level of risk that the Company can accept reasonably and clearly along with insurance policies. The Audit Committee also noticed the directors and employees, so they can implement this risk management policies.

4. Auditing subsidiary companies

The Audit Committee have audited the transaction of the Company and its subsidiary companies to ensure that the Company is progressing smoothly along with providing complete information.

5. Self-Assessment

The Audit Committee have done a self-assessment on the structure of the committee, training and resources, meetings, activities of the committee, relationship between the internal auditor and the external auditor, and the directors. From the assessment, the committee have done all its job that is listed on the Audit Committee Charter, and shown positive results along with good practices which effectively helps enforces the business.

6. Consideration of Appointing the 2018 External Auditor

In 2017, ANS Audit Company Limited was the external auditor of Internet Thailand Public Company Limited and have been working together for 5 years, according to the regulation of executive committee of the Securities and Exchange Commission Thailand, the registered company need to change their external auditor at least once every 5 years. The Audit Committee then assign the finance team to coordinate with an audit company that passes the qualifications of the Securities and Exchange Commission Thailand for the 2018 audit fee, so that it can be proposed to the audit committee for consideration for the 2018 external auditor. The Audit Committee have evaluated the audit companies that were given by looking at their trustworthiness and freedom and appointed C&A Audit Office as the 2018 external auditor and proposed it to the Board of Directors for consideration and approval in the 2018 Shareholders Meeting.



NOMINATION AND REMUNERATION COMMITTEE REPORT



The nomination and remuneration of the Company currently consists of three members, two independent directors and the chairman as follows:

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

The Board of Directors created the Nomination and Remuneration Committee to support the operation of the Board of Directors in finding people and groups of people to serve as director, board of directors, secretary of other department as well as deciding the returns in place of the director and the board of directors to reinforce the trusts of the shareholders that everyone in position is qualified legally with the knowledge, skills, and capability to work for the best benefits of the Company and the shareholders.

In 2018, the Nomination and Remuneration held 3 meetings according to the meeting regulation set and have reported the results of each meeting to the Board of Directors to follow the corporate governance. The important details are as follows:

1. Find people who are to replace the directors that are retiring or quitting. These people should have these qualifications, knowledge and skills, experience, work history, ethnic and along with a mind set towards

the company and benefits the Company's progression and propose it to the shareholders.

2. Determine the compensation for the Board of Directors with the workload, responsibility, progression, and results. The compensation should be enough to show gratitude to the directors who are capable to performs their duty and helps the business headed in the direction it had set to.
3. Review the list of potential directors that are replacing the directors that quit and propose it to the Board of Directors and appoint them. The directors have considered their knowledge, skills, and experience with great care and above all prioritizes the benefit of the Company.
4. Nominate directors for the board of subcommittees to the Board of Director for promotionThe Nomination and Remuneration committee have done their jobs according to the company's governance, so that the nomination and remuneration process is clear and create trusts in the shareholders.

A handwritten signature in black ink, appearing to read 'Aran P.'.

(Mr. Aran Permpiboon)
Chairman of the Nomination and Remuneration
Committee Member
Internet Thailand Public Company Limited

RISK MANAGEMENT COMMITTEE REPORT



To the shareholders of Internet Thailand Public Company Limited

The Risk Management Committee of the Internet Thailand Public Company Limited was created by the Board of Directors on 26 February 2009. There are 3 members in the committee, Ms. Narumol Wangsatorntanakun, an independent director and the chairman of the Risk Management Committee, Dr. Thaweesak Koanantakool, and Mrs. Morragot Kulatumyotin both are directors and member of the Risk Management Committee. All the members are professional, skilled, and experienced in managing the Company's risks with the benefits in mind. The Risk Management Committee supports and manages the risk to keep it at a reasonable level to comply with the Company's strategy and goal, so that the Company's operations can reach its objective while protecting any demerits that may occur effectively and successfully.

In August, Dr. Thaweesak Koanantakool resigned from being a director of the Company which takes effect on 12 August 2017 resulting in his retirement from the Risk Management Committee Member. The process of finding someone qualified to replace his position is on its way. The Risk Management Committee have done its duty according to the Risk Management Committee charter. In 2017, 4 meetings were held for consideration on important topics as follow:

1. Approve the management plan of risks that may affect the Company business operation, so the Company's operation can proceed successfully according to the Company's objective.
2. Follow up on the locating and evaluating risks process and deploying a management system to manage the risks.
3. Follow up and review the risk evaluation of the Company constantly to check whether the risks have increased or changed from before, so that it can be dealt with in a timely manner.
4. Support and promote the renovation and improvement of the Risk Management System in the Company, so the Company can manage the significant risks and keep them at a reasonable level.

In 2017, the Company was in the process of getting approval from the Thailand's Private Sector Collective Action Coalition Against Corruption. The Risk Management Committee and the Board of Directors have taken the importance of risks regarding corruption into consideration. Plans have been made to protect the Company from corruption, informing and creating awareness to the employees along with creating ways to report suspicious behaviors, resulting in the Company having an effective comprehensive risks management system which will help enforce the Company's future and longevity.

A handwritten signature in black ink, appearing to read 'Ms. Narumol Wangsatorntanakun'.

(Ms. Narumol Wangsatorntanakun)
Chairman of the Risk Management Committee
Internet Thailand Public Company Limited

CEO PERFORMANCE REVIEW COMMITTEE REPORT



Review Committee Member, retired from being the Company's director of Internet Thailand Public Company Limited which takes effect on 12 August 2017, resulting in his retirement from the CEO Performance Review Committee Member as well.

The Board of Directors came to the conclusion to appoint Mr. Sahas Treetipbut as the CEO Performance Committee Member taking effect on 21 December 2017.

(Ms. Tanwadee Wongterarit)

CEO Performance Review Committee Member
Internet Thailand Public Company Limited

Before the 12 August 2017, The CEO Performance Review Committee consists of 3 members as follows:

1. **Dr. Thaweesak Koanantakool**
CEO Performance Review Committee Member
2. **Ms. Tanwadee Wongterarit**
CEO Performance Review Committee Member
3. **Dr. Kamthon Waithayakul**
CEO Performance Review Committee Member

The Board of Directors created the CEO Performance Review Committee in order to set rules and ways to evaluate and keep track of the performances of the CEO every 6 months.

In 2017, the CEO Performance Committee held 2 meetings and reported the results to the Board of Director according to the corporate governance. The important details are as follows:

1. Consider the performance results of the CEO in 2016 by comparing it to the Company's business plan, goal, and strategy.
2. Consider the rubric to use in evaluating the performance results of the CEO in 2017.
3. Consider the annual compensation and rewards for the CEO with the suitability of the duties and responsibilities given along with the Company's operations results and operation results of the CEO Since Dr. Thaweesak Koanantakool, CEO Performance

CORPORATE GOVERNANCE COMMITTEE REPORT

Internet Thailand Public Company Limited Board of Directors values the importance of promoting the Company's operation to follow the corporate governance with good business ethics. The Board of Directors assign the Corporate Governance Committee which consists of 3 members, Dr. Thaweesak Koanantakool, director and the Chairman of Corporate Governance Committee, Ms. Nilobon Tangprasit and Mrs. Morragot Kulatumyotin, independent director and director respectively, and both are Corporate Governance Committee Member. The committee proposes an action guideline for the Board of Directors and supervise different regulations and policies that is enforced in the Company along with prolonging the Company's value through showing the responsibilities to the shareholders.

Since in August, Dr. Thaweesak Koanantakool, Chairman of the Corporate Governance Committee, retired from being the director of the Internet Thailand Public Company Limited, effective on 12 August 2017 resulting in his retirement from the Corporate Governance Committee as well. Currently, the Company is searching for someone who is capable to replace the position in the Corporate Governance Committee.

As of 31 December 2017, the Corporate Governance Committee consists of two members as follows:

1. **Ms. Nilobon Tangprasit**
Independent Director, Audit Committee Member,
Nomination and Remuneration Committee Member,
Corporate Governance Committee Member
2. **Mrs. Morragot Kulatumyotin**
Director, Executive Committee Member,
Risk Management Committee Member,
Corporate Governance Committee Member

In 2017, the Corporate Governance Committee have followed the charter and its jurisdiction as assigned by the Board of Directors and held 4 meetings to follow up on the operation according to the corporate governance along with reviewing the anti-corruption policy and other policies to make it suitable and updated and propose the results to the Board of Directors.

The Corporate Governance Committee promote the following of the corporate governance along with using the information from Corporate Governance Report (CGR)



to improve the supervision of the Company's business resulting in the Company receiving an average score of 86% in 2017 which is better than 2016 in the Equitable Treatment of Shareholders, Roles of Stakeholders, Disclosure and Transparency, and Accountability section. The Company is confident that a good supervision is significant for the Company's operation to reach complete its objective and benefit the community as well as others involved along with the longevity of the Company.

(Ms. Nilobon Tangprasit)

Corporate Governance Committee Member
Internet Thailand Public Company Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Internet Thailand Public Company Limited is a one-stop service provider of ICT infrastructure that offers a comprehensive range of services from full internet access services for businesses, data center services, supporting equipment, and all the way to cloud services. As of present, the government has been actively striving to develop the country through the incorporation of big data and cloud computing at the national level. Likewise, many organizations have begun to integrate digital technologies into their business operations and shift towards Industry 4.0 in order to expand their businesses in the highly competitive and fast-changing market. Such changes have undoubtedly contributed to the continual growth in the Company's services and applications.

The Company has been a service provider of cloud services for many years and has incessantly developed its cloud services to embrace a variety of forms in order to correspond to all types of needs of the users. In addition, the Company has received various international standard certifications, such as ISO 22301:2012 on business continuity management systems for cloud services at two INET data centers, ISO/IEC 27001:2013 on information security management systems for cloud services at two INET data centers, and ISO 20000-1:2011 on information management and cloud services. These standard certifications undoubtedly guarantee that customers will receive high-quality services with optimal security. In addition, the Company is the first company in Thailand to have been certified with Cloud Security Alliance-Security, Trust & Assurance Registry (CSA-STAR), which is an information security standard that is specific to cloud-based systems. Apart from the aforementioned standards, the

Company strives to acquire standard certifications that are more specific to its businesses. Through such commitment, the Company has been certified with ISO 27799:2016 on information security management, according to the best practice in health informatics and PCIDSS. All of the foregoing certifications substantiate the Company's readiness in providing its services, which subsequently enabled the Company to acquire trust at an increasing number of large organizations. The Company also offers free trials to various organizations.

Performance Overview

In 2017, the Company and its subsidiaries reported an increase in revenue with the growth rate of 15.27% when compared to the previous year. The consolidated revenue from sales and services was THB 988.45 million. Such surge in revenue was primarily due to the increase in revenue from internet access services, which posted a growth rate of 39.39% when compared to the previous year. Meanwhile, revenue from co-location and EDC network pool services displayed continual growth at 26.88% and 25.45%, respectively. Likewise, revenue from cloud services also increased by 11.93% YOY, despite the fact that the major government customer did not extend the service agreement with the Company. In addition, the Company's gross profit margin increased from 22.91% in 2016 to 25.20% in 2017 as a result from the continuous growth in revenue, along with gains on sale of investment in associates, available-for-sale securities, and classification of investment in associates. The Company posted a net profit of THB 375.54 million, an increase of THB 291.17 million from the previous year, with a net profit margin of 24.36%.

Revenue

In 2017, the Company and its subsidiaries had a consolidated revenue of THB 1,541.49 million, comprising of revenue from sales and services at THB 988.45 million, which can be classified as follows:

Services	Y 2559 (Million Baht)	Y 2560 (Million Baht)	% YoY growth
Internet Access	152.65	212.78	39.39%
Co-Location	146.03	185.28	26.88%
EDC Network Pool	27.82	34.90	25.45%
Cloud Solutions	429.59	480.84	11.93%
Software Service & Others Service	101.42	74.65	-26.40%
Total	857.51	988.45	15.27%

The Company and its subsidiaries also reported THB 553.04 million in other income, an increase of THB 409.19 million or 284.45% from the previous year, which was accounted for by gains on sale of shares of Netbay Public Company Limited.

Costs of Goods Sold and Services Rendered

In 2017, the Company and its subsidiaries recorded THB 739.33 million in costs of goods sold and services rendered, which increased by THB 78.31 million or 11.85% from the previous year. Such increase in costs of goods sold and services rendered was in line with the surge in revenue. Meanwhile, the increase in depreciation on account of the Company's investment in new projects to expand its services further contributed to the increase in costs of goods sold and services rendered, as the depreciation of the newly completed project was recognized.

Selling and Administrative Expenses

In 2017, the Company and its subsidiaries posted THB 331.69 million in selling and administrative expenses, an increase of THB 101.90 million or 44.38% from the previous year, owing to the allowances for employee benefits and the increase in the number of employees to support future business expansion.

Financing Costs

In 2017, the Company's financing costs increased by 8.21% when compared to the previous year as a result of investment in business expansion. Specifically, the Company invested in the construction of a new data center and equipment with high efficiency and international security standards. Such investments contributed to the increase in long-term loans and finance lease agreements.

Net Profit (Loss) For the Year

For consolidated financial statements, the net profit for 2017 was THB 375.54 million, an increase of THB 291.18 million from THB 84.37 million in 2016.

For separate financial statements, the net profit for 2017 was THB 313.12 million, an increase of THB 230.06 million from THB 83.06 million in 2016, which was accounted for by the sales of available-for-sale securities and investment in associates that amounted to THB 442.63 million. As a result, the Company's retained earnings increased by THB 259.69 million from the previous year; and as at December 31, 2017, the Company reported THB 345.67 million in retained earnings.

Statement of Financial Position

Assets

As of December 31, 2017, the Company and its subsidiaries had total assets of THB 4,206.24 million, an increase of THB 1,617.15 million or 62.85% from 2016.

Details pertaining to significant changes in assets are as follows:

- Property, plant, and equipment increased by THB 1,257.14 million or 78.01% on account of the Company's investment in property, plant, and equipment to sustain future business expansion.
- Investment in available-for-sale securities increased by THB 367 million or 170.11% due to the Company's intention to acquire higher return through its efficiency in asset management.
- Intangible assets increased by THB 123.09 million or 154.40% as a result of the Company's investment in creating new applications to service customers.

Liabilities

As of December 31, 2017, the Company and its subsidiaries had total liabilities of THB 2,309.92 million, divided into current liabilities of THB 988.98 million or 42.81% and non-current liabilities of THB 1,320.94 million or 57.19% of total liabilities.

The Company's long-term loans from financial institutions increased from 2016 due to investment in the construction of INET Data Center 3, with the loan being secured by collateral. The Company's financial lease liabilities also increased as a result of continual investment in business expansion. Specifically, the Company invested in highly efficient equipment to offer a broader range of services to customers and to increase its stability in the provision of services under international standards. Such financial lease agreements have a term of 3-5 years.

Shareholders' Equity

As of December 31, 2017, the Company and its subsidiaries recorded THB 1,896.32 million in shareholders' equity, which consisted of THB 500 million in issued and paid-up capital, THB 770 million in premium on ordinary shares, and THB 26.67 million in legal reserves. The consolidated shareholders' equity increased from 2016 on account of profits from operating activities. As at December 31, 2017, the consolidated retained earnings was THB 394.22 million and the Company recorded THB 345.37 million in retained earnings. The book value was THB 3.79 per share in consolidated financial statements and THB 3.87 per share in separate financial statements (with the par value of THB 1 per share).

Statement of Cash Flows

As of December 31, 2017, the Company and its subsidiaries had the net cash flow of THB 44.37 million. The net cash flow at the beginning of the year was THB 213.93 million, which decreased by THB 169.57 million during the year. Cash inflows during the year were from operating activities, which amounted to THB 65.64 million – a decrease of 43.77% from 2016. Such decrease in cash inflows was accounted for by the increase in interest expenses as a result of a long-term loan for investment in the construction of INET Data Center 3. Meanwhile, cash inflows from investing activities increased by THB 760.67 million from the previous year to THB 129.03 million due to the increase in available-for-sale investments. The Company's cash outflows from financing activities were recorded at THB 364.23 million, which were attributable to repayments for short-term loans and finance lease liabilities.

Significant Financial Ratios

Financial Ratios	2017	2016	2015
Liquidity Ratio			
Current Ratio (Times)	1.00	0.77	0.27
Quick Ratio (Times)	0.88	0.70	0.23
Activity Ratio			
Accounts Receivable Turnover (Times)	4.74	5.95	6.62
Average Collection Period (Days)	77	61	55
Fixed Asset Turnover (Times)	0.69	0.85	0.89
Asset Turnover (Times)	0.45	0.53	0.56
Financial Policy Ratio			
Debt-to-Equity Ratio (Times)	1.22	0.91	1.36
Debt-to-Asset Ratio (Times)	0.55	0.48	0.58
Dividend Payout Ratio (%) ¹	16.79	33.60	9.59
Profitability Ratio			
Gross Profit Margin (%)	25.20	22.91	26.17
Operating Profit Margin (%)	24.36	8.43	8.75
Net Profit Margin (%)	47.62	12.92	6.27
Return on Assets (%)	11.05	4.47	3.49
Return on Equity (%)	23.16	9.10	8.11
Per Share Information			
Book Value Per Share (THB)	3.79	3.76	2.01
Earnings (Loss) Per Share (THB) ¹	0.75	0.23	0.16
Dividend Per Share (THB)	0.1259	0.0789	0.015

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

According to the financial ratios presented in the table above, in 2017, the Company's liquidity ratio improved from the previous year and the Company displayed an increase in debt-to-equity ratio owing to its ability to continuously generate profits from operating activities. The Company's investments in the construction of INET Data Center 3 and highly efficient equipment to offer a more comprehensive array of services and increase its service quality had subsequently instilled confidence in customers, which led to a revenue growth of 53.94% from the previous year.

With respect to the profitability ratio, the Company's ability to generate profits, in overall, increased from the previous year as evident in the increase in gross profit margin from 22.91% in 2016 to 25.20% in 2017 and the increase in net profit margin from 12.92% to 47.62%. As a result, the Company was able to distribute dividends from its 2017 operating results with the dividend payout ratio of 16.79% at the rate of THB 0.1259 per share, totaling THB 62.94 million.

The overall improved performance resulted in a higher dividend payout ratio and an increase in debt-to-equity ratio from 9.10 times in 2016 to 23.16 times in 2017.

REPORT OF THE BOARD OF DIRECTOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENT

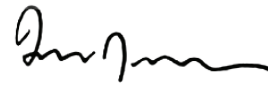
The Board of Directors of Internet Thailand Public Company Limited ("the Company") is responsible for the Company's financial statements and information of the company and the Subsidiary company that are reported in the Annual Report. The aforementioned financial statements have been prepared in accordance 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, 2017. The Company's auditor conducted his audits and expressed an opinion on the financial statement 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)

INDEPENDENT AUDITOR'S REPORT

To the shareholders and the board of directors of internet thailand public company limited

Opinion

I have audited the 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, 2017, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Internet Thailand Public Company Limited and its subsidiaries, and of Internet Thailand Public Company Limited, respectively, as at December 31, 2017, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matters

Without qualifying my opinion on the above financial statements, I draw your attention to Note to Financial Statements as followings:

- a) As described in Note 3 to the financial statements, the Company changed in the estimated useful lives of leasehold improvements and network equipment

in order to be consistent with their revised expected utilization for the Company. The Company has applied the changes in estimated useful lives prospectively.

- b) As described in Note 6 to the financial statements, the Company has business transactions with the related parties in the separate financial statements. The transactions are reflected in the separate financial statements on the basis determined by the Company and the related parties concerned.

Key Audit Matters

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

Investments in assets of the Project

Risk

As described in Note to Financial Statements No. 19, during the year, the Company invested in building under construction and assets installation totaling Baht 1,112.67 million, and transferred respective type of assets of totaling Baht 1,333.07 million. Cost of assets consists of construction costs of the building and the IT infrastructure systems, equipment and other direct costs, the cost of site dismantlement, and capitalized borrowing costs. Management must establish a policy to separate the components of the assets, and must estimate the useful life of each asset component for the calculation of depreciation. Capitalization of the expenditures as costs for the project depends on the nature of the particular expenditure, relevance of the project, and the appropriateness of the amount of related capital expenditure. The determination of the useful life of the asset for the calculation of the depreciation requires judgment by Management.

Auditor's Response

- I gained an understanding of the internal control related to payments under the construction contract, processes of construction inspection, including all relevant authorizations.
- selected significant items in order to:
 - a) verify the amounts with the contracts and/or evidence supporting the payments;
 - b) verify the appropriateness of the capitalized other direct cost and borrowing cost, as well as the capitalization period, if any;
 - c) compare the significant items with the project budget;
 - d) consider the appropriateness of the estimated costs of site dismantlement and discount rate used by the Company to generate the estimated liability on site dismantlement;
 - e) verify the separation of significant components in the fixed asset register;
 - f) verify the reasonableness of the estimated useful life of each component asset as compared to those in the same industry or similar assets.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

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

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

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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



(Yuttapong Chuamuangpan)

Certified Public Accountant Registration Number 9445

ANS Audit Company Limited

Bangkok, February 27, 2017

FINANCIAL STATEMENTS

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of financial position

As at December 31, 2017

Unit : Baht

ASSETS	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Current assets					
Cash and cash equivalents	7	44,367,948	213,934,385	30,785,418	132,737,000
Investments in available-for-sale securities - net	8	582,812,661	215,771,666	547,930,540	215,771,666
Trade and other current receivables - net	6, 9	239,479,480	177,926,966	321,648,482	208,939,052
Current portion of finance lease receivables	6, 10	-	-	3,863,172	3,433,617
Receivable from and loan to unrelated party - net	11	-	-	-	-
Inventories - net	12	21,980	149,657	-	-
Other current assets	6, 13	121,612,850	60,740,200	115,334,205	58,594,343
Total current assets		988,294,919	668,522,874	1,019,561,817	619,475,678
Non-current assets					
Pledged deposits with financial institutions	14, 21	35,388,966	66,708,087	35,388,966	66,708,087
Withholding tax receivable - net		31,740,042	71,055,011	24,692,194	66,693,396
Finance lease receivables - net	6, 10	-	-	4,484,560	8,655,688
Investments in joint venture	15	2,829,444	2,460,723	2,499,995	2,499,995
Investments in associated company	16	697,555	52,550,465	-	30,602,000
Investments in subsidiary	17	-	-	94,999,960	94,999,960
Deferred maintenance services for equipment - net	18	36,478,918	17,369,888	36,478,918	17,369,888
Deposit of land	34.4	14,500,800	-	14,500,800	-
Property, plant and equipment - net	19	2,868,695,208	1,611,551,664	2,809,661,276	1,598,942,685
Intangible assets - net	6, 20	202,817,419	79,724,012	180,846,828	70,975,702
Other non-current assets		24,792,652	18,779,378	22,906,712	18,644,965
Total non-current assets		3,217,941,004	1,920,199,228	3,226,460,209	1,976,092,366
Total assets		4,206,235,923	2,588,722,102	4,246,022,026	2,595,568,044

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of financial position

As at December 31, 2017

Unit : Baht

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	21	297,821,707	445,755,115	297,821,707	445,755,115
Trade and other current payables	6, 22	328,805,098	220,351,798	340,325,310	219,245,745
Accrued bonus		104,406,702	23,117,943	100,629,149	21,500,000
Unearned service income		23,617,690	8,303,480	22,999,224	8,020,297
Current portion of liabilities under financial lease agreements	23	186,942,870	136,468,393	186,942,870	136,468,393
Current income tax payable		2,358,665	-	2,358,665	-
Other current liabilities		45,021,954	31,756,486	42,109,328	30,620,481
Total current liabilities		988,974,686	865,753,215	993,186,253	861,610,031
Non-current liabilities					
Liabilities under financial lease agreements - net	23	512,696,828	352,488,052	512,696,828	352,488,052
Long-term loan from financial institutions - net	24	692,248,996	-	692,248,996	-
Non-current provisions for employee benefits	25	13,075,114	10,704,029	12,138,205	10,109,605
Deferred tax liabilities - net	26	102,714,501	6,996,860	102,660,538	6,996,860
Other liabilities		206,997	206,997	206,997	206,997
Total non-current liabilities		1,320,942,436	370,395,938	1,319,951,564	369,801,514
Total liabilities		2,309,917,122	1,236,149,153	2,313,137,817	1,231,411,545
Shareholders' equity					
Share capital	27				
Registered					
- 500,041,575 ordinary shares, at Baht 1 each		<u>500,041,575</u>		<u>500,041,575</u>	
- 512,541,598 ordinary shares, at Baht 1 each			<u>512,541,598</u>		<u>512,541,598</u>
Issued and paid-up					
- 500,041,575 ordinary shares, at Baht 1 each		500,041,575	500,041,575	500,041,575	500,041,575
Share premium		770,205,508	770,205,508	770,205,508	770,205,508
Deficit from business combination under common control of associated company	16	-	(11,759,096)	-	-
Retained earnings					
- Appropriated - Legal reserve	28	26,665,342	10,921,073	26,665,342	10,921,073
- Unappropriated		394,219,133	72,848,437	345,368,173	85,679,190
Other components of shareholders' equity		200,005,850	10,246,843	290,603,611	(2,690,847)
Total shareholders' equity attributable to owners of parent		1,891,137,408	1,352,504,340	1,932,884,209	1,364,156,499
Non-controlling interests		5,181,393	68,609	-	-
Total shareholders' equity		1,896,318,801	1,352,572,949	1,932,884,209	1,364,156,499
Total liabilities and shareholders' equity		4,206,235,923	2,588,722,102	4,246,022,026	2,595,568,044

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of profit or loss and other comprehensive income

For the year ended December 31, 2017

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Revenue from services	6, 31	981,861,286	853,651,179	999,005,235	843,990,464
Revenue from sales		6,587,587	3,859,016	5,878,531	1,477,100
Cost of services		(733,439,210)	(657,134,029)	(772,733,244)	(665,987,382)
Cost of sales		(5,886,641)	(3,883,900)	(5,200,821)	(1,353,857)
Gross profit		249,123,022	196,492,266	226,949,701	178,126,325
Gain on sales of available-for-sale investments		161,078,218	158,320	367,019,212	158,320
Dividend income	16	-	-	5,756,968	14,240,000
Gain on sales of investment in associate company	16	71,914,425	121,832,820	75,607,417	127,827,050
Gain on classification investments	16	303,514,677	-	-	-
Other income		16,535,181	21,863,298	20,328,513	23,635,141
Profit before operating expenses		802,165,523	340,346,704	695,661,811	343,986,836
Selling expenses		(133,876,684)	(84,965,260)	(126,212,316)	(78,949,240)
Administrative expenses		(197,610,788)	(144,622,138)	(181,271,275)	(136,953,449)
Total expenses		(331,487,472)	(229,587,398)	(307,483,591)	(215,902,689)
Profit before share of profit (loss) from associated company and joint venture		470,678,051	110,759,306	388,178,220	128,084,147
Share of loss from investment in joint venture	15	(560,978)	(39,272)	-	-
Share of profit from investment in associated company	16	4,577,142	19,317,673	-	-
Profit before finance costs and income tax		474,694,215	130,037,707	388,178,220	128,084,147
Finance costs		(32,137,271)	(29,697,631)	(32,137,271)	(29,697,631)
Profit before income tax		442,556,944	100,340,076	356,040,949	98,386,516
Income tax expenses	26	(67,012,824)	(15,971,522)	(42,922,897)	(15,330,461)
Profit for the years		375,544,120	84,368,554	313,118,052	83,056,055
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial gain (loss) - net income tax		1,750,458	109,384	1,767,344	(520,582)
Items that may be reclassified subsequently to profit or loss					
Gain (Loss) on changes in value of available-for-sale investments - net income tax	8	262,634,636	(1,610,101)	438,067,244	(1,610,101)
Reversal for gain on changes in value of available-for-sale investments - net income tax		(59,937,939)	-	(144,772,786)	-
Gain (Loss) on changes in value of available-for-sale investments of associated company		3,819	(606,449)	-	-
Reversal for loss on investment - available for sale revaluation in associated company		602,630	-	-	-
Gain (Loss) on changes in shareholding in associated company	16	(13,544,139)	16,677,939	-	-
Other comprehensive income (loss) for the years - net		191,509,465	14,570,773	295,061,802	(2,130,683)
Total comprehensive income for the years		567,053,585	98,939,327	608,179,854	80,925,372
Profit (Loss) attributable to:					
Equity holders of the Company		374,816,651	84,382,285	313,118,052	83,056,055
Non-controlling interests of the subsidiary		727,469	(13,731)	-	-
		375,544,120	84,368,554	313,118,052	83,056,055
Total comprehensive income (loss) attributable to					
Equity holders of the Company		566,326,116	98,953,058	608,179,854	80,925,372
Non-controlling interests of the subsidiary		727,469	(13,731)	-	-
		567,053,585	98,939,327	608,179,854	80,925,372
Basic earnings per share (Baht)		0.75	0.23	0.63	0.23
Weighted average number of issued and fully paid-up common shares (shares)					
		500,041,575	359,319,499	500,041,575	359,319,499

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of changes in shareholders' equity

For the year ended December 31, 2017

Unit : Baht												
Consolidated financial statements												
Other components of shareholders' equity												
Other comprehensive income												
	Notes	Issued and Paid-Up Share Capital	Share premium	Deficit on business combination under common control of associated company	Retained earnings	Defined benefit plan actuarial gain (loss)	Gain (loss) on investment - available for sale revaluation	Gain (loss) on investment - available for sale revaluation in associated company	Gain (loss) on change in shareholding in associated company	Total other components of shareholders' equity	Non-controlling interests of the subsidiary	Total shareholders' equity
					Appropriated to legal reserve	Unappropriated						
Balance as at January 1, 2016												
	27	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
Share capital increased												
Deficit on business combination under common control in associated company decreased from change in shareholding in associated company												
	16	-	-	7,449,025	-	-	-	-	-	-	-	7,449,025
	28	-	-	-	4,126,774	(4,126,774)	-	-	-	-	-	-
	29	-	-	-	-	(3,750,253)	-	-	-	-	-	(3,750,253)
Increase in non-controlling interests of the subsidiaries												
	17	-	-	-	-	-	-	-	-	-	82,340	82,340
Total comprehensive income (loss) for the year												
		-	-	-	-	84,382,285	109,384	(1,610,101)	16,677,939	14,570,773	(13,731)	98,939,327
Transfer to retained earnings												
		-	-	-	-	109,384	(109,384)	-	-	(109,384)	-	-
Balance as at December 31, 2016												
Deficit on business combination under common control in associated company decreased from change in shareholding in associated company												
	16	-	-	11,759,096	-	-	-	-	-	-	-	11,759,096
	28, 29	-	-	-	15,744,269	(15,744,269)	-	-	-	-	-	-
	29	-	-	-	-	(39,452,144)	-	-	-	-	-	(39,452,144)
Increase in non-controlling interests of the subsidiaries												
	17	-	-	-	-	-	-	-	-	-	4,385,315	4,385,315
Total comprehensive income (loss) for the year												
		-	-	-	-	374,816,651	1,750,458	202,696,697	(13,544,139)	191,509,465	727,469	567,053,585
Transfer to retained earnings												
		-	-	-	-	1,750,458	(1,750,458)	-	-	(1,750,458)	-	-
Balance as at December 31, 2017												
		500,041,575	770,205,508	-	26,665,342	394,219,133	-	200,005,850	-	200,005,850	5,181,393	1,896,318,801

INTERNET THAILAND PUBLIC COMPANY LIMITED

Statements of changes in shareholders' equity

For the year ended December 31, 2017

Unit : Baht									
Separate financial statements									
	Notes	Issued and Paid-Up Share Capital	Share premium	Retained earnings		Other components of shareholders' equity			
				Appropriated to legal reserve	Unappropriated	Defined benefit plan actuarial gain (loss)	Gain (loss) on investment - available for sale revaluation	Total components of other shareholders' equity	Total shareholders' equity
Balance as at January 1, 2016		250,020,799	272,133,956	6,794,299	11,020,744	-	(1,080,746)	(1,080,746)	538,889,052
Recorded legal reserve to settle the deficit	27	250,020,776	498,071,552	-	-	-	-	-	748,092,328
Legal reserve	28	-	-	4,126,774	(4,126,774)	-	-	-	-
Dividend paid	29	-	-	-	(3,750,253)	-	-	-	(3,750,253)
Total comprehensive income (loss) for the year		-	-	-	83,056,055	(520,582)	(1,610,101)	(2,130,683)	80,925,372
Transfer to retained earnings		-	-	-	(520,582)	520,582	-	520,582	-
Balance as at December 31, 2016		500,041,575	770,205,508	10,921,073	85,679,190	-	(2,690,847)	(2,690,847)	1,364,156,499
Legal reserve	28, 29	-	-	15,744,269	(15,744,269)	-	-	-	-
Dividend paid	29	-	-	-	(39,452,144)	-	-	-	(39,452,144)
Total comprehensive income for the year		-	-	-	313,118,052	1,767,344	293,294,458	295,061,802	608,179,854
Transfer to retained earnings		-	-	-	1,767,344	(1,767,344)	-	(1,767,344)	-
Balance as at December 31, 2017		500,041,575	770,205,508	26,665,342	345,368,173	-	290,603,611	290,603,611	1,932,884,209

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of Cash Flows

For the year ended December 31, 2017

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit before income tax	442,556,944	100,340,076	356,040,949	98,386,516
Adjustments to reconcile profit before tax to net cash flows from (used in) operating activities:				
(Reversal) Allowance for doubtful accounts	1,664,520	(318,962)	497,052	(318,962)
Bad debt	-	128,490	-	128,490
Gain on sales of investments in available for sale securities	(161,078,218)	(158,320)	(367,019,212)	(158,320)
Dividend income	-	-	(5,756,968)	(14,240,000)
Gain on sales of investment in associates company	(71,914,425)	(121,832,820)	(75,607,417)	(127,827,050)
Gain on investments classification	(303,514,677)	-	-	-
Share of loss from investment in joint venture	560,978	39,272	-	-
Share of profit from associated company	(4,577,142)	(19,317,673)	-	-
Allowance for withholding tax receivable	31,958,323	-	31,958,323	-
Depreciation and amortization	185,400,040	181,616,345	175,886,960	177,580,301
Allowance for impairment of equipments	-	36,297,917	-	36,297,917
Gain on sales of assets	(2,168,631)	(3,710,024)	(2,168,631)	(3,710,024)
Estimated employee benefit obligations	4,609,158	3,198,121	4,287,780	2,804,772
Interest income	(5,978,414)	(2,985,965)	(6,497,805)	(3,973,642)
Interest expenses	32,137,271	29,697,631	32,137,271	29,697,631
Profit from operating activities before changes in operating assets and liabilities	149,655,727	202,994,088	143,758,302	194,667,629
Operating assets (increased) decreased				
Trade and other current receivables	(63,466,484)	(66,492,074)	(113,593,963)	(72,442,027)
Finance lease receivables	-	-	3,741,573	4,054,440
Inventories	127,677	1,409,443	-	53,974
Other current assets	(60,872,650)	(42,006,849)	(56,739,862)	(42,499,420)
Deferred maintenance services for equipment	(36,336,764)	(17,369,888)	(36,336,764)	(17,369,888)
Other non-current assets	(6,013,274)	(1,494,438)	(4,261,747)	(1,362,828)
Cash received from withholding tax receiveables	10,042,879	-	10,042,879	-
Operating liabilities increased (decreased)				
Trade and other current payables	37,580,231	39,252,362	21,043,289	30,599,329
Accrued bonus	81,288,759	-	79,129,149	-
Unearned service income	15,314,210	(1,771,229)	14,978,927	(1,807,222)
Other current liabilities	13,265,468	18,237,524	11,488,847	18,200,285
Cash from operating activities	140,585,779	132,758,939	73,250,630	112,094,272
Cash received on interest income	6,227,864	2,168,539	6,885,286	3,084,599
Cash paid for employee benefit obligations	(50,000)	-	(50,000)	-
Cash paid for interest expenses	(58,393,228)	(10,108,042)	(58,393,228)	(10,108,042)
Cash paid for corporate income tax	(22,734,541)	(8,086,175)	(18,666,004)	(5,743,150)
Net cash from operating activities	65,635,874	116,733,261	3,026,684	99,327,679

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Statements of Cash Flows

For the year ended December 31, 2017

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Decreased in pledged deposits with financial institutions	31,319,121	47,671,277	31,319,121	47,671,277
Cash received from sales of available for sale securities	1,529,231,271	20,127,855	1,469,128,950	20,127,855
Increased in investment in available for sales securities	(1,134,701,126)	(234,908,223)	(1,041,834,540)	(234,908,223)
Cash paid for investment in joint venture	(929,699)	(2,499,995)	-	(2,499,995)
Cash received from sales of investment in associates company	81,643,417	137,224,950	80,393,417	137,224,950
Cash paid for investment in associates company	(3,841,875)	-	-	-
Cash paid for investment in subsidiary	-	-	-	(66,750,000)
Dividend received	5,756,968	14,240,000	5,756,968	14,240,000
Cash paid for deposit of land	(14,500,800)	-	(14,500,800)	-
Cash paid for purchases of land and equipment	(230,354,081)	(575,668,848)	(150,281,931)	(568,339,188)
Cash received from equipment sales	11,684,657	5,880,000	11,684,657	5,880,000
Cash paid for intangible assets	(146,817,675)	(43,707,744)	(128,026,304)	(42,608,660)
Cash received from intangible assets sales	540,000	-	-	-
Net cash from (used in) investing activities	129,030,178	(631,640,728)	263,639,538	(689,961,984)
Cash flows from financing activities:				
Net increased (decrease) in bank overdrafts and short-term loans from financial institutions	(147,933,408)	170,453,842	(147,933,408)	170,453,842
Cash payments for financial lease agreements	(181,232,252)	(144,657,641)	(181,232,252)	(144,657,641)
Cash payments for long-term loan from financial institutions	-	(49,733,382)	-	(49,733,382)
Cash received from increase in share capital	-	748,092,328	-	748,092,328
Dividend paid	(39,452,144)	(3,750,253)	(39,452,144)	(3,750,253)
Increase in non-controlling interests	4,385,315	82,340	-	-
Net cash from (used in) financing activities	(364,232,489)	720,487,234	(368,617,804)	720,404,894
Net cash and cash equivalents increased (decreased)	(169,566,437)	205,579,767	(101,951,582)	129,770,589
Cash and cash equivalents at the beginning of the years	213,934,385	8,354,618	132,737,000	2,966,411
Cash and cash equivalents at the end of the years	44,367,948	213,934,385	30,785,418	132,737,000
Supplemental disclosures of cash flows information				
Non-cash transaction:				
Payables for purchase of assets increased	70,468,291	80,533,442	99,631,498	81,264,002
Assets increased from financial lease agreements	391,915,505	407,281,396	391,915,505	407,281,396
Interest capitalised to related assets	27,979,821	4,554,372	27,979,821	4,554,372
Depreciation and amortization capitalised to related assets	26,351,582	-	26,351,582	-
Assets increased from long-term loan from financial institutions	690,929,910	-	690,929,910	-
Transfer of investments in associated company to investments in available-for-sale securities	43,607,373	-	25,816,000	-

INTERNET THAILAND PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Notes To The Financial Statements

For The Year Ended December 31, 2017

1. General Information

Internet Thailand Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand on November 14, 2001 and conducting the provision of internet access services (“Access business”) and integrated services in relation to information and communication technologies (“Business solutions”). The Company’s registered office is located at No. 1768 Thai Summit Tower, 10th - 12th Floors, and the IT Floor, New Petchburi Road, Bangkapi Sub-district, Huay Khwang District, Bangkok.

2. Basis for preparation of the financial statements

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, 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, 2017 and 2016, are as follows:

Name of subsidiary	Business type	% Equity interest owned	
		2017	2016
The subsidiary held by company.			
Mandala Communications Co., Ltd.	Provision of telecommunication services including other related services	99.99	99.99
The subsidiary held by Mandala Communications Co., Ltd.			
Thai Dot Com Co., Ltd.	Provision and development of electronics system	99.99	99.97
Thai Dot Com Payment Co., Ltd.	Payment Gateway System through Cloud Computing	50.99	-

Name of subsidiary	Business type	% Equity interest owned	
		2017	2016
Digital Healthcare Solutions Co., Ltd.	Two-dimensional and three-dimensional medical computer x-ray services	99.97	-
Sawasdee Cloud Dot Com Co., Ltd.	Computer, communication, information presentation, software, management information systems and marketing consultation services	59.99	-
D Solution Dot Com Co., Ltd.	Electronic conference management service	99.97	-
Open Land Scape Co., Ltd.	Computer System Services (cloud)	59.99	-
One Email Co., Ltd.	Electronic Mail Service (E-Mail)	69.99	-
Nexpie Co., Ltd.	Computer software services	54.99	-
The subsidiary held by Thai Dot Com Co., Ltd.			
Thai Starter Dot Com Co., Ltd.	Facilities management services for computer	18.00	-
The subsidiary held by Mandala Communications Co., Ltd. Thai Dot Com Co., Ltd. and Thai Starter Dot Com Co., Ltd. I Recruit Co., Ltd.			
	Computer consulting, communication, information presentation, software, management information systems	-	45.00

The financial statements of Thai Starter Dot Com Co., Ltd. and I Recruit Co., Ltd. are included in the consolidated financial statements since there are common directors and the Company has control over the financial and operating policies of Thai Starter Dot Com Co., Ltd. and I Recruit Co., Ltd.

CHANGES IN THE STRUCTURE OF THE GROUP DURING THE CURRENT YEAR

The subsidiary held by Mandala Communications Co., Ltd.

On January 31, 2017 Mandala Communications Co., Ltd. acquired the new increase ordinary shares of Thai Dot Com Co., Ltd. of 90,000 ordinary shares at Baht 100 per share for a total investment of Baht 9.00 million. The acquisition resulted the Company hold a 99.99 percent of the registered capital.

On April 10, 2017 Mandala Communications Co., Ltd. acquired 10,197 ordinary shares in Thai Dot Com Payment Co., Ltd. at Baht 25 per share (a par value of Baht 100) for a total investment of Baht 0.25 million. The acquisition resulted the Company hold a 50.99 percent of the registered capital.

On April 10, 2017 Mandala Communications Co., Ltd. acquired 9,997 ordinary shares in Digital Healthcare Solutions Co., Ltd. at Baht 50 per share (a par value of Baht 100) for a total investment of Baht 0.50 million. The acquisition resulted the Company hold a 99.97 percent of the registered capital.

On April 12, 2017 Mandala Communications Co., Ltd. acquired 29,997 ordinary shares in Sawasdee Cloud Dot Com Co., Ltd. at Baht 100 per share (a par value of Baht 100)

for a total investment of Baht 3.00 million. The acquisition resulted the Company hold a 59.99 percent of the registered capital.

On December 15, 2017, the resolution of the Extraordinary Shareholders' meeting No. 1/2017 approved to dissolve of Sawasdee Cloud Dot Com Co., Ltd. with the dissolution date on December 16, 2017. As at the report date, the subsidiary is under liquidation process.

On May 19, 2017 Mandala Communications Co., Ltd. acquired 9,997 ordinary shares in D Solution Dot Com Co., Ltd. at Baht 25 per share (a par value of Baht 100) for a total investment of Baht 0.25 million. The acquisition resulted the Company hold a 99.97 percent of the registered capital.

On September 13, 2017 Mandala Communications Co., Ltd. acquired 59,998 ordinary shares in Open Land Scape Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 0.15 million. The acquisition resulted the Company hold a 59.99 percent of the registered capital.

On October 5, 2017 Mandala Communications Co., Ltd. acquired 69,998 ordinary shares in One Email Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 0.17 million. The acquisition resulted the Company hold a 69.99 percent of the registered capital.

On November 9, 2017 Mandala Communications Co., Ltd. acquired 54,998 ordinary shares in Nexpie Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 0.14 million. The acquisition resulted the Company hold a 59.99 percent of the registered capital.

Subsidiary held by Thai Dot Com Co., Ltd.

On July 6, 2017 Thai Dot Com Co., Ltd. disposed of 1,800 ordinary shares in Thai Starter Dot Com Co., Ltd. to the directors of the Company at Baht 10 per share (a par value of Baht 10) for a total investment of Baht 0.02 million.

On July 11, 2017 Thai Starter Dot Com Co., Ltd has issued the additional ordinary shares of 100,000 shares at Baht 10 per share. This is to be offered to persons who perform as director, executive and employees of the Company and/or its subsidiaries at Baht 10 per share. The Company has received full payment amount of Baht 0.75 million and has registered an increase in paid-up capital with the Ministry of Commerce on 20 July 2017.

Subsidiary held by Mandala Communications Co., Ltd. Thai Dot Com Co., Ltd. and Thai Starter - Dot Com Co., Ltd.

On February 28, 2017 Mandala Communications Co., Ltd. and Thai Dot Com Co., Ltd. acquired 399,997 ordinary shares and 100,000 ordinary shares, respectively, in I Recruit Co., Ltd. at Baht 4 per share (a par value of Baht 10) for a total investment of Baht 2.00 million. The acquisition resulted the Company hold a 99.99 percent of the registered capital.

On August 28, 2017 Mandala Communication Co., Ltd. disposed of ordinary shares in I Recruit Co., Ltd. to Director and Staff and Thai Dot Com Co., Ltd disposed of ordinary shares in I Recruit Co., Ltd. to Thai Starter Dot Com Co., Ltd. of 324,997 ordinary shares and 25,000 ordinary shares, respectively, at Baht 4 per share (a par value of Baht 10) for a total investment of Baht 1.30 million and 0.10 million, respectively. As a result, the Company's interest is reduced from 99.99 percent to 45.00 percent of the total registered capital of such company.

NEW FINANCIAL REPORTING STANDARDS

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

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 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 financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

3. Change in accounting estimates

During the year 2017, the Company changed its accounting estimates with respect to the useful lives of leasehold improvement and equipment as follows:

	Useful lives (years)	
	Formerly	Revised
Leasehold improvements	3 - 10	5 - 15
Network equipment	5 - 10	5 - 15

The above change in accounting estimates is started from June 1, 2017. The management of the Company believed that the new useful lives of assets are more appropriate since they are consistent with their expected utilization for the Company.

The Company applied the change in estimates prospectively.

The effect of the changes to the statement of financial position as at December 31, 2017 and the statement of profit or loss for the year ended December 31, 2017 is summarized below.

	Unit: Million Baht	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Property, leasehold improvements and equipment increased	28.46	28.46
	28.46	28.46
Statements of profit or loss		
Decrease in depreciation	28.46	28.46
Increase in profit attributable to equity holders of the Company	28.46	28.46
Increase in basic earnings per share (Baht per share)	0.06	0.06

4. 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 Group 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.

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 Group 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 Group 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 and joint ventures is accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiary, associated company and joint ventures are accounted for in the separate financial statements using the cost method.

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

In the event the Group 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 Group 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.

Fair value measurement

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except where there no active market for an identical asset or liability or when a quoted market price is not available, the Company

measures fair value using valuation techniques appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

LEVEL 1 Use of quoted market prices in an observable active market for such assets or liabilities.

LEVEL 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly.

LEVEL 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

Deferred maintenance services for equipments

Deferred maintenance services for equipments are amortized to as expenses according to the terms of the agreements of 3 - 5 years.

Property, plant and equipment

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

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

Types of assets	Years
Land improvements	28
Building	10 - 30
Leasehold improvements	5 - 15
Network equipment	5 - 15
Computers , office equipment and moter vehicle	5

Property, construction in progress and assets under installation are stated at cost and no depreciation is provided.

Depreciation method, useful life and the residual value will be reviewed at the end of the accounting period and is adjusted if appropriate.

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 Group's intangible assets with finite useful lives consist of licenses and software computers, 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 Group 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 Group 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 Group 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

The Group recognizes salaries, wages, bonuses and contributions to the social security fund are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group 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 Group 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

The Group recognizes 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 Group 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 Group 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 Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Basic earnings per share

Basic earnings per share are calculated by dividing profit 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.

5. 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 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, 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.

Building and equipment and depreciation

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

In addition, the management is required to review building and 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 Group'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.

6. Related parties transactions

The followings present relationships with enterprises and individuals that control or are controlled by the Company, whether directly or indirectly, or have common directors or shareholders with the Company.

Related parties	Nature of relationships
Mandala Communications Co., Ltd.	Subsidiary company
Thai Dot Com Co., Ltd.	Subsidiary company
Thai Dot Com Payment Co., Ltd.	Subsidiary company
Digital Healthcare Solutions Co., Ltd.	Subsidiary company
Sawasdee Cloud Dot Com Co., Ltd.	Subsidiary company
D Solution Dot Com Co., Ltd.	Subsidiary company
Open Land Scape Co., Ltd.	Subsidiary company
One Email Co., Ltd.	Subsidiary company
Nexpie Co., Ltd.	Subsidiary company
Thai Starter Dot Com Co., Ltd.	Subsidiary company
I Recruit Co., Ltd.	Subsidiary company
INET Managed Services Co., Ltd.	Joint Venture
Thai Identities Co., Ltd.	Joint Venture
One DC Co., Ltd.	Joint Venture
Service One Solution Co., Ltd.	Joint Venture
Netbay PLC. *	Associated company
Intelligist Co., Ltd.	Associated company
Talk to Me Co., Ltd.	Associated company
One Geo Soft Co., Ltd.	Associated company
Inext Broadband Co., Ltd.	Associated company
The National Science and Technology Development Agency (“NSTDA”)	The company's shareholders and common directors
CAT Telecom Public Company Limited (“CAT Telecom”)	
TOT Public Company Limited (“TOT”)	The company's shareholders and common directors

*The Company classified its investments as available-for-sale securities on May 11, 2017 (Note 16).

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, the significant transactions with related parties can be summarized as follows:

Unit: Baht					
	Consolidated financial statements		Separate financial statements		Pricing policy
	2017	2016	2017	2016	
Subsidiary Company					
Revenues from services	-	-	75,243,507	22,431,630	Cost plus profit and agreed contract price
Other income	-	-	3,059,183	668,808	Cost plus profit and agreed contract price
Interest income	-	-	770,396	1,041,547	According to a finance lease agreement
Rental equipment	-	-	26,350,687	31,176,269	Cost plus profit and agreed contract price
Service expenses	-	-	18,054,278	7,771,026	Cost plus profit and agreed contract price
Joint Venture					
Revenues from services	4,942,989	722,241	7,686,114	722,241	Cost plus profit and agreed contract price
Other income	800	-	800	-	Cost plus profit and agreed contract price
Associated company					
Revenues from services	5,928,492	5,545,356	6,860,792	5,545,356	Cost plus profit and agreed contract price
Dividend income	-	-	5,756,968	14,240,000	As declared by associated company
Related companies					
Revenues from services	7,742,213	6,603,278	7,742,213	6,603,278	Market price
Service expenses	44,361,616	58,662,913	44,361,616	58,662,913	Market price
Administrative expenses	130,824	-	130,824	-	Market price
Dividend paid	19,330,500	1,837,500	19,330,500	1,837,500	As declared

Significant balances with related parties as at December 31, 2017 and 2016 can be summarized as follows:

Unit: Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables – related parties				
Subsidiary company	-	-	96,578,285	38,161,561
Joint Venture	2,810,388	456,159	2,810,388	456,159
Associated company	6,440,470	1,379,523	6,440,470	1,379,523
Related company (The Company's shareholder)	3,993,199	2,829,607	3,993,199	2,829,607
Total trade receivables – related parties	13,244,057	4,665,289	109,822,342	42,826,850
Finance lease receivables – related parties				
Subsidiary company	-	-	8,347,732	12,089,305
Total Finance lease receivables – related parties	-	-	8,347,732	12,089,305
Accrued interest – related parties				
Subsidiary company	-	-	307,957	445,987
Total accrued interest – related parties	-	-	307,957	445,987
Prepaid service expenses – related parties				
Subsidiary company	-	-	84,125	459,070
Total prepaid service expenses – related parties	-	-	84,125	459,070
Asset under installation				
Subsidiary company	12,320,568	-	1,393,140	-
Total asset under installation	12,320,568	-	1,393,140	-
Intangible assets				
Subsidiary company	36,069,139	-	32,335,500	-
Joint Venture	18,155,944	-	18,732,000	-
Associated company	7,546,992	-	7,800,000	-
Total intangible assets	61,772,075	-	58,867,500	-
Trade and other payables – related parties				
Trade payables				
Subsidiary company	-	-	6,912,111	3,314,301
Related company (The Company's shareholder)	1,742,062	1,754,549	1,742,062	1,754,549
Total trade payables	1,742,062	1,754,549	8,654,173	5,068,850
Accrued costs				
Subsidiary company	-	-	8,440,238	1,120,204
Related company (The Company's shareholder)	34,097,488	36,176,259	34,097,488	36,176,258
Total accrued costs	34,097,488	36,176,259	42,537,726	37,296,462
Total trade and other payables – related parties	35,839,550	37,930,808	51,191,899	42,365,312
Payables for purchase assets – related companies				
Subsidiary company	-	-	15,681,098	-
Joint Venture	5,726,640	-	5,726,640	-
Associated company	7,013,400	-	7,013,400	-
Total payables for purchase assets – related companies	12,740,040	-	28,421,138	-

Directors' and management's remuneration

Directors' and management's remuneration for the years ended December 31, 2017 and 2016 consist of the following:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	24,106,064	20,467,440	20,278,064	18,113,940
Long-term post-employment benefits	461,108	534,091	419,069	510,769
Total directors' and management's remuneration	24,567,172	21,001,531	20,697,133	18,624,709

7. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2017 and 2016 can be summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	314,036	202,094	164,036	168,894
Cash at banks - at call	41,267,865	48,600,453	29,968,773	44,213,742
Highly liquid short-term investments	2,786,047	165,131,838	652,609	88,354,364
Total cash and cash equivalents	44,367,948	213,934,385	30,785,418	132,737,000

8. Investments in available for sale securities - net

Investments in available for sale securities as at December 31, 2017 and 2016 can be summarized as follows:

	Unit: Baht			
	Consolidated financial statements			
	2017		2016	
	Cost price	Fair value Level 1	Cost price	Fair value Level 1
Investments in available-for-sale securities				
Equity securities	198,899,856	447,220,411	64,790,320	63,240,537
Debt securities	133,905,492	135,592,250	154,344,904	152,531,129
Total investments in available-for-sale securities	332,805,348	582,812,661	219,135,224	215,771,666
Add : Unrealised gain (loss) on changes in values of investments	250,007,313	-	(3,363,558)	-
Investments in available-for-sale securities - net	582,812,661	582,812,661	215,771,666	215,771,666

Unit: Baht

	Separate financial statements			
	2017		2016	
	Cost price	Fair value Level 1	Cost price	Fair value Level 1
Investments in available-for-sale securities				
Equity securities	50,770,534	412,338,290	64,790,320	63,240,537
Debt securities	133,905,492	135,592,250	154,344,904	152,531,129
Total investments in available-for-sale securities	184,676,026	547,930,540	219,135,224	215,771,666
Add : Unrealised gain (loss) on changes in values of investments	363,254,514	-	(3,363,558)	-
Investments in available-for-sale securities - net	547,930,540	547,930,540	215,771,666	215,771,666

During years ended December 31, 2017 and 2016, the Company has gain on sales of available-for-sale investments in the consolidated financial statements of Baht 161.08 million and Baht 0.16 million, respectively and in the separate financial statements in amount of Baht 367.02 million and Baht 0.16 million, respectively.

9. Trade and other current receivables - net

Trade and other current receivables as at December 31, 2017 and 2016 can be summarized as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables				
Trade receivable - related companies	13,244,057	4,665,289	109,822,342	42,826,850
Trade receivables - other companies	229,252,237	176,336,773	216,074,212	170,299,242
Total trade receivables	242,496,294	181,002,062	325,896,554	213,126,092
Less: Allowance for doubtful accounts	(8,197,460)	(6,532,940)	(7,029,992)	(6,532,940)
Total trade receivables - net	234,298,834	174,469,122	318,866,562	206,593,152
Other current receivables				
Interest receivable	1,722,081	1,663,575	2,030,037	2,109,562
Advance payment for shares	-	1,250,000	-	-
Share subscription receivables of subsidiary company	2,672,796	-	-	-
Other receivables	785,769	544,269	751,883	236,338
Total other current receivables	5,180,646	3,457,844	2,781,920	2,345,900
Total trade and other current receivables - net	239,479,480	177,926,966	321,648,482	208,939,052

On December 29, 2016, Mandala Communications Co., Ltd., the subsidiary has entered into a letter of the warrant to purchase ordinary shares of Community Information Co., Ltd. of Baht 10 per share, totaling 500,000 shares, in the total amount of Baht 5 million. The Company already paid 25% of the investment, which is presented in the consolidated financial statements under advance payment for shares. Such company registered the increase share capital with the Ministry of Commerce on January 27, 2017. The Company interest is 25 percent of the total share capital. This is considered as the associated company.

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

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables – related companies				
Not yet due	3,931,111	652,442	18,422,074	5,226,401
Past due				
- Not over 3 months	3,345,621	680,083	11,221,754	5,500,540
- Over 3 months but not over 6 months	28,610	-	8,090,408	5,668,789
- Over 6 months but not over 12 months	-	2,247	21,166,590	11,234,026
- Over 12 months	2,287,480	3,330,517	21,400,655	13,972,000
Unbilled receivables – related companies				
- Not over 3 months	3,651,235	-	22,468,291	1,225,094
- Over 3 months but not over 6 months	-	-	7,005,176	-
- Over 6 months but not over 12 months	-	-	45,000	-
- Over 12 months	-	-	2,394	-
Total trade receivables – related companies	13,244,057	4,665,289	109,822,342	42,826,850
Trade receivables – other company				
Not yet due	129,329,513	82,696,083	121,971,083	80,418,086
Past due				
- Not over 3 months	30,769,985	28,917,047	29,047,945	26,727,375
- Over 3 months but not over 6 months	4,355,340	3,279,556	4,148,553	3,279,557
- Over 6 months but not over 12 months	817,062	363,062	155,482	363,062
- Over 12 months	7,565,854	7,682,898	6,944,466	7,670,058
Unbilled receivables – others				
- Not over 3 months	39,353,830	52,613,127	36,746,030	51,056,104
- Over 3 months but not over 6 months	14,403,597	785,000	14,403,597	785,000
- Over 6 months but not over 12 months	2,519,729	-	2,519,729	-
- Over 12 months	137,327	-	137,327	-
Total trade receivables – other company	229,252,237	176,336,773	216,074,212	170,299,242
Total trade receivables	242,496,294	181,002,062	325,896,554	213,126,092

As at December 31, 2017 and 2016, a portion of 12-month overdue receivables, which has not yet been provided for the allowance for doubtful accounts, represents amount due to TOT Public Company Limited of Baht 2.29 million and amount due to Mandala Communications Company Limited of Baht 19.11 million and Baht 10.40 million, respectively. The management is in the process of following-up on these receivables and believes that they will finally be recovered.

10. Finance lease receivables

Finance lease receivables as at December 31, 2017 and 2016 can be summarized as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Due within 1 year				
Minimum to be received within one year	1,224,000	1,224,000	5,874,000	5,874,000
Deferred interest income	-	-	(786,828)	(1,216,383)
Less Allowance for doubtful Accounts	(1,224,000)	(1,224,000)	(1,224,000)	(1,224,000)
Present value of minimum payment	-	-	3,863,172	3,433,617
Due over 1 year but not over 4 years				
Minimum to be received longer than one year	-	-	4,650,000	9,300,000
Deferred interest income	-	-	(165,440)	(644,312)
Financial lease receivables - net of current portion	-	-	4,484,560	8,655,688
Financial lease receivables - net	-	-	8,347,732	12,089,305

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 2.325 million new shares at a price of 10 Baht each to the Company. 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 were started 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.

11. 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 December 31, 2017 and 2016, 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.

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.

12. Inventories – net

Inventories as at December 31, 2017 and 2016 can be summarized as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Finished goods	80,635	208,312	58,655	58,655
Work in process	-	-	-	-
Total inventories	80,635	208,312	58,655	58,655
Less : Allowance for obsolete inventories	(58,655)	(58,655)	(58,655)	(58,655)
Total inventories – net	21,980	149,657	-	-

13. Other current assets

Other current assets as at December 31, 2017 and 2016 can be summarized as follows:

Unit: Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Unclaimed input tax	21,473,167	12,324,231	16,311,261	9,737,087
Revenue Department receivable	59,296,065	27,800,573	59,026,039	27,782,790
Prepaid expenses	36,836,674	16,755,477	36,490,559	17,214,547
Receivables - Customs Department	3,358,815	3,713,779	3,358,815	3,713,779
Other	648,129	146,140	147,531	146,140
Total other current assets	121,612,850	60,740,200	115,334,205	58,594,343

14. Pledged deposits at financial institutions

As at December 31, 2017 and 2016, deposits with banks amounting to Baht 35.39 million and Baht 66.71 million, respectively, were pledged as collateral for bank overdrafts and letters of guarantee issued by the banks (Notes 21 and 34.2).

15. Investments in joint venture

Investments in joint venture as at December 31, 2017 and 2016 consisted of:

Unit: Baht

Company name	Nature of business	Ownership %		Paid-up capital		Consolidated financial statements		Separate financial statements		Consolidated financial statements	
		2017	2016	2017	2016	Carrying amounts based on equity method	2017	2016	2017	2016	Share of profit (loss) from investments in joint venture For the years ended December 31,
NET Managed Services Co., Ltd.	Information technology design, development and management	49.99	49.99	5,000,000	5,000,000	2,678,617	2,460,723	2,499,995	2,499,995	217,894	(39,272)
Thai Identities Co., Ltd.	Consultancy services on design and development of software, hardware, systems, tasks, as well as the provision of necessary equipment.	44.99	-	250,000	-	(67,621)	-	-	-	(747,331)	-
One DC Co., Ltd.	Consultancy, design and planning overvie	49.99	-	250,000	-	106,808	-	-	-	(18,187)	-
Service One Solution Co., Ltd.	Information Technology Computer software services.	49.99	-	250,000	-	111,640	-	-	-	(13,354)	-
						2,829,444	2,460,723	2,499,995	2,499,995	(560,978)	(39,272)

Summarized financial information of joint venture

Financial information of the joint venture and carrying amounts of joint venture based on equity method as at December 31, 2017 and 2016 is summarized below:

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	INET Managed Services Co., Ltd.		Thai Identities Co., Ltd.		One DC Co., Ltd.		Service One Solution Co., Ltd.	
	2017	2016	2017	2016	2017	2016	2017	2016
Statements of financial position								
Current assets	5,976,493	5,499,300	6,627,291	-	250,667	-	250,000	-
Non-current assets	85,972	16,271	401,413.00	-	-	-	-	-
Current liabilities	(705,219)	(594,115)	(6,754,279)	-	(37,043)	-	(26,710)	-
Non-current liabilities	-	-	-	-	-	-	-	-
Assets-net of associates	5,357,246	4,921,456	274,425	-	213,624	-	223,290	-
Shareholding percentage (%)	49.99%	49.99%	44.99%	-	49.99%	-	49.99%	-
Share of net assets	2,678,617	2,460,723	123,464	-	106,808	-	111,640	-
Intercompany gain on intangible assets	-	-	(191,085)	-	-	-	-	-
Carrying amounts of joint venture based on equity method								
	2,678,617	2,460,723	(67,621)	-	106,808	-	111,640	-
Statements of profit or loss and other comprehensive income								
Revenue	2,769,340	919,882	18,469,756	-	-	-	(26,710)	-
Profit (loss) for the years	453,789	(78,544)	24,425	-	(36,376)	-	-	-
Total Comprehensive income (loss)	453,789	(78,544)	24,425	-	(36,376)	-	-	-

On April 28, 2017 Mandala Communications Co., Ltd. acquired 4,999 ordinary shares in Thai Identities Co., Ltd. at Baht 25 per share (a par value of Baht 100) for a total investment of Baht 0.12 million.

On November 14, 2017 Mandala Communications Co., Ltd. acquired 49,998 ordinary shares in One DC Co., Ltd. at Baht 2.5 per share (a par value of Baht 10) for a total investment of Baht 0.12 million.

On December 22, 2017 Mandala Communications Co., Ltd. acquired 49,998 ordinary shares in Service One Solution Co., Ltd. at Baht 2.5 per share (a par value of Baht 10) for a total investment of Baht 0.12 million.

16. Investments in associated company

Investments in associated company as at December 31, 2017 and 2016 can be summarized as follows:

Company's name	Nature of business	Unit: Baht							
		Ownership %		Paid-up capital		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016	2017	2016	2017	2016
Netbay PLC.*	Provision and development of electronics system	-	15.30	-	200,000,000	-	52,550,465	-	30,602,000
Community Information Co., Ltd.	Package software provider (except games package software)	-	-	-	-	-	-	-	-
Intelligist Co., Ltd.	Software Development	34.99	-	2,500,000	-	788,546	-	-	-
Talk to Me Co., Ltd.	Call center service and Corporate Information Management System	29.99	-	250,000	-	(225,267)	-	-	-
One Geo Soft Co., Ltd.	various software packages service. Tax system mapping program And asset register	40.00	-	250,000	-	84,760	-	-	-
Inext Broadband Co., Ltd.	Broadband Network Services	29.99	-	250,000	-	49,516	-	-	-
						697,555	52,550,465	-	30,602,000

* The Company classified its investments as available-for-sale securities on May 11, 2017.

Summarized financial information of associated company

Financial information of the associated company and carrying amounts of associates based on equity method as at December 31, 2017 and 2016 is summarized below.

Unit: Baht

	Netbay PLC.		Community Information Co., Ltd.		Talk to Me Co., Ltd.		One Geo Soft Co., Ltd.		Inext Broadband Co., Ltd.	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Statements of financial position										
Current assets	-	357,254,522	8,430,362	-	4,633,193	-	249,957	-	199,875	-
Non-current assets	-	111,554,806.00	14,236.05	-	27,003.55	-	1	-	1	-
Current liabilities	-	(107,396,633)	(5,809,586)	-	(4,145,152)	-	(38,056)	-	(34,800)	-
Non-current liabilities	-	(17,968,051)	-	-	-	-	-	-	-	-
Assets-net of associates	-	343,444,644	2,635,012	-	515,045	-	211,901	-	165,076	-
Shareholding percentage (%)	-	15.30%	34.99%	-	29.99%	-	40.00%	-	29.99%	-
Share of net assets	-	52,550,465	921,252	-	154,503	-	84,760	-	49,516	-
Intercompany gain on intangible assets	-	-	(133,706)	-	(379,770)	-	-	-	-	-
Carrying amounts of associates										
based on equity method	-	52,550,465	787,546	-	(225,267)	-	84,760	-	49,516	-
Statements of profit or loss and other comprehensive income										
Revenue	-	277,090,975	5,657,419	-	4,630,757	-	66	-	102	-
Profit (loss) for the year	-	87,642,981	135,013	-	265,044	-	(38,099)	-	(84,924)	-
Other comprehensive income	-	61,272,968	-	-	-	-	-	-	-	-
Total Comprehensive income (loss)	-	148,915,949	135,013	-	265,044	-	(38,099)	-	(84,924)	-

During the years ended December 31, 2017 and 2016, the Company has recognized its share of profit or loss 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 (loss) from associated company		Dividend income	
	2560	2559	2560	2559
Netbay PLC.	5,344,866	19,317,673	5,756,968	14,240,000
Community Information Co., Ltd.	(87,289)	-	-	-
Intelligist Co., Ltd.	(262,851)	-	-	-
Talk to Me Co., Ltd.	(376,870)	-	-	-
One Geo Soft Co., Ltd.	(15,240)	-	-	-
Inext Broadband Co., Ltd.	(25,474)	-	-	-
Total	4,577,142	19,317,673	5,756,968	14,240,000

On June 13, 2016, the associated company offered shares to the initial public offering (IPO). The Company did not follow the offering. As a result, the Company's interest is reduced from 24.99 percent to 20.00 percent. The Company had recorded a gain from change of shareholding in associated company of Baht 20.31 million as other comprehensive income in the consolidated financial statement and reduced losses on business combinations under common control of Baht 3.84 million in the consolidated statement of changes in shareholders' equity.

During the year 2017, the Company disposed part of its shares in the associated company to public through financial institutions of 12.89 million shares. The Company had recorded a gain on sales of investment in associated company in consolidated and separate financial statements for the year ended December 31, 2017 in amount of Baht 71.85 million and Baht 75.61 million, respectively.

On May 11, 2017, a director appointed by the Company resigned from the director of the associate, remaining only one director in the associate. The Company has no intention to manage and/or determine any policies of the associate for the benefit of or damage to the Company. As a result, the Company has no significant influence on the associated company from May 11, 2017. The Company recognizes the difference between the fair value of retained interest and the carrying amount of the investment at the date the equity method was discontinued, and recognizes other comprehensive income in relation to that investment as profit from investment classification totaling of Baht 303.52 million in the consolidated statements of profit and loss for the year.

On January 27, 2017, Mandala Communications Co., Ltd. acquired 500,000 ordinary shares in Community Information Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 1.25 million.

On August 18, 2017, Mandala Communications Co., Ltd. disposed of 500,000 common shares of Community Information Co., Ltd. for Baht 1.25 million. The Company recognized the gain from the disposal of investment in the consolidated statements of income for year ended December 31, 2017 in amount of Baht 0.06 million.

On August 10, 2017 Mandala Communications Co., Ltd. acquired 349,999 ordinary shares in Intelligist Co., Ltd. at Baht 10 per share (a par value of Baht 10) for a total investment of Baht 0.87 million. The acquisition resulted the Company hold a 34.99 percent of the registered capital.

On September 7, 2017 Mandala Communications Co., Ltd. acquired 29,998 ordinary shares in Talk to Me Co., Ltd. at Baht 2.5 per share (a par value of Baht 10) for a total investment of Baht 0.07 million. The acquisition resulted the Company hold a 29.99 percent of the registered capital.

On October 31, 2017, Mandala Communications Co., Ltd. acquired 40,000 ordinary shares in One Geo Soft Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 0.10 million.

On November 1, 2017, Mandala Communications Co., Ltd. and Thai Starter Dot Com Co., Ltd. acquired 29,996 ordinary shares in Inext Broadband Co., Ltd. at Baht 2.50 per share (a par value of Baht 10) for a total investment of Baht 0.07 million.

17. Investments in subsidiary

Investments in subsidiary as at December 31, 2017 and 2016 can be summarized as follows:

Company's name	Separate financial statements					
	Unit: Baht		Unit: Baht			
			Paid-up capital		Cost	
	2017	2016	2017	2016	2017	2016
Mandala Communications Co., Ltd.	99.99	99.99	94,999,960	94,999,960	94,999,960	94,999,960
					94,999,960	94,999,960

During the year ended December 31, 2016, the Company purchased the increased shares capital of Mandala Communication Co., Ltd. of Baht 10 per share, totaling 6.675 million shares, in the total amount of Baht 66.75 million.

Non-controlling interests

The following table summarizes the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group elimination. Significant non-controlling interest in the indirect subsidiaries consisted of:

	Unit: Baht				
	As at December 31, 2017				
	IRecruite Co., Ltd.	Thai Dot Com Payment Co., Ltd.	One Email Co., Ltd.	Other individually immaterial subsidiaries	Total
Non-controlling interest percentage	0.01% - 55%	49.01%	30.01%		
Current assets	4,997,384	14,193,887	3,682,026		
Non-current assets	2,522,344	2,522,344	4,200,000		
Current liabilities	4,023,852	13,788,091	7,540,270		
Net assets	3,495,876	2,928,140	341,756		
Carrying amount of non-controlling interest	1,922,732	1,435,081	102,561	1,721,019	5,181,393
Revenue from services	23,630,295	28,342,684	3,520,000		
Profit	1,039,632	2,599,645	91,756		
Other comprehensive income	-	-	-		
Total comprehensive income	1,039,632	2,599,645	91,756		
Profit allocated to non-controlling interest	(592,084)	1,274,086	27,536		
Total comprehensive income allocated to non-controlling interest	(592,084)	1,274,086	27,536	17,931	727,469
Cash flows from operating activities	645,698	3,095,291	(89,041)		
Cash flows from investing activities	(2,334,410)	(3,000,000)	-		
Cash flows from financing activities	2,000,000	500,000	250,000		
Net increase in cash and cash equivalents	311,288	595,291	160,959		

18. Deferred maintenance services for equipment

Deferred maintenance services for equipment as at December 31, 2017 can be summarized as follows:

	Unit : Baht			
	Consolidated and separate financial statements			
	As at January 1, 2017	Movement during the year		As at December 31, 2017
		Increase	Decrease	
Cost				
Deferred maintenance services for equipment	26,610,915	36,336,764	-	62,947,679
Accumulated amortization	(9,241,027)	(17,227,734)	-	(26,468,761)
Deferred maintenance services for equipment - net	17,369,888			36,478,918

19. Property, plant and equipment - net

Property, plant and equipment as at December 31, 2017 can be summarized as follows:

	Unit : Baht				
	Consolidated financial statements				
	As at January 1, 2017	Movement during the year			As at December 31, 2017
		Increase	Decrease	Transferred in/out	
Cost					
Land	19,182,727	292,969,418	-	-	312,152,145
Land improvements	-	-	-	13,070,997	13,070,997
Building	-	-	-	659,577,193	659,577,193
Leasehold improvements	165,412,950	1,890,373	312,470	102,739,459	269,730,312
Network equipment	929,510,860	23,232,529	11,086,703	549,820,017	1,491,476,703
Computers	21,174,905	3,295,252	2,135,976	3,816,580	26,150,761
Office equipment	43,348,527	5,307,036	6,295,690	4,049,154	46,409,027
Motor vehicles	3,227,940	1,400,935	-	-	4,628,875
Building under construction and assets under installation	860,485,470	1,112,673,483	8,544,000	(1,333,073,400)	631,541,553
Total	2,042,343,379	1,440,769,026	28,374,839	-	3,454,737,566
Accumulated depreciation					
Land improvements	-	15,337	-	-	15,337
Building	-	773,925	-	-	773,925
Leasehold improvements	65,592,836	36,317,185	312,463	-	101,597,558
Network equipment	290,849,941	97,891,997	7,155,276	26,121,418	407,708,080
Computers	8,175,604	4,386,332	2,096,120	-	10,465,816
Office equipment	28,570,806	4,949,588	6,294,954	-	27,225,440
Motor vehicles	1,304,611	653,674	-	-	1,958,285
Total	394,493,798	144,988,038	15,858,813	26,121,418	549,744,441
Allowance for impairment					
Network equipment	36,297,917	-	-	-	36,297,917
Total	36,297,917	-	-	-	36,297,917
Net booked value	1,611,551,664				2,868,695,208

Unit : Baht

	Separate financial statements				
	As at January 1, 2017	Movement during the year			As at December 31, 2017
		Increase	Decrease	Transferred in/out	
Cost					
Land	19,182,727	268,605,442	-	-	287,788,169
Land improvements	-	-	-	13,070,997	13,070,997
Building	-	-	-	659,577,193	659,577,193
Leasehold improvements	165,412,950	1,890,373	312,470	102,739,459	269,730,312
Network equipment	913,378,174	19,302,815	8,086,703	538,688,217	1,463,282,503
Computers	20,937,406	2,883,850	2,135,976	3,816,580	25,501,860
Office equipment	43,348,527	5,307,036	6,295,689	3,695,093	46,054,967
Motor vehicles	3,227,940	1,400,934	-	-	4,628,874
Building under construction and assets under installation	860,485,470	1,087,469,632	8,544,000	(1,321,587,539)	617,823,563
Total	2,025,973,194	1,386,860,082	25,374,838	-	3,387,458,438
Accumulated depreciation					
Land improvements	-	15,337	-	-	15,337
Building	-	773,925	-	-	773,925
Leasehold improvements	65,592,835	36,317,185	312,463	-	101,597,557
Network equipment	287,249,833	93,545,600	7,155,276	26,121,418	399,761,575
Computers	8,014,507	4,265,709	2,096,120	-	10,184,096
Office equipment	28,570,806	4,932,618	6,294,954	-	27,208,470
Motor vehicles	1,304,611	653,674	-	-	1,958,285
Total	390,732,592	140,504,048	15,858,813	26,121,418	541,499,245
Allowance for impairment					
Network equipment	36,297,917	-	-	-	36,297,917
Total	36,297,917	-	-	-	36,297,917
Net booked value	1,598,942,685				2,809,661,276

Depreciation for the years ended December 31, 2017 and 2016, in the consolidated financial statements of Baht 144.99 million and Baht 168.09 million, respectively, and in the separate financial statements of Baht 140.50 million and Baht 165.42 million, respectively, are included in the statements of profit or loss.

Depreciation for the years ended December 31, 2017 in the consolidated and separate financial statements of Baht 26 million are capitalized as part of assets during the year.

As at December 31, 2017 and 2016, the Group had leasehold improvements, equipment and motor vehicles amounting to Baht 42.07 million and Baht 42.44 million, respectively, and the Company had buildings, equipment and motor vehicles amounting to Baht 41.94 million and Baht 42.30 million, respectively, which are fully depreciated but are still in use.

As at December 31, 2016, the management of the Company considered to provide allowance for impairment for the network equipment, in full amount because the bid failed.

Finance cost capitalized as equipment under development:

Unit : Baht

	Consolidated and separate financial statements	
	2017	2016
Capitalised interest on part of loans from financial institutions	27,979,821	4,554,372
Capitalisation rate (%)	3.75 - 4.90	3.61 - 4.40

As at December 31, 2017, the Company used buildings and existing structures and construction work located on the land for IDC3 project as securities for long-term loan from financial institution (Note 24).

20. Intangible assets - net

Intangible assets as at December 31, 2017 can be summarized as follows:

Unit : Baht

	Consolidated financial statements			
	As at January 1, 2017	Movement during the year		
		Increase	Decrease	Transferred in/out
Cost				
Computer software	110,494,662	12,546,820	100,000	76,079,478
Computer software under development	14,716,531	134,501,021	540,000	(76,079,478)
Total	125,211,193	147,047,841	640,000	-
Accumulated amortization				
Computer software	(45,487,181)	(23,184,268)	(99,998)	(230,164)
Total	(45,487,181)	(23,184,268)	(99,998)	(230,164)
Intangible assets - net	79,724,012			202,817,419

Unit : Baht

	Separate financial statements			
	As at January 1, 2017	Movement during the year		
		Increase	Decrease	Transferred in/out
Cost				
Computer software	98,977,915	4,855,820	100,000	73,508,928
Computer software under development	14,874,635	123,400,650	-	(73,508,928)
Total	113,852,550	128,256,470	100,000	-
Accumulated amortization				
Computer software	(42,876,848)	(18,155,178)	(99,998)	(230,164)
Total	(42,876,848)	(18,155,178)	(99,998)	(230,164)
Intangible assets - net	70,975,702			180,846,828

Amortization for the years ended December 31, 2017 and 2016, in the consolidated financial statements of Baht 23.18 million and Baht 13.52 million, respectively, and in the separate financial statements of Baht 18.16 million and Baht 12.16 million, respectively, are included in the statements of profit or loss.

Two subsidiaries have entered into 2 contracts on a license agreement to use research results with government agency in Thailand; The Company has the right to use research results to develop such software. Subsidiaries must comply with the terms and conditions stipulated in the agreements. Both subsidiaries are required to pay a royalty fee for the use of such computer software at the rates stipulated in the agreements.

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

Bank overdraft and short-term loan from financial institutions as at December 31, 2017 and 2016 can be summarized as follows:

Unit : Baht		
	Consolidated and separate financial statements	
	2017	2016
Bill of exchange	300,000,000	450,000,000
Less: discount	(2,178,293)	(4,244,885)
Bill of exchange - net	297,821,707	445,755,115
Total bank overdraft and short-term loan from financial institutions	297,821,707	445,755,115

As at December 31, 2017 and 2016, the Company issued unsecured bills of exchange to specific investors in the total amount of Baht 300 million and Baht 450 million, respectively, through many financial institutions, appointed as a representative of the Company. The bills of exchange have a term of 181-184 days and bear interest at a fixed rate based on the interest rates in the future.

As at December 31, 2017 and 2016, the Company had the following credit lines from financial institutions:

Unit : Million Baht				
	Consolidated and separate financial statements		Interest rate	
	2017	2016	2017	2016
Bank overdraft	40.00	75.00	Market Rate to MOR	Market Rate to MOR
Letter of guarantee	119.00	67.00	-	-
Promissory note	60.00	60.00	Market Rate to MOR	Market Rate to MOR
Bill of exchange	300.00	450.00	Fixed rate	Fixed rate

These credit lines are secured by pledging the Company's fixed deposit (Note 14).

22. Trade and other current payables

Trade and other current payables as at December 31, 2017 and 2016 can be summarized as follows:

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables				
Trade payables - related companies	35,839,550	37,930,808	51,191,899	42,365,312
Trade payables - others	88,476,089	68,609,120	79,730,312	65,416,375
Total trade payables	124,315,639	106,539,928	130,922,211	107,781,687
Other current payables				
Payables for purchase assets - related companies	12,740,040	-	28,421,138	-
Payables for purchase assets - others	171,334,923	94,314,455	165,524,815	94,314,455
Other payables	4,701,241	4,695,083	3,176,454	4,451,824
Accrued expenses	15,713,255	14,802,332	12,280,692	12,697,779
Total other current payables	204,489,459	113,811,870	209,403,099	111,464,058
Total trade and other current payables	328,805,098	220,351,798	340,325,310	219,245,745

23. Liabilities under financial lease agreement – net

Liabilities under financial lease agreements as at December 31, 2017 and 2016 can be summarized as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Due within 1 year				
Minimum payments	219,845,935	160,585,968	219,845,935	160,585,968
Deferred interest	(32,903,065)	(24,117,575)	(32,903,065)	(24,117,575)
Present value of minimum payment	186,942,870	136,468,393	186,942,870	136,468,393
Due over 1 year but not over 5 years				
Minimum payments	557,529,425	387,246,747	557,529,425	387,246,747
Deferred interest	(44,832,597)	(34,758,695)	(44,832,597)	(34,758,695)
Present value of minimum payment	512,696,828	352,488,052	512,696,828	352,488,052
Net book value of assets under financial leases	892,710,488	657,837,305	892,710,488	657,837,305

The Company entered into lease agreements with a certain companies for operating network equipment. The leases agreements have the terms of one to five years and bear interest rates of 2.24% to 10.31% per annum. Some of liabilities under finance leases agreements are guaranteed by the customer's assets.

24. Long-term loans from financial institution – net

Long-term loans from financial institution as at December 31, 2017 and 2016 can be summarized as follows:

	Unit : Baht	
	Consolidated and separate financial statements	
	2017	2016
Long-term loans from financial institution	697,909,000	-
Less Deferred interest	(5,660,004)	-
Long-term loans from financial institution – net	692,248,996	-

On March 23, 2017, the Company entered into a long-term loan agreement from a financial institution for the line not exceeding Baht 700 million to invest in an Internet Data Center 3 (INET-IDC 3). The loan carries an interest rate of MLR – the rate stipulated in the agreement. Repayments of the principal will be made in 12 quarterly installments at Baht 60 million each. The first repayment will be made in June 2019 and payment of interest is made every month. The loan is secured by buildings and existing structures and construction work located on the land for IDC3 project (Note 19). The Company has to comply with certain conditions specified in the loan agreement.

25. Non-current provisions for employee benefits

Movements of the present value of non-current provisions for employee benefits for the years ended December 31, 2017 and 2016 are as follows:

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Non-current provisions for				
employee benefits beginning of the years	10,704,029	7,485,146	10,109,605	6,654,105
Included in profit or loss:				
• Current service costs	4,252,927	2,981,219	3,944,053	2,596,412
• Cost of interest	356,231	216,902	343,727	208,360
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
• Financial assumptions changes	(2,391,062)	1,230,733	(2,412,169)	1,127,859
• Experience adjustments	202,989	(1,209,971)	202,989	(477,131)
Paid employee benefit obligations	(50,000)	-	(50,000)	-
Non-current provisions for employee				
benefits ending of the years	13,075,114	10,704,029	12,138,205	10,109,605

Employee benefit expenses for the years ended December 31, 2017 and 2016, as shown in the statements of profit or loss as follows:

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Costs of sales	1,674,549	854,341	1,486,154	854,341
Selling expenses	1,765,787	466,949	1,621,617	466,949
Administrative expenses	1,168,822	1,876,831	1,180,009	1,483,482
Total employee benefits expenses	4,609,158	3,198,121	4,287,780	2,804,772

Principal actuarial assumptions at the valuation date are as follow:

(Percentage (%)/annum)				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate for monthly salary	3.0%	3.4% - 3.51%	3.0%	3.4%
Future monthly salary increase rate	3% - 10%	6%	3% - 10%	6%
Mortality rate	100% of Thai	50% of Thai	100% of Thai	50% of Thai
	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary	Mortality Ordinary
	Tables of 2017	Tables of 2008	Tables of 2017	Tables of 2008

The result of sensitivity analysis for significant assumptions that affect the present value of the current provisions for employee benefits as at December 31, 2017 are summarized below:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Discount rate		
Increase 1%	11,348,940	10,548,099
Decrease 1%	14,249,682	13,165,787
Salary increase rate		
Increase 1%	14,168,405	13,090,483
Decrease 1%	11,397,272	10,593,671
Turnover rate		
Increase 10%	12,078,435	11,245,373
Decrease 10%	13,428,225	12,382,906

As at December 31, 2017, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Within 1 year	-	-
Over 1 and up to 5 years	3,460,120	3,460,120
Over 5 and up to 10 years	15,222,237	14,421,453
Over 10 years	48,389,018	39,284,913

26. Deferred tax liabilities – net

Movements in deferred tax assets and liabilities during year ended December 31, 2017 were as follows:

	Unit : Baht			
	Consolidated financial statements			
	As at January 1, 2017	Movement increase (decrease)		As at December 31, 2017
		Profit or loss	Other comprehensive income	
Deferred tax assets :				
Allowance for doubtful accounts	9,223,697	99,410	-	9,323,107
Accrued gratuities	1,824	-	-	1,824
Inventories	11,731	-	-	11,731
Employee benefit obligations	2,021,921	847,556	(437,615)	2,431,862
Tax losses	5,239,602	(5,239,602)	-	-
Property, leasehold improvements and equipment (allowance for impairment)	1,861,993	(801,752)	-	1,060,241
Total deferred tax assets	18,360,768	(5,094,388)	(437,615)	12,828,765
Deferred tax liabilities :				
Unrealized profit on changes in values of investments	(672,712)	-	50,674,175	50,001,463
Gain on investments classification	-	22,707,624	-	22,707,624
Property, leasehold improvements and equipment (depreciation)	26,030,340	16,803,839	-	42,834,179
Total deferred tax liabilities	25,357,628	39,511,463	50,674,175	115,543,266
Deferred tax liabilities – net	6,996,860			102,714,501

Unit : Baht

	Separate financial statements			
	As at January 1, 2017	Movement increase (decrease)		As at December 31, 2017
		Profit or loss	Other comprehensive income	
Deferred tax assets :				
Allowance for doubtful accounts	9,223,697	99,410	-	9,323,107
Accrued gratuities	1,824	-	-	1,824
Inventories	11,731	-	-	11,731
Employee benefit obligations	2,021,921	847,556	(441,836)	2,427,641
Tax losses	5,239,602	(5,239,602)	-	-
Property, leasehold improvements and equipment (allowance for impairment)	1,861,993	(801,752)	-	1,060,241
Total deferred tax assets	18,360,768	(5,094,388)	(441,836)	12,824,544
Deferred tax liabilities :				
Unrealized profit on changes in values of investments	(672,712)	-	73,323,615	72,650,903
Property, leasehold improvements and equipment (depreciation)	26,030,340	16,803,839	-	42,834,179
Total deferred tax liabilities	25,357,628	16,803,839	73,323,615	115,485,082
Deferred tax liabilities - net	6,996,860			102,660,538

Income tax expenses for the years ended December 31, 2017 and 2016, were as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before income tax	442,556,944	100,340,076	356,040,949	98,386,516
Income tax rate	20%	20%	20%	20%
Current income tax expenses as tax rate	88,511,389	20,068,015	71,208,190	19,677,303
Non-deductible expenses by the Revenue Code	6,860,577	5,991,552	6,527,076	5,825,855
Double expenses by the Revenue Code	(16,298,964)	(4,323,166)	(16,267,808)	(4,304,691)
Dividend income	(62,233)	-	(1,213,626)	(2,848,000)
Share of loss from investment in joint venture	112,196	7,854	-	-
Share of profit from investment in associated company	(915,428)	(3,863,535)	-	-
Gain on sales of investment in associates company	4,059,343	1,198,846	-	-
Profit (loss) of inter-company transactions	2,312,685	(107,130)	-	-
Unutilized tax loss carry forward	152,856	1,180,609	-	1,180,609
Effect from promoted activities	(17,330,935)	(4,200,615)	(17,330,935)	(4,200,615)
Difference from income tax rate	(388,662)	19,092	-	-
Tax expenses	67,012,824	15,971,522	42,922,897	15,330,461
The average effective tax rates	15.14%	15.92%	12.06%	15.58%

The Group used income tax rates of 20% for the calculation of corporate income tax for the years ended December 31, 2017 and 2016. Certain subsidiary applied the progress income tax rates according to the Royal Decree issued under the Revenue Code.

By reducing the rate and exempting the income tax (No. 530) 2011 for entrepreneurs who are small and medium enterprises.

27. Share capital

The Ordinary Shareholders' Meeting of 2017, held on April 21, 2017, approved the reduction of registered capital from Baht 512.54 million to Baht 500.04 million by cancelling 12,500,023 shares, at a par value of Baht 1 per share, totaling Baht 12.50 million. The Company registered the reduction of its capital with the Ministry of Commerce on May 5, 2017. On June 13, 2016, the Company's Extraordinary General Meeting of Shareholders No. 1/2016 passed the following resolutions:

- a) Approved the reduction of registered capital from Baht 333.33 million to Baht 250.02 million by cancelling 83,312,534 shares, at a par value of Baht 1 per share, totaling Baht 83.31 million. The Company registered the reduction of its capital with the Ministry of Commerce on June 21, 2016.
- b) Approved the increase of registered capital from Baht 250.02 million to Baht 512.54 million by issuing ordinary shares totaling 262,520,799 shares, at a par value of Baht 1 per share. This is to be offered to the existing shareholders of the Company in proportion to the number of shares each shareholder holding (Right offering) of 250,020,799 shares, at Baht 3 per share and to support the sale of new shares to persons who perform as director, executive and employees of the Company and/or its subsidiaries under ESOP INET 2016 Scheme amount 12,500,000 shares, at Baht 3 per share. The Company registered the increase of its capital with the Ministry of Commerce on June 22, 2016.

On July 22, 2016, the resolution of the Board of Directors Meeting 6/2016 has approved the allotment of new shares of 250,020,776 shares to the shareholders of the Company according to the proportion to the number of shares held by shareholders (Right Offering) at the price of Baht 3 each. The Company has received full payment and has registered an increase in paid-up capital with the Ministry of Commerce on July 25, 2016.

28. 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.

29. Dividend

The Ordinary Shareholders' Meeting of 2017, held on April 21, 2017, approved a dividend payment to existing shareholders from net profits for the year 2016 at the rate of Baht 0.0789 per share, totaling Baht 39.45 million, and also approved that an additional Baht 3.22 million be appropriated to the legal reserve.

The Ordinary Shareholders' Meeting of 2016, held on April 21, 2016, approved a dividend payment to existing shareholders from net profits for the year 2015 at the rate of Baht 0.015 per share, totaling Baht 3.75 million, and also approved that an additional Baht 0.58 million be appropriated to the legal reserve.

30. Expenses by nature

The Company's has significant expenses by nature for the years ended December 31, 2017 and 2016 are as follows:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental expenses from operating				
Link network rental	22,681,465	25,290,165	22,681,465	25,290,165
Rental of equipment and vehicles	8,523,128	6,094,464	8,523,128	6,094,464
Maintenance service expenses	31,642,691	23,378,098	31,642,691	23,378,098
Office rental and service expenses	53,534,494	31,038,354	49,509,876	31,038,354
Salary and wages and other				
employee benefits	391,165,012	240,431,373	366,934,190	229,157,145
Depreciation and amortization expenses	185,400,040	181,616,345	175,886,960	177,580,301
Allowance for withholding tax receivable	31,958,323	-	31,958,323	-

31. Operating Segment

The Group 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 Group for the years ended December 31, 2017 and 2016 can be set out below.

Unit : Baht

	2017			2016		
	Access business	Business solutions	Total	Access business	Business solutions	Total
Service income and sales	290,584,102	697,864,771	988,448,873	152,647,134	704,863,061	857,510,195
Cost of services and sales	(140,960,477)	(598,365,374)	(739,325,851)	(125,593,407)	(535,424,522)	(661,017,929)
Segment results	149,623,625	99,499,397	249,123,022	27,053,727	169,438,539	196,492,266
Gain on sales of available-for-sale investments			161,078,218			-
Gain on sales of investment in associates company			71,914,425			121,832,820
Gain on classification investments			303,514,677			-
Other income			16,535,181			22,021,618
Selling expenses			(133,876,684)			(84,965,260)
Administrative expenses			(197,610,788)			(144,622,138)
Profit before share of profit (loss) from associated company and joint venture			470,678,051			110,759,306
Share of loss from investment in joint venture			(560,978)			(39,272)
Share of profit from an associate			4,577,142			19,317,673
Profit before finance costs and income tax expenses			474,694,215			130,037,707
Finance costs			(32,137,271)			(29,697,631)
Profit before income tax expenses			442,556,944			100,340,076
Income tax expenses			(67,012,824)			(15,971,522)
Profit for the years	170,125,125	205,418,995	375,544,120	9,915,739	74,452,815	84,368,554

For the Group, no sales or other transactions occurred between the business segments. Since both business segments share the same revenue-generated assets and liabilities, the Group did not allocate costs of providing services and assets and liabilities used between these two business segments.

The Group has a major customer for the years ended December 31, 2017 and 2016 for the revenues from the provision of telecommunication services including internet access services in amount of Baht 52.71 million and Baht 246.66 million, respectively.

The report showing the calculation of income allocated to the National Broadcasting and Telecommunication Commission by the Group for the years ended December 31, 2017 and 2016 are as follows

Unit : Baht				
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Revenue from telecommunications				
license type 1	457,379,623	373,879,439	398,055,952	546,794,241
Revenue not related to telecommunications				
licenses	524,481,663	479,771,740	600,949,283	298,673,323
Total revenue from services	981,861,286	853,651,179	999,005,235	845,467,564

32. Promotional privileges

The Company has two Board of Investment promotions to engage in the activity of “Cloud Services” under Promotion Certificate No. 58-1841-1-00-2-0, dated July 7, 2015 and No. 59-1041-1-00-2-0, dated 10 August 2016. The Company received the licenses 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 the 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.

Revenue from services for the years ended December 31, 2017 and 2016 which are derived from BOI promoted activities, are in the amount of Baht 284.93 million and Baht 168.86 million, respectively.

33. Financial Instruments

33.1 Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, loans, and notes receivable. The Group manages this risk by adopting appropriate credit control policies and procedures. As such, The Group does not expect to incur material financial losses. In addition, The Group 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.

33.2 Interest rate risk

The Group is exposed to significant interest rate risks relate primarily to bank deposits and short-term investments. Most of the interest rates that fluctuate based on market rates or a fixed rate with a maturity date after the date of the statement of financial position does not exceed one year. As the Group has a policy to deposit or invest in highly liquid instruments with a maturity not exceeding one year, the Group's interest rate risk is low.

Significant financial assets and liabilities classified by type of interest rate are as follows.

Unit : Thousand Baht

Description	Consolidated financial statements as at December 31, 2017				
	Notes	Floating interest rate	Fixed interest rates	No interest	Total
Financial asset					
Cash and cash equivalents	7	44,054	-	314	44,368
Investments in available-for-sale securities	8	-	135,592	447,221	582,813
Trade and other current receivables	9	-	-	239,479	239,479
Restricted deposits at financial institutions	14	-	35,389	-	35,389
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	-	297,822	-	297,822
Trade and other current payables	22	-	-	328,805	328,805
Liabilities under financial lease agreements	23	-	699,640	-	699,640
Long-term loans	24	692,249	-	-	692,249

Unit : Thousand Baht

Description	Consolidated financial statements as at December 31, 2017				
	Notes	Floating interest rate	Fixed interest rates	No interest	Total
Financial asset					
Cash and cash equivalents	7	213,732	-	202	213,934
Investments in available-for-sale securities	8	-	152,531	63,241	215,772
Trade and other current receivables	9	-	-	177,927	177,927
Restricted deposits at financial institutions	14	-	66,708	-	66,708
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	-	445,755	-	445,755
Trade and other current payables	22	-	-	220,352	220,352
Liabilities under financial lease agreements	23	-	488,956	-	488,956

For financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the reprising date, (if this occurs before the maturity date). From the date of the statement of financial position are as follows.

Unit : Thousand Baht

Description	Consolidated financial statements as at December 31, 2017				
	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
Financial asset					
Investments in available for sale securities	8	135,592	-	135,592	2.24 % - 4.60%
Restricted deposits at financial institutions	14	35,389	-	35,389	0.52% - 1.38%
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	297,822	-	297,822	3.75%
Liabilities under financial lease agreement	23	186,943	512,697	699,640	2.24 % - 10.31%

Unit : Thousand Baht

Description	Consolidated financial statements as at December 31, 2017				
	Notes	Within 12 Month	Over 12 Month	Total	Interest rate
Financial asset					
Investments in available for sale securities	8	-	152,531	152,531	2.22% - 4.60%
Restricted deposits at financial institutions	14	66,708	-	66,708	0.85% - 1.5%
Financial liabilities					
Bank overdrafts and short-term loans					
from financial institutions	21	445,755	-	445,755	3.61% - 4.40%
Liabilities under financial lease agreement	23	136,468	352,488	488,956	4.71% - 10.31%

33.3 Foreign currency risk

The Group has 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 Group do not enter in to forward exchange contract to minimize the foreign currency risk since the management considers that such foreign currency risk is expected to be low.

33.4 Fair values

Since the majority of the Group'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.

33.5 Capital management

The Group's management has capital management policy which aims to maintain a strong capital base through strategic plan for its operation and businesses with good performance and cash flows. Furthermore, the Group also takes into account the good financial position by considering investing in projects that can generate good yield and maintaining a reasonable working capital as well as strengthening its stability of cash and a capital structure. This is to retain the ability to conduct business in the future and maintain the confidence of shareholders, investors, creditors and other stakeholders.

34. Commitments and contingent liabilities

34.1 Penalty from a service contract

As at December 31, 2017 and 2016, 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 has the opinion that the Company should not have to make such payments and believes it will ultimately finalize the case without any penalty payment. As a result, the Company has not made any reserve in the consolidated and separate financial statements.

34.2 Commitments and contingent liabilities with financial institutions

As at December 31, 2017 and 2016, the Company has a commitment with a bank for letters of guarantee issued by that bank totaling Baht 44.94 million and Baht 50.93 million, respectively, which were guaranteed by pledged deposits at various financial institutions (Notes 14 and 21).

34.3 Operating lease commitments

The Group has commitments with regard to operating lease agreements with leasing terms of 1 – 30 years. As at December 31, 2017 and 2016, the Group has future obligations to make lease payments are as follows:

	Unit : Million Baht			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Due within 1 year	80.94	40.98	73.30	40.98
Due over 1 year but not over 5 years	93.81	32.63	83.21	32.63
Over 5 years	32.85	34.04	32.85	34.04
Total	207.60	107.65	189.36	107.65

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, 2017, 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 lesser.

34.4 Significant agreements

As at December 31, 2017, the Company has a contractual obligation under sales and purchase agreements of land in the amount of Baht 33.84 million. On October 9, 2017, the Company entered into right of superficies agreement on such land for a term of 15 years because the transfer of ownership cannot be made under the law.

As at December 31, 2017 and 2016, the Group was obligated to pay remaining costs of equipment in the amount of Baht 339.56 million and Baht 263.24 million, respectively and The Company was obligated to pay remaining costs of equipment in the amount of Baht 357.41 million and Baht 263.24 million, respectively

As at December 31, 2017 and 2016, the Company has a contractual obligation under construction agreements of buildings in the amount of Baht 7.17 million and Baht 289.61 million, respectively.

35. 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, 2017 and 2016 amounted to approximately Baht 9.45 million and Baht 6.57 million respectively, in the consolidated financial statements and amounted to Baht 8.65 million and Baht 6.13 million respectively, in the separated financial statements.

36. Reclassification

The Company has reclassified certain accounts in the financial statements for the year ended December 31, 2016 to conform to the presentation of the financial statements of current year.

Unit : Thousand Baht

	Consolidated financial statements			Separate financial statements		
	Before reclassification	Reclassification	After reclassification	Before reclassification	Reclassification	After reclassification
Statements of financial position						
Trade and other payables	243,470	(23,118)	220,352	240,746	(21,500)	(21,500)
Accrued bonus	-	23,118	23,118	-	21,500	21,500
Statements of profit or loss and other comprehensive income						
Gain on sales of available-for-sale investments	-	158	158	-	158	158
Other income	23,793	(158)	23,635	23,793	(158)	(158)

37. Event after the reporting period

37.1 A subsidiary has registered new companies as follows:

Company's name	Business type	Registered capital (Million Baht)	Registration date
Atcetera corporation Co., Ltd.	Computer System Services (cloud)	1	January 26, 2018

37.2 The Board of Directors' Meeting No. 3/2018,

held on February 27, 2018, resolved to pay a dividend from its operating result for the year ended December 31, 2017, for 500 million shares at the rate of Baht 0.1259 per share, amounting Baht 62.94 million. The dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

38. Approval of financial statements

These financial statements have been approved for issuance by the Company's authorized director on February 27, 2018.

Brief Profile of Directors, Executives, Controlling persons and Company Secretary

as of 31 December 2017

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 • Chairman of the Board of Directors • Chairman of Executive Committee • Authorised Director Date of appointment. : 28 August 2001 (Date of registered as a public limited company)	73	<u>Education</u> • Ph.D. Electronics and Computer Engineering University of Cambridge, United Kingdom <u>Training Program</u> • Director Certification Program (DCP) by Thai Institute of Directors (IOD) • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD)	-	-	2001 – present	• Chairman of the Board of Directors	• Internet Thailand Public Company Limited
					2008 – present	• Chairman of Executive Committee	• Internet Thailand Public Company Limited
					Other Listed Companies		
					2008 – present	• Chairman of the Board	• Netbay Public Company Limited
					Other Companies		
					2006 – present	• Executive Committee Member	• Wisdom wave Company Limited
					Other Organizations		
					2005 – present	• Senior Advisor	• National Science and Technology Development Agency, Ministry of Science and Technology
					2005 – present	• The University Board	• Suranaree University of Technology Hydro and Agro Informatics Institute (Public Organization)
					2015 – present	• Secretary General	• The Information Technology Foundation under the Initiative of H.R.H. Princess Maha Chakir Sirindhorn
					Position holding in other companies		
					2017 – present	• Director	• Internet Thailand Public Company Limited
2. Dr. Narong Sirilertworakul • Director • Risk Management Committee Member • Corporate Governance Committee Member • Authorised Director Date of appointment. : 11 August 2017	51	<u>Education</u> • Advance Management Program (AMP174), Harvard Business School <u>Training Program</u> • Role of the Chairman Program (RCP) by Thai Institute of Directors (IOD) • Director Certification Program (DCP) by Thai Institute of Directors (IOD)	-	-	2017 – present	• Risk Management Committee Member	• Internet Thailand Public Company Limited
					2017 – present	• Corporate Governance Committee Member	• Internet Thailand Public Company Limited
					Other Organizations		
					2016 – present	• Vice President	• National Science and Technology Development Agency, Ministry of Science and Technology
					2016 – present 2013 – 2016 2013 – 2016	• Announcer • Vice President • Assistance Vice President	• Ministry of Science and Technology Technology Management Center (TMC) • National Science and Technology Development Agency, Ministry of Science and Technology
					Position holding in other companies		

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. Kamthon Waithayakul <ul style="list-style-type: none">• Director• CEO Performance Review Committee Member Date of appointment. : 28 April 2015	58	<u>Education</u> <ul style="list-style-type: none">• Diplome de Docteur , Computer , L'Universite Paris VI,France <u>Training Program</u> <ul style="list-style-type: none">• Director Certification Program (DCP) by Thai Institute of Directors (IOD)• Financial Statements for Directors (FSD) by Thai Institute of Directors (IOD)	0.01	-	2015 – present	<ul style="list-style-type: none">• Director	<ul style="list-style-type: none">• Internet Thailand Public Company Limited
					2016 – present	<ul style="list-style-type: none">• CEO Performance Review Committee Member	<ul style="list-style-type: none">• Internet Thailand Public Company Limited
					Other Companies		
					2012 – present 2012 – 2014	<ul style="list-style-type: none">• Senior Executive Vice President – Operations• Director	<ul style="list-style-type: none">• TOT Public Company Limited• Thai Longdistance Telecommunications Company Limited
					Other Organizations		
					2015 – present	<ul style="list-style-type: none">• Director Dept.12	<ul style="list-style-type: none">• The Telecommunications Association of Thailand Under The Royal Patronage
Position holding in other companies							
4. Dr. Apiruck Preechayasomboon <ul style="list-style-type: none">• Director Date of appointment. : 13 June 2016	58	<u>Education</u> <ul style="list-style-type: none">• M.S. Electrical Engineering, The George Washington University• Ph.D. Electrical Engineering, Florida Atlantic University <u>Training Program</u> <ul style="list-style-type: none">• Director Certification Program (DCP) by Thai Institute of Directors (IOD)• Financial Statements for Directors (FSD) by Thai Institute of Directors (IOD)• How to Develop a Risk Management Plan (HRP) by Thai Institute of Directors (IOD)	-	-	2016 – present	<ul style="list-style-type: none">• Director	<ul style="list-style-type: none">• Internet Thailand Public Company Limited
					Other Companies		
					2016 - present	<ul style="list-style-type: none">• Executive Vice President of Enterprise Customer Services and Development	<ul style="list-style-type: none">• TOT Public Company Limited
					2015 – 2016	<ul style="list-style-type: none">• Executive Vice President of Fixed Line and Broadband Development Office	<ul style="list-style-type: none">• TOT Public Company Limited
					2013 – 2015	<ul style="list-style-type: none">• Executive Vice President of Corporate Strategy Office	<ul style="list-style-type: none">• TOT Public Company Limited
					2012 – 2013	<ul style="list-style-type: none">• Executive Vice President of Metropolitan Sale and Service 3 Office	<ul style="list-style-type: none">• TOT Public Company Limited
					2012	<ul style="list-style-type: none">• Vice President of Network Planning Department	<ul style="list-style-type: none">• TOT Public Company Limited
Position holding in other companies							

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
5. Ms. Tanwadee Wongterarit • Director • CEO Performance Review Committee Member • Authorised Director Date of appointment : 24 April 2009	56	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) • Advance Management Program by Harvard Business School USA	-	-	2009 – present	• Director	• Internet Thailand Public Company Limited • Internet Thailand Public Company Limited
					2009 – present	• CEO Performance Review Committee Member	
					Other Listed Companies		
					2013 – present	• Director	• Total Access Communication Public Company Limited
Position holding in other companies					Other Companies		
					2017 – Present	• Senior Executive Vice President (NGDC&NBN Business)	• CAT Telecom Public Company Limited
					2015 – 2017	• Senior Executive Vice President (Information Technology)	• CAT Telecom Public Company Limited
					2013 – 2015	• Senior Executive Vice President (Corporate Strategy)	• CAT Telecom Public Company Limited
6. Mr. Aniruth Hiranraks • Director • Authorised Director Date of appointment : 24 April 2009	45	Education • Master of Engineering (Electrical – Communications) Cornell University U.S.A. Training Program • Director Accreditation Program (DAP)) by Thai Institute of Directors (IOD)	-	-	2009 – 2012	• Senior Executive Vice President (Voice Business)	• CAT Telecom Public Company Limited
					2009 – present	• Director	• Internet Thailand Public Company Limited
					Other Companies		
Position holding in other companies					2017 – present	• Executive Vice President Information Technology Group	• CAT Telecom Public Company Limited
					2013 – 2017	• Vice President Corporate Information Technology Department	• CAT Telecom Public Company Limited
					2009 – 2013	• Vice President International Network Department	• 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
7. Prof. Emeritus Achara Chandrachai, Ph.D. <ul style="list-style-type: none">Independent DirectorChairman of Audit Committee <p>Date of appointment.: 27 April 2006</p>	69	Education <ul style="list-style-type: none">Bachelor Degree in Accounting, Chulalongkorn University, 1970.Certificate of Accountant, Chulalongkorn University, 1971Master's Degree (Finance), 2nd Class Honor, National Institute of Development Administration 1974Ph.D. Quantitative Business Analysis, Arizona StateUniversity, U.S.A. Training Program <ul style="list-style-type: none">Audit Committee Program (ACP) by Thai Institute of Directors (IOD) Class 27/2009Director Certification Program (DCP) by Thai Institute of Directors (IOD) Class 45/2007	-	-	2006 – present	Independent Director	Internet Thailand Public Company Limited
					2009 – present	Chairman of Audit Committee	Internet Thailand Public Company Limited
					Other Listed Companies		
					2013 – present	Independent Director and Chairman of Audit Committee	Saha Union Public Company Limited
					Other Companies		
					2005 – present	Independent Director and Audit Committee Member	Pan Rajdhevee Group Public Company Limited
					2016 - Present	Independent Director and Audit Committee Member	Chaoprayamahanakorn Public Company Limited
					Other Organizations		
					2006 – present	Professor Emeritus, Faculty of Commerce and Accountancy	Chulalongkorn University
Position holding in other companies							
8. Mr. Aran Permpiboon <ul style="list-style-type: none">Independent DirectorChairman of Nomination and Remuneration CommitteeAudit Committee Member <p>Date of appointment. : 28 August 2001 (Date of registered as a public limited company)</p>	73	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	Independent Director	Internet Thailand Public Company Limited
					2008 – present	Chairman of Nomination and Remuneration Committee	Internet Thailand Public Company Limited
					2008 – present	Audit Committee Member	Internet Thailand Public Company Limited
Position holding in other companies							

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
9. Ms. Narumol Wangsatorntanakun <ul style="list-style-type: none">• Independent Director• Chairman of Risk Management Committee• Audit Committee Member Date of appointment : 26 February 2009	63	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)	0.01	-	2009– present	• Independent Director	• Internet Thailand Public Company Limited
					2011– present	• Chairman of Risk Management Committee	• Internet Thailand Public Company Limited
					2013– present	• Audit Committee Member	• Internet Thailand Public Company Limited
					Other Listed Companies		
					2008 – 2014	• Chairman of the Nomination and RemunerationCommittee	• ACAP Advisory Group Public Company Limited
					2003 - 2014	• Independent Director and Audit Committee Member	• ACAP Advisory Group Public Company Limited
					Other Companies		
					2002 – present 2010 – 2012	• Chief Information Officer • Director	• Thai Smart Card Company Limited • ITBC Business Consultant Group Company Limited
Position holding in other companies							
10. Mr. Sahas Treetipbut <ul style="list-style-type: none">• Director• Executive Committee Member• Nomination and Remuneration Committee Member Date of appointment : 28 August 2001 (Date of registered as a public limited company)	70	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)	0.002	-	2001 – present	• Director	• Internet Thailand Public Company Limited
					2008 – present	• Executive Committee Member	• Internet Thailand Public Company Limited
					2006 – present	• Nomination and Remuneration Committee Member	• Internet Thailand Public Company Limited
					Other Listed Companies		
					2014 – present	• Independent Director	• Origin Property Public Company Limited
					2014 – present	• Chairman of Audit Committee	• Origin Property Public Company Limited
					2012 – present	• Chairman of the Board	• Thiensurat Public Company Limited
					2008 – present	• Chairman of the Board	• COL Public Company Limited
					2008 – Present	• Audit Committee Member	• COL Public Company Limited
					2008 – Present	• Independent Director	• COL Public Company Limited
					Other Companies		
					2015 – present	• Director	• Thai Dot Com Company Limited
Position holding in other companies							

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
11. Ms. Nilobon Tangprasit <ul style="list-style-type: none">• Independent Director• Chairman of Nomination and Remuneration Committee• Audit Committee Member• Corporate Governance Committee Member วันที่ได้รับแต่งตั้งเป็นกรรมการ : 12 พฤษภาคม 2557	58	<u>Education</u> <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• LL.B (Honors), Chulalongkorn University, Bangkok, Thailand <u>Training Program</u> <ul style="list-style-type: none">• Director Accreditation Program (DAP) by Thai Institute of Directors (IOD)	-	-	2014 – present	• Independent Director	• Internet Thailand Public Company Limited
					2014 – present	• Chairman of Nomination and Remuneration Committee	• Internet Thailand Public Company Limited
					2014 – present	• Audit Committee Member	• Internet Thailand Public Company Limited
					2015 - present	• Corporate Governance Committee Member	• Internet Thailand Public Company Limited
					Other Listed Companies		
Position holding in other companies					2009 – present	• Company Secretary	• Siam Makro Public Company Limited
					Other Companies		
					2005 – present	• Director	• Siam City Law Offices Limited
					2006 – present	• Director	• Hanna Instruments (Thailand) Limited
					2007 – present	• Director	• Chavalit & Partners Limited
12. Mrs. Morragot Kulatumyotin <ul style="list-style-type: none">• Director• Executive Committee Member• Risk Management Committee Member• Corporate Governance Committee member• Managing Director• Acting Company Secretary Date of appointment : 23 April 2003	50	<u>Education</u> <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 <u>Training Program</u> <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• Thammasat Leadership Program (TLP), Thammasart University• Executive Program (CMA), Capital Market Academy	0.16		2003 – present	• Director	• Internet Thailand Public Company Limited
					2008 – present	• Executive Committee Member	• Internet Thailand Public Company Limited
					2008 – present	• Risk Management Committee Member	• Internet Thailand Public Company Limited
					2015 – present	• Corporate Governance Committee Member	• Internet Thailand Public Company Limited
					2013 – present	• Managing Director	• Internet Thailand Public Company Limited
Position holding in other companies					2013 -present	• Acting Company Secretary	• Internet Thailand Public Company Limited
					Other Companies		
					2014 – 2016	• Director	• Thai Dot Com Company Limited
					2008 – present	• Chairman of the Board	• 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
13. Mr. Wanchai Vach-shevadumrong • Deputy Managing Director	42	<u>Education</u> • Master of Business Administration Chulalongkorn University <u>Training Program</u> • Director Accreditation Program (DAP) by Thai Institute of Directors (IOD) • Leadership Succession Program (LSP) by Institute of Research and Development for Public Enterprise (IRDPE)	-	-	2013 – present	• Deputy Managing Director	• Internet Thailand Public Company Limited
					2012 – 2013	• Executive Vice President	• Internet Thailand Public Company Limited
					2011 – 2012	• Senior Vice President	• Internet Thailand Public Company Limited
					Other Listed Companies		
Position holding in other companies					2012 – 2015	• Director	• Netbay Public Company Limited
					Other Companies		
					2014 – present	• Director	• Thai Dot Com Company Limited
					2012 - present	• Managing Director	• Mandala Communication Company Limited
14. Mr. Saknon Kangsumrith • Senior Vice President	50	<u>Education</u> • Master of Science in Information Technology Management, University of the Thai Chamber of Commerce	-	-	2013 – present	• Senior Vice President	• Internet Thailand Public Company Limited
					2011 – 2012	• Vice President	• Internet Thailand Public Company Limited
					Position holding in other companies		
15. Mr. Attawut Kampradit • Senior Vice President	47	<u>Education</u> • Master Degree , University of the Thai Chamber of Commerce <u>Training Program</u> • ITIL V3. Expert • CDCP : Certified Data Centre Professional • CDFOM : Certified Data Centre Facilities Operations	-	-	2014 – present	• Senior Vice President	• Internet Thailand Public Company Limited
					Other Companies		
					2009 - 2013	• Services Management Director	• MFECC Public Company Limited
					Position holding in other companies		
16. Mr.Piyaret Saelee • Senior Vice President	52	<u>Education</u> • Mini MBA Thammasart University <u>Training Program</u> • TOI solaris by SUN Micro System • ITIL foundation by Pink • Informix / Oracle Administrator	-	-	2014 – present	• Senior Vice President	• Internet Thailand Public Company Limited
					Other Companies		
					2013 – 2014	• Vice President	• G-ABLE Company Limited
					2009 - 2013	• Director	• G-ABLE Company Limited
Position holding in other companies		-					

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
17. Mr.Attaphong Habsa <ul style="list-style-type: none">• Senior Vice President	46	<u>Education</u> <ul style="list-style-type: none">• Master of MIS & Marketing City University of Seattle, U.S.A. <u>Training Program</u> <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	• Senior Vice President	• Internet Thailand Public Company Limited
					Other Listed Companies		
					2012 – 2014	• Business Development Director	• MPEC Public Company Limited
					Other Companies		
Position holding in other companies					2014 – 2015	• Head of Commercial	• True Internet Data Center Company Limited
					2012 – 2014	• Business Development Director	• Sawasdeeshop Limited
19. Mrs. Varaporn Pintola <ul style="list-style-type: none">• Senior Vice President	56	<u>Education</u> <ul style="list-style-type: none">• Business Computer (BBA) Assumption University• Marketing (MBA) Assumption University	0.02	-	2015 – present	• Senior Vice President	• Internet Thailand Public Company Limited
					Other Companies		
					2010 - 2015	• General Manager	• Hewlett-Packard (Thailand)
Position holding in other companies		-					

Changes in Securities Holding of Directors and Management as of 31 December 2017

Name	Numbers of stocks held of beginning of the year	Numbers of stocks held of during the year	Numbers of stocks held of end of the year
1. Prof. Dr. Pairash Thajchayapong	-	-	-
2. Dr. Narong Sirilertworakul	-	-	-
3. Dr. Kamthon Waithayakul	56,459	-	56,459
4. Dr. Apiruck Preechayasomboon	-	-	-
5. Ms. Tanwadee Wongterarit	-	-	-
6. Mr. Aniruth Hiranraks	-	-	-
7. Prof. Emeritus Dr. Achara Chandrachai	-	-	-
8. Mr. Aran Permpiboon	-	-	-
9. Mr. Sahas Treetipbut	10,000	-	10,000
10. Ms. Narumol Wangsatorntanakun	60,000	-	60,000
11. Ms. Nilobon Tangprasit	-	-	-
12. Mrs. Morragot Kulatumyotin	832,000	-	832,000
13. Mr. Wanchai Vach-shewadumrong	-	-	-
14. Mr. Saknon Kangsumrith	-	-	-
15. Mr. Attawut Kampradit	-	-	-
16. Mr. Piyaret Saelee	-	-	-
17. Mr. Attaphong Habsa	-	-	-
18. Mrs. Varaporn Pintola	107,526	10,000	97,562

Details of the positions of the Board of directors, management and the controlling persons of subsidiaries and associated company

as of 31 December 2017

Company	Prof. Dr. Pairash Thajchayapong	Dr. Thaweesak Koanantakool	Dr. Kamthon Waithayakul	Dr. Apiruck Preechayasomboon	Ms. Tanwadee Wongterarit	Mr. Aniruth Hiranraks	Prof. Emeritus Dr. Achara Chandrachai	Mr. Aran Permpiboon	Mr. Sahas Treetipbut	Ms. Narumol Wangsatorntanakun	Ms. Nilobon Tangprasit	Mrs. Morragot Kulatumyotin	Mr. Wanchai Vach-shewadumrong	Mr. Saknon Kangsumrith	Mr. Attawut Kampradit	Mr. Piyaret Saelee	Mr. Attaphong Habsa	Mrs. Varaporn Pintola
Internet Thailand Public Company Limited	*	/	/	/	/	/	/	/	/	/	/	/	/	///	///	///	///	///
Mandala Communication Company Limited													*	//				
Thai Dot Com Company Limited									*					/				
INET Managed Services Company Limited														//				
Thai Starter Dot Com Company Limited									/					//				
I Recruit Company Limited														//				
Thai Dot Com Payment Company Limited														//				
Digital Healthcare Solutions Company Limited														//				
Thai Identities Company Limited														//				
D Solution Dot Com Company Limited														//				
Intelligist Company Limited														//				
Talk To Me Company Limited														//				
Open Landscape Company Limited														//				
One Email Company Limited														//				
One Geo Soft Company Limited														//				
Inex Broadband Company Limited														//				
Nexpie Company Limited														//				
One DC Company Limited; and														//				
Service One Solution Company Limited														//				

Remark : * = Chairman

// = Managing Director

/ = Director

/// = Management

Details of the directors of the subsidiaries

as of 31 December 2017

Company	Ms. Vilawan Vanadurongvan	Mr. Songsak Danubumrungsart	Ms. Hunsu Nawaraphan	Mr. Pat Hosiri	Ms. Sumaree Rattanawiboon	Ms. Saruta Tangja	Mr. Teeravee Kokheng	Ms. Saranpa Mingkwan	Ms. Rujira Nuagaowai
Mandala Communication Company Limited		/	/						
Thai Dot Com Company Limited	/		/ , //						
INET Managed Services Company Limited									
Thai Starter Dot Com Company Limited									
I Recruit Company Limited				/					
Thai Dot Com Payment Company Limited					/				
Digital Healthcare Solutions Company Limited					/				
Thai Identities Company Limited									
D Solution Dot Com Company Limited					/				
Intelligist Company Limited					/	/			
Talk To Me Company Limited					/				
Open Landscape Company Limited					/		/	/	
One Email Company Limited					/				/
One Geo Soft Company Limited					/				
Inex Broadband Company Limited					/				
Nexpie Company Limited					/				
One DC Company Limited; and					/				
Service One Solution Company Limited					/				

* = Chairman / = Director // = Managing Director

Remark :

Internet Thailand Public Company Limited has 18 subsidiaries include: Mandala Communication Company Limited, Thai Dot Com Company Limited, INET Managed Services Company Limited, Thai Starter Dot Com Company Limited, I Recruit Company Limited, Thai Dot Com Payment Company Limited, Digital Healthcare Solutions Company Limited, Sawasdee Cloud Dot Com Company Limited, Thai Identities Company Limited, D Solution Dot Com Company Limited, Intelligist Company Limited, Talk To Me Company Limited, Open Landscape Company Limited, One Email Company Limited, One Geo Soft Company Limited, Nexpie Company Limited, One DC Company Limited; and, Service One Solution Company Limited. These 18 companies, with revenue up 10 percent of total revenue on the consolidated income statement of the last financial year.

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	500,041,575 Baht
Registered and paid-up	500,041,575 Baht
No. of Paid-up Share	500,041,575 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	100,000,000	95,000,000	950,000	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	10,000,000	5,000,000	2,000,000	99.97
3. INET Manage Services 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	Network and communication infrastructure design Information Technology consulting services	20,000,000	1,000,000	10,000	49.99 (held by Internet Thailand PCL.)
4. Thai Starter 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	1,100,000	100,000	10,000	18.00 (held by Thai Dot Com Co.,Ltd.)

Company	Type of Business	Registered Capital (Baht)	Registered and paid-up Capital (Baht)	No. of Paid-up Ordinary Shares	Shareholding (%)
5. I Recruit Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	5,000,000	2,000,000	500,000	15 (held by Mandala Communication Co.,Ltd.)
6. Thai Dot Com Payment Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	2,000,000	500,000	20,000	51 (held by Mandala Communication Co.,Ltd.)
7. Digital Healthcare Solutions Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Two-dimensional and three-dimensional medical computer x-ray services	1,000,000	500,000	10,000	99.99 (held by Mandala Communication Co.,Ltd.)
8. Thai Identities Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	1,000,000	250,000	10,000	50 (held by Mandala Communication Co.,Ltd.)
9. D Solution Dot Com Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	1,000,000	250,000	10,000	99.99 (held by Mandala Communication Co.,Ltd.)
10. Intelligist Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	10,000,000	2,500,000	1,000,000	35 (held by Mandala Communication Co.,Ltd.)
11. Talk To Me Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and develop- ment of electronics system	1,000,000	250,000	100,000	30 (held by Mandala Communication Co.,Ltd.)

Company	Type of Business	Registered Capital (Baht)	Registered and paid-up Capital (Baht)	No. of Paid-up Ordinary Shares	Shareholding (%)
12. Open Landscape Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	60 (held by Mandala Communication Co.,Ltd.)
13. One Email Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	30 (held by Mandala Communication Co.,Ltd.)
14. One Geo Soft Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	40 (held by Mandala Communication Co.,Ltd.)
15. Inex Broadband Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Design Services and Installation system consulting and after-sales service about information technology	1,000,000	250,000	100,000	25 (held by Mandala Communication Co.,Ltd.)
16. Nexpie Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	55 (held by Mandala Communication Co.,Ltd.)
17. One DC Co., Ltd. 1768 Thai Summit Tower, 14 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	50 (held by Mandala Communication Co.,Ltd.)
18. Service One Solution Co., Ltd. 1768 Thai Summit Tower, 16 th Floor, New Petchburi Road, Khwaeng Bang Kapi, Khet Huay Khwang, Bangkok 10310 Tel: 0-2257-7000 Fax: 0-2257-1379	Provision and development of electronics system	1,000,000	250,000	100,000	50 (held by Mandala Communication Co.,Ltd.)

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
Consulttancy Co., Ltd.
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33/4, 25th Floor, Rama IX Road,
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Fax: 0-2168-1212



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