

# INTERLINK

## ILINK



*Annual Report 2017*





# INTERLINK COMMUNICATION PUBLIC COMPANY LIMITED **AWARD**



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## 1. COMPANY PROFILE

LISTED COMPANY	Interlink Communication Public Company Limited
REGISTERED No.	0107547000222
COMPANY CODE	ILINK (Industry : Technology)
BUSINESS TYPE	The Company has 3 main businesses as follows: <ol style="list-style-type: none"> <li>1) Distribution</li> <li>2) Telecom</li> <li>3) Engineering</li> </ol>
SHARE CAPITAL (As at 31 <sup>st</sup> December 2017)	Baht 362,479,447 including 362,423,986 ordinary shares at Baht 1 each
PAID-UP SHARE CAPITAL (As at 31 <sup>st</sup> December 2017)	Baht 362,423,986 including 362,423,986 ordinary shares at Baht 1 each

### HEAD OFFICE

Interlink Communication Public Company Limited 48 48  
Interlink Building, Soi Rungreung, Ratchadapisek Road  
Samsennok, Huay Khwang, Bangkok 10310, Thailand  
Tel Group : 02-666 1111 (100 lines)  
Fax Group : 02-666 1199 (auto)  
Website : [www.interlink.co.th](http://www.interlink.co.th)  
E-mail : [info@interlink.co.th](mailto:info@interlink.co.th)  
f : interlinkfan    : interlinkfan

### R&D Center (DISTRIBUTION CENTER & LAB)

9/2 Soi 01 Kanchanaphisek 5/5, Kanchanaphisek Road,  
Taraeng, Bangken, Bangkok 10220, Thailand  
Tel R&D : 02-181 1522 (auto)  
Fax R&D : 02-181 1525 (auto)

### NORTHERN (CHIANG MAI BRANCH)

412/3 Chang Klan Road, Chang Klan,  
Mueang, Chaing Mai 50100, Thailand  
Tel : 052-065 911 (auto), 052-065912-3  
Fax : 052-065 914  
E-mail : [chiangmai@interlink.co.th](mailto:chiangmai@interlink.co.th)

### SOUTHERN (HAT YAI BRANCH)

70, 72 Por Nattapon 3 Road, Hatyai  
Hatyai, Songkla 90110, Thailand  
Tel : 074-220 911 (auto), 074-220 982-3  
Fax : 074-220 984  
E-mail : [hatyai@interlink.co.th](mailto:hatyai@interlink.co.th)

**NORTH-EASTERN (KHONKAEN BRANCH)**

108/141-142 Arnamai Road, Nai-Meung,  
Mueang, Khonkaen 40000, Thailand

Tel : 043-052 911 (auto), 043-052 912-3  
Fax : 043-052 914  
E-mail : khonkaen@interlink.co.th

**EASTERN (RAYONG BRANCH)**

267/249 Sukhumvit Road, Mabtapud  
Mueang-Rayong, Rayong 21150, Thailand

Tel : 038-608 283 - 4  
Fax : 038-608 294  
E-mail : rayong@interlink.co.th

**CENTER**

9/2 Soi 01 Kanchanaphisek 5/5, Kanchanaphisek  
Road, Taraeng, Bangken, Bangkok 10220, Thailand

Tel R&D : 02-181 1522 (auto)  
Fax R&D : 02-181 1525 (auto)

**FOREIGN REPRESENTATIVE OFFICE**

NNN Building, Baan Phon Si Nuan,  
Sri Sadtanark, Vientian, Lao PDR.

Tel : 856 20 55166555  
E-mail : sikharm.t@interlink.co.th

**INTERLINK POWER & ENGINEERING  
COMPANY LIMITED**

48 Interlink Building, Soi Rungreung, Ratchadapisek  
Road Samsennok, Huay Khwang,  
Bangkok 10310, Thailand

Tel Power : 02-666 1133 (30 lines)  
Fax Power : 02-666 1144 (auto)

**INTERLINK TELECOM PUBLIC  
COMPANY LIMITED**

48 Interlink Building, Soi Rungreung, Ratchadapisek  
Road Samsennok, Huay Khwang,  
Bangkok 10310, Thailand

Tel Telecom : 02-666 2222 (30 lines)  
Fax Telecom : 02-666 2299 (auto)

**Network Management Center (NMC)**

9/1 Soi 01 Kanchanaphisek 5/5, Kanchanaphisek  
Road, Taraeng, Bangken, Bangkok 10220, Thailand

Tel NMC : 02-666 2288 (24 hrs)  
Fax : 02-666 2298 (auto)  
E-mail : nmc@interlinktelecom.co.th

**Data Center Operations (NOC)**

9/1 Soi 01 Kanchanaphisek 5/5, Kanchanaphisek  
Road, Taraeng, Bangken, Bangkok 10220, Thailand

Tel NOC : 02-666 2255 (24 hrs)  
E-mail : noc@interlinkdatacenter.co.th

**CERTIFIED PUBLIC ACCOUNTANT**

Mr. Pongthavee Ratanakoses  
(Certified Public Accountant Thailand No. 7795)  
PricewaterhouseCoopers ABAS Ltd.  
179/74-80, South Sathorn Road, Bangkok  
10120, Thailand

Tel : 0-2344-1000  
Fax : 0-2824-5000

**SECURITIES REGISTRAR**

Thailand Securities Depository Co., Ltd.  
93, The Stock Exchange of Thailand Building,  
Ratchadaphisek Rd., Dindaeng, Dindaeng,  
Bangkok 10400, Thailand

Tel : 0-2009-9000  
Fax : 0-2009-9991

## 2. FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

Operating Results	Financial Statements		
	2015	2016	2017
Revenue from Distribution	1,974.02	1,987.81	2,001.56
Revenue from Telecom	418.92	784.40	1,049.42
Revenue from Engineering	665.21	169.73	1,151.13
Other income	20.84	30.00	48.89
Total revenues	3,078.99	2,971.94	4,251.00
Cost of distribution business	1,509.78	1,515.35	1,565.89
Cost of telecom business	292.91	602.35	800.66
Cost of engineering business	533.63	136.04	1,254.63
Gross profit	721.83	718.20	629.82
Selling and administrative expenses	370.81	387.95	472.62
Share of losses from investment in joint venture	-	0.14	4.56
Total expenses	2,707.13	2,641.83	4,098.36
Profit before finance cost and income tax expense	371.86	330.11	157.20
Finance cost	36.93	44.56	66.25
Profit before income tax expense	334.93	285.54	90.95
Income tax expenses	68.48	58.38	16.83
Profit for the years	266.45	227.16	36.56
Other comprehensive income	5.71	-0.87	-6.8
Total comprehensive income	272.16	226.29	62.76
Earnings per share (Baht)	0.80	0.63	0.08

(Unit : Million Baht)

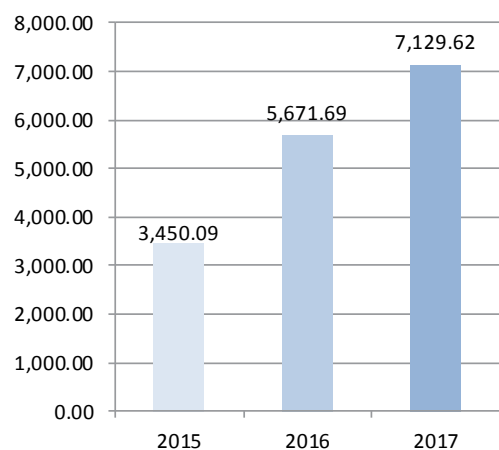
Financial Position	Financial Statements		
	2015	2016	2017
Total assets	3,450.09	5,671.69	7,129.62
Total liabilities	1,635.39	2,483.61	3,951.27
Total shareholder's equity	1,814.70	3,188.08	3,178.35

Financial Ratio	Financial Statements		
	2015	2016	2017
Current ratio (Times)	1.40	2.22	1.53
Gross profit margin (%)	23.60	23.39	13.82
Net profit margin (%)	8.65	7.64	1.64
Return on assets (%)	7.77	5.03	1.09
Return on equity (%)	16.16	9.08	2.19
Debt to equity ratio (Times)	0.90	0.75	1.24
DSCR	4.54	1.99	1.57

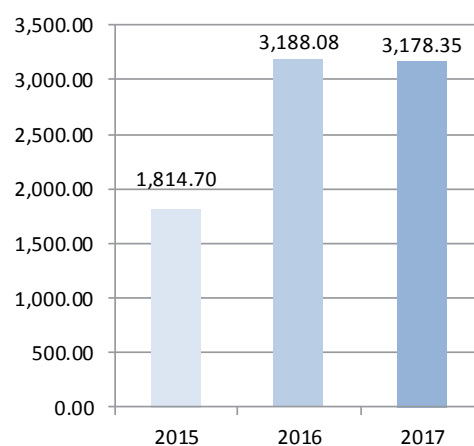


## FINANCIAL HIGHLIGHTS

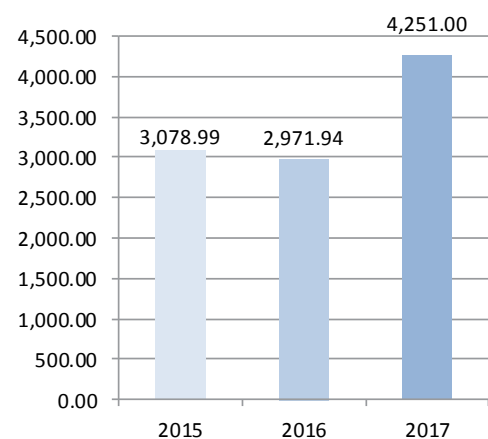
Total assets



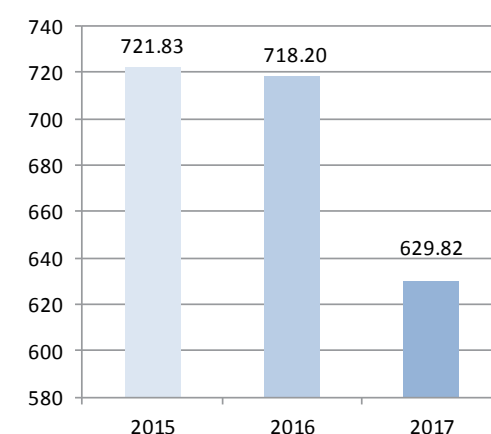
Total shareholder's equity



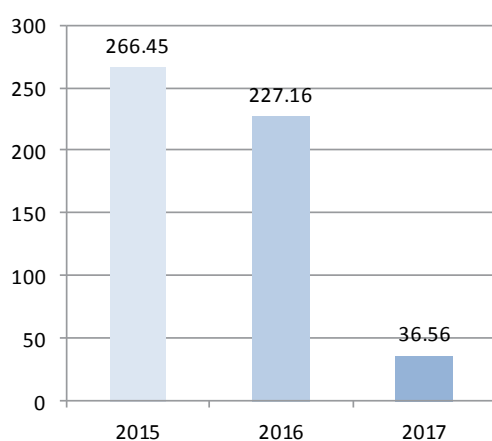
Total revenues



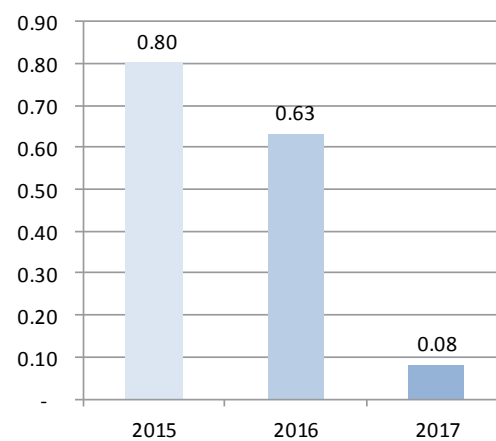
Gross profit



Profit for the years



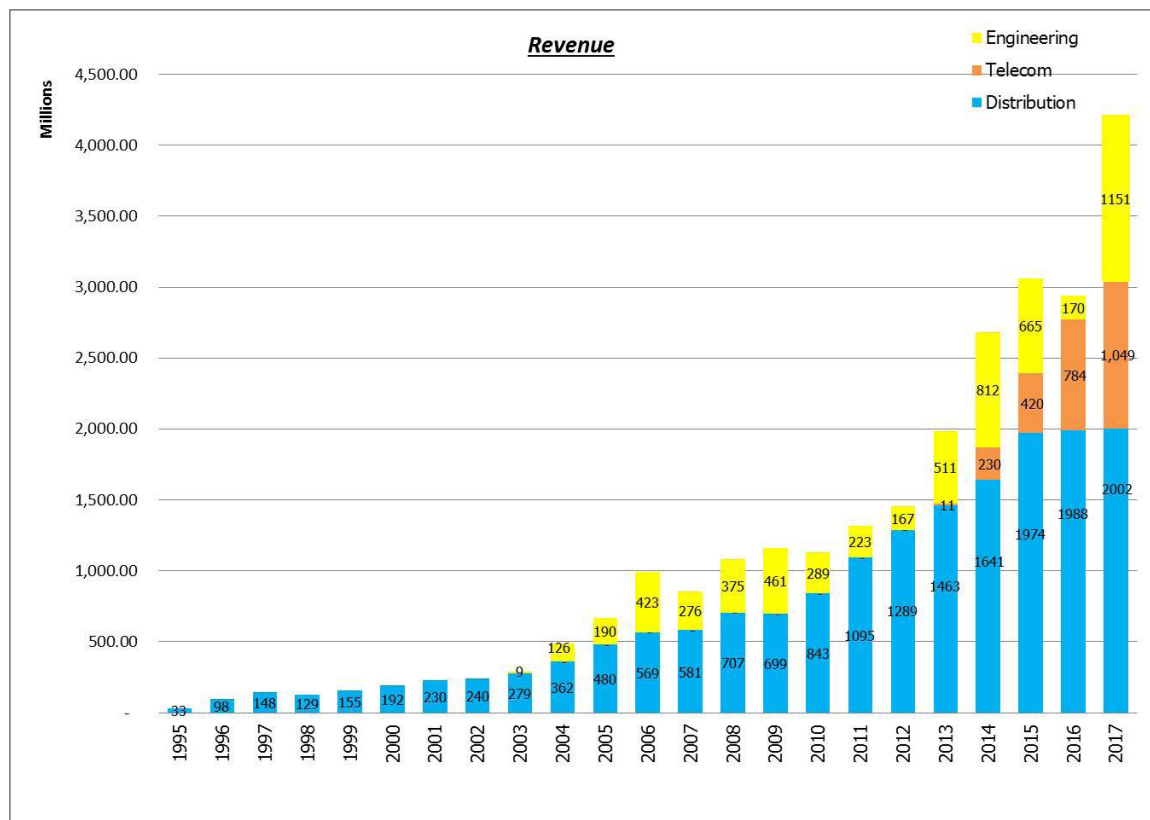
Earnings per share (Baht)



### 3. INCOME STRUCTURE

Major revenues of the Company are from 3 businesses which are Distribution, Telecom and Engineering. The Company also receives other income such as interest income and gains on foreign exchange rate. The income structure of the Company is as shown below.

Product Line/Business Group	For the year ended					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	Amount (Million Baht)	%	Amount (Million Baht)	%	Amount (Million Baht)	%
Revenue from Distribution	1,974.02	64.11	1,987.81	66.89	2,001.56	47.08
Revenue from Telecom	418.92	13.61	784.40	26.39	1,049.42	24.69
Revenue from Engineering	665.21	31.60	169.73	5.71	1,151.13	27.08
Others	20.84	0.68	30.00	1.01	48.89	1.15
<b>Total Revenue</b>	<b>3,078.99</b>	<b>100.00</b>	<b>2,971.94</b>	<b>100.00</b>	<b>4,251.00</b>	<b>100.00</b>



## 4. MILESTONE

1987

Registered Interlink Holding Company Limited (formerly Interlink International (1987) Company Limited) by Mr. Sombat Anuntarumporn and Mrs. Chalida Anuntarumporn.

1991

Was the first company which imported and distributed LAN (UTP) technology in Thailand, leading to development of network cabling which has been set as a standard and broadly used to date.

1992

Introduced One Stop Service in "Sales secretary" form to the market.

1995

Registered Interlink Communication Public Company Limited and transferred signal cabling network business to the company to focus on import and distribution of signal cables with a target to register the company in Stock Exchange of Thailand.

1999

Announced the company's three commitments; namely, (1) quality products, (2) competitive prices and, (3) better services. These have been the company's both commitments and business strategy to date.

2003

Prepared for registration in Market for Alternative Investment (mai) Stock Exchange of Thailand and expanded the company's business into fields of engineering with aim for large-scale turnkey projects to increase value of signal cable sales.



2004

Registered in Market for Alternative Investment (mai) on August 20th, 2004.

2007

Registered Interlink Telecom Company Limited, a subsidiary, on January 3rd, 2007 as an expansion into telecom business.

2008

Registered Interlink Power and Engineering Company Limited, a subsidiary, on September 8th, 2008 as an expansion into engineering business.

2012

Launched R&D Center as a main distribution center and set up a laboratory to conduct research on signal cabling network. Completed setting up branches in all 4 regions; namely, Chiangmai branch (Northern) in 2005, Had Yai branch (Southern) in 2006, Khon Kaen branch (Northeastern) in 2008 and, Rayong branch (Eastern) in 2012.

2015

Transferred Interlink Communication Public Company Limited into the Stock Exchange of Thailand (SET) on August 19th, 2015.

2016

Registered Interlink Telecom Company Limited, a subsidiary, in Market for Alternative Investment (mai) on September 14th, 2016.



## CSR 2017



## CSR 2017



## 5. MESSAGE FROM THE PRESIDENT

Dear All Shareholders of Interlink Communication Public Company Limited



Interlink Communication Public Company Limited was established with an ideology to bring in technology for development of the country and the Company is the first company which distributes technology of LAN cable in Thailand. With our determination in operation of network cabling business, the Company has been

receiving positive responses from customers for 30 years, has been accepted as “the biggest importer and distributor of signal cabling in ASEAN” and, has been registered in Stock Exchange of Thailand under code ILINK in Technology sector. The Company has been expanding its business and currently has 3 subsidiaries. Therefore, Interlink Communication Public Company Limited is now collectively called “The Group of Interlink”.

Last year, the Group not only distributed more than THB 2,000 million worth of signal cables to dealers and contractors but engineering division of the Group was also awarded by the Airports of Thailand Public Company Limited to be a contractor of more than THB 1,000 million worth of electricity systems and other facilities for new Suvarnabhumi airport. Furthermore, in the end of the year, the Group won a bid to supply THB 2,000 million worth of Siemen's Light Rail or APM (Automatic People Mover) for Suvarnabhumi airport. Interlink Communication Public Company Limited has a strong

will to provide our best to you all with high quality products, competitive prices and better services. The Company has never stopped developing its business in network cabling and will continuously and sustainably grow along with our customers.

In 2016, the Company brought one of its subsidiaries, Interlink Telecom Public Company Limited, to register in Market for Alternative Investment (mai) and expanded fiber optic network to cover 77 provinces. In addition, the Company won a bid for THB 1,868 million worth of Providing Mobile Broadband and High-Speed Internet Service in Border Area from Office of the National Broadcasting and Telecommunications Commission (NBTC) to install fiber optic network and provide internet service in Central and Southern Thailand for 5 years.

Apart from our will in business expansion, the Company established “Interlink Hai Jai foundation” to conduct various social activities; for instance, teaching younger brothers/sisters in 84 schools, growing intelligence and giving warmth to poor children in remote areas, opening a booth in Thai Red Cross Society's events and many public-mind projects.

I would like to thank customers and supporters who have always been supporting the Company, giving the Company continuous and sustainable growth. I wish you all will be blessed with happiness and hopefulness in 2018 and forever.

With respect and regards,



(Mr. Sombat Anuntarumporn)

Chairman of the board and President

1 January 2018



## 6. AUDIT COMMITTEE REPORT

### Dear All Shareholders of Interlink Communication Public Company Limited

Audit committee comprises 3 independent committees who are qualified, knowledgeable and experienced. The committee acts under responsibilities given by the company's directors, according to announcement of The Capital Market Supervisory Board and requirements of Stock Exchange of Thailand.

In 2017, there were 4 meetings of committees and results of audit were reported to the directors quarterly. Attendances of the committees are as follows

Name-Surname		Position	No. of attendance
Mr. Chusak	Direkwattanachai	Chairman of Audit Committee	4
Mrs. Saowanee	Kamolbutr <sup>3</sup>	Audit Committee	3
Admiral Saksith	Cherdboonmuang	Audit Committee	1
Mrs. Sunanta	Chaiprasertsiti <sup>1</sup>	Audit Committee	1
Admiral Aphiwat	Srivardhana <sup>2</sup>	Audit Committee	1

Remark<sup>1</sup> Mrs. Sunanta Chaiprasertsiti was appointed as an audit committee in lieu of Admiral Saksith Cherdboonmuang who resigned during the year according to resolution of the Company's director's meeting 4/2017 dated 11th May 2017.

Remark<sup>2</sup> Admiral Aphiwat Srivardhana was appointed as an audit committee in lieu of Mrs. Sunanta Chaiprasertsiti who resigned during the year according to resolution of the Company's director's meeting 6/2017 dated 11th August 2017.

Remark<sup>3</sup> Mrs. Saowanee Kamolbutr resigned as an audit committee, effective since 1st December 2017 according to resolution of the Company's director's meeting 1/2018 dated 3rd January 2017. Mr. Theerakul Niyom was appointed as an audit committee as he demonstrated all qualifications according to requirements of charter of audit committee.

During the annual performance review meeting, the committee worked in cooperation with Chairman of the Board and President, Certified Public Accountant and Chief Internal Audit After each meeting, the committee independently provided comments and suggestions which can be summarized as follows:

#### Validity, completeness and reliability of financial statement.

The committee reviewed 2017 quarter and annual financial statements in cooperation with managements and auditors to provide feedback on the statements which were adequately prepared according to general accounting procedures and standards, important revisions in accounting

policies and review reports made between shareholders and subsidiaries or related companies to ensure that such reports were made on normal business transactions, did not have any transfer of benefits, made for maximization of the Company's benefits and complied to laws and requirements of Stock Exchange of Thailand. In addition, the committee worked with financial auditors to get informed of issues raised during the audit and to consider and provide comments on audit plan and results of such audit prior to submission to the Company's directors.

#### **Risk management.**

The committee supervised the Company to establish a standard, effective and efficient risk management system. The committee was informed about results of risk management in previous year and provided suggestions for improvement. Internal control and audit.

The committee supervised internal audit to perform according to standards by using risk evaluation and risk control system under COSO standard. The committee approved annual audit plan prepared according to basic business risk factors including manpower plan and audit staff development. The committee reviewed audit report, provided suggestion to the internal audit team and management for further improvement.

Lastly, the committee reviewed results of critical audit, annual audit plan and provided comments and suggestions to the Company's directors to urge management to tackle issues found during audit.

#### **Compliance with related requirements and laws.**

The committee supervised that the Company must always comply with securities and exchange laws of Thailand, requirement of Stock Exchange of Thailand and related laws. The committee commented that in these aspects, the Company's operation had sufficiently been in compliance with the said requirements and laws.

#### **Anti-corruption measure.**

The committee reviewed compliance with anti-corruption policy and report on risk evaluation on anti-corruption activities of the Company. The committee acknowledge adequacy of such anti-corruption measure of the Company.

#### **Disclosure of information on related transactions.**

The committee considered, reviewed and acknowledged disclosure of information on inter-related item transactions and other transactions between the Company and its subsidiaries and shareholders at stake which may create conflict of interest with the Company before reported to the Company's directors for approval. Transactions in 2017 were normal business transactions and the Company complied to policy and disclosed information according to regulations of The Stock Exchange of Thailand.

#### **Consideration and nomination of financial auditor**

The committee reviewed performance of Pricewaterhouse Coopers ABAS Company Limited which performed financial audits for the Company and its subsidiaries in the previous year and found its service is satisfactory. According to a meeting with the financial auditors who reported flaws found in internal audit system and recommended procedures according to accounting standard, the committee agreed to let the Company's director nominate Mr Pongthavee Ratanakoses , Registration No.7795 and/or Miss. Amornrat Pearmpoonvatanasuk, Registration No.4599 and/or Mr Vichien Khingmontri , Registration No.3977 of Pricewaterhouse Coopers ABAS Company Limited as the auditor for the Company in 2017.

#### **Good corporate governance.**

The Company's directors realized importance of good corporate governance and had been monitoring development of such governance including social responsibility and authorized managements and internal auditors, under supervision of audit committee, be responsible for the governance with annual performance evaluation in place. The evaluation is disclosed in this annual report under "Corporate Governance" section.

#### **Comments on the audit committee's performance according to charter of audit committee.**

According to 2017 self-evaluation of the audit committee, the committee had performed its duties and responsibilities stated in charter of audit committee, adequately utilizing its knowledge, cautiousness and independence. The committee positively and equally provided comments and suggestions



for benefits of stakeholders in reviews of financial statement, internal control, compliance with laws and regulations, consideration and nomination of financial auditor, disclosure of information on related transactions, charter of audit committee and preparation of audit committee's report. Overall evaluation on the audit committee's performance revealed that the committee had completed its obligations under the charter of audit committee.

The audit committee viewed that the Company's financial statement was properly prepared according to

general accounting standards, there were adequate disclosures of information on related transaction which may create conflict of interest with the Company, risk management was adequately in place, there were appropriate and efficient internal control and audit, compliance to laws, requirements of Stock Exchange of Thailand and related regulations was completely in place, and there had been continuous development for sustainable good corporate governance.



On behalf of the Audit Committee,

A handwritten signature in blue ink, appearing to read "Chusak Direkwattanachai".

(Mr. Chusak Direkwattanachai)  
Chairman of Audit Committee  
27 February 2018



## 7. Directors and the Management



**Mr. Sombat Anuntarumporn**  
President and Managing Director



**Mrs. Chalida Anuntarumporn**  
Director and President/ Nomination  
and Remuneration Committee



**Mr. Chusak Direkwattanachai**  
Independent Director and Chairman  
of Audit Committee/ Chairman of  
the Nomination and Remuneration  
Committee/ Risk Management and  
Corporate Governance Committee



**Admiral Apiwat Srivardhana**  
Independent Director and Audit Committee/  
Chairman of the Risk Management  
and Corporate Governance Committee/  
Nomination and Remuneration Committee



## 7. Directors and the Management



**Mr. Theerakun Niyom**  
Independent Director and Audit  
Committee/Risk Management and  
Corporate Governance Committee



**Mr. Nuttanai Anuntarumporn**  
Director and Senior Executive Vice President  
of Strategic Development and  
Telecommunication/Managing Director  
of Interlink Telecom Public Company Limited



**Miss. Kwanta Meesomporn**  
Director and Senior Executive Vice President  
of Distribution Business



## 7. Directors and the Management



**Mrs. Thanyarad Thiemudomlerk**  
Director and Senior Executive  
Vice President of Business  
and Operations Support  
and Company Secretary



**Mrs. Pensri Chantakhad**  
Director and Senior Executive  
Vice President of Finance

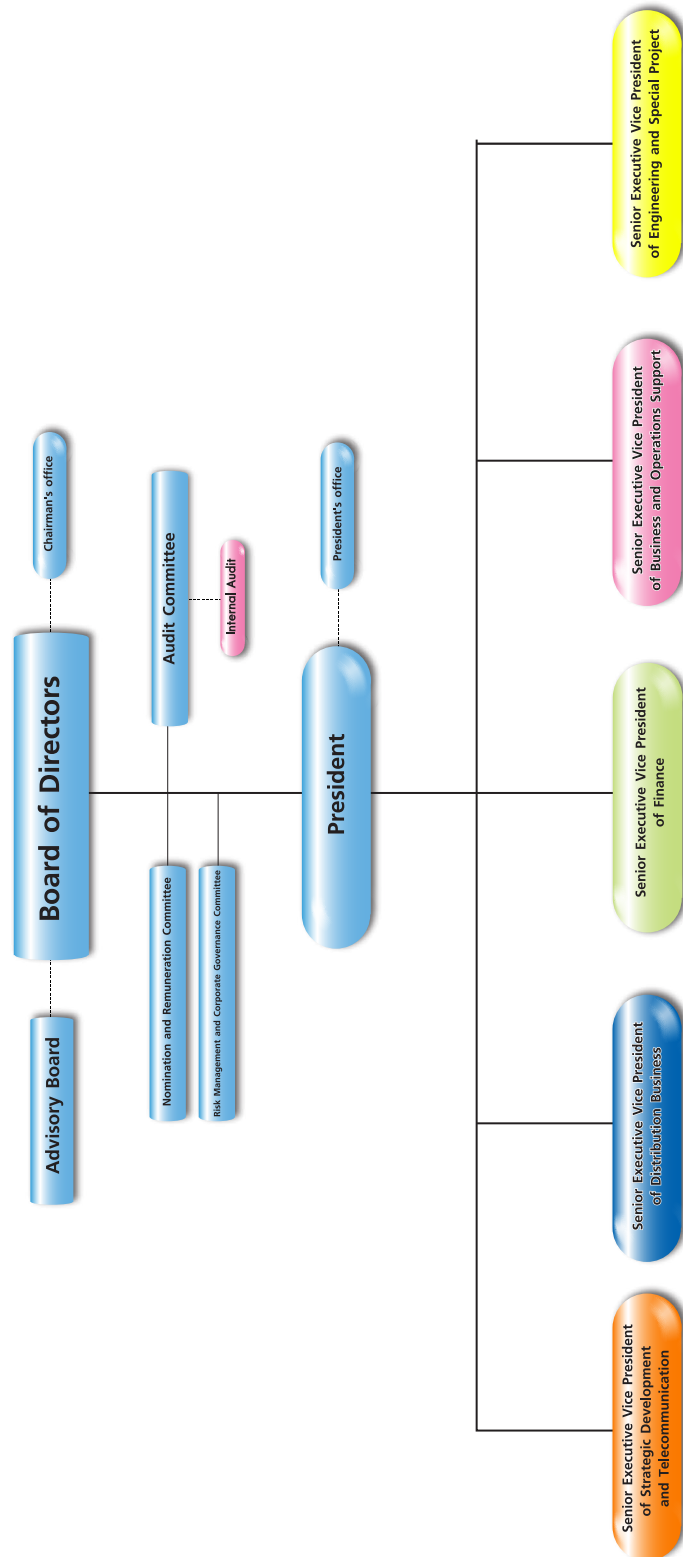


**Mr. Prasitchai Veerayuttwilai**  
Senior Executive Vice President  
of Engineering and Special Project

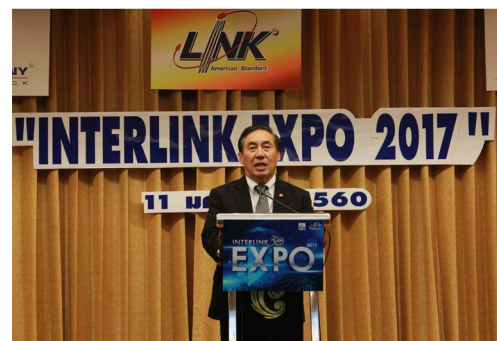


## 8. Organization Chart

### Organization 2018



## Activity 2017



## Activity 2017



## 9. POLICIES AND OVERALL BUSINESS OPERATIONS

### 9.1 Company Profile

The Group of Interlink established in 1987 with the initial name of International (1987) Company Limited and started business. First, as a distributor for electrical equipment computer and office equipment such as diskettes, ribbon cartridges and office automation equipment, etc. The development of computers with the introduction of electrical wires, switches, power and computers connected to the network which Mr. Sombat Anuntarumporn graduated from Electrical Engineering and Electrical Installation Experience The opportunity for business line to connect computer system. It has researched the cable system. And to bring the UTP or current technology called LAN cable (Local Area Network) was first published in Thailand and ideology In order to bring technology to Thailand and want to see the business continuous and sustainable growth. Property Mr. Sombat Anuntarumporn, as the founder of the company, has transferred all of its business from International (1987) Co., Ltd. to a new company called Interlink Communication Co., Ltd. in 1975, with the vision to be a sustainable and growing organization with the intention to drive the business with lower quality products and services better and want to bring the company to the listing to be a company of Thai people.

Interlink Communication Co., Ltd. started with the import and distribution of cabling. In the future, the business of cabling distribution by adding value to the cable. As a contractor install cable system and focus to the large Project such as Suvambhumi Project, the installation of Fiber Optic

project in Bangkok and around the country is a big project and a new project at that time. Through the expertise of the contractor installation of network cabling system, the company has expertise and expertise. In telecommunications it also has an experienced engineer team. Made in later times this has led to additional businesses such as telecommunication and datacenter business and engineering and special business.

To grow continuous and sustainability of the company. It was founded subsidiaries include Interlink Telecom Public Company Limited (established in 2007) to serve the telecom business and Interlink Power and Energy Company Limited (in 2008) and Interlink Data Center Company Limited (in 2013), Interlink communication Public Company Limited, which was listed on the Market for Alternative Investment (mai) (in 2004) and has subsidiaries or 3 subsidiaries are called The Group of Interlink Communication Public Company Limited or "The Group of Interlink".

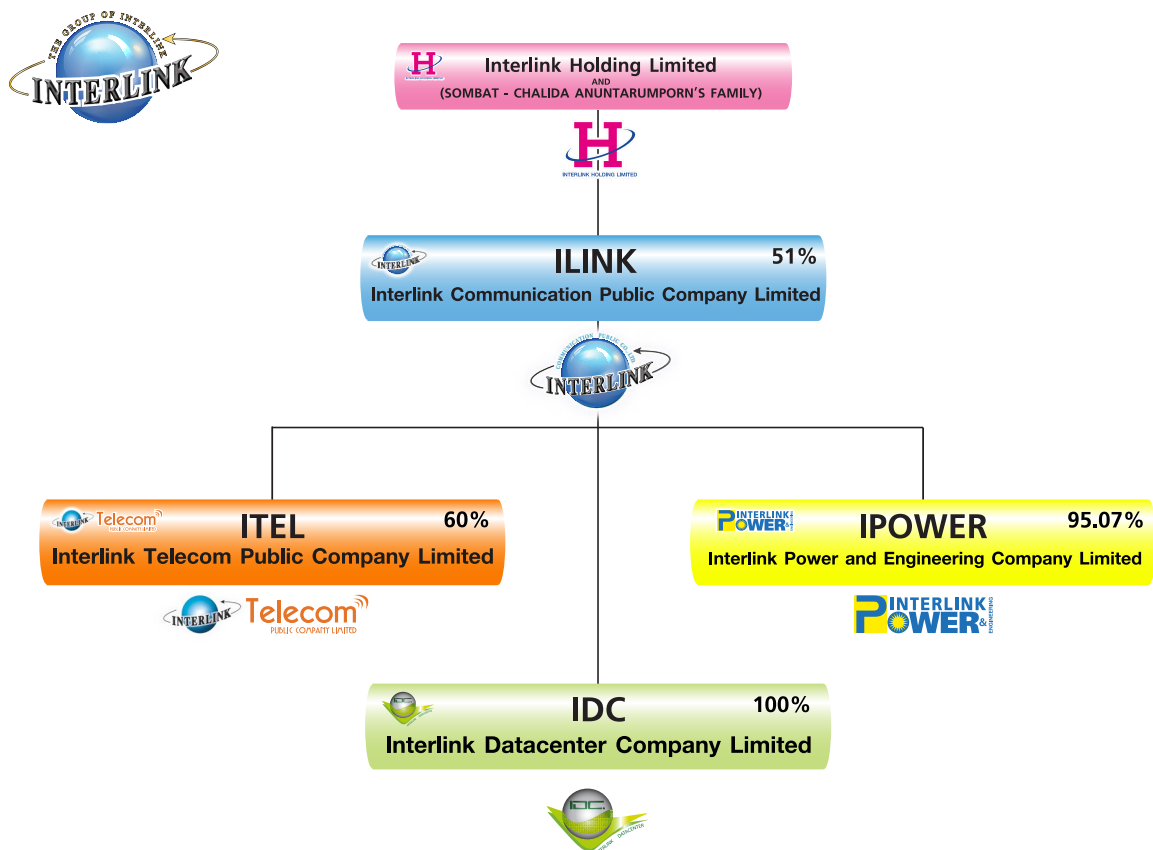
The Group of Interlink consists of 3 mains businesses: (Distribution) under of Interlink Communication Public Company Limited, (Telecom) under of Interlink Telecom Public Company Limited and (Engineering) under of Interlink Power and Engineering Company Limited. However Interlink Group Company Synergy continues to use its strategy to support its three core businesses for continued growth and sustainability for the Interlink Group.



## 9.2 Policies

Motto	: INTERLINK no. 1
Vision	: Continuous Growth and Sustainability
Philosophy	: Bring the technology to develop country
Mission	: Growth Together with customers and partners
Core value	: Good person - Intellect
Commitment	: 1. Quality Products 2. Competitive prices 3. Better Services

## 9.3 The shareholding structure of The Group of Interlink Communication Public Company Limited or The Group of Interlink





## 9.4 Overview of Business

The Company operates in 3 main businesses under the management of the Company and its subsidiaries as following;

### 1. DISTRIBUTION

The distribution business is company's main business. We are the largest importer and distributor of computer and telecommunication cables in Thailand, by distributing the cable network and related equipment. The leading brands in the world include: LINK and COMMScope (old name: AMP) from The United States of America (USA) and 19" RACK for computer and server equipment, Brand 19" GERMANY EXPORT RACK with a variety of products. The Cabling Network and complete line including fiber optic cable, LAN cable, telephone line, co-axial cable for CCTV system terminating and testing tool sets, media converters, 19" GERMANY EXPORT RACK and all kinds of connector and accessories. We are now the leader in cabling business by having the most market shares in Thailand.

Distribution of the company focus to dealer, contractor, cabling system. As a contractor, the contractor has the ability to contact potential customers directly with the company's sales team and the customer contacted the company directly, including the introduction of each other or by advertising in media, magazines, computers, newspapers, radio media. The company will have a catalog with prices list which modifications are made every 6-12 months or through our website or make quotations to the customer before making a decision. If ordered, it can be delivered to customers within 3 days because the company has the most diversified stock of products in the country. The Company also records the details of all customers' orders which contact us to make a quotation for use as a customer database to process and prepare a marketing plan in the future.

In order to penetrate regional markets nationwide, the Company has opened its branches in 4 major regions: Northern at Chiang Mai province, Southern at Hat Yai, Songkhla province, Northeast at Khon Kaen province and the Eastern at Rayong province for customers to contact the company more convenient and distribution products to the main province in the region effectively and to make the company

provides a comprehensive service in Thailand. "Free Delivery in Thailand" for distributors in the provinces can order the same price for customers in Bangkok and its suburbs by the company is responsible for shipping costs to the region throughout the country and from 2017 onwards.

### 2. TELECOM

Interlink Telecom Public Company Limited (the "Company") was established on January 3rd, 2007, established by the policy of restructuring the business ("Reorganization") of Interlink Communication Public Company Limited ("ILINK") to continue of the cabling distribution business ILINK and information technology expertise, combined with engineering business from operating contractor equipment signal to the mobile provider. The objective is to provide a data connection between the office of the user and supports the development and growth of the telecommunications system of the Thailand, the demand for network data connection is stable and able to support - send large data.

Interlink Telecom Public Company Limited was listed on the Market for Alternative Investment (mai) on September 14, 2016.

On May 8, 2012, the Company received a license to operate a telecommunications network is a third category of its own from Office of The National Broadcasting and Telecommunications Commission (NBTC) To operate as a provider of integrated broadband communications. The period of 15 years and on October 19, 2012, the Company received approval from the State Railway of Thailand has the right to install fiber optic networks of the rail pole of railway for a period of 30 years, which is the route difference from fiber optic networks of existing providers other, after receiving the license, the Company has started the construction of a fiber optic network (Interlink Fiber Optic Network) aims to be a private network that is safe and high efficiency and operates a fiber optic network services under the network name is Interlink Fiber Optic in June, 2012.

Interlink Fiber Optic Network of the company, which combines core network along the route of the State Railway of Thailand also the main route, alternate routes and sub-routes along the road through to connect the electric post for connect



to the customers. Making connections with the network of the company to continuous and stable and able to service cover from the Interlink MPLS IP-VPN, Interlink Wavelength and Interlink Dark Fiber, which is suitable for use in the business for all format of communications and telecommunications. The communication data signal (Data) image (Video) Audio (Voice) and Internet connectivity (Internet) by a team of engineers take care 24 hours and 365 days, ensuring that the company's which can be able to service to respond to the data transmission and communication effectively, high security and have ability check the status of the network through the computer system for to prevent or solve problems quickly. It Interlink Fiber Optic network availability and service quality standards (Service Level Agreement) at a level not less than 99.9% of the company's network also covering Bangkok and boundary and other province all of Thailand (as at December 31, 2017, the Company has set up the network covers 75 provinces and can serve 77 provinces nationwide) , furthermore, the Company also approved from Office of The National Broadcasting and Telecommunications Commission (NBTC). To provide interconnection to international telecommunications. Further, on April 26, 2014 resulted in the company. Can connect to the network partners in ASEAN, such as Singapore, Malaysia, Vietnam, Myanmar, Cambodia and Laos.

The company also has built on the business and service data center hosting data centers (Data Center) to take advantage of a fiber optic network across the country to the point of sale, which covers rental server space. Virtual server hosting and an emergency backup data (Disaster Recovery) to various organizations to respond needs of different customers. The company's data center Created specifically for the data center by the design and construction requirements of the Data Center of TIER 3, services are available 24 hours a day, no holiday.

### 3. ENGINEERING

Engineering business has services: Design, construction, supply, and installation and maintenance services. Electrical engineering, Telecommunication and Transportation system (Total Solution).

The Company focuses exclusively on mega projects that require special expertise and high technology. To make an income and long-term service for sustainable growth as well as being a distributor of electrical appliances and communication products, the business model is grouped as follows:

1. Large communications project, including computer cable systems and fiber optic cables, such as, Suvarnabhumi Airport Project, The Electricity Generating Authority of Thailand project, Metropolitan Electricity Authority project, Provincial Electricity Authority project, TOT Public Company Limited, Thai Airways International Public Company Limited, Krung Thai Bank, Kasikorn Bank, TMB Bank and Chulalongkorn University;
2. Power Transmission System Project, Submarine cable, Underground cable of Provincial Electricity Authority, such as, High voltage 115 KV at HOD-Maesariang at Mae Hong Son Province, submarine cable at Koh Larn and Koh Si Chang in Chonburi province, Koh Pu Yu, Koh Yao in Satun province Koh Muk, Koh Sukorn, Koh Libong in Trang province, Koh Kood, Koh Mak in Trat province, Koh Phangan in Surat Thani province;
3. Power Substation Project of The Electricity Generating Authority of Thailand at Lamphun and Lampang provinces;
4. Smart City and IOT systems Project, such as; Electrical Management Systems, Smart Grid AMI System and Smart Electronic Meter;
5. Special Large Project, such as, Passenger Train System, Signaling Systems.



The Company has been trusted to construction large scale engineering projects, both government and other private organization. In 2017, the company has project is still in progress as following:

- High voltage 115 KV at HOD - Maesariang, Mae Hong Son Province, value of 310 million baht project contracting;
- Construction Substation at Northern Industrial Estates 3 stations, value of 567 million baht;
- Construction of 115-22 KV Power Station at Nakornpathom - Ban Len 2, value of 275 million baht;
- Turnkey construction of Suvarnabhumi Airport Development Utilities Project phase 2, value of 1,980 million baht;
- Procurement and Installation of Automated People Mover (APM) under Suvarnabhumi Airport Development Project, value of 2,099 million baht;

(Remark: Prices above are VAT inclusive)

Engineering business to grow sustainably and continuous development value added in service with modern technology to succeed in the future.



## 10. NATURES OF THE BUSINESS

### 10.1 Distribution Business

From the beginning, the company UTP is the first technology leader in Thailand for more than 25 years and focuses exclusively on cable business. The focus is to wholesale to partners to resell. Or for contractors to install to customers with the communication market of Thailand. It has grown ever. It also has the technology to change and develop over time. This will help the company distribute its cable. It has grown ever. However with a world of adaptive communication technology. As a result, the Company Continuous development

the increase in the product and development of services to be able to compete with the rapidly changing digital world in time.

#### 10.1.1 Product and Service

The company is a leader in the cable business. The import and distribution business for more than 30 years, there has been an increase in new products. As a result, the Company now offers a wide range of integrated cable products as followings:

- |  |    |   |    |
|--|----|---|----|
| <b>LAN (UTP and STP)</b><br>CAT 5E, CAT 6, CAT 6A, CABLE<br>RJ 45 CONNECTOR, PATCH PANEL, PATCH CORD                     | 01 | <b>SMART OUTLET &amp; COMMSCOPE</b><br>SMART OUTLET , MINI PANEL & CABLE MANAGEMENT<br>COMMSCOPE CABLE & CONNECTOR                            | 02 |
| <b>FIBER OPTIC</b><br>OUTDOOR / INDOOR, ALL-DIELECTRIC, DROP WIRE, ARMORED<br>FIG.8, CTV, 3-TUBE, MULTI-TUBE, ADSS, ARSS | 03 | <b>FTTH &amp; F.O. CONNECTOR &amp; F.O. COMMSCOPE</b><br>CABLE, CLOSURE, SPLITTER, OUTLET<br>F.O CONNECTOR, ADAPTER, FDU, PIGTAIL, PATCH CORD | 04 |
| <b>COAXIAL (CCTV CABLE)</b><br>RG 6, RG 11, RG 59, RG 58 CABLE<br>BNC, F-TYPE, TV , CONNECTOR & OUTLET                   | 05 | <b>TELEPHONE</b><br>TIEV, TPEV, INDOOR & OUTDOOR CABLE,<br>RJ 11, TERMINAL, ARRESTER, MDF BOX & CABINET                                       | 06 |
| <b>SECURITY &amp; CONTROL</b><br>FIRE ALARM CABLE, BAS CABLE<br>MULTI-PAIR, SPEAKER CABLE, CONNECTOR                     | 07 | <b>TOOLS &amp; TESTERS</b><br>RJ 45 TOOLS & TESTERS, TEL, COAXIAL<br>FIBER OPTIC TOOL SPLICER, OTDR, POWER-METER                              | 08 |
| <b>PoE SWITCHS &amp; MEDIA CONVERTER</b><br>10/100, 10/100/1000, F.O. CONVERTER,<br>PoE+ 10/100/1000 CONVERTER & SWITCHS | 09 | <b>SFP, SFP+, XFP</b><br>FIBER OPTIC SMALL FROM PLUGABLE<br>1.25G, 10G, 40G (Compatible CISCO, HP, Ails)                                      | 10 |
| <b>VIDEO CONVERTER</b><br>HD , TVI, AHD & CVI, VIDEO CONNECTER<br>HDMI PoE CONVERTER, BALUN, OUTDOOR CABINET             | 11 | <b>FIBER AIR BLOWN SOLUTION</b><br>AIR BLOWN FIBER OPTIC CABLE,<br>SUB DUCT & MICRO DUCT  | 12 |
| <b>19"LINK RACK</b><br>GLASS RACK, GLASS-WAVE RACK<br>CURVE-WAVE RACK, WALL RACK, NETWORK RACK                           | 13 | <b>19"GERMANY EXPORT RACK</b><br>GERMAN RACK, SERVER RACK, DATA CENTER RACK,<br>WALL RACK, MINI RACK, OPEN RACK, IDC SERVER RACK              | 14 |

### 10.1.2 Brand

The Company has been a pioneer in the cable business for more than 30 years and with the ideals of the founders who want to bring technology to Thailand. It also pledges to customers to deliver quality products, at cheaper prices to customers. Therefore, the mission of the brand is to be consistent with the corporate mission, the brand that the company imported for distribution. It is a product originating in The United States of America. The company has contracted and is a distributor of LINK and COMMScope cable products from The United States of America has been continuously and for over 25 years.

The cable network needs a cabinet to distribute the cable and in the past, LINK and COMMScope brand products are not available. It is an opportunity for the company has cooperated with factory in Thailand. To co-design and manufacture 19 "RACK for domestic distribution under the brand "19 "GERMANY EXPORT RACK" (the company owns the trademark) has been a pioneer in the cable business since the beginning of the cable network for computers, as a result, the brand of the company. Is a distributor they are familiar and well respected by the people involved in the ICT and Digital industry.

Product			
Counter Party	- LINK ASIA Limited - LINK (FAR-EAST) Corp.	Commscope Connectivity (Thailand) Limited	E.S. International (1991) Co., Ltd.
Type of Agreement	Exclusive Distributor (starting 1 January, 2016, expired December 31, 2020)	Authorized Distributor (starting January 1, 2016, expired December 30, 2021)	10% shareholdings
Term of Agreement	5 years	5 years	-
Conditions	- The company is the exclusive distributor in Thailand including the countries in ASEAN area. - The Company has registered the trademark in Thailand, No. Kor. 147350.	- COMMScope Thailand could appoint other dealers without notify the Company.	- Commissioning the plant to produce the products under brand licensing of the Company. - The Company owns the trademark by registering the trademark in Thailand, No. Kor. 372189 and Kor. 372815.

### 10.1.3 Distribution Channel

The Company focused on wholesale to dealer, cabling contractor including engineering system contractor. The Company has sales team to approach target customers as well as sale secretary team that promptly to response to the order coming from customer that directly contact to the Company. In addition, many customers know the Company from verbal, newspapers, magazines, radio, computer media and television media. The Company provides catalogue that is listed all products with pricing in which will be updated semi-annually as well as provides that information in website. In addition, the Company also prepares quotation for customer's consideration as well. In case of getting order, the product will be shipped to customer within 3 days because the Company has various types of products and sufficient inventory on hand. In addition, the Company also records

every orders and quotation for being the database in order to analysis for marketing plan.

In order to penetrate regional markets nationwide, the Company has opened its branches in 4 major regions: Northern at Chiang Mai province, Southern at Hat Yai, Songkhla province, Northeast at Khon Kaen province and the eastern at Rayong province for customers to contact the company more convenient and distribution products to the main province in the region effectively and to make the company provides a comprehensive service in Thailand. "Free Delivery in Thailand" for distributors in the provinces can order the same price for customers in Bangkok and its suburbs by the company is responsible for shipping costs to the region throughout the country and from 2018 onwards. The company has launched new services can be purchased easily through the online channel as follows:



As the present, we have the existing dealers more than 20,000 further in Bangkok metropolitan and upcountry area.

### 10.1.4 Target Customers

The products that the company to be distributed in the field of materials and equipment used in the network construction or installed as a utility for communication of information, so the nature of the trade. It is wholesale to customers to resell or sell to the installation contractor to install to customers or through a system integrator who will turnkey the computer

network both hardware and software to another customer. There are also large projects of government sector that require special skills. The company would like to offer the turnkey network cable system directly to the project customers.

Therefore, the Company has divided the customers according to the characteristics of the customers to be able to take care of customers closely and meet the needs of customers as follows.



**A. DEALER/ SYSTEM INTEGRATOR (SI) / NETWORK CABLING INSTALLER as following:**

- |  |   |
|--|---|
| 1. Company/Department Store/Shop                 | Company business and network equipment.   |
| 2. Company/Department Store/Shop                 | Merchants and Suppliers of integrated IT systems is Integrated solution providers (SI)            |
| 3. Company/Department Store/Shop                 | Computer Network Installation Contractor and may also be Contracted for electrical communications |
| 4. Mobile phone companies (mostly large company) |   |
| 5. Internet Service Provider                     |   |
| 6. Importer and distributor of network equipment |   |

**B. CONTRACTOR / INSTALLER as following:**

- |                                  |  |
|----------------------------------|--|
| 1. Company/Department Store/Shop | Electrical and communication installation contractors business and may also be for cable installation contractors  |
| 2. Construction company          | Construction business and when bigger is the M&E department  |
| 3. Company/Department Store/Shop | The contractor focused on communication systems and may also be for cable installation contractors most of Which are running systems infrastructure externally |
| 4. Company/Department Store/Shop | Manufacturers, traders, dealers, industrial automation dealer including contractor's installation machinery business.  |
| 5. Company/Department Store/Shop | Importers, traders, dealers, installers, fire alarm systems, BAS and intelligent control systems   |
| 6. Company/Department Store/Shop | Importer, Dealer, supplier focus automatic telephone system (PABX) and Call Center   |

**C. ELECTRICAL / IT/ CCTV SHOP (SHOW ROOM) and MODERN TRADE STORE as following:**

- |                                  |  |
|----------------------------------|--|
| 1. Company/Department Store/Shop | Shop or show room retail and wholesale power supplies  |
| 2. Company/Department Store/Shop | Shop or show room retail business and computer transmission, network equipment and communication |
| 3. Company/Department Store/Shop | Shop or show room retail and wholesale electronics equipment business                            |
| 4. Company/Department Store/Shop | Shop or show room retail and wholesale CCTV business   |
| 5. Company/Department Store/Shop | Shop fronts or show room retail and wholesale satellite TV and TV business                       |
| 6. Company/Department Store/Shop | Shop or show room retail and wholesale Time machine and On-Off automatic system business         |
| 7. Company/Department Store/Shop | Importer business, dealer CCTV system installer  |
| 8. Company/Department Store/Shop | Importer, dealer, installer Time machine systems and On-Off automatic system business            |
| 9. Company/Department Store/Shop | Importer, dealer, installer satellite TV and TV business   |

**D. USER (the customers is a user) as following:**

1. Government (ministry, department, division)
2. Thailand's army, Royal Thai Army, Royal Thai Navy, Royal Thai Air force, Royal Thai Police Department and the national security council of Thailand



3. State Enterprises
4. Public organization
5. Independent organization
6. Court of Justice, Constitutional court, Administrative court etc.
7. University and Educational advance institution including college and schools both public and private
8. Bank / Financial Institution / Finance and Securities company / Securities company / Funds
9. Insurance companies
10. Hospital / Clinic both public and private
11. Shopping Mall, Cineplex, Department Store, Modern Trade (for construction)
12. Industrial Factory and Department of Industrial works
13. Special Project
- Etc.

### 10.1.5 Industry Overview and Trends

The Company and distribution operates in the Information and industry. The current overviews of the ICT industry are described below.

#### Overview of Information and Communication Technology (ICT) Industry and Future Trends

The information and communication technologies (ICT) are rapidly changing. The world has increasingly developed and applied ICT in many ways. The creation of internet allows a faster communication for video, data and audio as well as reducing time and cost to receive information. The public and private sector need to adapt to be up to date with technological developments. It also reduces operating cost in the long-run and enables the organization to have flexibility and increase the standard and efficiency in the operation. Therefore, the application of ICT in many ways will be increasingly important.

#### Information and Communication Technology (ICT) Market

From the report of National Science and Technology Development Agency (NSTDA), ICT market in Thailand consists of 5 groups which are

- (1) Computer Hardware Market
- (2) Software and Software Service Market
- (3) Communication Market
- (4) Computer Service Market and
- (5) Broadcasting Equipment Market

The market that has a direct impact to the company is the Communication market which is the largest portion of ICT market.

#### Thai Communication Market

The communication market has an important status as the driving force to the information and communication technology (ICT) market. The communication market also has an important role and a mechanism for the development and growth of the society and economy. According to the Ministry of Information and Communication Technology has changed to be consistent with the world of digital communications and affect the economic propulsion of the country. It directly affects society in the modern world. Using the new ministry name to Ministry of Digital Economic and Society. The communication market can be categorized into 2 categories which are:-

1. Communication Equipment
2. Communication Service



Classification	(Unit : Million Baht)				Growth Rate		
	2014	2015	2016	2017F	2014-2015	2015-2016F	2016-2017F
1. Communication Equipment	199,415	226,539	246,513	261,109	13.60%	8.82%	5.92%
2. Communication Service	300,326	309,450	330,815	371,011	3.04%	6.90%	12.15%
<b>Total value</b>	<b>499,741</b>	<b>535,989</b>	<b>577,328</b>	<b>632,120</b>	<b>7.3%</b>	<b>7.72%</b>	<b>9.49%</b>

Source: National Science and Technology Development Agency (NSTDA)

From the information of the size of communication market of 2016 and the forecast for 2017 by the National Science and Technology Development Agency ("NSTDA"), the overall market value from 2016 to 2015 increased by 7.72%, or an increase to 577,329 million baht in 2016 from 535,989 million baht in 2015. The majority of the market value

is contributed from the communication service. The communication service market value was 371,011 million baht for 2017 equivalent to 58.69%, while communication equipment market only account for 261,109 million baht, or 41.31% of the total communication market list of 2018 as following:

Communication Equipment	(Unit : Million Baht)				Growth Rate		
	2014	2015	2016	2017F	2014-2015	2015-2016F	2016-2017F
1. Telephone Handset	93,358	105,020	111,413	119,970	12.49%	6.08%	7.68%
2. TelCo Network	63,742	69,680	73,284	75,459	9.32%	5.17%	2.97%
3. Wireline equipment	14,978	16,030	16,733	18,115	7.02%	4.39%	8.26%
4. Wireless equipment	27,337	35,809	45,086	47,565	30.99%	20.58%	5.50%
<b>Total value</b>	<b>199,415</b>	<b>226,539</b>	<b>246,516</b>	<b>261,109</b>	<b>13.60%</b>	<b>8.82%</b>	<b>5.92%</b>

Source: National Science and Technology Development Agency (NSTDA)

The communication equipment market has experienced stable growth. In 2016, the communication equipment market had a value of 246,516 million baht, an increase of 226,539 million baht in 2015, or an increase of 8.82%. For 2017, it has been estimated a growth of 5.92% or a market value of 261,109 million baht. The communication equipment

market consists of 4 groups which are:

1. Telephone Handset
2. Telco Network Equipment
3. Wireline Equipment and
4. Wireless Equipment



Wireline Equipment	(Unit : Million Baht)			Growth Rate	
	2015	2016	2017F	2015-2016F	2016-2017F
1. Access Equipment	6,935	7,635	8,743	10.1%	14.5%
2. Network Cabling	5,878	6,460	6,925	9.9%	7.2%
3. PBX	3,217	2,638	2,447	-18.0%	-7.20%
<b>Total value</b>	<b>16,030</b>	<b>16,733</b>	<b>26,858</b>	<b>4.4%</b>	<b>8.3%</b>

Source: National Science and Technology Development Agency (NSTDA)

Wireline equipment Market, Network Cabling will see continued growth, with growth of 9.9% in the year 2016 with a market value of 6,460 million baht, in the year 2017, it also grew 7.2% from the estimated market value of 6,925 million baht.

The Access Equipment, which is a transmitter, is growing at an annual rate of 7,635 million baht, an increase of 10.1% from the same period last year, the estimated market value of 8,743 million baht, an increase of 14.5% in the year 2017.

### 10.1.6 Business Opportunities of Network Cabling Distribution

- The company and the distribution are in the Information and Communication Technology (ICT) industry, an overview of the technology industry. Information and communication today The details are as follows
  - Can send and receive big data
  - Can send and receive data high speed
  - High Security
  - No Interference
  - Low Investment but high impact
- Opportunities that affect the Infrastructure Development Strategy and the logistics system of the National Economic and Social Development Plan No. 12 (2017 - 2021)
  - Development of transport infrastructure
  - Development of logistics system.
  - Development of Energy
  - Development of Digital Economy

- Thailand's 4.0 certification of the 20 year national strategy (2017 - 2030)
  - Smart Industry
  - Smart City
  - Smart People
  - Etc.
- Opportunities of technology change
  - 4G, 5G Mobile and 1G, 10G 40G Ethernet
  - LoT (Internet of Thing)
  - FTTH (Fiber To the Home)
  - PoE (Power Over Ethernet)
  - Air Blow Fiber Optic
  - Etc.



## 10.2 TELECOM

The Company is engaged in providing telecommunication network services through Fiber Optic Network and provides data center services in which can be divided as follows.

### 10.2.1 High-Speed Data Communication Network Services (Data Service)

The Company provides high speed data communication network service through the Interlink Fiber Optic Network, which was built with advanced Internet Protocol (IP) technology and a basis for data transmission with technologies such as Dense Wavelength Division Multiplexing (DWDM) and Multi-Protocol Label Switching (MPLS). These technologies increase the capacity of the network for all types of data transmission. The technology of Interlink Fiber Optic

Network has enabled a Layer 3: Network Layer in which the Layer 3 has features that increase from Layer 2: Data Link Layer capabilities. The abilities of Layer 3 data transmission are as follows.

- (1) The ability to management data transmission between networks (Management Network)
- (2) The ability to manage data transmission routing
- (3) The ability to prioritise data transmission according to different classes of service depending on usage, and
- (4) The ability to assure quality of service by prioritising different type of services, resulting in a highly efficient data transmission. It also prevents bottlenecks in the network and ability to support up to 100 Gbps and 400 Gbps in the future.

Layer	Features
Layer 3 : Network Layer	Determine routes for data transmission within the network.
Layer 2 : Data Link Layer	Control data transmission at the hardware level. And, very data transmission accuracy.
Layer 1 : Physical Layer	Determine data transmission control between computers at the bit level through connection with the data transmission line.

The network provides high-speed circuit service of the Company is divided into 4 categories, as follows:

#### 1) Interlink MPLS IP-VPN

Interlink MPLS IP-VPN is a virtual private network (VPN) service that transmits data through the Multi-Protocol Label Switching (MPLS) resulting in a virtual network. It enables multi point to multi point connection within an organization without the need of centralized data processing. It also prioritizes data transmission according to different class of service and to assure quality of services by prioritizing different type of services. The MPLS IP-VPN allows cost reduction for subscribers from the interconnection between offices and facilitates interconnection for customers with multi

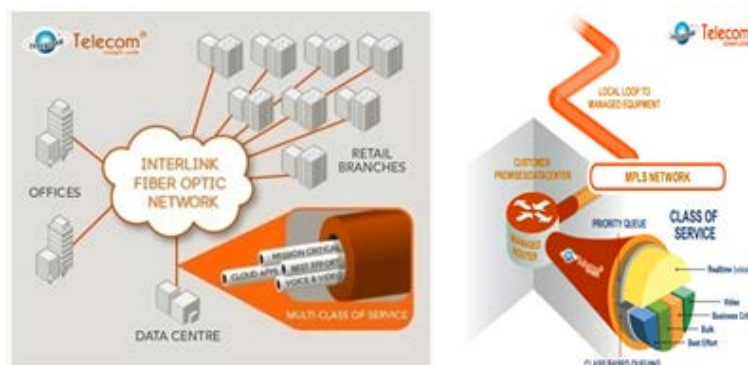
locations without the need of a private network, allowing the customer to operate in full capacity with efficiency.

In addition, the Company can manage data transmission with network management system (NMS) to monitor and control the operation of various network equipment of the network and also facilitates the management of customer's equipment. In the event of a failure, the transmission route will automatically switch to secondary network within a short timeframe (less than 20 milliseconds), ensuring the network operates normally for 24 hours a day.

The Interlink MPLS IP-VPN is suitable for customer groups who requires multi point to multi point connectivity, such as for connection within an organization with more than 2 locations, such as banks, securities businesses, department

stores, supermarket, etc. The technology also caters to customers requiring more than 1 type of data transmission, such as voice, video, data or internet. In addition, the Company is able to service the type I and type II telecommunications business operator license that requires

multi point connections to service their end user. And with connection to additional equipment, service can be expanded into voice over MPLS, video conference over MPLS, high definition broadcasting, etc.



#### Highlights of the Interlink MPLS IP-VPN

- Installed completely with fiber optic cables, which can increase and decrease speed without changing cabling type.
- Has the stability, safety and efficiency equivalent to leased line, frame relay and asynchronous transfer mode (ATM).
- The ability to prioritize the usage of each application from video, voice, data and internet connection according to customer's requirement, and able to meet the determined quality of service.
- The network connection is in the form of ring topology, which is a ring type connection. This enables a stable and efficient network, promoting service continuity in the case of a failure of any part of the network.
- Routing intelligence in the case of a failure (Back up route).
- The core network can support up to 10 Gbps.
- The flexibility to increase or decrease the speed in different parts according to customer needs or of the channel size with the NMS system. Also, in the case of a failure, the company can connect to user's equipment for a quick and immediate

centralized repair service without the need to be on site.

- The ability to choose different access connection technology such as Fast Ethernet/Gigabit Access, leased line, etc, without requiring a separate network, providing convenience to customers in maintenance and repair.
- Has a surveillance team to monitor the network 24 hours a day every day.

#### 2) Interlink Wavelength

Interlink wavelength service provides large-scale data transmission for customers with at least 1 Gbps bandwidth. Data transmission is sent over the Interlink Fiber Optic Network using DWDM technology. This technique sends data over fiber optic cables at various wavelengths to maximize the capacity to send large amount of data simultaneously, which reduces cost in data transmission. The service is suitable for multiple location connection and the requirement for a larger bandwidth of 1 Gbps or more. The target customers for Interlink Wavelength are customers who require data transmission between 2 data centers, mobile operators and internet service providers.





### Highlights of the Interlink Wavelength

- Installed completely with fiber optic cables, which can increase and decrease speed without changing cabling type.
- Supports large scale data transmission. Customer can choose between various bandwidths from 1 Gbps, 2.5 Gbps, 10 Gbps, 40 Gbps and 100 Gbps.
- Lower data transmission cost per Mbps compared to other connection type.
- The ability to choose different access connection technology such as DWDM, SDH and Ethernet.
- Customers do not need to invest in expensive equipment for connectivity.
- Has a surveillance team to monitor the network 24 hours a day every day.

### 3) Interlink Dark Fiber

Interlink Dark Fiber service provides data transmission to customers via the Interlink Fiber Optic network. Customers may choose the technology they need to transmit data and entirely responsible for the management of network. This

service is suitable for users with large scale point to point data transmission with personnel to management own network. The target customers are commercial banks, mobile operators, and other telecommunications business operators with Type I, Type II and Type III license.

### Highlights of the Interlink Dark Fiber

- Installed completely with fiber optic cables, which can increase and decrease speed without changing cabling type.
- Supports customers' preferred technology for data transmission and the ability to set the speed to data transmission regardless of being High Definition TV Broadcast, 3G or 4G.
- Fiber optic network are taken care by the company. Customers can exchange information with the network operation center to monitor the system status.
- Has a surveillance team to monitor the network 24 hours a day every day.



#### 4) Interlink IPLC

Interlink IPLC provides point to point high speed data transmission via the Interlink Fiber Optic network from Thailand to other parts of the world through cooperation network with business partners who are leading global network provider. The service is suitable for customers with outwards point to point data transmission to overseas locations, or inwards transmission into Thailand. Prospect customer includes organizations or business with overseas office, embassies, international organizations, hotels and tourism businesses, transportation business, import and export business, internet service providers and other telecommunications business operators with Type I, Type II and Type III license.

##### Highlights of the Interlink IPLC

- Installation of fiber optic cable systems, which can increase or decrease the speed without changing the type of cable.

- The customer does not need to invest in expensive equipment connections.
- Teams monitor and resolve problem 24 hours a day every day and no holiday.

##### Distribution channels and target customers of high speed data transmission network service

The company has own sales team to make contact and negotiate directly with customers, the company separate sales team into five groups according to the type of target customers because each customer has different needs, sales department will take care and provide services to customers and provide services properly to the business objectives of each customers to respond customer needs effectively, the company's customers Covering both the private segment and government agencies which can be classified into various groups as follows:



- A high speed circuit with a constant speed over time make use of the width of the channel (Bandwidth) efficiently.
  - An integrated broadband communications that support all forms of communication such as audio, data, video and other multimedia.
  - supports connectivity such as DWDM SDH and Ethernet.
  - Supports transmission of large data can choose from 1 Gbps / 2.5 Gbps / 10 Gbps / 40 Gbps and 100 Gbps
1. **General Business Companies (BIZ)** Refers to business operators who demands connection between more than 2 offices in their organization or connection between office and data center. The current customer in this category include companies such as Major Cineplex Plc., Land and House Plc. And Hewlett Packard (Thailand).
  2. **Multimedia Broadcasting Companies (MBC)** Refers to television stations, cable television operators, digital television operators and content providers who demands services to support distribution of





news and multimedia to end users. This business category requires real-time large scale multimedia data transmission. The current customers in this category include companies such as MOCT Plc., BEC Multimedia and Voice TV.

**3. Communication and Telecommunications Service Providers (ISP)** Refers to business operators who provide data communication network service, mobile network service, internet service and system integrator. This business category requires large scale data transmission with high stability in data transmission. The current customers in this category include companies such as CS LoxInfo Plc. Inter Thailand, True Universal Convergence, CAT Telecom Plc. And KIRZ.

**4. Banking, Securities and Insurance Companies (BFI)** Refers to operators who are in the business to provide banking, securities and insurance services which has offices in many locations. This business category requires a safe and stable data transmission. The current customer in this categories include companies such as UOB Kay Hian Securities (Thailand), Kiatnakin Bank and Nam Seng Insurance Plc.

**5. Government Institutions (GOV)** Refers to government agencies and state-owned enterprises which mostly have the same procurement procedure and characteristics as government agencies such as tender process or E-Auction. The current customer in this category include organizations such as the Royal Thai Air force Directorate of Communications and Electronics and the Rajamangala University of Technology Bangkok.

## Competitive strategy for Data Service

### 1. Differentiation in installation of fiber optic network

The Company highly recognizes the importance of connectivity stability. The user must receive service availability that is stable and efficient. Therefore, the Company chooses telegraph poles along the railway as the

route of Interlink Fiber Optic Network. Telegraph poles along the railway provide a safe and reliable route compared to electricity poles along public roads, reducing the chance of accidentally fallen poles. The Company has signed a lease agreement with the State Railway of Thailand to route fiber optic cables on the telegraph poles along the railway. By routing fiber optic cables along telegraph poles, the Company can reduce installation cost due to the frequency of poles being less compared to electricity poles along public roads. In addition, the Company has main route, alternate routes and sub-routes along public roads to reach customers. The Company ensure no overlap of routes as much as possible to provide options and to differentiate service from other providers.

### 2. Provide an entirely fiber optic network (End to End Fiber Optic) and nationwide coverage

The Company recognizes the importance of big data communication which has a tendency to increase. Therefore, the Company has built an entirely fiber optic network in all routes including sub-routes to customers access point. Fiber optic cables are able to accommodate maximum data transfer which maximizes benefit for customers. This enables the customer to increase or decrease speed in certain time which some providers are not able to accommodate because of their network not being entirely fiber optic.

Also, as of December 31st, 2016, the Company has 75 provinces coverage and can serve 77 provinces nationwide. Because of our nationwide coverage and future connection to neighboring countries such as Singapore, Malaysia, Cambodia, Laos and Myanmar, the Company can provide complete service to customers including national and international connectivity and cost control to suit customer demands.

### 3. The use of modern and stable technology

The Company uses the Multi-Protocol Label Switching (MPLS) and Dense Wavelength Division Multiplexing (DWDM) technology which increase network capacity and able to provide a complete data transmission service. The Company is able to provide Layer 3: Network Layer, which has a better capability compared to Layer 2: Data Link Layer, which is widely used. The MPLS is able to improve data transmission



between networks and supports routing management which is highly effective in managing bottlenecks and supports more types of data transmitted. The DWDM improves data transmission by transmitting through different wavelengths within 1 cable allowing up to 100 Gbps. From these technologies, the Company's network is able to accommodate timely transmission of data which is safe and stable, an important factor in the telecommunication industry and the technology used by major telecommunication providers such as Singtel, AT&T, Verizon and British Telecom.

#### **4. Customized service to meet customer needs**

The Company's policy is to provide a customized service to meet customer needs. The Company realises the difference in needs of customers in different locations such as some bank branches requiring larger data transmission compared to another branch. Therefore, the Company customizes services to suit customers in different locations. With this policy, the Company differentiates itself from other providers which are not able to customize services due to limitations in their network or technology. In addition, the Company holds joint seminars with technology leaders such as CISCO, Huawei and Ericsson for engineers and executives to better understand new technologies. The Company, therefore, is able to cater to customer needs, retaining good relationships for confidence in the service without the need to switch provider.

#### **5. Businesses operation focused on neutrality**

The Company was granted the Telecommunication Business Operator License Type III with the aim to provide fiber optic network with high stability. The Company has no policy to apply for license to provide internet service to ensure no competition with current customers who are mainly internet service providers. This is different from some high speed network providers who hold the license to provide internet service which may overlap with their customers.

#### **6. Service quality of Service Level Agreement (SLA) at level 99.9%**

The Service Level Agreement (SLA) is an agreement to guarantee the quality of service between the service provider and the service recipient to ensure confidence of

the service provider at an agreed level. The telecommunication service business has different levels of guarantee in service level agreement, such as SLA 99% or SLA 99.9%, which is a service level that guarantees downtime of only 438 minutes, or 43 minutes for service 24 hours a day, 30 days per month, respectively. The Company is able to provide customers with a service level agreement (SLA) of at least 99.9% as a result of the Company's fiber optic network main being installed on telegraph poles along the railway with alternate route installed on electric poles along public roads. This will prevent problems that may be caused by a particular route. When a problem occurs at one route the system will switch an alternative route. The Company also has a 24-hour, 365-day surveillance team at the Network Management Center (NMC) to monitor repair any failure and incident in the network which can be detected through all customer's network. There are alerts and updates on progress for the customers to be aware of movement in network operation. The problem and incident correction are available 24 hours a day, because the installation of the Company's network equipment are accessible even at night and holidays. There are 38 operation and maintenance center nationwide. Also, the Company uses GPS tracking technology to monitor the accuracy and effectiveness of the team to correct any failure to ensure confidence the customers will receive the best service with guaranteed minimal damage. In an event of a failure, under the Company's policy, the mean time to recovery (MTTR) must be 4 hours nationwide. At present, the Company can maintain the MTTR at an average of 99.963%, which is higher than the standard set.

#### **7. After-sales service by team consisting of 100% engineers**

The Company has a policy to provide after-sales service by team with 100% engineers to promptly respond to customers. Because the Company's operation is related to technologies with complicated operations and problem solving, therefore, the Company established team of engineers to respond and solve issues which has reduced the time needed to fix issues. The customers are satisfied with the service and confidence in the event of issue or requiring assistance.

### 10.2.2 Telecommunication network installation services

The Company's telecommunication network installation service is a one stop service providing consultation, network planning and installation of high speed telecommunication network by utilizing the expertise and experience of human resources as well as fully utilizing resources in different location nationwide to produce income.

The Company's telecommunication network installation service is a one stop service providing consultation, network planning and installation of high speed telecommunication network by utilizing the expertise and experience of human resources as well as fully utilizing resources in different location nationwide to produce income. The Company has to analyses the geographical structure and connecting infrastructures to design and plan systems and equipment which are important to the connection. Once approved by the customer, the Company will engage experienced contractor with specialization in different fields who has the capacity to complete the project. The Company's engineering team supervising the construction and examine the work to ensure quality, operational and meet customer expectations. The Company also provides after-sales service to guarantee work quality. The main customers of the company are communication and telecommunication business operators in the public and private sector such as CAT Telecom, CS Lox Info, True Move, True Universal Convergence and Metropolitan Electricity Authority who was also granted the Telecommunication Business Operator license Type III.

#### Distribution channel and target customers for telecommunication network installation services

The sales team approaches the customers directly by focusing on telecommunication business operators who requires network expansion. The Company work together with the customer to plan the project which aligns with the customer's overall plans. Also, the Company has own fiber optic network nationwide covering 75 provinces (as at December 31st, 2016), this has ensured confidence from both public and private sector customers.

### Competition Strategies for Telecommunication Network Installation Service

#### 1. Experience and proficiency in telecommunications network installation

From the experience in network installation of the Company, the Company understands customers' real demand leading to designs that benefits customers, including the Company can quickly install within limited time with quality service. Therefore, the Company gain trust from both government agencies and large private companies such as Metropolitan Electricity Authority, CAT Telecom, CS LoxInfo and True Move for installation service.

#### 2. Efficient project cost management

Since the Company has its own fiber optic network, the Company has enough personnel and equipment to service customers without requiring additional investment such as human resource development or equipment and is able to utilize its human resources to the highest benefit, leading to efficient costs management. In addition, with own network, the Company purchases of fiber optic cables and telecommunication network installation equipment at lower costs than other operators from Economy of Scale and help the Company to have competitive advantage.

#### 3. One stop service and consultation

The Company provides one stop network installation service to customers beginning with consultation and network planning to match with different preference of each customer as well as project management. Furthermore, the Company also focuses on after sale service and provides project quality guarantee to gain customers trust.

### 10.2.3 Data Center

The Interlink Data Center provides server rental, co-location service and disaster recovery state to organizations with differing objectives, by moving their server to our data center; customers can reduce investment and maintenance cost, as a backup site, or to prevent disaster or other unexpected accident. The Company's data center is built specifically to be a data center which meets

the TIER 3 Data Center standard with 24 hours service every day. The data center has a stability of at least 99.982% and is ISO9001:2008 and ISO27001 certified. Interlink Data

Center is located at 9/1 Soi 01 Kanchanaphisek 5/5, Kanchanapisek Road, Tharaeng, Bangkhen, Bangkok 10220, it is 1,800 sq.mm. in size with 348 racks.



Data Center Features Summary Table for each TIER

Type	TIER 1	TIER 2	TIER 3	TIER 4
Power and Cooling Delivery Paths	1Active	1Active	1Active / 1 Passive	2 Active
Redundant Components	N	N + 1	N + 1	2 (N + 1)
Support Space to Raised Floor Ratio (White Space)	20%	30%	80-90%	100%
Initial Build-out Gross Watts per Square Foot (W//ft2)	20 - 30 W//ft2	40 - 50 W//ft2	40 - 60 W//ft2	50 - 80 W//ft2
Raised Floor Height (Typical)	12"	18"	30 - 36"	30 - 36"
Floor Loading lbs/ft2	85 lbs/ft2	100 lbs/ft2	100 – 150 lbs/ ft2	150 lbs/ft2
Utility Voltage (typical)	208,480V	208,480V	12 - 15 kV	12 - 15 kV
Annual Site Caused IT Downtime (actual field data)	28.8 hours	22.0 hours	1.6 hours	0.4 hours
Representative Site Availability (Site Availability)	99.67%	99.75%	99.98%	100.00%

Source: Uptime Institute Data Center Standard, a data center certification company from the United States.



### Data center design

The Company work together with experienced data center planner as well as consultation with specialist from overseas for the best data center for users. The data center is built as a 3 levels standalone building with the electric generator located in a separate building. The front of level one is design to accommodate customers while the back of the building is for the installation of electrical equipment with

the capacity to withstand 2,000 kilograms per sq.m. Level 2 and 3 was built for data center service. It has been designed to separate areas for customers from areas unrelated to customers. Level 2 and 3 has the capacity to withstand 1,300 kilograms per sq.mm. (266.26 pounds per sq.ft.) to accommodate all types of services. More details are described below:-

1. Building construction	Constructed according to TIER 3 standard. The Company's data center is designed to have redundant infrastructure to reduce system failure with secondary power supply and efficient energy use as well as to withstand natural disaster and fire hazards.
2. Cooling system	Our data center has an effective cooling system to control the right temperature for electrical devices which is 21 to 26 Celsius +/-2 with a humidity of 50% +/-5%. Also, secondary cooling system has been incorporated in the design in case of emergency. An effective cooling system allows electrical devices to operate effectively and extend its lifetime.
3. Security system	Several security systems have been installed as security measures. Finger print scanning is installed to control access to the building and server room with CCTV monitoring in all area. Other systems such as smoke detection and fire extinguisher are installed for the security of devices and customer's data. The company is also certified with the ISO27001 standard
4. Communication system	Because our data center is the center of the Interlink Fiber Optic Network from all areas throughout Thailand, therefore, it gives easy access to Interlink' s network as well as other providers with a team to monitor the connectivity. Also, connection can be made with the company's network to the national internet exchange (NIX) at 80 Gbps and the International Internet Gateway (IIG) at 40 Gbps.

The Company's data center service can be categorized into 3 categories as described below:-

#### 1) Co-Location

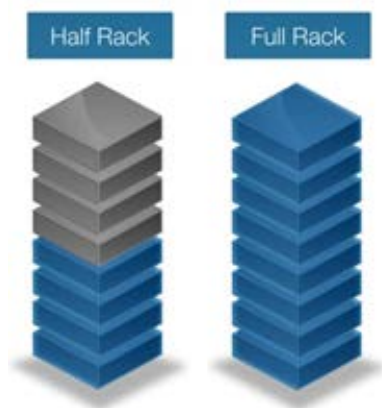
Co-Location is currently the major customers of the Company which is a server placement service in a private designated location for each customer. It is monitored by an

engineering team for any problems to provide technical support 24 hours every day with an SMS notification for any issue occurred. The service has reduced customer's cost in equipment investment and administration. This category of customer has their own server, but requires a full service data center with services such as security, secondary power supply system and other connectivity system. Most



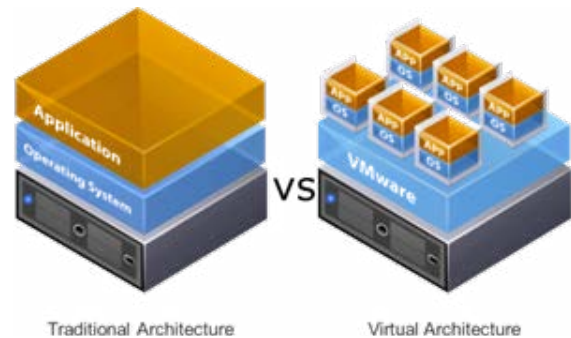
customers are medium to large corporation demanding high security and other organization as part of their risk management measures.

Co-location service can be customized to meet customer demands in the form of service defined by space size or the amount of racks.



## 2) Virtual Server

Virtual Service is a high quality server rental service with each server operated independently. Customers can freely customize the service such as CPU, RAM, hard disk, operating system and operating program and application for flexibility in usage and supports upgrades conveniently and quickly. It is monitored by an engineering team for any problems to provide technical support 24 hours every day with an SMS notification for any issue occurred. The service has become popular because it decreases the need to separately invest in server for each unit or project, allowing adjustment to meet the requirement for each work. Users saved on equipment investment such as large servers to support their applications. The service is suitable to general users who wishes to have own server such as medium to large corporations and website owners. Other users are those requiring higher stability who realizes the rapid change in technology and does not want to invest in equipment for use in a specific work only.



## 3) Disaster Recovery Service

Disaster Recovery Service is a service to provide space for server placement and working space in case of failure or emergency event. The customer can adjust their need in data center according to their preference. The Company has an engineering team to monitor any problems and provide technical support 24 hours every day. Customers are able to save on space and administration expense. The service is suitable for general customers who place importance to data backup such as medium to large corporations and the banking and securities industry.

## Target customers of Data Center

The Company focuses on medium to large corporations and the banking and securities business. The Company presents customized services to meet each customer's needs.

## Competition Strategies for Data Center

### 1. A differentiated data center

The company recognizes the current data centers available in the market are located within an already built building which has limitation in the planning and service such as not being specifically design with enough floor loading. Generally, buildings are constructed with floor loading of 300 kilograms per sq.mm., however, the TIER 3 Data Center standard requires floor loading of 1,000 kilograms per sq.mm. Also, generally, a building has a raised floor height of 40 cm to 60 cm while the TIER 3 Data Center standard requires at least 75 cm raised floor height. Also, by locating in a building, there is limitation to control electrical system in case of a failure which will directly affect the data center. Therefore, the Company has specifically constructed data

center separately from other occupier. The data center is designed with raise floor height to meet the TIER 3 requirement as well as floor loading and other requirements. As a result, customers will receive quality service meeting international standard and confidence if there is an inspection.

### 2. Customized service to meet customer needs

The Company's policy is to provide a customized service to meet customer needs. The Company realizes the difference in needs of customers by designing the system to accommodate demands of customers exceeding the standard with open space for adjustment to appropriately meet customer needs. The Company, therefore, is able to offer a variety of service and answers to customer's requirement. In other word, the Company is able to adapt service space to meet customer needs which has differentiated the service from other providers.

### 3. Having own network

Because of the need of data center customers to connect with their head office and branch which requires the service of network provider to complete the connection. As the data center of the Interlink Fiber Optic Network from all areas throughout Thailand, therefore, it gives easy access to Interlink's network as well as other providers with a team to

monitor the connectivity. Also, connection can be made with the Company's network to the national internet exchange (NIX) at 80 Gbps and the International Internet Gateway (IIG) at 40 Gbps.

### 4. Higher than standard Service Level Agreement (SLA) 99.982%

The Company constructed data center according to TIER 3 Data Center standard to meet service quality of at least 99.982%. Importance have been given to electrical and cooling systems which is the heart of data center business with the design to ensure electrical system are operational at all time and uninterrupted power supply in case of outage. The cooling system controls the temperature at 23 Celsius at all time and measures power usage effectiveness (PUE) of at least 2. The company also has engineering team to monitor, repair and provide technical service 24 hours a day every day with SMS alert service for any issue occurred and updates on progress for the customers to be aware of movement in network operation.

In addition, the Company operated under the policy to prevent any human error which may affect users. Moreover, out data center is ISO9001:2008 and ISO27001 certified to prove the service standard provided.

## Industry Overview and Trends

### Communication Service Market

Communication Service	(Unit : Million Baht)				Growth Rate		
	2014	2015	2016	2017F	2014-2015	2015-2016F	2016-2017F
1. Fixed Line Service	16,000	14,809	12,006	10,265	(7.44%)	(18.93%)	(14.50%)
2. Mobile Service	209,660	216,404	261,219	300,592	3.22%	20.71%	15.07%
3. Internet Service	48,663	53,578	55,740	57,691	10.10%	4.03%	3.50%
4. International Telephone Services	12,412	10,357	6,960	5,170	(16.56%)	(32.80%)	(25.72%)
5. Data communication Services	13,591	14,302	14,546	14,924	5.23%	1.71%	2.60%
<b>Total market value</b>	<b>300,326</b>	<b>309,450</b>	<b>350,471</b>	<b>388,642</b>	<b>3.04%</b>	<b>13.26%</b>	<b>10.89%</b>

Source: National Science and Technology Development Agency (NSTDA)



The communication service market is the main proportion of the communication market, accounting for 58.71 and 59.87 of the communication market, respectively. The communication service market has grown from 309,450 million baht in 2015 to 350,471 million baht in 2016 with a growth rate of 13.30. In 2017, it is projected the growth will be 10.90 or 388,642 million baht. The communication service market can be categorized into as follow:

1. Fixed Line Service
2. Mobile Service
3. Internet Service
4. International Calling Service
5. Data Communication Service

Although, the use of fixed line phone service and international calling has decreases due to changes in customer habits from fixed line phone service and international calling to mobile phone service and other devices as well as other applications. However, the mobile phone market is the largest category in the communication service market which will remain growing particularly non voice service though mobile phones. This is due to the coverage of 3G services on the 2100MHz band, the lowering of smartphones and tablets pricing and new users of social media in all generations.

### Digital Economy Policy

According to the information from the Ministry of Information and Communication Technology (<http://eng.mict.go.th/view/1/Digital%20Economy>), in 2014, the government has announced the Digital Economy Policy which is an important policy in the utilization of information technology for economic and social activities which is beneficial to the information and technology industry. The policy focuses on basic digital infrastructures with the goal of connecting information, sufficient size for use, stability and reliability and consumer access at reasonable price for the development of the country effectively in both economic and society. Digital basic infrastructure are IT, telecommunication and broadcasting basic infrastructure including the convergence of new innovations of the 3 technologies to development the economy and society.

**There are 5 strategies for Digital Economy Policy as described below:-**

#### 1. Hard Infrastructure

The government will accelerate the development of basic infrastructure for a nationwide coverage, sufficient size for use and reliability at reasonable price for a reliable communication infrastructure and high speed broadband at low cost. In addition, to support international businesses with investment in Thailand in ICT industry such as Data Center, Cloud Computing, telecommunications joint venture and software applications as well as benefits in connectivity globally.

#### 2. Soft Infrastructure

The government will speed up the revision of all laws relating to the development of digital economy for a fair and up to date regulation on investment and supervision of telecommunications and the internet as well as security of digital systems and information protection to promote confidence and positive environment to attract foreign investors.

#### 3. Service Infrastructure

As far as developing the basic infrastructure for coverage and to improve standards to promote new digital services by both the public and private sectors effectively, high quality and lower cost of service. It is important to service as well.

The government will enhance e-Government service with government data exchange platform, focusing on fundamental services and inter-agency services (including national centralized ID database and centralized open government data) as well as collection, disclosure and exchange of governmental information according to the Open Data standard (and proposes as Open Government Data regulations) to facilitate connectivity through Application Programming Interface (API) and adaptation for product and service development in the public and private sector

#### 4. Digital Economy Promotion

The government will stimulate the economy by creating a complete digital environment with many digital entrepreneurs



and changing the way of doing business in Thailand in many aspects with price competition and service innovation for customer satisfaction.

The government will strengthen business capacity to promote value creation for products and services through digital technologies and innovations. Technology such as Digital Business Analytic Center for SMEs, Digital Business Fund, the National APIs' Platform for SMEs and development of Service Platform to support new types of services as well as Agile e-Marketplace in Cloud Computing for a modern and convenient in changing business process to support Thai businesses, particularly SMEs, and to create new businesses through digital technologies for the local and international market,

### 5. Digital Society

An effective development of digital society through developing information and services of the government to cater to people of all levels particularly disadvantages people to gain access anywhere anytime equally through digital technology. Also, Thailand will have information resources storage to store data and knowledge in digital format for public access and put to further use easily responding to global changes.



**The economic management to be in accordance to the Digital Economy can be divided into 3 steps as follow:**

#### 1. Digital Commerce

A change in the way of doing business and transactions due to changes in consumer demands. Previously, it has been called E-Commerce. Nowadays, there has been an increase

in channels whether it's selling through websites, sales via direct email, posting in web boards gaining interests by users. The purpose is to create traffic as much as possible which will generate transaction if the customer agrees or choose to use the service. In addition to service promotion, it has been applied to financial transactions such as money transfer through mobile phone and the internet.

#### 2. Digital Transformation

The application of digital technologies for value creation in addition to trade particularly effectiveness in doing business to increase working capacity, cost reduction and customer requirements analysis to increase customer satisfaction such as development of website to support displays on different devices, using social media as a medium to create relationship with customers and to analyses customer data for digital channels.

#### 3. Digital Consumption

The application of using technology to facilitate trading of products and services, replacing the existing trading sales channel through communication technology and other transaction methods for effectiveness and convenience. For example, in the past, buying clothes would require going to the store and try the clothes. Nowadays, customer browses through social media such as Instagram, Facebook or other websites. Once satisfied, they will communicate through Line application or email. Effectiveness and speed has increased prompting higher customer demands.

To accommodate Digital Economy, requires an improvement to basic infrastructure to support increases in transaction numbers and channels for consumer access such as improvement to internet access for ADSL and Fiber Optic (FTTX) which requires improvement in basic infrastructures such as telecommunication network to support ever increasing data as well as reliability in data transmission.

In analyzing readiness for a digital economy, Thailand is still behind other neighboring countries such as South Korea and Malaysia. In 2015, Thailand is at 67th place in the Network Readiness Index with rooms for development in basic infrastructures and uses in private sector and the general public.



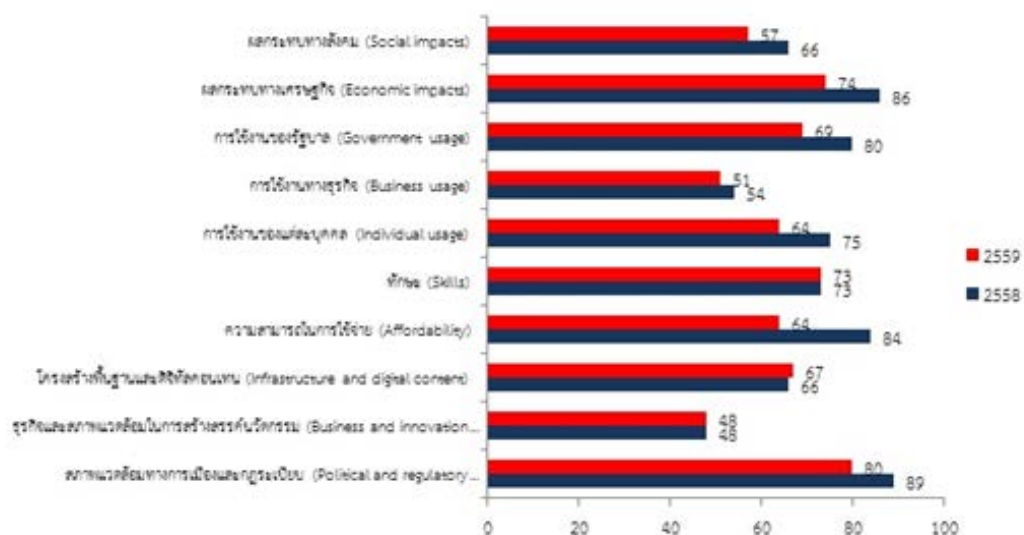
In 2017, Thailand ranked 62th in the world, ranking 67th in the year 2015 for the Network Readiness Index, as shown in the details as below.

ประเทศ	Networked Readiness Index ปี 2559 (จากทั้งหมด 139 ประเทศ)	Networked Readiness Index ปี 2558 (จากทั้งหมด 143 ประเทศ)
ไทย	62	67
สิงคโปร์	1	1
ฟินแลนด์	2	2
สวีเดน	3	3
เกาหลีใต้	13	12
ญี่ปุ่น	10	10
มาเลเซีย	31	32
จีน	59	62
อินเดีย	91	89
เวียดนาม	79	85
อินโดนีเซีย	73	79

Source: World Economic Forum, The Global Information Technology Report 2016

As shown, Singapore is the only non-EU country in the top 3. The representation of Asia Pacific countries in the top 10 countries are Singapore (1st in 2015 and 2016) and Japan (10th in 2015 and 2016).

The developments in Thailand for each factor are identified below:-

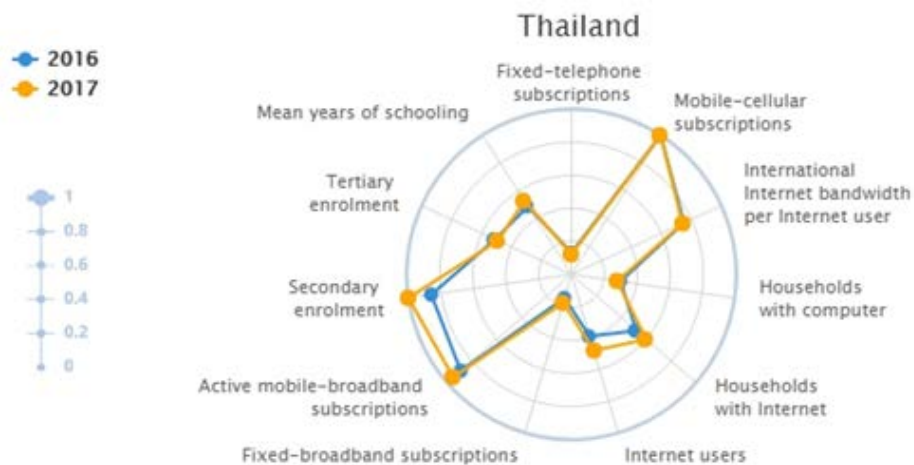


Source: World Economic Forum, The Global Information Technology Report 2016

Considering the results of the 2016 rankings, the business and innovation environment is the best in Thailand, compared with 48 other places. There are other factors that Thailand is moving up is the ability to spend. Affordability ranked 64th, followed by Economic Impact ranked 74<sup>th</sup>. However, the point is that the decline in readiness is the in-

frastructure and digital content. (Infrastructure and digital content)

The ITU's ICT Growth Index (ITU) was ranked 82th in the year 2016, falling from the previous year's 79th position, but the rating increase from 5.05 to 5.18.



IMD WORLD DIGITAL COMPETITIVENESS RANKING 2017 has ranked the World Digital Competitiveness Ranking. Thailand is ranked 41st in 2017, ranked 39th in 2016. However, the factors considered are technology and future readiness has improved over the past 3 years.


IMD World Competitiveness Center from Switzerland It publishes the IMD World Competitiveness Yearbook 2017, which reports on the competitiveness of 63 countries around the world. Hong Kong was ranked no.1st and Switzerland ranked no. 2nd Singapore was ranked 1st, ranking no. 3rd, in the United States, ranking no. 4th and the Netherlands

ranked 5th, moving up three from last year this year.

Based on IMD's competitiveness in the year 2017, Thailand has improved its scores and rankings. The total score this year is 80.095 , compared to 74.681 in 2016, and has ranks one up, moving up from 28th in 2016 to 27th in 2017, considering only five ASEAN countries. This ranking includes Singapore, Malaysia, Thailand, Philippines and Indonesia. Most of them ranked higher, especially Indonesia, ranked sixth, while Malaysia was the only country in ASEAN with a rank lowered from 19th place to rank 24th this year.



Ranking of countries ranked in ASEAN

Country		Ranks (2017)	Ranks (2016)	Change	
Singapore		3	4	+1	↑
Malaysia		24	19	-5	↓
Thailand		27	28	+1	↑
Philippines		41	42	+1	↑
Indonesia		42	48	+6	↑

Source: Thailand Competitiveness, Thailand Management Association (TMA) at 1 June, 2017

In analyzing access to 3G or 4G, are attributed to the development of fundamental through frequency bands auctions for service providers which has user count increase to 121%, higher than South Korea and Malaysia. However, internet usage per person remains low at 23% which may be due to the capacity and coverage of network which is not matching with the large data expansion.

In considering electronic transactions, Thailand has experienced annual growth of 20%, however, transaction size is small compared to Malaysia and South Korea. Also, social media use has grown very fast at 33% with social media used by more than half of the population.



### Factors affecting the communication market in 2017

Positive Factor	Negative Factor
<ul style="list-style-type: none"> <li>- Mobile/Apps are used as a marketing and sales platform.</li> <li>- Be familiar with online use are more. e-transaction and e-commerce</li> <li>- Automation / Self Service Started to be used widely.</li> <li>- IoT is of more interest and importance. Both in agriculture and industry.</li> <li>- Physical and Cyber Security Awareness</li> <li>- Public Internet Project (Internet village) that is available.</li> <li>- Eastern Region Economic Development (EEC) Project, public and private investment</li> </ul>	<ul style="list-style-type: none"> <li>- price competition</li> <li>- Economic uncertainty Impact on private investment and household spending</li> <li>- Efficiency of public sector disbursement in network and communication projects.</li> <li>- Disrupted by digital technology. Some businesses have reduced or reduced their branches, such as retail and banking, to the vendor of the equipment and customer-based installation services.</li> </ul>

Source: Office of the National Science and Technology Development Agency (NSTDA.) 18 July 2017.

### Technology trends

- OTT Service: The development of high speed network in wireline and wireless has created online content services such as IPTV and Video on demand without the need for such service provider to invest in their own network.
- Mobile Payment: Making transactions through mobile network by deducting money from bank accounts, credit card or electronic account
- Cyber Security: The prevention of cyber threats such as personal information, organizational information and other threats from vulnerabilities in ICT systems which many sectors must focus on risk management
- IoT/M2M: Future development beyond wearable devices and mobile devices by providing a centralized platform to support the communication and connection of each devices which will be applied for daily use by individuals and businesses
- Big Data: The need to create competitive advantage in business and marketing to promptly respond to customer needs
- FTTx: A high speed technology with room for expansion and the government are supporting service expansion
- SDN/NFV/Cloud: The use of technologies such as Virtualization and Cloud to manage telecommunications network effectively with agility and reduces costs

Source: Office of the National Science and Technology Development Agency (NSTDA.) 18 July 2017.



## 10.3 ENGINEERING

### 10.3.1 Overview of Engineering Business

Engineering and Special Project business has been growing as a result of expansion of work in electrical system, construction of sanitary system and communication cabling system. At present, the Company has to expand the Engineering business to a business by which revenues will increase continuously and grow along with growths of major customers, by focusing on adding values in products and services, offering integrated services ranging from consulting, design, procurement, development, design integration, installation, maintenance, to operation to customers in order to maximize efficiency and effectiveness of customer service, and by focusing on special large-scale projects. The foresaid strategy has been being implemented to make Interlink Power and Engineering Company Limited a company with a total revenue exceeding Thai Baht 1,000 million in three years, having consistent revenue stream from operation and maintenance not less than 30% and having profit ratio up in market standard range.

In 2018, Interlink Power and Engineering Company Limited has a plan to propose projects to implement information technology, telecommunication and APM, an intelligent transportation system as well as integrated services which will consequently benefit Interlink Group and its business partners, add value and generate consistent revenues. This is an expansion from distribution of signal cables, optical fiber cable and EPC services for electrical work in high voltage transmission line, substation, underground cabling and underwater power cabling which is in line with growth of investments in implementation of technology and innovation under Thailand 4.0 scheme promoted by both private sector and government. The Company has adjusted its target to large-scale and special projects in response to growth of customers' businesses. The projects are listed below:

- 1.1 Electrical network expansion. Metropolitan Electricity Authority plans invest in improvement and expansion of electricity distribution systems during 2017 – 2021. The total investment of Thai

Baht 84,694 million consists of Thai Baht 27,536 million for substation and Thai Baht 50,305 million for transmission lines. In 2018, Provincial Electricity Authority plans to invest Thai Baht 30,000 million in substations and Thai Baht 2,500 million in electricity poles and power transmission lines, Thai Baht 4,500 million in underground power transmission lines, Thai Baht 2,000 million in underwater transmission lines.

- 1.2 Smart Grid System under Metropolitan Electricity Authority and Provincial Electricity Authority. The authorities make an investment to improve their entire electricity management systems and to increase efficiencies and reliability of electricity network, and, to replace existing rotating-disc meters with smart electronic meters throughout the country. To date, the Company has presented Smart Grid AMI system to Provincial Electricity Authority and this will lead to an opportunity for the Company to take a part in replacement of the meters in next 10 years with potential value of Thai Baht 20 million in total.

- 1.3 Automated People Mover (APM). The Company has partnered with Siemens Company Limited, a leading manufacturer, to improve efficiency in passenger transportation. In addition, the Company has cooperated with a juristic entity, IRTV to work for Airports of Thailand Public Company Limited, to install and provide maintenance service for APM under Suvarnabhumi Airport Development project (fiscal year 2011 – 2017) worth Thai Baht 3,000 million. This project will improve efficiency in passenger transportation and area management of the airport by increasing area coverage in the airport. In addition, APM can be introduced to other commercial domestic airports where expansion of service area is necessary; for instance, Don Muang airport, U-Tapao airport, Phuket airport, Chiangmai airport and, Eastern



Economic Corridor (EEC) which is an improvement in connection of transportation in new service areas.

- 1.4 IoT. Internet of Things for smart cities is an adaptation of information technology and telecommunication to develop and enable smart cities to provide services to residents in an efficient, convenient, fast and safe manner. The Company has introduced equipment and communication systems for monitoring and reporting on multimedia, visual and audio including integrated CCTV and security system. Furthermore, the Company has partnered with leading companies in communication technology; namely, LORA-Kerlink, Trilliant, to develop communication network to support Smart Farming, intelligent street lighting, for example, for smart cities which are currently under planning.

### 10.3.2 Structure of Engineering

1. Large-scale special project business group: focuses on bidding of integrated system projects including; APM, intelligent electricity management system as well as upcoming large-scale governmental projects;
2. Electrical engineering business group: has been continuously growing in providing design, procurement, installation and maintenance services for substation, high voltage power transmission lines, high voltage underwater power transmission lines and, high voltage underground power transmission lines;

3. Smart city and Internet of Things business group: has offered projects, consulting, design, installation of equipment and communication systems which will enable leading private entities and governmental bodies to benefit from utilization of adaptive technological innovation; hence, adding value to customers' businesses;
4. Project management office: focuses on introducing and delivering projects in accordance with customer's requirements, efficiently and effectively. The Company has achieved ISO 9001:2008 no. QMS 0393/697t from Management System Certification Institute (Thailand)(MASCI). Qualified and experienced project managers will be appointed to manage, allocate, monitor, evaluate and control work according to work plan throughout project period; starting from requirement survey, design and planning, procurement of equipment and working team, quality control and assurance, aftersales service, control and monitoring, reporting, cost control, milestone-based delivery, operation and maintenance, scheduled invoicing and, change management. Efficient communication leads to projects being successful, efficient, under controlled cost and time and, satisfying to customers who will become the Company's long-term business partners.



### 10.3.3 The project is still in progress

Description	Site Location (Province)	Employer	Project Value (Million baht) (Excluding VAT)	Delivery Due	Progression as at December 31, 2017
1. Construction for Electrical and communication systems of Suvarnabhumi Airport Development Utilities Project of the Airports of Thailand (AOT)	Samutprakarn	Airports of Thailand (AOT)	809.37	May, 2019	26.63 %
2. Construction of 115-22 KV Switching Station Project at Northern Industrial Estates 2 Project at Lamphun province, Construction of 115-22 KV Switching Station Project at Northern Industrial Estates 3 at Lamphun province and Power Station 3 at Lampang province	Lamphun, Lampang	Provincial Electricity Authority (PEA)	529.94	June, 2018	87 %
3. Construction of 115KV Transmission Line at HOD District, Chiang Mai Province Station – Mae sariang District, Mae Hong Son Province Station Project	Chiang Mai, Mae Hong Son	Provincial Electricity Authority (PEA)	289.30	May, 2018	1.41 %
4. Contractor of improve the transmission line 115 KV project underground cable, Phase 3	Pattaya-Chonburi	Provincial Electricity Authority (PEA)	75.92	January, 2018	30.74 %
5. Construction of 115-22 KV Power Station at Ban Len 2	Phra Nakhon Si Ayutthaya	Provincial Electricity Authority (PEA)	223.62	January, 2019	34.66 %
6. Procurement and Installation of Automated People Mover (APM) under Suvarnabhumi Airport Development Project (fiscal years 2011-2017)	Samutprakarn	Airports of Thailand (AOT)	1,962.52	August, 2021	0.02 %
7. Construction for Sanitation systems (SG) of Suvarnabhumi Airport Development Utilities Project of the Airports of Thailand (AOT)	Samutprakarn		1,017.08	May, 2019	47.66 %



### 10.3.4 Competition and Competitive Strategy

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>● Consistently introduces innovations to support ICT and electrical businesses.</li> <li>● Managed under ISO 9001:2008.</li> <li>● Specifically experienced and skilled engineers and operators. Complete and modern equipment.</li> <li>● Having track records on large-scale project; for example, installation of submarine cable, numerous of substation and transmission line projects.</li> <li>● Having track records on installation of communication cables in Suvarnabhumi Airport which is the biggest airport in Thailand, and on installation of fiber optic cables in Bangkok, with a total length of more than 2,500 kilometers. The Company has track records in installation and testing of signal cable of more than 1,000 projects.</li> </ul>	<ul style="list-style-type: none"> <li>● Not many large-scale cabling projects available each year.</li> <li>● Lack of business partner whose equipment and software is in accordance with customers' requirements.</li> <li>● Increasing number of international rival over large-scale projects.</li> <li>● Reduced profit ratio resulting from intense price competition.</li> </ul>

Interlink Power and Engineering Company Limited has been operating in 3 major markets; namely,

- Construction and maintenance of electrical system. The Company is operating in an electrical EPC. Competitors include Demco Public Company Limited and, Gunkul Engineering Public Company Limited.
- Development of integrated information technology and telecommunication systems. This is a new sector where the Company has been working with both domestic and international partners with a focus on survey of customers' requirements in advance, pinpointing offering with competitive price and higher efficiency. Major competitors include ALT Telecom Public Company Limited and, Yip in Tsoi & Company Limited.
- Supply of APM. This is also a new sector where the Company has entered and been the first

player in Thailand. International competitors are expected in the next projects.

### 10.3.5 Target Customers

Target customers of engineering and special project business are governmental and large private entities of which facilities are equipped with integrated adaptive innovation in information and telecommunication technologies. Examples of existing customers are Airports of Thailand Public Company Limited, Metropolitan Electricity Authority, Provincial Electricity Authority, Electricity Generating Authority of Thailand, TOT Public Company Limited, CAT Telecom Public Company Limited, Thailand Post Company Limited, Advanced Info Service Public Company Limited, True Corporation Public Company Limited, and, Government Savings Bank.

To enter a market with potential growth, the Company has expanded its business to cover customer groups who are in need of special projects. At present, the Company has been continuously working in large-scale projects for public



enterprise firms. The projects include underwater high voltage (22kV and 33 kV) power transmission lines for Provincial Electricity Authority in Samed Island and Si-chang Island in Chonburi, Puyu Island and Yao Island in Satun, Muk Island and Sukorn Island in Trung, Kood Island and Mak Island in Trad, Pangun Island in Surat Thani; 115 kV substation at Lumpoon 2 electrical station, 115 kV-22 kV electrical station at Northern industrial park 2 electrical station in Lumpoon, electrical station at Northern industrial park 3 electrical station in Lumpoon, Lampang 3 electrical station, 115 kV transmission line between Hot electrical station in Chiangmai and Mae Sa Rieng electrical station in Mae Hong Sorn; and, Automated People Mover (APM) project for Airports of Thailand Public Company Limited under Suvarnabhumi Airport Development project.



## 11. RISK FACTORS

There are several risks in the business which are different causes and effect and different ways to mitigate the risks. For Interlink Communication Public Company Limited, the risks can be categorized as follows:

### Risk from Business Operation

#### **Risk from distribution contract termination or manufacture company assign new distributors to compete**

The Company is the cabling distributor for several brands, two main brands are LINK and COMMSCOPE (old name: AMP) which are the cable brand from United State of America. Sales of LINK brand are covering over 50% of total distribution sales of the Company. The Company is the proprietary "Exclusive Distributor" in Thailand for LINK and "Authorized Distributor" for COMMSCOPE. These two brands are the most well-known brand and popular in cabling and telecommunication industry, however, each brand has its own strengths and customers can choose upon their needs. In case of the manufactures brand consider not to renew the distribution contracts, this may affect the company's sales, profit and income structure. The Company may have to find an alternative brand to replace these brands which product quality may not be the good as before or not comply with international standard as LINK and COMMSCOPE. Moreover, changing the brand will directly effect to the reputation and the customer who believe in these brands quality and may reduce their order or stop purchasing from Interlink.

However, since the Company is the pioneer in this business in Thailand and helps these two brands to boost up their sales and market shares from the inception and rapidly growth from the very beginning, the Company is considered to be an important partner to those manufacture companies, LINK and AMP, and very likely to continue. Thus, the Company confidents that this risk can be mitigated in case of the termination occur. In case of the termination has to be happened, the Company can mitigate by replacing the new

brand in which the Company can control the product's quality at the same level and will not affect to customer trust, based on the past achievement that we did for these two brands, The Company can guarantee the success if this risk happens.

In addition, the Company registered "LINK" as a trademark in Thailand. Thus, the Company could outsource other manufacturers to produce product under the "LINK" brand as to distribute to locally instead of the original.

### Risk from Information and Communication Technology Change

Our business is related to information and communication technology which is always changing. If we cannot follow the technology or adapt ourselves to the change in order to support customer needs, we are in risk of losing customer and also business.

However, the Company continuously develops products and employees' knowledge so that the Company can meet the needs of customers in a timely manner. The Company also provides a survey of the needs of customers, as well as exploring the movement and technological changes in the world market through regularly visiting abroad job fairs as to provide products and services of the company have been adopted as to keep pace with these changes of technology. Moreover, the Company has provided training to all employees within the Company and for customer who interest as well.

The Company has also brought the risk of technological change as an opportunity to new business by creating a corporate culture to be organization with innovative new products for the market.

### Risk from Laws and Government Policies related to Telecommunications

The Company's operation is related to engineering business and telecom business in which currently, the

telecommunication business is under the supervision of an independent organization that oversees telecommunications which is named "Office of The National Broadcasting and Telecommunications Commission" or "NBTC". The NBTC issues the policies and regulations in which could be impacted significantly on telecommunications such as policy of free competition, policy of fees and service charges and consumer protection policy. The changes of rules as previously mention might be caused the Company to faces the risk if it is shown negative effect to the operation.

However, because one of the Company's subsidiaries, Interlink Telecom Public Company Limited has obtained Telecommunication license level 3 from the NBTC. Thus, before changing or launching the policy or laws, practically, the NBTC will notify the operators in advance and open the meeting to feedback and discuss for appropriate policy. Thus, the Company has time for preparation and has the right to protest before enforcing the new regulations.

### **Risk from the operations of network devices, operating systems and computer systems**

Telecom business is conducted by Interlink Telecom Public Company a subsidiary. This business is rendering the services in which depend on the performance of network devices, operating systems and computer systems. As such, the entire systems must be able to run stable at all times to meet the needs of customers so that if any part of the systems is broken due to the failure of a system crash, equipment failures, accidents or natural disasters, it will inevitably affect the company's customer service and is significantly resulting to negative operating results and the financial positions (i.e. loss of income and higher expenses according to repair and maintenance the system to be able to work stability).

However, the Company has aware of the important of the services. As such, the interlink fiber optic network is designed to has redundancy route in a Ring Topology (i.e. Non-overlapping physical). The network is routed along with railway pole and electricity pole which is designed according to the standards that have been applied widely in different countries. Such an approach can help prevent problems that might occurred from any one of path has been damaged and the Company has formed a team to monitor and solve the problem 24 hours a day (Network Operating

Center). In addition, the selection of equipment for the project is based on extensive experiences from both of distribution business and engineering business in choosing best quality equipment such as 1) high standard quality of fiber optic cable, 2) additional special design and equip of core items for both core network and access network and 3) electricity system selecting to be the most effective as well as installation of a backup device to use in case of failure.

In addition, the Company has focused on the selection of equipment and installation processes as to ensure that the installed system will be able to work stability by applying extensively experience from both distribution business and engineering business in selection of equipment and method for properly equipped. Furthermore, in the event of an unexpected problem occurs, the Company has provide maintenance team that can be accessed and completed within the period specified by the standard.

The Company has also prevented this risk by pay attention to the importance of maintenance in routine manner by researching and analyzing the possibility of faults or errors (Engineering Failure Simulation) by the engineering team and making the repairs before the event actually occurs (Preventive Maintenance) such as 1) the maintenance of fiber optic cable according to schedules, 2) updating the firmware of device and software and 3) the maintenance of equipment according to schedules from the producers.

### **Risk from dependence on management and personnel**

The Company's businesses were founded by Anuntarumporn Group which currently, is major shareholders of the Company and has control over the management of the Company by taking the important positions. In addition, with the nature of businesses that are related to technology and complex regulation, the Company has to rely on the knowledge, skills, expertise and experience of personnel in various disciplines. The loss of the management or these personnel might affect to the operating result and the financial position of the Company later on.

However, most of the executives have worked with the Company for more than 10 years and some of them are shareholders. By involving the executives as the shareholders, they will be willing to work hard and dedication as to drive





business to be continuously growth. In addition, systematically managerial is granted the Company's management system will not too depend on some management. In the past, the Company aimed at developing the professional management and developing new generation of management as to prepare to a systematic expansion (Succession Plan). Furthermore, the Company has also allows the management to participation in setting policy and strategy as well as giving a decision-making power as appropriated for the purpose of promote the understanding and expertise of each individual management as well.

### **Risk from investment in Interlink Fiber Optic Network and Interlink Data Center**

The Group Company has two major future projects that are 1) Interlink Fiber Optic Network and 2) Interlink Data Center in which the two of them are new businesses. The returns from these projects are depended on various factors such as 1) efficiency of devices and equipment, 2) demand in the market, 3) market competitiveness and 4) risk from changes in technology and regulation in which these risks could be impacted to the returns might be not met the expectation.

Interlink Fiber Optic Network and Interlink Data Center are new businesses of the company. The return on these projects depends on factors such as the performance of equipment and systems. Associated Market demand Industry competition the risks from such factors could cause the Company May not receive the expected return on investment as expected. Interlink Fiber Optic Network and Interlink Data Center are new businesses of the Company. The return on these projects depends on factors such as the performance of equipment and systems. Associated Market demand Industry competition The Interlink Fiber Optic project has a total project value and working capital of 2,000 Million Baht for the period 2012 - 2015 and related electronics. It also includes various expenses. The maintenance fee. Operating Expenses Working capital and other expenses are quite high compared to the size of the Company. In addition, the Company has entered into a lease agreement for the transmission line for fiber optic cables which cannot be terminated for a period of 30 years, this period until to October 18, 2042, the Company wills Obligation to pay the

rent throughout the term of the agreement. The risk from such factors could result in the Company May not receive the return on investment mentioned in the plan as expected.

In addition, the current Broadcasting Office The National Broadcasting and Telecommunications Commission (NBTC) has the authority to issue three types of telecommunication licenses, with their own networks for new operators under the principle of free independent, in the future, there may be new operators in the high-speed circuit service business by using fiber optic cable network as the main network to compete with the company to make the competition. There may be more violence and may affect the performance and the financial status of the company in the future.

However, the executives has carefully studied in these projects before investing and the Company has other advantages such as specialization of distribution business and engineering business is resulting to the Company's costs of construction for the Interlink Fiber Optic Network are lower than others (i.e. costs of fiber optic and equipment are covering over 50% of total project). In addition, due to the Company has a team of technicians and engineers with expertise in design and construction of fiber optic network, thus the fiber optic cable using in the project is developed and designed to have double jacket in which helping to prevent the damage of the cable. Furthermore, the cable is also designed by applying material science and technology to enhance the ability of protection and withstand the heat if there is a fire in the vicinity. As a result, the Interlink Fiber Optic Network has high stability. In addition, since the Company uses its technicians and engineers in construct of the network, the deployment costs are then lower than others also (i.e. deployment costs for the project are approximately 30% of total project).

### **Financial Risk**

#### **Risk from currency exchange**

Due to the nature of business, the Company has to order products in foreign currency and have to pay by using those currencies such as dollar and euro. This leads to the increase an exposure of risk from currency exchange. However, we use full amount of currency forward contract



strategy to manage this risk for a long time. This helps us able to set the price for each product more precise and have no effect on the profit margin. This strategy also helps us pass through 1998 Asian financial crisis. Therefore, this strategy becomes a must for our business.

## Disaster Risk

### Risk from natural disaster

The Company has a policy to store products in order to prepare for the service. Therefore, if a natural disaster is affecting the inventory, the Company is likely to lose its revenue. Have a risk management approach to natural disasters by taking full insurance coverage. This includes inventory and business opportunity costs. This may affect the Company's business. In case of disaster

## Management Risk

### Risk from major shareholders whose hold over 50% of total shares

As at December 29, 2017, Anuntarumporn Group (Including Mr. Sombat Anuntarumporn, Mrs. Chalida Anuntarumporn, Mr. Nuttanai Anuntarumporn and Interlink Holding Co., Ltd.) represents as a major shareholder by having 185,970,641 shares or 51.31% of total outstanding shares. This gives them control over the resolution of shareholders' meeting such as the Company's Board selection or others that are required a majority votes of the shareholders' meeting accepted for the laws or the Articles of Association required obtaining a third of the fourth votes of the shareholders' meeting. Therefore, it may be risky to the other shareholders that they may not be able to collect enough votes to investigate and balancing the proposal from major shareholders.

However, for the transparency and balance in company's management, the company has used a management structure which consists of Board of Directors, Audit committee, Risk Management and Corporate Governance Committee and Nomination and Remuneration Committee which consists of skilled personnel and scope of work and authorities of directors and managements are

clearly set. There are policies and measures which are related to directors, major shareholders, authorized persons, and persons who may be in conflict. In addition, 3 independent directors are appointed as Board of Directors and each of them will act as the audit committee of the company to audit, to maintain balance in the decision making, and to consider approval of any agenda before proposal to shareholders. Furthermore, the company has set up an internal audit body who conducts internal audit of the company according to a set system.



## 12. SHAREHOLDING AND MANAGEMENT STRUCTURE

### Securities of the Company

#### 1. Common Stock

As on December 31, 2017, the Company has registered share capital of Baht 362,423,986 (ordinary shares of 362,423,986 shares at Baht 1 each) and has paid-up share capital of Baht 362,423,986 (ordinary shares of 362,423,986 shares at Baht 1 each).

#### 2. Restrictions on the transfer of shares

Shares of the Company can be transferred without any restriction by the share held by foreigners at any time must not be exceeded 40 percent of the total number of outstanding paid-up share capital. Any transfer of shares to the foreigners that will cause the ratio of the foreign shareholding exceeding the limits, the Company has the right to refuse that transfer accordingly.

#### 3. Names of 10 major shareholders as at December 29, 2017

No.	Shareholders' Name	Number of shares	% of shareholdings
1	Interlink Holding Co., Ltd. 1	90,778,125	25.047
2	Mrs. Chalida Anuntarumporn	49,671,227	13.705
3	Mr. Sombat Anuntarumporn	45,205,984	12.473
4	Mr. Sakchai Sakchaicharoenkul	18,653,500	5.147
5	Mr. Viboon Watcharasurung	6,577,050	1.815
6	Mr. Monchai Leesirikul	4,100,000	1.131
7	STATE STREET BANK EUROPE LIMITED	3,977,200	1.097
8	Mr. Thawat Tanawutwattana	3,961,200	1.093
9	Miss. Darunee Leesirikul	3,689,200	1.018
10	Mr. Anantachai Sakchaicharoenkul	3,280,000	0.905
	Total	229,893,486	63.431

Remark: <sup>1</sup> Interlink Holding Co., Ltd's shareholders are Mr. Sombat Anuntarumporn (30% of shareholdings) and Mrs. Chalida Anuntarumporn (30% of shareholdings)



#### 4. Dividend Payment Policy

The Company has dividend policy to payout at least 40% of net profits after deduction of corporate income tax and legal reserve and must be approved by the shareholders' meeting unless the Company has the need of capital in expanding the business.

The dividend payments during the past 3 years are illustrated below

Dividend payment detail	Year 2017*	Year 2016	Year 2015
1. Net profit of the Separate Financial Statements (Baht: Million)	-32,121,271.00	169,861,109.07	223,511,456.12
2. The Legal reserve	-	1,425,732.34	11,175,572.81
3. The total of the net profit of the Separate Financial Statements after deduct the legal reserve	-32,121,271.00	168,435,376.73	212,335,883.31
4. The total of the Shares as at December 31, 2017	362,423,986.00	362,423,986.00	346,241,055
5. Dividend payment rate per share (Baht/share)	0.55556	0.20	0.26
6. The total of the Dividend payment (Million baht)	201.35	72.48	90.02
7. The dividend payment ratio relative to net profit	26.21**	43.03	42.40

Remark:

- \* Resolutions of The Board of Directors' Meeting No. 2/2018 approved the Dividend payment as ordinary shares and cash in dividend payment at the rate of Baht 0.55556 per share from the paid-up capital of 362,423,986 shares, at the par value of Baht 1 each) However , there is uncertainty according to the said dividend payment because it has yet to be approved by the Company's 2018 Annual General Meeting of the Shareholders.
- \* Calculated based on the retained earnings of the separate financial statements.

#### Management Structure

The management structure of Interlink Communication Public Company limited consists of:

- 1) The Board of Directors
- 2) Three Sub-committees which consists of;
  1. Audit Committee
  2. Risk Management and Corporate Governance Committee
  3. Nomination and Remuneration Committee
- 3) The Executive Management Team

Remark: The resolution of the Board of Directors' Meeting No. 6/2017 held on August 11, 2017 has approved the appointment of the sub-committees in effective from August 11, 2017.



## 1. The Board of Directors

The board of director comprise of 9 members as follows:-

Name-Surname	Position
1. Mr. Sombat Anuntarumporn	Chairman of the Board of Director
2. Mrs. Chalida Anuntarumporn	Director
3. Mr. Nuttanai Anuntarumporn	Director
4. Miss Kwanta Meesomporn	Director
5. Mrs. Pensri Chantakhad	Director
6. Mrs. Thanyarad Thiem-udomlerk	Director
7. Mr. Chusak Direkwattanachai	Independent Director
8. Admiral Apiwat Srivardhana <sup>1</sup>	Independent Director
9. Mr. Theerakun Niyom <sup>2</sup>	Independent Director

Mrs. Thanyarad Thiem-udomlerk Senior Executive Vice President of businesses and Operation Support and Director of Accounting as the Company Secretary.

- Remark:<sup>1</sup> Admiral Apiwat Srivardhana has been appointed as an independent director instead Mrs. Sunantha Chaiprasertsiti which has resigned. Approved by the Board of Directors Meeting No. 6/2017 held on August 11<sup>th</sup>, 2017.
- Remark:<sup>2</sup> Mr. Theerakun Niyom has been appointed as an independent director instead Mrs. Saowanee Kamolbutr which has resigned. Approved by the Board of Directors Meeting No. 1/2018 held on January 3<sup>rd</sup>, 2018.

### Authorized Director of the Company

Directors authorized to sign on behalf of the company are Mr. Sombat Anuntarumporn or Mrs. Chalida Anuntarumporn have authorized to sign and affix with company seal.

### Term of the Board of Directors

The Board of Directors shall hold the term of three years and directors who retire by rotation. They may be re-elected for another term. An independent director shall hold office for a term not exceeding 9 years, unless the Board of Directors deems that the person deserves to be an independent director of the Company for the best benefit of the Company.

### Authorities and duties of the Board of Directors

1. The Board of Directors has the power, duty and responsibility to manage the Company in accordance with the rules, objectives and regulations of the Company, including the resolution of the shareholders' meeting. Honestly and cautiously maintain the interests of the company.
2. The Annual General Meeting of Shareholders shall be held within 4 months from the end of the accounting period of the Company.
3. Board Meetings shall be held at least 6 times / year.
4. Prepare and be responsible for preparation and

disclosure of financial statements. To show the financial status and results of operations in the past year and proposed to the shareholders meeting for consideration and approval.

5. Goals setting, policies, business plans and the budget of the company. Monitoring and Supervision the management and administration of the management are satisfy with the policies, plans and set budgets for efficiently and effectively.
6. Define the risk management policy and supervise the management. Follow the policy and report to the board. Regularly review the system or assess the effectiveness of risk management.
7. Consider, review, and approve plans to expand the large scale investment projects. Including the investment proposed by the management.
8. Prepare annual report and disclosure of financial statements To present financial status and results of operations in the past year in the annual report and proposed to the shareholders meeting for consideration and approval.
9. Supervise and oversee management and operations of the Company and its subsidiaries to comply with the policy. Securities and Exchange Act Capital Market Supervisory Board Notification the Stock Exchange of Thailand's regulations, such as the connected transaction and acquisition or disposal of important assets. It is not contradictory or contradictory to other laws. The internal control system and the audit trail are adequate and appropriate. Encourage the fight against corruption The measures adopted by the Anti-Corruption Organization (CAC)
10. Determine the management structure. Has authority to appoint the Executive Committee. Chief Executive Officer and other committees as appropriate, such as, the Audit Committee. The Nomination and Remuneration Committee, as well as the scope of authority and duties of the Executive Committee. Chief Executive Officer and subcommittees appointed.

The delegation of power within the scope of duties and powers shall not be delegated to the Executive Committee, Chief Executive Officer and subcommittees. It may consider and approve any transactions that may have conflicts of interest, conflicts of interest or other conflicts of interest with the Company or its subsidiaries (if any) except for the approval of the transactions in accordance with the policies and criteria determined by the Board and approve.

11. The Board may authorize one or more directors or any other person to act on behalf of the Board under the control of the Board of Directors or may authorize such person to have the power to act as the Board. The Board of Directors deems appropriate and within the time that the Board deems appropriate. The board may cancel, revoke, change, or amend the authority.

The power of attorney must not be delegated to the person who can consider and approve the transactions that he or she may have conflict of interest. There may be conflicts of interest in any other way with the Company or its subsidiaries (if any) as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand, except for the approval of transactions that are normal business transactions and are subject to general commercial terms. It is in line with the policies and criteria that the Board has considered and approved under the terms, conditions and procedures as specified in the connected transaction and items acquired or disposed of the major assets of the listed company as announced. Capital Market Supervisory Board and/or the Stock Exchange of Thailand and / or any other announcement of the relevant authorities.



## 2. Audit Committee

Name-Surname	Position
1. Mr. Chusak Direkwattanachai *	Chairman of the Audit Committee
2. Admiral Apiwat Srivardhana <sup>1</sup>	Audit Committee
3. Mr. Theerakun Niyom <sup>2</sup>	Audit Committee

Mr. Nathapol Kasamsup as an Internal Audit Manager and the secretary of the Audit Committee.

- Remark \* Mr. Chusak Direkwattanachai, The Audit Committee who has knowledge and experience in reviewing the financial reports.
- Remark: <sup>1</sup> Admiral Apiwat Srivardhana has been appointed as an independent director instead Mrs. Sunantha Chaiprasertsiti which has resigned. Approved by the Board of Directors Meeting No. 6/2017 held on August 11<sup>th</sup>, 2017.
- Remark: <sup>2</sup> Mr. Theerakun Niyom has been appointed as an independent director instead Mrs. Saowanee Kamolbutr which has resigned. Approved by the Board of Directors Meeting No. 1/2018 held on January 3<sup>rd</sup>, 2018.

### Term of Audit Committee

The Audit Committee shall be appointed for a 3 years term of office and may be re-elected after the end of term in case of vacancy due to reasons other than end of term, the Board of Director will select a person with appropriate qualification to fill is Audit Committee to members required by the Board of Director required. The replacement Audit Committee will be in office term only for the remaining duration of the relevant tenure. The policy limits the tenure of independent directors to a maximum of nine years.

### Authorities and duties of Audit Committee

1. To review the accuracy, completeness, reliability and adequacy of financial reporting.
2. To review the Company has an internal control system, Risk Management system and the internal audit system is adequate, reasonable and effective.
3. To review the compliance with the good corporate governance policy and business ethics Proper and effective.
4. To review the Company's compliance with the law on securities and exchange, the Exchange's

regulations, and the laws relating to the Company's business.

5. To consider, select and nominate the auditors of the Company and propose auditor's remuneration
6. To consider of connected Transaction to comply with the law and regulations of the Stock Exchange of Thailand. To ensure that the Company is reasonable and beneficial to the Company.
7. Supervise the performance of the internal audit department. Considering the charter approval. Independence, scope and plan of internal audit.
8. To consider, appointment, transfer, termination of the Chief Internal Auditor Include the evaluation of the performance of the internal auditor.
9. To consider and review the audit results and recommendations of both the auditor and the internal audit department. Include follow up to ensure the management has proceeded with the suggestion sufficiently. Effective and a reasonable time.
10. The Audit Committee may invite the Management or employees of related companies to report or

present information, attend meetings or send documents that are relevant and necessary.

11. Review and revise the Audit Committee Charter as necessary to be up-to-date and appropriate to the corporate environment and submit it to the Board of Directors for approval.
12. Prepare report of Audit Committee which contains information and the opinions of the Audit Committee in various aspects and disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.
13. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee. Management is responsible for reporting and presenting information and related documents to the Audit Committee to support the performance of the Audit Committee.

In worked the assignment, the Audit Committee is responsible to the Board of Directors and the Board of Directors will still have to be responsible for the performance to the public.

### 3. The Risk Management and Corporate Governance Committee

The Risk management and Corporate Governance Committee comprises of 5 members as follows:

1. Admiral Apiwat Srivardhana  
Chairman of Risk Management and Corporate Governance Committee
2. Mr. Chusak Direkwattanachai Committee
3. Theerakun Niyom Committee
4. Miss Kwanta Meesomporn Committee
5. Mrs. Thanyarad Thiem-udomlerk Committee

Mr. Nathapol Kasamsup as the secretary of The Risk management and Corporate Governance Committee.

- **Remark:** Approved by the Board of Directors Meeting No. 6/2017 held on August 11<sup>th</sup>, 2017 have approved the appointment of the Risk management and Corporate Governance Committee.

#### Office Term

The Risk management and Corporate Governance Committee members who are directors have the office term of three years, and may be re-elected with the approval of the Board of Directors.

**Authorities and duties of The Risk Management and Corporate Governance Committee as follows;**

#### The Risk Management

1. To review and present the risk management policy and framework to the Board of Directors for approval.
2. To review and approve the Risk Appetite and submit to the Board of Directors for acknowledgment.
3. To oversee the development and implementation of the risk management policy and framework to the Group. An effective risk management system throughout the organization and consistently implemented.
4. To review the risk management report for monitor material risks and to ensure that the organization has adequate and appropriate risk management.
5. Coordinate with the Audit Committee on major risks an internal auditor is responsible for ensuring that the Company has an appropriate internal control system for risk management including the implementation of risk management systems to deploy properly and comply with the entire organization.
6. Report the Board of Directors on major risk and risk management regularly.
7. Provide advice to the Risk Management working group including consider appropriate guidelines for correcting data about the development of risk management systems.
8. Consider appointing additional personnel or replacing them in the Risk Management Working Group as appropriate. This includes assigning roles and responsibilities for the purposes of implementing the objectives.
9. To perform any other tasks related to risk management as assigned by the Board of Directors.
10. Meetings for communication information exchange and coordination on risk and internal control with the Audit Committee at least once a year.



Executives/Risk Management working group/Internal Auditor/Auditor Must report or present relevant information and documents to the Board committee to support the work of the Risk Management Committee to achieve its assigned duties.

#### Corporate Governance Committee

1. To set policies and guidelines for good corporate governance and submit them to the Board of Directors for consideration and approval.
2. Advise on good corporate governance principles to the Board of Directors.
3. Preparation of good corporate governance guidelines. Review Corporate Governance Guidelines Compared with good corporate governance principles of international standards and the Stock Exchange of Thailand and proposed to the Board of Directors to consider and approve to update regularly.
4. Appoint a working group to assist with proper operation and set good corporate governance policy for the Good Corporate Governance Committee and report regularly on corporate governance.
5. Report the results of operations to the Board of Directors for acknowledgment.
6. Perform other duties as assigned by the Board of Directors.

To perform the above functions. Risk Management Committee and Corporate Governance Committee, they are responsible to the Board of Directors and the Board of Directors. It is responsible for the operation of the company to outsiders

#### **4. The Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprised Independent Directors in total of 3 persons as follows.

- |                   |  |           |
|-------------------|--|-----------|
| 1. Mr. Chusak     | Direkwattanachai                                   |           |
|                   | Chairman The Nomination and Remuneration Committee |           |
| 2. Admiral Apiwat | Srivardhana  | Committee |
| 3. Mrs. Chalida   | Anuntarumporn                                      | Committee |

Mrs. Thanyarad Thiemudomlerk as the secretary of The Nomination and Remuneration Committee.

- Remark: The resolution of the Board of Directors' Meeting No. 6/2017 held on August 11<sup>th</sup>, 2017 has approved the appointment of the sub-committees in effective from August 11<sup>th</sup>, 2017.

#### **Office Term**

The Risk management and Corporate Governance Committee members who are directors have the office term of three years, and may be re-elected with the approval of the Board of Directors.

#### **Authorities and duties of The Nomination and Remuneration Committee as follows:**

The Nomination and Remuneration Committee has established a charter of the Nomination and Remuneration Committee to set the framework. The essence is as follows.

1. To set criteria and policy for nomination of directors. Subcommittees of the Company President and Managing Director
2. To consider the appointment of directors and subcommittee President and the Managing Director of the Company by considering the appropriate person to be the director to propose to the Board of Directors. Consider approval and/or proposed to the Annual General Meeting.
3. Determine the necessary and appropriate remuneration. The monetary and non-monetary director. Subcommittee President and the Managing Director of the Company each year for the benefit of the shareholders of the Company.
4. Preparation for the criteria and policy for determining the remuneration of the Board of Directors. President And Managing Director to propose the Board of Directors to consider and / or propose to the shareholders' meeting for approval.
5. Report on Remuneration of Directors the principles / objectives and objectives of the policy are disclosed in the annual report.
6. Working with the President Evaluate and determine the successor of the President of the Company as well. Executives who report directly to the President to report the succession plan of senior



management to the Board of Directors for acknowledged annually.

7. Working with the President to prepare for succession plan for the President. The executives also report directly to the President.
8. To review and assess the adequacy of the charter and submit it to the Board of Directors to approve.

9. Perform other duties as assigned by the Board of Directors.

To perform the above functions. The Nomination and Remuneration Committee, they are responsible to the Board of Directors and the Board of Directors. It is responsible for the operation of the company to outsiders

## 5. The Management Executives Team

The Management Executives Team consists of 7 members, the names of the following:

Name	Position
1. Mr. Sombat Anuntarumporn	Chairman of the board and President
2. Mrs. Chalida Anuntarumporn	President
3. Mr. Nuttanai Anuntarumporn	Senior Executive Vice President of Strategic Development and Telecommunication
4. Miss. Kwanta Meesomporn	Senior Executive Vice President of Distribution Business
5. Mrs. Pensri Chantakhad	Senior Executive Vice President of Finance
6. Mrs. Thanyarad Thiemudomlerk	Senior Executive Vice President of Business and Operations Support and Director of Accounting as the Company Secretary
7. Mr. Prasitchai Veerayuttawilai	Senior Executive Vice President of Engineering and Special Project

Remark: Appointments, changes in positions and responsibilities of senior management no. 2-7 in the list is in accordance with resolution of the Company's directors' meeting No. 1/2018 dated held on January 3rd, 2018.

### Authorities and duties of President

1. Prescribe mission, objective, policy of the company including strategies and business plan and propose to the Board of Directors.
2. Implement the business and strategy plans approved by the Board of Directors.
3. Consider bidding under the policy assigned by the Board.
4. Approve expense for normal transaction of the company within not exceeding 30 million baht.
5. Employ, appoint, discharge, order to resign, dismiss, prescribe wage, reward, salary promotion,

remunerate, bonus payment for employees lower than President downwards.

6. Act and present as representative of the business to the outsider for related business and for benefit to the business.
7. Approve the appointment of consultants necessary for the business operation.
8. Carry on other business assigned by the Board of Directors.
9. Assign other person to act on his behalf in case of the President is unable to perform his duty case by case.



In this regard, the above authorization to the Managing Director shall be under the criterion of law and Articles of Association of the company and in case of any action shall cause benefit or interest of the Managing Director or any person which may have conflict (according to the Notification of SEC), the Managing Director shall have no authority to approve such action whereby the President shall propose such matter to the Audit Committee for examination and comment and further forward such matter to the Board of Director and/or the Annual General Meeting of shareholders for further action according to the rules and method prescribed thereof to correspond with the regulations of SET.

In addition, if any transaction is a connected transaction or transactions related to the acquisition or disposition of assets of the Company or its subsidiaries, as the case may be. The definition specified in the Notification of the Stock Exchange of Thailand Such transaction must be approved by the Board of Directors and/or the shareholders' meeting and / or any other actions in accordance with the rules and procedures as prescribed in such notification. The requirements of the Stock Exchange of Thailand in such matters.

## 6. Nomination of Director

In the past year 2017, the Board of Directors' Meeting No. 6/2560 held on August 10, 2016, resolved to appoint the Nomination and Remuneration Committee to set the framework for the election and appointment of directors as follows:

### Nomination and Appointment Method

1. The Nominating Committee shall be responsible for the nomination and nomination of qualified persons for the position of the Board of Directors to present the names of such persons to the shareholders' meeting for approval.
2. The meeting of shareholders shall elect the directors of the Company. In the case of election of directors to replace vacant positions for other reasons than the expiration of the term. The Board of Directors can elect qualified persons to serve as directors. In this case, the person who is appointed to be the director shall remain in office only for the remaining term of the replaced director.

3. At the Annual General Meeting of Shareholders, one-third of the total number of directors shall retire. If the number of directors cannot be divided into three parts. Directors, who are retired in the first and second years after the registration of the company, shall be re-elected. In subsequent years, the longest directors shall retire from office.

The Board of Directors shall hold the term of three years and directors who retire by rotation. They may be re-elected for another term. An independent director shall hold office for a term not exceeding 9 years, unless the Board of Directors deems that the person deserves to be an independent director of the Company for the best benefit of the Company.

### Resignation

1. In The Annual General Meeting of shareholders, 1/3 of directors shall be resigned. Should number of directors be unable to equally divide into 3 parts, the resigned director shall be nearest 1/3 as much as possible.

The directors shall resign from their positions. In the first and second year after the company is listed on the Stock Exchange of Thailand, the directors who are required to resign, shall apply the method of drawing lots to determine who shall resign. On subsequent years, the longest serving directors shall resign and may be re-elected to resume their positions.

2. In addition to clause 1, the director shall be resigned upon:-

- Death
- Resignation
- Lack of any qualification or been prohibited by law
- Resigned by resolutions of the Shareholders' Meeting
- Resigned by order of the court

Any director wishing to resign from position is required to submit leave application from to the company and resignation shall come into effect on the date of such resignation is arrived at the company.



## 7. Remuneration of Directors and Management Team for 2017

### Remuneration of Directors

#### (1) Remuneration in cash

Name	Remuneration 2017					The directors' bonus	Amount (Baht)
	AGM	Board of Directors	Audit Committee	Risk Management and Corporate Governance Committee	Nomination and Remuneration Committee		
1. Mr. Sombat Anuntarumporn	9,000	63,000	-	-	-	105,875	177,875
2. Mrs. Chalida Anuntarumporn	6,000	36,000	-	-	-	84,700	126,700
3. Mr. Nuttanai Anuntarumporn	6,000	36,000	-	-	-	84,700	126,700
4. Mr. Chusak Direkwattanachai	9,000	54,000	36,000	-	-	105,875	204,875
5. Admiral Apiwat Srivardhana <sup>2</sup>	-	6,000	6,000	-	-	35,292	47,292
6. Miss Kwanta Meesomporn	6,000	36,000	-	-	-	84,700	126,700
7. Mrs.Thanyarad Thiemudomlerk	6,000	42,000	-	-	-	84,700	132,700
8. Mrs. Pensri Chantakhad	6,000	42,000	-	-	-	84,700	132,700
Directors, who resigned during the year 2017							
1. Admiral Saksith Cherdboonmuang	-	12,000	6,000	-	-	21,175	39,175
2. Mrs. Sunantha Chaiprasertsiti <sup>1</sup>	-	12,000	6,000	-	-	21,175	39,175
3. Mrs. Saowanee Kamolbutr <sup>3</sup>	-	36,000	18,000	-	-	77,642	131,642
Total	48,000	375,000	72,000	-	-	790,533	1,285,533

Remark: <sup>1</sup> Mrs. Sunantha Chaiprasertsiti has been appointed as an independent director instead Admiral Saksith Cherdboonmuang which has resigned. Approved by the Board of Directors Meeting No. 4/2017 held on May 11th, 2017.

Remark: <sup>2</sup> Admiral Apiwat Srivardhana has been appointed as an independent director instead Mrs. Sunantha Chaiprasertsiti which has resigned. Approved by the Board of Directors Meeting No. 6/2017 held on August 11th, 2017.

Remark: <sup>3</sup> Mrs. Saowanee Kamolbutr which has resigned during the year and effectively from 1st December 2017.

The shareholders' meeting 2017 considered remuneration for the board in aspects of appropriately to size, type business and related of operating result, include in aspects of appropriation, duties and responsibility, as approved remuneration for the board for 2017 as follows:

### Meeting Fee

#### (1) Board of Directors / AGM

- Chairman Baht 9,000 per meeting
- Director Baht 6,000 per meeting

#### (2) Audit Committee

- Chairman Baht 9,000 per meeting
- Committee Baht 6,000 per meeting

#### (3) Risk Management and Corporate Governance Committee

- Chairman Baht 5,000 per meeting
- Committee Baht 3,000 per meeting

#### (4) Nomination and Remuneration Committee

- Chairman Baht 5,000 per meeting
- Committee Baht 3,000 per meeting

### Annual Remuneration of the Board of Directors

- The Chairman of the Board of Director and the Chairman of the Audit Committee at Baht 105,875 per year.
- The Board of Director and the Audit Committee at Baht 84,700 per year.

In 2017, the board of directors held the meetings as follows:

Name	Meeting				
	AGM	Board of Directors	Audit Committee	Risk Management and Corporate Governance Committee	Nomination and Remuneration Committee
	Number of Attendance / No. of meetings in 2017				
1. Mr. Sombat Anuntarumporn	1/1	7/7	-	-	-
2. Mrs. Chalida Anuntarumporn	1/1	6/7	-	-	2/2
3. Mr. Nuttanai Anuntarumporn	1/1	6/7	-	-	-
4. Mr. Chusak Direkwattanachai	1/1	6/7	4/4	1/1	2/2
5. Admiral Apiwat Srivardhana <sup>2</sup>	-	1/7	1/4	-	2/2
6. Miss Kwanta Meesomporn	1/1	6/7	-	1/1	-
7. Mrs. Thanyarad Thiemudomlerk	1/1	7/7	-	1/1	-
8. Mrs. Pensri Chantakhad	1/1	7/7	-	-	-
Directors, who resigned during the year 2017					
1. Admiral Saksith Cherdboonmuang	-	2/7	1/4	-	-
2. Mrs. Sunantha Chaiprasertsiti <sup>1</sup>	-	2/7	1/4	-	-
3. Mrs. Saowanee Kamolbutr <sup>3</sup>	-	6/7	3/4	-	-

- Remark: <sup>1</sup> Mrs. Sunantha Chaiprasertsiti has been appointed as an independent director instead Admiral Saksith Cherdboonmuang which has resigned. Approved by the Board of Directors Meeting No. 4/2017 held on May 11th, 2017.
- Remark: <sup>2</sup> Admiral Apiwat Srivardhana has been appointed as an independent director instead Mrs. Sunantha Chaiprasertsiti which has resigned. Approved by the Board of Directors Meeting No. 6/2017 held on August 11th, 2017.
- Remark: <sup>3</sup> Mrs. Saowanee Kamolbutr which has resigned during the year and effectively from 1st December 2017.

## (2) Other remuneration

- None -

## Remuneration of Management

### (1) Remuneration in cash

The Company's criteria for executive compensation by considering the knowledge, skills, experience and past performance, as well as comparison with other companies in the same business.

For remuneration of the executive's annual 2017, salary, bonus and other benefit totaling of Baht 31,944,209.

### (2) Other remuneration

- None -

## 8. The secretary of company

To performs all secretariat work with effectiveness. The Board of Directors is responsible for appointing a qualified person as Company Secretary, who is at present Mrs. Thanyarad Thiem-udomlerk

### Duties and Responsibilities of the Company Secretary as follows:

1. Prepare and maintain the following documents:
  - 1.1 Company's statutory register of directors
  - 1.2 Annual reports
  - 1.3 Notices and minutes of the meetings of the Board of Directors
  - 1.4 Notices and minutes of the shareholders' meetings
2. Maintain and keep a record of vested interests as reported by directors and executives.
3. Send copies reporting vested interests of directors

and executives or related persons to the Chairman of Audit Committee within seven days of the receipt of each report.

4. Organize Board and shareholders' meetings according to rules and applicable laws.

5. Supervise, inspect, and provide advice to CPN and the Board of Directors in conformance to CPN's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws.

6. Act as the clearing house between the Board of Directors, executives, and the shareholders.

7. Coordinate and follow up the Board's and shareholders' resolutions.

8. Ensure that appropriate information disclosure and information reports are submitted to the regulators as required.

9. Perform other duties as required by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors.

## 9. Personnel Policy

The staff is one of the factors that make the Company to successfulness, though; the Company is focused on the development of personnel policies and guidelines consistently. As the staff continuously to provide the Company with the knowledge, skills and expertise in providing services to the customers efficiently.

The Company has staff training system since orientation for new employees and training courses to enhance skills. In addition, the Company has developed a Personal Progress Plan (IDP) to prepare staff for their potential for higher career positions and can work in your career.

The Company treats employees equally and fairly with no regard of race, religion, gender, status, language, or position. The Company does not support child labor, human trafficking, or any kinds of corruption. Compensation and



other benefits have provided to employees appropriately and consistency with other companies in the same industry. Other benefits are provided in a higher than minimum prescribed by labor law, for example, Employee Joint Investment Program (EJIP), annual health checkup, 5S

activities, safety and healthy working environment activities, exercise area for employees, and also focuses on human development in a long term in order to emphasize learning opportunity and professional development.

As at December 31, 2017, the Company and its subsidiaries have details of their employees as follows:

**Summary the number of employees**

Company	December 31, 2016	December 31, 2017
Interlink Communication PLC.	346	391
Interlink Telecom PLC.	457	627
Interlink Power and Engineering Co., Ltd.	22	55
Interlink Data Center Co., Ltd.	1	1
<b>Total</b>	<b>826</b>	<b>1,078</b>

**Summary the Remunerations of employees (Baht)**

Company	2016	2017
Interlink Communication PLC.	173,930,926.02	202,964,431.02
Interlink Telecom PLC.	152,420,789.78	197,983,134.13
Interlink Power and Engineering Co.,Ltd	8,344,053.98	2,089,067.78
Interlink Data Center Co., Ltd.	95,272.50	110,157.50
<b>Total</b>	<b>334,791,042.28</b>	<b>403,146,790.43</b>



Employee's remuneration includes salary, overtime payment, social security payment, provident fund, Contributions to a joint project between the employer and the employee (EJIP) and other benefits, the details are as follows:

Companies participating	Interlink Communication Public Company Limited
Project Timeline	Starting on March 1, 2015 until February 28, 2024 a total period of 8 years.
Employees who can participate	employees who pass probation, according to his/her willingness
Format project	The money paid to participating employees: 3 percent of salary. The money the company Contributions for employees participating: 100 percent of the money that workers pay into the program.
Scheduled Acquisition shares	Every months
Terms of shareholdings	1-8 years: the number of shares cannot be sold. 8 years: the number of shares authorized to sell the accumulated - Case resigned between 1-5 years: a collection of stocks that are still owned by the employees. Shares of the company, all employees have to contribute back to the EJIP etc. - Case resigned between 6-8 years: the stock is cumulative of all employees. The Company and its partners Contribution and holding not less than three years (calculated on the months leading wholesale investment) remain the property of the employee. Shares of the Company Contributions and holding less than three years, the employee must return to the EJIP etc.
Agent Operations	Phillip Securities (Thailand) PCL.



## 13. Qualifications of Directors and the Management Team

### Director Information

Name-Surname	Mr. Sombat Anuntarumporn		
Age	59 years		
Position	President and Managing Director		
Shareholding:			
	As at December 31, 2016	44,081,227	Shares
	Change during the year	1,124,757	Shares
	As at December 29, 2017	45,205,984	Shares
	% of Shareholding:	12.47%	



### Relationship with the management:

- Husband: Mrs. Chalida Anuntarumporn: President
- Father: Mr. Nuttanai Anuntarumporn, the position are as following;
  - Director/ Senior Executive Vice President of Strategic Development and Telecommunication
    - Interlink Communication Public Company Limited
  - Managing Director of the following companies;
    - Interlink Telecom Public Company Limited
    - Interlink Power and Engineering Company Limited
    - Interlink Data Center Company Limited

### Education/Seminar

Education	Major	University/Institution
Honorary Doctor's degree	Business Administration	Dhonburi Rajabhat University
Master Degree	Business Administration	National Institute of Development Administration (NIDA)
Bachelor Degree	Electrical Engineer	King Mongkut's University of Technology Thonburi
Degree	The National Defence Course Class 2005	National Defence College
Certificate	Leader Program Certificate Class 4	Capital Market Academy – The Stock Exchange of Thailand
Certificate	Technique of reconcile sentence joining	The Central Intellectual Property and International Trade Court
Diploma	Politics Democracy Certification Program	King Prajadhipok's Institute
Certificate	Class 14	Judicial Training Institute
Certificate	Judicial Executive Program Class 19	Thai Energy Academy
Certificate	Thai Energy Academy Class 8	Thai Institute of Directors Association (IOD)

#### Working Experience

Period	Position	Company Name
1995 – Present	President and Managing Director	Interlink Communication Public Company Limited
1987 - Present	President	Interlink Holding Co., Ltd.
2007 - Present	Director and Vice Chairman/Authorized Director	Interlink Telecom Public Company Limited
2008 - Present	President and Managing Director/ Authorized Director	Interlink Power and Engineering Co., Ltd.
2013 - Present	President/ Authorized Director	Interlink Data Center Co., Ltd.
2003 - Present	Associate Judge	The Central Intellectual Property and International Trade Court
2011 - Present	Founding President of the Association/ Honorary President	Thai Listed Companies Association: mai
2016 - Present	Committee	The Zoological Park Organization Under the Royal Patronage of H.M. The king
2013 – Present	Founding President of the Association/ Honorary President	Thai Cabling Association
2014 – Present	Honorary Advisor for Vice-President of The National Legislative Assembly No. 2	The National Legislative Assembly of Thailand
2014 – Present	Honorary Advisor	Economic Commission Money and Finance
2014 – Present	Honorary Advisor	Commerce Commission The Industrial and Labour
1992 – Present	Committee	Amnuay Silpa Alumni Association School
2017 – Present	Secretary	National Reform Council
2005 – 2010	President of Guardians and Teacher	Satree Witthaya 2 School

#### Holding a Position in Public Company

During	Position	Company Name
2007 - Present	Director and Vice Chairman/Authorized Director	Interlink Telecom Public Company Limited

#### Holding a Position in Private Company

During	Position	Company Name
1987 - Present	President	Interlink Holding Co., Ltd.
2008 - Present	President and Managing Director/ Authorized Director	Interlink Power and Engineering Co., Ltd.
2013 - Present	President/ Authorized Director	Interlink Data Center Co., Ltd.



## Director Information

Name-Surname	Mrs. Chalida Anuntarumporn	
Age	60 years	
Position	Director and President	
Shareholding:		
	As at December 31, 2016	49,671,227 Shares
	Change during the year	- Shares
	As at December 29, 2017	49,671,227 Shares
	% of Shareholding:	13.71%



### Relationship with the management:

- Wife: Mr. Sombat Anuntarumporn: President and Managing Director
- Mother: Mr. Nuttanai Anuntarumporn, the position are as following;
  - Director/ Senior Executive Vice President of Strategic Development and Telecommunication
    - Interlink Communication Public Company Limited
  - Managing Director of the following companies;
    - Interlink Telecom Public Company Limited
    - Interlink Power and Engineering Company Limited
    - Interlink Data Center Company Limited

### Education/Seminar

Education	Major	University/Institution
Honorary Doctor's degree	Business Administration Management	North Bangkok University
Master Degree	Business Administration	National Institute of Development Administration (NIDA)
Bachelor Degree	Business Administration in General Management	Sukhothai Thammathirat University
Diploma	Accounting	Commercial College, Phranakron Campus
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)
Degree	The National Defense Course Class 2009	National Defense College
Certificate	Leader Program Certificate Class 8	Capital Market Academy – The Stock Exchange of Thailand
Certificate	Advance Security Management Course, 4th Class 4	National Defense College
Diploma	Top Executive Program in Commerce and Trade (TEPCOT) Class 5	Academy of Trade Institute (TEPCoT)

## ประสบการณ์ทำงานย้อนหลัง

Period	Position	Company Name
Jan 2018 - Present	Director and President	Interlink Communication Public Company Limited
Aug 2017- Present	Nomination and Remuneration Committee	Interlink Communication Public Company Limited
1995 - 2017	Director and Managing Director	Interlink Communication Public Company Limited
1987 - Present	Managing Director	Interlink Holding Co., Ltd.
2008 - Present	Director	Interlink Power and Engineering Co., Ltd.
2007 - Present	Director	Interlink Telecom Public Company Limited
2012 – Present	President	Interlink Haijai Foundation
2013 – Present	Associate Judge	The Central Intellectual Property and International Trade Court
2014 – Present	Chairman	Saving and Credit Cooperatives Interlink Haijai Foundation
2014 – Present	Founding President	Zonta Club Bangkok 10
2015 – Present	Honorary Advisor of the Committee on Economic, Monetary Affairs and Finance the Standing Committee	The National Legislative Assembly
2009 – Present	Executive Director/Chief Information Office	The Nation Council of Women of Thailand
2010 – Present	Director of Corporate Governance	The Thai Chamber of Commerce & Board of Trade of Thailand
2010 – Present	Secretary of the Committee on Student Committee Class 2009	National Defense College
2011 – Present	Chairman / Central Committee Class 61	Women personality development
2010 – Present	President of Special Event	association
2015 - Present	Chairman of Funding of Project of BPW-BKK Business Successor Showcases 2016 (Triple B)	Business and Professional Women's Association of Thailand – Bangkok
2013 - 2014	Honorary Advisor of the Committee on Social Development and Children's Affairs, women's, elderly, the disabled and the underprivileged	The Business and Professional Women's Association of Thailand – Bangkok
2013 - 2014	Secretary of the Committee on Agriculture	Senate of Thailand
2010 - 2014	Hostess Committee	Association of Capital. Market Academy Alumni
2009 – 2010	Vice President of recreation and Committee on Student Committee Class 2009	National Defense College
2007 – 2009	Board of Treasurer and Public Relations	The Thai Chamber of Commerce





#### Holding a Position in Public Company

During	Position	Company Name
2007 - Present	Director	Interlink Telecom Public Company Limited

#### Holding a Position in Private Company

During	Position	Company Name
1987 - Present	Managing Director	Interlink Holding Co., Ltd.
2008 - Present	Director	Interlink Power and Engineering Co., Ltd.



## Director Information

**Name-Surname** Mr. Chusak Direkwattanachai  
**Age** 73 years  
**Position** Independent Director and Chairman of Audit Committee/  
 Chairman of the Nomination and Remuneration Committee/  
 Risk Management and Corporate Governance Committee  
**Shareholding:** - None -  
**Relationship with the management:** - None -



### Education/Seminar

Education	Major	University/Institution
Master Degree	Master Degree (MBA)	Northern Illinois University, USA
Bachelor Degree	Economic Program (English Program)	Thammasat University
Certificate	Chartered Director Class (CDC) Class 1	Thai Institute of Directors Association (IOD)
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)
Certificate	Director Certification Program (DCP) Class 24	Thai Institute of Directors Association (IOD)
Certificate	Audit Committee Program (ACP)	Thai Institute of Directors Association (IOD)
Certificate	Finance for Non-Finance Director (FN)	Thai Institute of Directors Association (IOD)
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)

### Working Experience

Period	Position	Company Name
2010 - Present	Independent Director/Chairman of the Audit Committee	Interlink Communication Public Company Limited
Aug 2017- Present	Chairman of the Nomination and Remuneration Committee/ Risk Management and Corporate Governance Committee	Interlink Communication Public Company Limited
2015 – Present	Advisor Director	Thai Institute of Directors Association (IOD)
2014 – Present	Advisor of the Committee on Economic, Monetary Affairs and Finance the Standing Committee	The National Legislative Assembly
2010 – Present	Honorary Advisor	Thai-Russian Chamber of Commerce
2009 – Present	Director & Member of the Nomination and Remuneration Committee	Phatra Insurance Public Company Limited
2008 – Present	Advisor Director	Green General Products Co., Ltd.
2003 – Present	Associate Judge	The Central Intellectual Property and International Trade Court



## Holding a Position in Public Company

During	Position	Company Name
2009 – Present	Independent Director/Chairman of the Audit Committee/Member of the Nomination and Remuneration Committee	Phatra Insurance Public Company Limited

## Holding a Position in Private Company

During	Position	Company Name
2008 – Present	Advisor Director	Green General Products Co., Ltd.



## Director Information

**Name-Surname** Admiral Apiwat Srivardhana

**Age** 65 years

**Position** Independent Director and Audit Committee/  
Chairman of Risk Management and Corporate  
Governance Committee /Nomination and  
Remuneration Committee

**Shareholding:** - None -

**Relationship with the management:** - None -



## Education/Seminar

Education	Major	Royal Thai Naval Academy
Bachelor Degree	Bachelor of Science Program in Naval Science	Royal Thai Naval Academy
Master Degree	Naval War College Course	Royal Thai Navy
Degree	The National Defense Course Class 2005	National Defense College
Degree	Advanced Security Management Class 2	The Association of National Defence College of Thailand
Certificate	Chief Executive Class 19	Capital Market Academy
Certificate	Chief Executive Course for Urban Development Management, Class 4, Urban Green Development Institute Bangkok	Institute of Metropolitan Development Navamindradhiraj University
Certificate	Chief Executive of Energy Science Class 7	Thailand Energy Academy
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)
Certificate	Director Certification Program (DCP) Class 197/2014	Thai Institute of Directors Association (IOD)
Certificate	Role of the Chairman Program (RCP) Class 36/2015	Thai Institute of Directors Association (IOD)
Certificate	Advanced Audit Committee Program (AACP) Class 19/2015	Thai Institute of Directors Association (IOD)

## Working Experience

Period	Position	Company Name
Aug 2017 – Present	Independent Director and Audit Committee/ Chairman of the Risk Management and Corporate Governance Committee /Nomination and Remuneration Committee	Interlink Communication Public Company Limited
Aug 2017 – Present	National Reform Steering Assembly Committee	National Reform Steering Assembly Committee of Natural Resources and Environment
April 2013 – Present	Independent Director	Sahacogen (Chonburi) Public Co., Ltd.





Oct 2015 – Jul 2017	Member of National Reform Steering Assembly	National Reform Steering Assembly
Jul 2014 – Jun 2017	Chairman of the board	Port Authority of Thailand
Oct 2014 – Sep 2015	Member of National Reform Council	National Reform Council
Oct 2012 – Aug 2015	Independent Director and Audit Committee	Interlink Communication Public Company Limited
May 2013 – May 2014	Advisory	TCC Holding Co., Ltd.

#### Holding a Position in Public Company

During	Position	Company Name
April 2013 – Present	Independent Director	Sahacogen (Chonburi) Public Co., Ltd.

#### Holding a Position in Private Company

- None -



## Director Information

**Name-Surname** Mr. Theerakun Niyom  
**Age** 61 years  
**Position** Independent Director and Audit Committee/  
Risk Management and Corporate Governance Committee  
**Shareholding:** - None -  
**Relationship with the management:** - None -



### Education/Seminar

Education	Major	University/Institution
Master Degree	Master of Arts (Political Science)	Middle Tennessee State University, USA
Bachelor Degree	Bachelor of Arts (International Relation)	Thammasat University
Degree	The National Defence Course Class 2005	National Defence College
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)

### Working Experience

Period	Position	Company Name
Jan 2018 – Present	Independent Director and Audit Committee/ Risk Management and Corporate Governance Committee	Interlink Communication Public Company Limited
October 1st, 2016	Retired	Ministry of Foreign Affairs of the Kingdom of Thailand
2015	Ambassador Extraordinary and Plenipotentiary of Thailand to the People's Republic of China	Royal Thai Embassy in Beijing, the People's Republic of China
2011	Ambassador Extraordinary and Plenipotentiary of Thailand to Kingdom of Norway	Royal Thai Embassy in Oslo, Kingdom of Norway
2009	Permanent Secretary	Office of the Permanent Secretary
2009	Ambassador Extraordinary and Plenipotentiary of Thailand to the People's Republic of Korea	Royal Thai Embassy in Seoul, the People's Republic of Korea
2006	Director-General	Department of the Consular Affairs
2003	Ambassador Attached to the Ministry	Office of the Permanent Secretary
2000	Minister-Counselor / Minister	Royal Thai Embassy in Ottawa, Canada
1997	Director, Personal and Training Division	Office of the Permanent Secretary
1995	Director, Division III	Department of East Asian Affairs
1995	Counselor, Division I	Department of East Asian Affairs
1993	Counselor	Office of the Permanent Secretary

Holding a Position in Public Company - None -

Holding a Position in Private Company - None -



## Director Information

**Name-Surname** Mr. Nuttanai Anuntarumporn

**Age** 31 years

**Position** Director/ Senior Executive Vice President of Strategic Development and Telecommunication of;

- Interlink Communication Public Company Limited  
Managing Director of the following companies;
- Interlink Telecom Public Company Limited
- Interlink Power and Engineering Company Limited
- Interlink Data Center Company Limited

**Shareholding:**

As at December 31, 2016	302,367	Shares
Change during the year	12,938	Shares
As at December 29, 2017	315,305	Shares
% of Shareholding:	0.09	%



**Relationship with the management:**

- Father: Mr. Sombat Anuntarumporn: President and Managing Director and
- Mother: Mrs. Chalida Anuntarumporn: Director and President

## Education/Seminar

Education	Major	University/Institution
Master Degree	Financial Economics	Boston University, USA
Bachelor Degree	Engineering	Chulalongkorn University
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)
Certificate	SCB Young Entrepreneur Program Class 12	Siam Commercial Bank Public Company Limited
Certificate	New Democracy Leader Class 3	King Prajadhipok's Institute
Diploma	Project Manager	Boston University, USA

## Working Experience

Period	Position	Company Name
Jan 2018 – Present	Senior Executive Vice President of Strategic Development and Telecommunication	Interlink Communication Public Company Limited
2012 - Present	Director	Interlink Communication Public Company Limited
Jul 2017- Present	Managing Director	Interlink Power and Engineering Co., Ltd.



2012 – Present	Director / Managing Director	Interlink Telecom Public Company Limited
2013 – Present	Managing Director	Interlink Data Center Co., Ltd.
2013 – Present	Executive Director	Thai Listed Companies Association: mai
2011 – 2012	General Manager	Interlink Telecom Public Company Limited

#### Holding a Position in Public Company

During	Position	Company Name
2012 – Present	Director / Managing Director	Interlink Telecom Public Company Limited

#### Holding a Position in Private Company

During	Position	Company Name
Jul 2017- resent	Managing Director	Interlink Power and Engineering Co., Ltd.
2013 – Present	Managing Director	Interlink Data Center Co., Ltd.



## Director Information

**Name-Surname** Miss Kwanta Meesomporn

**Age** 48 years

**Position** Director / Senior Executive Vice President of Distribution

**Shareholding:**

As at December 31, 2016	632,408	Shares
Change during the year	9,507	Shares
As at December 29, 2017	641,915	Shares
% of Shareholding:	0.18%	



Relationship with the management: - None -

## Education/Seminar

Education	Major	University/Institution
Master Degree	Public and Private Management	National Institute of Development Administration (NIDA)
Bachelor Degree	Management	Chandrakasem Rajabhat University
Certificate	Mini Master of Management (MMM)	National Institute of Development Administration (NIDA)
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)

## Working Experience

Period	Position	Company Name
2004 – Present	Director	Interlink Communication Public Company Limited
Jan 2018 – Present	Senior Executive Vice President of Distribution Business	Interlink Communication Public Company Limited
2013 - 2017	Deputy Managing Director of Distribution Business	Interlink Communication Public Company Limited
1995 – 2013	Director of Distribution Department	Interlink Communication Public Company Limited
1992 – 1995	Secretary to Managing Director	Interlink Holding Co., Ltd.

## Holding a Position in Public Company

- None -

## Holding a Position in Private Company

- None -



## Director Information

**Name-Surname** Mrs. Thanyarad Thiemudomlerk  
**Age** 42 years  
**Position** Director/Senior Executive Vice President of Business and Operations Support and Company Secretary  
**Shareholding:** - None -  
**Relationship with the management:** - None -



## Education/Seminar

Education	Major	University/Institution
Master Degree	Financial Accounting	Chulalongkorn University
Bachelor Degree	Accounting	Chiangmai University
Certificate	Taxation Auditor	Dhammaniti
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)
Certificate	Company Secretary Program (CSP) Class 29/2009	Thai Institute of Directors Association (IOD)
Certificate	Effective Minute Talking (EMT) Class 35/2016	Thai Institute of Directors Association (IOD)
Certificate	Strategic Financial Leadership Program (SFLP)	Thai Listed Companies Association

## Working Experience

Period	Position	Company Name
2005 – Present	Director	Interlink Communication Public Company Limited
Jan 2018 – Present	Senior Executive Vice President of Business and Operations Support	Interlink Communication Public Company Limited
2015 - 2017	Deputy Managing Director of Business and Operations Support and Company Secretary	Interlink Communication Public Company Limited
1997 - 2011	Director of Accounting Department	Interlink Communication Public Company Limited
1997 - 2011	Accounting Manager	Interlink Holding Co., Ltd.
1997 - Present	Accountant	Rueng Bandit Pretroleum Ltd., Part. (1991)

## Holding a Position in Public Company

- None -

## Holding a Position in Private Company

- None -



## Director Information

**Name-Surname** Mrs. Pensri Chantakhad  
**Age** 50 years  
**Position** Director / Senior Executive Vice President of Finance  
**Shareholding:**  
     As at December 31, 2016 82,500 Shares  
     Change during the year - Shares  
     As at December 29, 2017 82,500 Shares  
     % of Shareholding: 0.02%



Relationship with the management: - None -

### Education/Seminar

Education	Major	University/Institution
Master Degree	Business Administration	Saint John's University
Bachelor Degree	Management	Sukhothai Thammathirat University
Diploma	Accounting	Chiangmai Commercial School
Certificate	Executive Management Program	National Institute of Development Administration (NIDA)
Certificate	Directors Accreditation Program (DAP)	Thai Institute of Directors Association (IOD)

### Working Experience

Period	Position	Company Name
2004 – Present	Director	Interlink Communication Public Company Limited
Jan 2018 – Present	Senior Executive Vice President of Finance	Interlink Communication Public Company Limited
Feb – Dec 2017	Deputy Managing Director of Finance	Interlink Communication Public Company Limited
2013 – Present	Director of Finance Department	Interlink Power and Engineering Co., Ltd.
1995 – 2016	Director of Finance Department	Interlink Communication Public Company Limited
1987 – 1995	Accounting and Finance Manager	Interlink Holding Co., Ltd.

### Holding a Position in Public Company

- None -

### Holding a Position in Private Company

During	Position	Company Name
2013 – Present	Director of Finance Department	Interlink Power and Engineering Co., Ltd.



## Director Information

**Name-Surname** Mr. Prasitchai Veerayuttawilai  
**Age** 57 years  
**Position** Senior Executive Vice President of Engineering and Special Project  
**Shareholding:** - None -  
**Relationship with the management:** - None -



### Education/Seminar

Education	Major	University/Institution
Master Degree	Business Administration	Thammasat University
Bachelor Degree	Engineering	Chulalongkorn University

### Working Experience

Period	Position	Company Name
Jan 2018 – Present	Senior Executive Vice President of Engineering and Special Project	Interlink Communication Public Company Limited
Jan 2018 – Present	Managing Director	Interlink Power and Engineering Co., Ltd.
Jan – Dec 2017	Senior Executive Vice President	Interlink Communication Public Company Limited
2014 – 2016	Executive Director	EDMI Limited Singapore
2005 – 2014	Executive Vice President	Samart Telecoms Public Company Limited

### Holding a Position in Public Company

- None -

### Holding a Position in Private Company

During	Position	Company Name
Jan 2018 – Present	Managing Director	Interlink Power and Engineering Co., Ltd.



## 14. Corporate Governance

The Board of Directors of Interlink Communication Public Company Limited recognizes the importance of good corporate governance, the Company has established a Corporate Governance Policy to ensure that the company has a sound and efficient operating system. It is the basis of sustainable growth by adhering to business ethics and ethics, through our partnership and partnership with our customers, partners, shareholders, investors and society to develop the competitiveness of the business and growth along with the business of the Interlink Group.

Board of Directors of the Company has reviewed and revised the policy in line with the good corporate governance principles for listed companies in the year 2017 in accordance with the principles of good corporate governance of SEC. The G20 / OECD definition of "Corporate Governance" consists of 8 categories as follows: -

### Section 1

#### Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors has the power, duty and responsibility to manage the Company in accordance with the

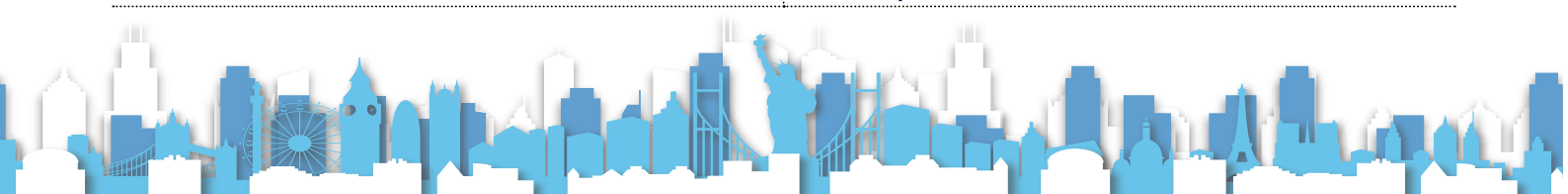
rules, objectives and regulations of the Company including the resolution of the shareholders' meeting. Honestly and cautiously maintain the interests of the company, also set goals, policies, business plans and the budget of the company, monitoring and supervision the management and administration of the management is in line with the policies, plans and budgets, securities and Exchange Act Capital Market Supervisory Board Notification the Stock Exchange of Thailand's regulations, such as the connected transaction and acquisition or disposal of important assets. It does not contradict or conflict with other laws effectively and effectively. The internal control system and the audit trail are adequate and appropriate.

Consider the management structure has authority to appoint the executive committee, chief executive officer and other committees as appropriate, such as; the Audit Committee, the Nomination and Remuneration Committee, as well as the scope of authority and duties of the Executive Committee. Chief Executive Officer and subcommittees appointed to consider and direct the following:

#### Matters to be considered and supervised to be implemented and should not manage.

##### 1. Matters that is considered and supervised.

Matters that the Board of Directors oversees	Matters that the Collaboration with Management
1. Set objectives Business goals	1. To regulation and review the annual strategic plan
2. Create a corporate culture adhere to ethics	2. To ensure the risk management and internal control systems are adequately
3. To oversee the structure and operation of the Board in order to achieve the objectives and targets of effective business operations.	3. Determine the appropriate authority to handle the responsibilities of the management
4. Recruitment, Development, Remuneration and Evaluation of the President	4. Define resource allocation, development, and budget.
5. Compensation structure motivates employees to work in accordance with their objectives. The main goal of the organization.	5. Monitoring and evaluation of operations.
	6. Ensure the disclosure of financial information and other credibility.



## 2. Matters that the Board of Directors should not manage

### Matters that the Board of Directors should not manage

1. Do not intervene management decisions to be responsible for decision making, procurement, recruitment according to the policy framework, the work plan approved by the Board. (Approved by the management)
2. Approval of transactions by directors with interested person

## Section 2

### Define Objectives that Promote Sustainable Value Creation

The Board of Directors, together with the Executive Board, set the objectives and objectives of the Company to achieve sustainable and sustained growth as the objectives and targets that are consistent with the value creation of the business, customers, stakeholders and society public as follows:

1. **Objectives** Proper clarity can be used as a key concept in shaping a business model and communicating to everyone in the organization, driven in the same direction by forming a slogan, vision, philosophy, policy, goals, mission and commitment;

- Motto : INTERLINK no. 1  
 Vision : Continuous Growth and Sustainability  
 Philosophy : Bring the technology to develop country  
 Mission : Growth Together with customers and partners  
 Core value : Good person - Intellect

- Commitment :
1. Quality Products
  2. Competitive prices
  3. Better Services

### Intention

- 1) **Interlink Communication Public Company Limited**
  - The Company is the largest importer and distributor of computer network cabling systems in Thailand
- 2) **Interlink Telecom Public Company Limited**
  - The network provider thru nationwide fiber optic covering 77 provinces of Thailand and
  - secure and the most modern and most secured data center
- 3) **Interlink Power and Engineering Company Limited**
  - The specialist in Electrical Systems and Communications projects

2. **Core Value** Is the appropriate guideline that defines a policy to focus on all employees, this will cause a regular pattern in the operation and to achieve the overall goal of the organization.

Core Value is "Good person - Intellect" The guidelines are as follows:

Good person	Intellect
1. Reason 2. Knowledge 3. Good attitude 4. Honestly, virtue 5. Collective 6. Generousness 7. Attempt 8. Discipline and respect 9. Familiar with work in family and in society 10. Maintaining both their reputation and company	1. Good person 2. Good thinking 3. Good job 4. Good study

3. **Communication Promotion Committee to enhance the organization's goals and objectives**, reflect the decisions and operations of personnel at all levels. It became a corporate culture.

4. **The Board of Directors shall develop strategies and annual plans in line with the Company's objectives and targets**, it should encourage the preparation or review of objectives, goals and strategies for the medium to 3-5 years period to ensure that the strategy and the annual plan. Take into account the longer term effects. And it is reasonable to predict.

## **Section 3**

### **Strengthen Board Effectiveness**

The Board of Directors is responsible for determining and reviewing the Board structure. In terms of size, composition, proportion of independent directors. Proper and necessary to bring the organization to the objectives and goals set. The Board of Directors consists of qualified directors with the qualifications, experiences, abilities and characteristics, sex and age necessary to achieve the objectives and the main goal of the organization. The details are as follows

#### **3.1 The Board of Directors**

**The Board of Directors consists of:**

1. The Board of Directors does not need to be a shareholder of the Company.
2. The Board of Directors is composed of not less than 5 but not more than 9 directors, and not less than one half of the total number of directors must reside in the Kingdom of Thailand.
3. The Board of Directors consists of at least one-third of the total number of directors. But not less than 3 people.

The Board of Directors shall elect one of its members to be the Chairman of the Board and may elect the Vice Chairman and other positions as deemed appropriate.

#### **Qualifications of the Board of Directors**

1. A person who has the knowledge, ability, integrity, ethics in business and has sufficient time to devote his knowledge, ability and performance to the Company.
2. There are no prohibitions under the relevant laws. In addition, there must be no characteristic of the lack of appropriateness to be entrusted to manage the business of the public as a shareholder, according to the Securities and Exchange Commission and the Stock Exchange of Thailand.
3. Not being a person who conducts business with the same conditions and is in competition with the business of the Company or partnership or directors in other juristic persons which conduct business with the same conditions and compete with the Company's activities, whether to do it for self or others except for the notice to the shareholders meeting prior to the appointment.
4. Independent directors must have qualifications related to independence as determined by the Company. It is in line with the relevant rules that define the qualifications of independent directors all of the shareholders must be equally attentive and not to conflict of interest. In addition, they can also attend the Board of Directors' meetings by giving independent opinions.

#### **Remuneration**

The Board of Directors has assigned the Nomination and Remuneration Sub-committee to scrutinize the policy and criteria for director remuneration. The rate is appropriate to the duties and responsibilities. It is comparable to the industry of similar size and type is consistent with performance and achievement of goals. The Board recommends the Board to propose to the shareholders' meeting for approval.

#### **Authorities and duties of the Board of Directors**

1. The Board of Directors has the power, duty and responsibility to manage the Company in accordance with the rules, objectives and regulations of the Company, including the resolution of the shareholders' meeting. Honestly and cautiously maintain the interests of the company.



2. The Annual General Meeting of Shareholders shall be held within 4 months from the end of the accounting period of the Company.
3. Board Meetings shall be held more than 6 times / year.
4. Prepare and be responsible for preparation and disclosure of financial statements. To show the financial status and results of operations in the past year and proposed to the shareholders meeting for consideration and approval.
5. Goals setting, policies, business plans and the budget of the company. Monitoring and Supervision the management and administration of the management are satisfy with the policies, plans and set budgets for efficiently and effectively.
6. Define the risk management policy and supervise the management. Follow the policy and report to the board. Regularly review the system or assess the effectiveness of risk management.
7. Consider, review, and approve plans to expand the large scale investment projects. Including the investment proposed by the management.
8. Prepare annual report and disclosure of financial statements to present financial status and results of operations in the past year in the annual report and proposed to the shareholders meeting for consideration and approval.
9. Supervise and oversee management and operations of the Company and its subsidiaries to comply with the policy. Securities and Exchange Act Capital Market Supervisory Board Notification the Stock Exchange of Thailand's regulations, such as the connected transaction and acquisition or disposal of important assets. It is not contradictory or contradictory to other laws. The internal control system and the audit trail are adequate and appropriate. Encourage the fight against corruption The measures adopted by the Anti-Corruption Organization (CAC)
10. Determine the management structure. Has authority to appoint the Executive Committee. Chief Executive Officer and other committees as appropriate, such as, the Audit Committee. The

Nomination and Remuneration Committee, as well as the scope of authority and duties of the Executive Committee. Chief Executive Officer and subcommittees appointed.

The delegation of power within the scope of duties and powers shall not be delegated to the Executive Committee, Chief Executive Officer and subcommittees. It may consider and approve any transactions that may have conflicts of interest, conflicts of interest or other conflicts of interest with the Company or its subsidiaries (if any) except for the approval of the transactions in accordance with the policies and criteria determined by the Board and approve.

11. The Board may authorize one or more directors or any other person to act on behalf of the Board under the control of the Board of Directors or may authorize such person to have the power to act as the Board. The Board of Directors deems appropriate and within the time that the Board deems appropriate. The board may cancel, revoke, change, or amend the authority.

The power of attorney must not be delegated to the person who can consider and approve the transactions that he or she may have conflict of interest. There may be conflicts of interest in any other way with the Company or its subsidiaries (if any) as defined in the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand, except for the approval of transactions that are normal business transactions and are subject to general commercial terms. It is in line with the policies and criteria that the Board has considered and approved under the terms, conditions and procedures as specified in the connected transaction and items acquired or disposed of the major assets of the listed company as announced. Capital Market Supervisory Board and/or the Stock Exchange of Thailand and / or any other announcement of the relevant authorities.

### Evaluation of Board of Directors

Organize the evaluation of the performance of the Board of Directors individually and in groups.

1. Self-assessment Evaluate, the secretary will send an evaluation form to the board for evaluation of



their performance and the timing of the delivery so that the secretary can compile the data. The Board recommends the Nomination and Remuneration Committee and the Board of Directors for acknowledgment in February of the next year.

2. The Board of Directors Evaluate, the secretary will send evaluation form to the Board of Directors for evaluation of the performance of the Board to review and review the performance in December every year.

### Meeting

1. The meeting of the Board of Directors shall be held more than 6 times / year, with the meeting date set and special meetings may be held as necessary.
2. In the meeting of the Board of Directors, the Chairman or the person authorized to send the notice of the meeting. The agenda and supporting documents must be submitted to the directors at least 7 days in advance. The directors have sufficient time to study the information unless urgent need in order to maintain the Company's benefits, it is possible to inform the meeting by other means or to schedule the meeting more quickly.
3. Interested Directors There is no right to vote on that issue. The directors who have interest must leave the meeting room during the consideration for the opportunity for discussion, express ideas freely.

## 3.2 Audit Committee

### The Audit Committee consists of:

1. The Audit Committee consists of the Company's directors at least 3 independent directors.
2. The Audit Committee consists of at least one member of the Audit Committee with financial and accounting knowledge and experience in reviewing the financial reports.

### Qualifications of the Audit Committee

The Audit Committee must all the qualifications according to Capital Market Supervisory Board and the regulators. The Audit Committee must have the following qualifications

1. Not hold more that 1 percent of shares with voting rights of the Company, parent company, its subsidiary, affiliates and any entities that may have a conflict, including shares held by related person

2. Never or used to be an executive, an employee, a salary-based consultant or controlling person of the Company, its parent company, subsidiary, affiliates, subsidiary in the same level or the juristic person with conflict of interest, unless has resigned from the position for at least 2 years prior to the appointment.

3. Never or used to have business relation with the Company, its parent company, subsidiary, affiliates, subsidiary company in the same level or the juristic person with conflict of interest, which may disrupt his or her independent discretion, provided that he or she has not had such business relation for at least 2 years prior to the appointment.

4. Not being or not used to be the external auditor of the Company, its parent company, subsidiary, affiliates, subsidiary company in the same level or the juristic person with conflict of interest, not a major shareholders, non-independent director, executive or managing partner of the external auditor which has the external auditor of the Company, its parent company, subsidiary, affiliates, subsidiary company in the same level or the juristic person with conflict of interest , unless has resigned from the position for at least 2 years prior to the appointment.

5. Not being or not used to be any professional service provider which includes the legal or financial consultancy service provider with a fees over Baht 2 million per annum, to its parent company, subsidiary, affiliates, subsidiary company in the same level or the juristic person with conflict of interest, not a major shareholder, non-independent director, executive or managing partner of that professional service provider which has the professional service provider to its parent company, subsidiary, affiliates, subsidiary company in the same level or the juristic person with conflict of interest, unless he or she has resigned from the position for at least 2 years prior to the appointment.

6. Do not having the relationship in term of the father, mother, spouse and children including the spouse of the children of an executive management, a major shareholder, the controlling person, or the person who might be appointed

to be management or the controlling person or the Company or its subsidiary.

7. Not being the director to the represent of the Company, the major shareholder or related person of major shareholder.

8. Do not have other characters which cannot make the independent opinion regarding to the Company's operation.

9. Not being a director assigned by the Board of Directors to make decisions on the operations of the parent company, subsidiaries, associated companies, subsidiaries or entity that may have conflicts.

10. Not being a director of the company group. (Only listed companies)

11. The Company has sufficient knowledge and experience to be able to act as a member of the Audit Committee, with at least one auditor with sufficient knowledge and experience to review the credibility of the financial statements.

#### **Authorities and duties of Audit Committee**

1. To review the accuracy, completeness, reliability and adequacy of financial reporting.
2. To review the Company has an internal control system, Risk Management system and the internal audit system is adequate, reasonable and effective.
3. To review the compliance with the good corporate governance policy and business ethics Proper and effective.
4. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.
5. To consider, select and nominate the auditors of the Company and propose auditor's remuneration
6. To consider of connected Transaction to comply with the law and regulations of the Stock Exchange of Thailand. To ensure that the Company is reasonable and beneficial to the Company.
7. Supervise the performance of the internal audit department. Considering the charter approval. Independence, scope and plan of internal audit.
8. To consider, appointment, transfer, termination of

the Chief Internal Auditor Include the evaluation of the performance of the internal auditor.

9. To consider and review the audit results and recommendations of both the auditor and the internal audit department. Include follow up to ensure the management has proceeded with the suggestion sufficiently. Effective and a reasonable time.
10. The Audit Committee may invite the Management or employees of related companies to report or present information, attend meetings or send documents that are relevant and necessary.
11. Review and revise the Audit Committee Charter as necessary to be up-to-date and appropriate to the corporate environment and submit it to the Board of Directors for approval.
12. Prepare report of Audit Committee which contains information and the opinions of the Audit Committee in various aspects and disclosed in the Company's annual report. The report must be signed by the Chairman of the Audit Committee.
13. Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee. Management is responsible for reporting and presenting information and related documents to the Audit Committee to support the performance of the Audit Committee.

### **3.3. The Nomination and Remuneration Committee**

**The Nomination and Remuneration Committee consists of:**

1. The Nomination and Remuneration Committee consists of, at least three directors must be independent directors and the Chairman of the Nominating Committee. The remuneration should be independent.
2. The Board of Directors appoints the Nomination Committee and compensation selected by the Board of Directors
3. If a board of directors is required must have at least two-thirds of the independent directors and the Chairman of the Nominating Committee. The remuneration must be independent.



### Qualification

1. Have knowledge, ability, experience and knowledge. Understanding of qualifications, duties and responsibilities as a member of the Nomination Committee and compensation Corporate Governance.
2. Chairman and Director of Nomination and Remuneration Committee Should be independent. To perform duties of the Nomination Committee and the compensation is independent.
3. The Nomination and Remuneration committee must not have any securities to be allocated. If the allocation exceeds 5%, there is no right to approve the allocation.

### Remuneration

The Nomination and Remuneration Sub-committee, scrutinize policies and criteria for directors' remuneration the rate is appropriate to the duties and responsibilities. It is comparable to the industry of similar size and type. Be consistent with performance and achievement of goals. The Board recommends the Board to propose to the Annual General meeting of shareholders for approval.

### Authorities and duties of The Nomination and Remuneration Committee as follows:

1. To set criteria and policy for nomination of directors. Subcommittees of the Company President and Managing Director
2. To consider the appointment of directors and subcommittee President and the Managing Director of the Company by considering the appropriate person to be the director to propose to the Board of Directors. Consider approval and/ or proposed to the Annual General Meeting.
3. Determine the necessary and appropriate remuneration. The monetary and non-monetary director. Subcommittee President and the Managing Director of the Company each year for the benefit of the shareholders of the Company.
4. Preparation for the criteria and policy for determining the remuneration of the Board of Directors. President and Managing Director to propose the Board of Directors to consider and / or propose to the shareholders' meeting for approval.
5. Report on Remuneration of Directors the principles / objectives and objectives of the policy are disclosed in the annual report.
6. Working with the President Evaluate and determine the successor of the President of the Company as well. Executives who report directly to the President to report the succession plan of senior management to the Board of Directors for acknowledged annually.
7. Working with the President to prepare for succession plan for the President. The executives also report directly to the President.
8. To review and assess the adequacy of the charter and submit it to the Board of Directors to approve.
9. Perform other duties as assigned by the Board of Directors.

### Meeting

1. The Nomination and Remuneration Committee shall be held the meeting at least twice a year.
2. the meeting of the Nomination and Remuneration Committee At least half of the directors must attend the meeting. The number of directors will be quorum.
3. In the case of the Chairman of the Nomination and Remuneration Committee is not in the meeting. The Nominating Committee shall elect one member to preside over the meeting.
4. If any member of the Nomination and Remuneration Committee has any interest in that subject matter. Do not vote on that subject, except for determining the remuneration all of the Board of Directors.
5. The decision of the meeting shall be taken by a majority of votes. If the votes are equal. The chairman of the meeting shall have an additional vote as a casting vote.
6. The Nomination and Remuneration Committee will prepare a report to the Board of Directors within 30 days and certify The Chairman of the Nomination and Remuneration Committee.



7. The self-assessment report. Board members and individual to the shareholders meeting in the annual report format as appropriate.

### 3.4 The Risk Management and Corporate Governance Committee

**The Risk management and Corporate Governance Committee consists of:**

1. The Risk Management and Corporate Governance Committee appointed by the Board of Directors to help oversee risk management at various levels. To ensure that Management who is responsible for managing risk has implemented the risk management system effectively. Comprehensive coverage of all types of risks and regulatory compliance. To make the business of the organization in accordance with good corporate governance.
2. The Risk Management and Corporate Governance Committee consists of at least three directors and executives, and at least one Risk Management Committee must be an independent director.

**Authorities and duties of The Risk Management and Corporate Governance Committee as follows;**

#### The Risk Management

1. To review and present the risk management policy and framework to the Board of Directors for approval.
2. To review and approve the Risk Appetite and submit to the Board of Directors for acknowledgment.
3. To oversee the development and implementation of the risk management policy and framework to the Group. An effective risk management system throughout the organization and consistently implemented.
4. To review the risk management report for monitor material risks and to ensure that the organization has adequate and appropriate risk management.
5. Coordinate with the Audit Committee on major risks an internal auditor is responsible for ensuring that

the Company has an appropriate internal control system for risk management including the implementation of risk management systems to deploy properly and comply with the entire organization.

6. Report the Board of Directors on major risk and risk management regularly.
7. Provide advice to the Risk Management working group including consider appropriate guidelines for correcting data about the development of risk management systems.
8. Consider appointing additional personnel or replacing them in the Risk Management Working Group as appropriate. This includes assigning roles and responsibilities for the purposes of implementing the objectives.
9. To perform any other tasks related to risk management as assigned by the Board of Directors.
10. Meetings for communication information exchange and coordination on risk and internal control with the Audit Committee at least once a year.

Executives/Risk Management working group/Internal Auditor/Auditor Must report or present relevant information and documents to the Board committee to support the work of the Risk Management Committee to achieve its assigned duties.

#### Corporate Governance Committee

1. To set policies and guidelines for good corporate governance and submit them to the Board of Directors for consideration and approval.
2. Advise on good corporate governance principles to the Board of Directors.
3. Preparation of good corporate governance guidelines. Review Corporate Governance Guidelines Compared with good corporate governance principles of international standards and the Stock Exchange of Thailand and proposed to the Board of Directors to consider and approve to update regularly.
4. Appoint a working group to assist with proper operation and set good corporate governance



policy for the Good Corporate Governance Committee and report regularly on corporate governance.

5. Report the results of operations to the Board of Directors for acknowledgment.
6. Perform other duties as assigned by the Board of Directors.

### Meeting

1. The Risk Management and Corporate Governance Committee Regular meetings at least once a year, the Risk Management Committee and Corporate Governance Committee can invite any person attendance in the meeting.
2. At each meeting, the Executive Committee members must attend the meeting. In the meeting, the number of directors at least half of the number of directors at that time shall constitute a quorum.
3. If the Chairman of the Risk Management and Corporate Governance Committee did not attend the meeting, the Chairman of the Risk Management and Corporate Governance Committee are not appointed. The directors who attended the meeting will elect one of them to preside over the meeting.
4. Chairman of the Risk Management and Corporate Governance Committee may be summoned. If the request is considered, the important matter to be discussed together.
5. If any member of the Risk Management and Corporate Governance Committee has any interest in that subject matter. Do not vote on that subject
6. Secretary to the Risk Management and Corporate Governance Committee It is the duty of the meeting. Prepare agenda The meeting documents and meeting documents are to be sent in advance of the meeting.
7. The resolution of the Risk Management and Corporate Governance Committee shall have one vote. The majority vote is the threshold. If the votes are equal. The chairman of the meeting shall have an additional vote as a casting vote and the secretary has no right to vote.

8. Report to the Board of Directors This is a part of the organization's risk management process when changes are made to ensure that the Board recognizes the key risks facing the organization and factors that may affect the future risk status of the organization.

Report on Corporate Governance to the Board of Directors Meeting at the appropriate time to make modifications. In the case of actions that may have a significant impact on the Company's operations and not in accordance with good corporate governance. Ethics and Business Ethics

### 3.5 Executive Committee

The Executive Committee consists of;

1. The Executive Committee consists of at least 3 directors and management executives.
2. The Board of Directors shall elect one Executive Committee to be the Chairman of the Management Executive Committee. In the case where the Board of Directors deems it appropriate, one or several executive directors may be elected as vice chairman.
3. The Executive Chairman may be the same person as the President.

### Qualification

1. A person who has the knowledge, ability, integrity, ethics in business and has sufficient time to devote his knowledge, ability and performance to the Company.
2. There are no prohibitions under the relevant laws, according to the Securities and Exchange Commission and the Stock Exchange of Thailand.

### Remuneration

The Company has the criteria to pay management remuneration based on knowledge, experience, and past performance. It also compares with other companies in the same business. Remuneration for executives includes salaries, bonuses and other benefits.



### Authorities and duties of Management

1. Executive Committee has responsibility for the management of the company. The management of the company shall be in accordance with the policy, regulation or any order as prescribed by the Board of Directors. In addition, the Executive Committee shall have the duty to scrutinize matters. To propose to the Board of Directors for approval or approval.
2. Consider and approve the regulations, business policies, goals, operational plans and the budget of the Company and its subsidiaries. To propose to the Board of Directors for approval.
3. Has authority to approve the case or any action normal business of the company under the annual budget or limit approved by the Board of Directors and authorized to perform as prescribed.
4. Appointment, dismissal, termination of employment Employees or executive officers of the Company in positions lower than the Chairman of the Executive Committee. Include consider employment or termination of employment or exceeding the retirement criteria in accordance with the Company's working regulations. Compensation is based on corporate salary structure.
5. Reporting to the Board of Directors within the deadline.
  - Report quarterly results of the company within the timeframe specified by the Stock Exchange of Thailand.
  - Auditor's report on the Company's financial statements these include the annual financial statements and the quarterly financial statements within the time frame set by the Stock Exchange of Thailand.
  - Other reports as deemed appropriate by the Executive Board.
6. Consider and approve the bidding and to work on projects as it deems appropriate Including the legal acts related to the subject until completion.
7. To review and approve the transaction regarding the investment and the disposal of assets. Human Resource Management, Finance and Money

Management General Administration and other items related to the business of the company to the extent authorized by the Board of Directors.

8. Evaluate your performance. To assess the adequacy of the charter and submit it to the Board of Directors to approve the change.
9. Perform other tasks as assigned by the Board of Directors.

### Meeting

Executive Board meetings are scheduled on a monthly basis. If there is a cancellation or meeting, E-mail always notify the concerned person in advance. To consider Duties and Responsibilities of the Board of Directors.

1. Report of the operating results of the Company and its subsidiaries Compared with the quarterly budget plan to the Board of Directors.
2. Activity Report or Critical Information Disclosed in the Company's annual report.
3. Documents for Meeting and Minutes
  - The meeting secretary will inform the meeting schedule and send the meeting notice at least 7 days before the meeting date.
  - The secretary of the meeting notes the meeting. Prepare minutes of the meeting and submit them to the management team for consideration before publication, within 14 days after the meeting date.

### 3.6 The secretary of company

To performs all secretariat work with effectiveness. The Board of Directors is responsible for appointing a qualified person as Company Secretary, who is at present Mrs. Thanyarad Thiem-udomlerk Duties and Responsibilities of the Company Secretary as follows:

1. Prepare and maintain the following documents:
  - 1.1 Company's statutory register of directors
  - 1.2 Annual reports
  - 1.3 Notices and minutes of the meetings of the Board of Directors
  - 1.4 Notices and minutes of the shareholders' meetings

2. Maintain and keep a record of vested interests as reported by directors and executives.
3. Send copies reporting vested interests of directors and executives or related persons to the Chairman of Audit Committee within seven days of the receipt of each report.
4. Organize Board and shareholders' meetings according to rules and applicable laws.
5. Supervise, inspect, and provide advice to CPN and the Board of Directors in conformance to CPN's memorandum of association, articles of association, Securities and Exchange Act, Public Company Limited Act, and applicable laws.
6. Act as the clearing house between the Board of Directors, executives, and the shareholders.
7. Coordinate and follow up the Board's and shareholders' resolutions.
8. Ensure that appropriate information disclosure and information reports are submitted to the regulators as required.
9. Perform other duties as required by the regulations of the Capital Market Supervisory Board or as assigned by the Board of Directors.

## Section 4

### **Ensure Effective CEO and Personal Management**

The Company encouraged all directors to attend the training courses as recommended by the Securities and Exchange Commission. The Board of Directors of the Company is organized by the Thai Institute of Directors (IOD) such as the Directors Accreditation Program (DAP), the Directors Certification Program (DCP), the Audit Committee Program (ACP), most of the company's directors the course has already passed. In addition, training is encouraged to educate the directors, Audit Committee, Company Secretary and other related persons. The company secretary will be responsible for informing the interesting training program to all directors. If a new director is appointed. The director shall be briefed on the nature and business conduct of the Company from the Chairman.

The Company also encourages the Company Secretary

and the Secretary of the Audit Committee to attend various training courses and listen / talk about relevant / consistent with the situation and is beneficial to the operation, organized by the Securities and Exchange Commission, Thai Listed Companies Association and other agencies.

## Section 5

### **Nurture Innovation and Responsible Business**

#### **Sustainable Business**

Over the previous 30 years, the Interlink Group has been operating as part of the Thai Society being aware of the importance of business practice with a mind for social responsibility. Therefore, the Company has established the Corporate Social Responsibility Policy aligning the strategy for Continuous Growth and Sustainability in parallel to business practices with a development for maximum benefit of the society as a whole. The Company has performed such practices through 6 dimensions as follows.

**Dimension 1:** Business management under good corporate governance concept to support and promote good corporate governance as prescribed by the Stock Exchange of Thailand by adhering to ideology. It has been traditionally operated under the Corporate Governance and Ethics On the basis of balanced and sustainable happiness. We are also aware of our mission to build confidence in our business. The management system is good, transparent and fair to all stakeholders. So what will make the shareholders trust? It is the policy of the company to ensure that the fundamental rights of the shareholders are fair, as required by law or more. Include appropriate management. Efficient and effective accepted by investors and all parties involved.

**Dimension 2:** Conducting business fairly, ethically, transparently and accountable as well as complying with the laws, rules and regulations of the society and to be neutral in political standing.

Fair Business Ethics and Transparency Can check and comply with the law. Respect the rules of society. It is a politically neutral organization, adherence to the terms and conditions of the trade and contract, which set the Code of Ethics and commitment to the stakeholders strictly. Clear



provisioning and implementation arrangements are in place, supporting environmentally friendly procurement, avoid anything that would violate human rights or violate intellectual property rights, also, do not do business with partners who are unlawful.

**Dimension 3:** Continual development of human resources from into to create organizational culture of “Good and Smart” which will drive the mindset of social responsibility externally through CSR programs at all levels to foster a quality project within the organization. This is a key strategy in building a sustainable society to Thailand. The key concept is that “employees” are the most valuable asset of an organization and the growth of the organization depends on the quality of employees, the company has a policy to focus on improving human resources management. Build a culture consistent with your business strategy. Create a good bond between employees to the organization. Commitment to employee retention Provide appropriate welfare to provide good quality of life for employees. Including the belief in the value of people committed to excellence, the way to give experience in learning. Additional Skills Training Develop the potential that already exists to be outstanding can be grown in the job.

**Dimension 4:** Continual improvement on relationships with stakeholders through ethical and accountable business practice, which aims for growth while looking after all stakeholders with equity. Board of Directors defines guidelines for the role of the company to stakeholders. The Company has complied with the good corporate governance principles of the SET, stakeholders, partners, creditors, competitors, shareholders or investors as well as neighbors, communities, society and the environment, including not taking any action, violate intellectual property such as;

- The Company respects the rights of the Joint Venture and treats all Joint Venture Partners fairly, do not take advantage of the joint venture. It also cooperates with investors to promote and support the operation of the business to be strong. Encourage exchange of ideas, suggestions, transparency and push for the implementation of the law and sustainable development.
- The Company takes into account the equality of all parties concerned. Be honest in business. Engage

in the operation to create credibility. And fair to the creditors. Follow the contract and conditions agreed. We strive to maintain a lasting relationship with our creditors.

**Dimension 5:** Participant with the local communities and society under our belief that the Company cannot grow without the support of the local communities and the society by concentrating on educational, cultural and societal development and the improvement on the quality of life to promote and support employees to have volunteer spirit through many CSR activities of the Company because the business will live with the community is sustainable. Every entrepreneur must carry out and improve the quality of life of the community. Promote good concepts and practices in caring for the community. Therefore, the Company I have tried and tried every way to cultivate good consciousness encourages employees and stakeholders. Act as a good citizen, responsible and beneficial to the community and society. It also gives opportunities for communities and stakeholders to participate in various activities or projects. Include comments, suggestions or complaints to improve the results of the company. Achievement target The Company believes that “strong society” will be the foundation for developing the country to prosper.

**Dimension 6:** Innovation improvement in products, operations, and systemic decision making beginning with the prevention, maintenance, Improvement and Development to promote new innovations.

## Socially Responsible Information Disclosure of Business Operations

The Company discloses the Corporate Social Responsibility (CSR) details in its Annual Sustainability Report 2017, selecting only those that are significant to the business follow the guidelines of the Sustainability Report prepared by the Stock Exchange of Thailand. Under the framework of the Global Reporting Initiative (GRI), the G4 is the latest global environmental and social performance reporting and reporting standard. The main topics are as follows:

### 1. Ethical Business Practices:

The Company’s Board of Directors is aware of the importance of good corporate governance by giving priority



to the business processes at all stages and levels for greater transparency and to increase competitiveness and the confidence from all stakeholders. The Company complies with the good corporate governance framework by the Stock Exchange of Thailand.

## 2. Anti-Corruption:

The Company has established Anti-Corruption Policy in writing as part of the Company's Code of Conduct. The Anti-Corruption Policy was approved by the Board of Directors Meeting 5/2009 on November 14, 2014. It is communicated to all employees. Are set to Training policy against corruption, corrupt all employees in the orientation of new employees and posted across the board within the company as well as on the website of the Company to disseminate to the public interest for encourage employees to have the correct knowledge and adapt to the proper operation.

## 3. Human Rights:

The Company respects human rights as the foundation in human resource development by having the policy and regulations in writing which is fair to all personnel. The practices are in accordance with international standards through the responsibility of the human resource department. To ensure the Company is committed to the prevention of human rights abuses with a clear policy and written procedures. That is fair to all personnel. In the proper operation to prevent human rights violations in all business activities of the company. The operation is in accordance with the requirements of international standards. Through the Human Resource Management mechanism

## 4. Equitable Treatment of Employees:

The Company gives protection and take care of the employees sufficiently through many benefits and workplace protection include fair treatment to all parties because the company is aware that employees are a factor of progress. It has supported the development of highly qualified personnel. In addition, the Company manages its employees by providing fair and reasonable returns and consistent with the performance of the company, both short and long term. The rate of return to the appropriate level, competitive with the market and the same industry. Including

performance evaluation, all employees every level has a KPI and includes a review of welfare at a level higher than the statutory requirements such as provident funds, health care costs accidental medical Insurance E-JIB, etc.

## 5. Responsibility to Consumers:

The Company thrives to create satisfaction and confidence from consumers to receive good services and high quality products according to the ISO 9001:2015 standard at an acceptable price and to disclose all important information fully while respecting customers and consumer privacy in their information. It also has continuous innovation. To deliver products and services that meet the true needs of consumers in terms of quality and price fair. Products and services must be safe at international standards. Environmentally friendly and strengthen sustainable growth. Implementing a strategy for excellence to be confident and get the highest satisfaction. They also have a responsibility for customer relationship management. They will give you suggestions on products and services, as well as advice on how to use them. Troubleshooting after sales service. Include complaints. To suggest a plan to improve operational efficiency.

## 6. Taking care of the Environment:

The Company thrives to develop products with a mind for the effect on the environment in all the stage of the product cycle. Therefore, all imported products are in accordance to the Restriction of Hazardous Substances Standard which is a regulation of the European Union (Directive 2002/95/EC) which has determined the standard for the environment. In addition, the construction of Interlink Data Center was for the highest efficiency in energy use. The Company also has regulations in work practice to reduce effects to the environment.

In terms of safety in the life and health of the employees, the company is always aware and always important. There is ongoing action on this issue. Occupational health, safety and working environment are defined, to ensure that all units have a good occupational health and safety management system. The aim is to create a culture of security within the body. Employees must strictly follow. Training is also provided to raise awareness of work safety.



Learn the principles of risk assessment, prevention, control and compliance.

#### 7. Local Communities and the Society Development:

The Company gives back to the communities through many projects and activities with the aim of developing the society to go sustainably. Also, all business processes are aware of the effect to all stakeholders and listens to all suggestions for a mutual agreement and improvement.

#### 8. New Innovations and publicizing innovations:

The Company has operated while being socially responsible through systematic operation and decision making to prevent, maintain, improve and develop to continually produce new innovations. The customer satisfaction survey is conducted in each business group to measure expectations customer satisfaction and bring the needs of customers to develop new innovations.

#### 9. Copyrights and Intellectual Property Infringement Campaign:

The Company's policy is to use information technology in their organizations. The guidelines have been prepared in writing. According to the document number IT.005/14/BS, which became effective on January 6th, 2014 in compliance with, or non-infringement of intellectual property rights. The Company plans to carry on with the story, including all employees must sign an agreement not delinquent on your computer and do not violate intellectual property rights. The company has a policy to use the system's information technology group and a monitoring system software employee. To prevent the use of software is pirated or not work-related.

## Section 6

### Strengthen Effective Risk Management and Internal Control

The Board of Directors has established the Audit Committee and the Risk Management and Corporate Governance Committee to oversee the risk management and internal control systems to achieve its objectives effectively. It also complies with relevant laws and standards and policies, an independent internal audit department is responsible for

developing and reviewing the effectiveness of the internal control and risk management system. To report to the Audit Committee on the adequacy of the risk management and internal control systems in the annual report.

The Company has set policy to supervise and manage potential conflicts of interest between the Company and its subsidiaries and related parties such as the management, the board of directors or the shareholders. It also protects against unauthorized use of property, information and opportunities and transactions with those who have a relationship with the company in a way that is not appropriate. The details and policies are as follows.

### Risk Management

Interlink Communication Public Company Limited ("the Company") provides comprehensive risk management covering the entire organization's risk management. The Board of Directors has appointed the Risk Management and Corporate Governance Committee. To be responsible for setting the risk management policy and framework and appointing a risk management team consisting of knowledgeable persons and experienced in risk management to provide opinions and recommendations to the management team and the Board of Directors to ensure that the risk management of the company, according to the policy and comply with international standards. (Risk management in accordance with COSO's International Standards) and ensuring that all significant corporate risk issues are addressed. There are significant risk management processes that are categorized by the types of risk that exist at present.

1. Strategic Risk
2. Financial Risk
3. Operational Risk
4. Compliance Risk
5. Information Technology
6. Corruption Risk

This will have an impact on customer satisfaction and returns to shareholders and all stakeholders. The management is in accordance with the principles of good corporate governance. The Risk Management Committee Set policies, guidelines, actions. To encourage companies to make the best decisions and help to see the opportunity. It can alleviate the impact of important events that may occur effectively.

### Guideline

1. The Company will set up a risk management system and process throughout the organization. Including companies in the group. To conform to the strategy and business goals compliance with international standards. The risk assessment covers all risks.
2. All executives and employees of the Company own the risk. It has a responsibility to identify and assess the risk of the agency they are responsible. Include appropriate measures. To manage risk and the company will manage the risk to acceptable level (Risk Appetite) or deviation not exceed the level acceptable to the Company (Risk Tolerance)
3. Risks that affect the achievement of the company's objectives. The following;
  - 1) Identify risks in a timely manner.
  - 2) Assess the likelihood of risk and impact if any.
  - 3) Risk Management to comply with the risk management guidelines, taking into account the related costs and the benefits to be derived from such risk management.
  - 4) Monitoring and reviewing risk management regularly to ensure Company risk is managed appropriately.
4. Risks that may affect the Company's business plan and strategy. The risk is high and very high. Report to the Risk Management Committee. Audit Committee and the Board of Directors acknowledged

The Risk Management and Corporate Governance Committee must be appointed by the Board of Directors. To help oversee risk management at various levels. To ensure that Management who is responsible for managing risk has implemented the risk management system effectively. Comprehensive coverage of all types of risks and regulatory compliance. To make the business of the organization in accordance with good corporate governance. The Risk Management Committee and the Corporate Governance Committee It consists of at least 3 directors and executives and at least one Risk Management Committee must be an independent director.

### Internal Control System

The Board of Directors has established an Audit Committee that can perform its duties effectively and independently, the details are as follows;

### Internal Audit Department

#### Mission

The mission of the Internal Audit Department is to conduct, advise, consult and monitor with independence and integrity. To give confidence to increase value and improve operations and help organizations meet their assigned objectives, provide a well-organized and well-planned plan, used to evaluate the effectiveness of the risk management process, control and Supervision.

#### Scope of internal audit

Internal Audit Department has the scope of responsibility for internal audit of Interlink Communication Public Company Limited considering the effectiveness of the risk management process. Internal control and corporate governance The responsibilities are as follows.

1. Objectives, objectives, scope of responsibilities and internal audit practices. Prepare a power plan and the annual budget plan.
2. Monitor, evaluate, and follow up on compliance with policies, programs and procedures. Including relevant laws, can achieve the objectives of the organization defined. Efficient, effective and economical, the details as following;
  - 1) Evaluate the internal control of Interlink. To provide confidence to the Audit Committee, Interlink Communication Public Company Limited and the management that the activities The Company has sufficient internal control to manage the risk to a level that is controlled and according to good corporate governance.
  - 2) Risk Assessment and Internal Controls in Information Technology Financial reports and reports.
  - 3) Monitor the effectiveness, effectiveness and adequacy of internal control activities.
  - 4) Performance Monitoring The effectiveness of the operating system. Property maintenance The use of all types of resources is effective, economical, and does not cause any loss or damage.

- 5) Review and report reliability and the completeness of the financial information. Finance & Non Finance, as well as the methods used to diagnose and measure the evidence. If there is any doubt about the operation that may affect the performance of the Company. Significant conflicts of interest may affect the operation or corruption or something wrong or significant defects in the internal control system.
- 6) Review compliance with the Securities and Exchange Act SET regulations, policies, procedures, rules, regulations and related laws.
- 7) Audit according to the policy assigned by the Audit Committee Interlink Communication Public Company Limited.
3. Review of Business Ethics and Code of Conduct for Employees and Executives
4. Assurance Service the Internal Audit function helps the management to improve the risk management. Internal control and corporate governance The application of the professional skills of internal auditing to the evaluation of the systems and procedures in the management of the Company To ensure that the objectives of Interlink Communication Plc. It also provides suggestions to improve the system and the rules for better performance.
5. The service provides professional opinion on various matters. Assignments, such as investigating cases of fraud or fraudulent activity, or cases where there is a reasonable suspicion of fraudulent conduct. Internal audits will be conducted to investigate the cause, the facts, and the consequences or will happen and the responsible person and recommended measures.
6. Counseling to the Board of Directors of Interlink Communication Public Company Limited Risk Management Internal Control and corporate governance.
7. To consider consulting the Board of Directors of Interlink and the management to provide effective and effective self-control. Internal auditors should monitor the effectiveness and effectiveness of the self-assessment process.

8. Coordinate with risk management agencies to present significant risk to the Board of Directors of Interlink Communication Public Company Limited (if any)

### **Independence The relationship between internal auditors and various entities and individuals.**

#### **Independence**

The Internal Audit Department must be independent as following;

1. Internal auditors report directly to the head of internal audit. The Chief of Internal Auditor reports the audit work to the Audit Committee and report on management to the Chief Executive Officer and President.
2. The Chief Internal Auditor is equivalent to the Chief Executive Officer of the major Interlinked Companies. To help effectively discuss and negotiate the results of internal audits with top executives.
3. The internal auditor is independent of other than the internal audit function. The internal auditors are free to express their opinions, report them with integrity, compliance with Internal Audit Professional Standards
4. Internal auditors should not be assigned to perform other tasks that are not related to internal audits or activities that may affect the independence and integrity of the auditor.
5. Performing the audit to assure confidence, formal counseling checking complaints and investigating suspected fraud. The internal auditor must disclose the details of the impact on independence. Fairness and disclosure of conflict of interest. Report to the supervisor.

### **The relationship between internal auditors and various entities and individuals.**

1. Relationship between the Internal Audit Head and the Audit Committee of Interlink Communication Public Company Limited and Management;
  - 1) The Internal Audit Chief should discuss with the Audit Committee of Interlink Communication

- Public Company Limited is the only management without management at least once a year
- 2) The chief of internal audit should have the right to meet the President to discuss issues appropriate.
  2. Relationship between the Chief of Internal Auditor and the Management, the Auditor and other Regulatory Entities. Internal auditors should discuss and plan internal audits with top executives., the auditor and the auditor of other relevant regulatory bodies. To ensure that internal audit plans and actions Covers relevant issues effectively and no duplication.
  3. Relationship between Internal Audit and Management the Chief Internal Auditor reports to the Management and the President before to presenting the report to another person.

The Company's policies are as follows:

### Related Party Transaction Policy

Board of Directors The policy on the Related Party Transaction Policy Rule Process for consideration and approval the disclosure of information shall be in accordance with the rules and notification of the Stock Exchange of Thailand, disclosure of Information and other acts of Listed Companies related party transaction:

**"Related party transaction"** means a transaction between a listed company or a subsidiary and a connected person of a listed company; Transaction between a subsidiary and a connected person of a subsidiary.

**"Agreement to enter into the transaction"** Is entering or settling into a contract or make any agreement, either directly or indirectly, to cause the acquisition or disposition of assets, lease or lease of assets, providing or receiving services, providing or receiving financial assistance and the issuance of new securities, includes the right to a waiver of such right.

**"Transaction person" means;**

1. Management, major shareholders, controlling person or the person to be nominated as an executive or Controlling person of listed companies or subsidiaries, including those related and close relatives of such person.

2. Any juristic person that has a major shareholder or the controlling person are the following persons of listed companies or subsidiaries:
  - 1) Management
  - 2) Major shareholders
  - 3) Controlling person
  - 4) The person to be nominated as an executive or Controlling person
  - 5) Related persons and close relatives of persons under 1) to 4)
3. Any person who is identified as a substitute or under the influence of persons 1 to 2 for the decision. Significant management policies or operations or other persons that the Stock Exchange of Thailand considers to have the same behavior.

**"Management"** means that the director, manager or the first four managers from the manager, next to the manager, persons holding the position equivalent to all four executive management positions and it also includes those who hold executive positions in the accounting or finance department that are at the managerial level or higher.

**"Major shareholders"** means that the shareholder, whether directly or indirectly, in any juristic person exceeds 10% of the total voting shares of the juristic person. Such shareholding shall include shares held by related persons and close relatives.

**"Controlling person"** means a shareholder or any other person who by circumstances has an influence on the management policy or operation of the Company; Significantly, regardless of whether the influence is due to the shareholders or authorized by contract or any other.

**"Related Person"** means a person or partnership under Section 258 (1) to (7) of the Act. Securities and Exchange Act, BE 1992.

1. Spouse of such person
2. The minor's children.
3. An ordinary partnership in which such person or persons under 1) or 2) is a partnership.
4. A limited partnership in which such person or persons under 1) or 2) is a partner of unlimited liability. Or a limited liability partnership with a combined share of more than thirty per cent of the shares. All of the partnerships



5. A limited company or a public limited company in which such person or persons under 1) or 2) or a partnership under (3) or (4) hold more than thirty per cent of the paid-up shares all of the company or
6. A limited company or a public limited company in which such person or persons under 1) or 2) or a partnership under (3) or (4) or a company under (5) holds more than thirty per cent of the total number of shares all shares of the company.
7. A juristic person in which persons under Section 246 and Section 247 can have the power to manage. As a representative of a legal entity

**“Close relative”** means that persons with blood relations, including, parents, spouses, brothers and sisters, and spouses of children.

**“Parent company”**, a company holding shares in a listed company Indirectly or indirectly, more than fifty percent of the paid-up capital of a listed company.

**“Subsidiaries company”** Companies in which the listed company holds shares directly or indirectly, more than fifty percent of its paid up capital.

**“Affiliated company”** means Parent company, subsidiaries company and affiliated company of the subsidiaries company

**“Associated Companies”** means, Companies in which the Company is a Shareholder Directly or indirectly, more than twenty per cent but not more than fifty per cent of the paid-up capital of that company.

**“Shareholders with interests”** means, who have benefited or lost.

**“General terms of trade”** means trade terms with fair prices and conditions and no benefits. This includes trade terms with the following terms and conditions:

1. Prices and conditions of listed companies or subsidiaries or to the public.
2. Prices and conditions for connected persons to the public

The price and conditions that listed companies can show are the prices and terms that the business operators have in common with the general public.

## Company’s internal information policy

Interlink Communication Public Company Limited and subsidiaries Company (“the Company”) have policies and procedures for overseeing the Company’s directors, executives and employees, do not use internal information of the company. It is not publicly available for the following purposes:

1. The Company will information to the directors and executives of the Company about the duty of reporting the Company’s holding of the Company by own, spouse and minor children to the Office of the Securities and Exchange Commission under Section 59 and Penalties under Section 275 of the Securities and Exchange Act BE 1992 (as amended) as well as reporting on the acquisition or disposal of securities of the Company by own, spouse and minor children to the Office of the Securities and Exchange Commission under Section 246 and the Chapter Riot Act under Section 298 of the Securities and Exchange Act BE 2535 (as amended).

2. The Company requires directors and executives of the Company Include spouse and minor children to prepare and disclose the report on securities holding and the report on the change of the Company’s securities holding to the Office of the Securities and Exchange Commission under Section 59 and the Penal Code under Section 275 of the Securities and Exchange Act BE 2535 (1992) (as amended) and submit a copy of this report to the Company on the same day the report was sent to the Securities and Exchange Commission

3. The Company prohibits the directors, management and employees of the Company bring the Company’s internal information take that information to the benefit of trading and such person shall not disclose such information to other persons who may use such information. If this is the case, both the information provider and the recipient of the information may be guilty of misconduct as required by law, including the Company’s disciplinary action. The punishment will be as follows: verbal warning Warnings are in books The termination of employment as a result of dismissal, dismissal or resignation of the director, as the case.

4. The Company prohibits the directors, management and employees of the Company or former directors, executives, and employees who resign and disclosing inside



information or secret of the company. The Company's confidential information. I have been informed of the performance of duties to third parties. The disclosure of such information will not cause any damage to the Company and the company's customers.

Directors, management and employees of the Company or former directors are responsible for maintaining confidentiality and / or internal information of the Company. It is responsible for the use of inside information of the Company for the benefit of the business of the Company only, not contrary to the Securities Act. The directors, executives and employees of the Company are prohibited. Obtain confidentiality and / or internal information of the Company. Directors, management, employees.

### Anti-corruption Policy

Interlink Communication Public Company Limited and subsidiaries company commitment to good corporate governance with emphasis on anti-corruption. They are committed to the principles of virtue, morality, ethics and good governance. Management with transparency and responsible for all stakeholders. The Company has set the guidelines for proper conduct of its advisors, sub-committees and employees of the Company, business Ethics and Code of Conduct This is part of the company's corporate governance. To ensure that the Company has a policy to set guidelines, requirements and channels for complaints. To prevent corruption decisions and business conduct that may be at risk of corruption are carefully considered and treated, the company has prepared writing "Anti-corruption policy" to be a clear guideline to conduct business and develop our organization continuously and sustainably.

Directors, executives, and employees shall not commit or accept any form of corruption either directly or indirectly. It covers all of the company's business. In all types and all related agencies. The Company has set guidelines. Action Measures and roles and responsibilities The Company has also reviewed and regularly review the implementation of anti-corruption policy to be consistent with changes in business, regulations, and relevant laws.

### No Gift Policy

The Company is operating under the principle of good corporate governance and business ethics Transparent and treat all stakeholders equally. Avoid acts that may lead to discrimination or cause conflicting interests and to be consistent with anti-corruption policies. Therefore, the policy is to receive - No-Gift Policy - to create a good standard of operation in a transparent manner effective for sustainable growth.

#### Principle

Company personnel be firmly committed to not receiving - bribes or other benefits to outside personnel, especially state officials. If we can prove that you have done, personnel of the company are guilty of both the Company and the law.

#### Guideline

##### 1. Giving gifts, souvenirs or other benefits

- 1.1. Giving gifts, souvenirs conventional can be done without conflict with the relevant law, for example, for Thailand, no more than 3,000 baht per person per opportunity. According to the National Anti-Corruption commission should be in a format that promotes the image of the company as follows.
  - 1.1.1. Calendar, Diary
  - 1.1.2. The product used as the media.
  - 1.1.3. Royal Project Products, royal projects, community goods in the company's operating area or charity goods or public products that support sustainable development.
- 1.2. Gift giving should be standardized so as not to discriminate.
- 1.3. Not to give gifts, souvenirs, property or other benefits to spouses, children or related persons of government officials, customers, partners and contact persons because by the circumstances, it is considered instead.
- 1.4. Gifts for important business occasions such as establishment, signing a business contract

can be done. If the value of the gift exceeds 3,000 Baht, it must be approved by the top management of each company or regulations of the company.

## 2. Reception

Expenses for business reception such as food and beverage, entertainment in the sport and other expenses directly related to business practices or a trade tradition. Including business insights can be done but it must be reasonable and do not affect the decision in practice or cause conflict of interest

## 3. CSR activities with government agencies or state officials

- 3.1. CSR activities with government agencies or state officials can be done as appropriate but must be done on behalf of the company and the objectives should be consistent with the Company's CSR policy and go through the procedures of the company defined.
- 3.2. CSR activities or any activity on behalf of the Company shall exclude work related to political support.

## 4. Giving gifts, souvenirs or other benefits

- 4.1. The Company's staff shall not accept gifts, souvenirs or other benefits in any case. It also has the duty of informing the third party of the policy to refrain from receiving such gifts.
- 4.2. In case of necessity to receive gifts, souvenirs or other benefits and cannot be returned to the company, appointment of responsible agency to collect such items and make donations to individuals or organizations outside for charity or public benefit or continue in accordance with the Company's regulations.
  - 4.2.1 Consumer products the expiration date is less than one month at the discretion of the supervisor.
  - 4.2.2 In case of diary, calendar used as public relations media, employees can receive a gift.

- 4.2.3 In case of receiving gifts on behalf of the organization, such as the signing of a business contract, can do that gift but must be the property of the company.

## 5. Receive offers, meetings, seminars, and corporate visits using partner budgets

- 5.1 Receive offers, meetings, seminars, and corporate visits using partner budgets, can be done If the contract is specified in the contract, but do not have the characteristics of tourism.
- 5.2 In case not specified in the contract agreement, can be done, considering that the receipt of such proposal is appropriate to benefit the company, it must be approved by the supervisor and according to the regulation of the company.

Not accepting offers for seminars with latent characteristics without the intention of transferring knowledge literally.

## 6. Expenses for travel and other expenses to government officials

- 6.1 Travel expenses support and other expenses to government officials. The Company must comply with the regulations of the Company.

## 7. Donation and support to government agencies or state officials Including charitable organizations.

The following conditions;

- 7.1 Is a trusted organization and / or are legally established.
- 7.2 Actions to be taken on behalf of the Company in a transparent and legal manner and according to the regulation of the company.
- 7.3 Should not pay directly to a government official or any other person on behalf of a person unless specifically stated in the letter of support and evidence of written support



- 7.4 Should be monitored to ensure donation and / or support has been taken for public use and / or for the purpose of donation and / or support actually.

Company personnel Understand and follow the No-Gift Policy or any other benefits. If you have any questions, please contact to the company secretary or responsible department / person.

### Whistle Blower Policy

The Company provides channels of complaints and clues for complaints, comments or suggestions from affected stakeholders. The risk of being affected by the business operation of the company or from the performance of the executive and its employees regarding illegal or unethical conduct, include behaviors that may imply fraud, including corrupt actions involving the company direct or indirect, lease notify the company for investigate further facts.

### Complaints and clues

When encountered with violation. Do not follow the code of conduct, including corrupt actions, may imply fraud or illegal Inquiries or complaints can be directed to the following persons;

1. President
2. supervisor you trust, in any level
3. Director of Internal Audit
4. Board of Director

### Place to file your complaint

- 1) Company secretary or
- 2) Mr. Chusak Direcwattanachai : Chairman of the Audit Committee, e-mail: chusak@interlink.co.th

Interlink Communication Public Company Limited  
Interlink Building, No.48, Soi Rung-Rueng  
Samsenok, Huay Khwang, Bangkok,  
Thailand 10310  
e-mail: t.thanyarad@interlink.co.th  
Tel. 0-2666-1111 ext. 291  
Fax. 0-2666-1193

### Process of receiving complaints

The Company has guidelines on how to proceed when the complaint is received as following;

1. When the company has been notified of a clue or complaint. The receiver will consider appointing the person responsible for the complaint as appropriate. The person responsible for the complaint will be the moderator. Carry out the relevant facts. Investigation Facts and to judge the offense relating to the violation or non-compliance. In case the accused is executive director of the company. The person responsible for the complaint must file a complaint so that the audit committee can consider the mistake.
2. Present to the President the appointment of an investigative committee consisting of experts with appropriate knowledge. It is fair to investigate the facts of the complaint.
3. The investigating commission shall collect information relating to complaints received through interviews and / or document audits.
4. The Investigative Committee shall conduct the investigation and judge the facts to determine the proper procedures and management methods.
5. The Investigation Committee shall take the corrective measures and mitigate the damage to those affected. Taking into account all the overall damage suffered. Report the results to the President to report to the Board.
6. The investigating committee reports the results to the complainant. If the complainant reveals himself

### Countermeasures and mitigate the damage to reporters, complainant or co-worker to report breach or violation of the Code of conduct

Complainant or co-investigator reporting will be protected and fair by providing information or clues that are helpful to the company regarding fraud. Failure to comply with laws or regulations issued by a government agency. This includes violating or not complying with the Company's regulations or codes of conduct as set out below:

1. Reporters, complainants or collaborators can choose not to disclose their names. If the disclosure

would cause insecurity or any damage. If disclosure is made, the company will be able to report results or mitigate the damage more easily and quickly.

2. The Company is responsible for confidential information. It will only be disclosed to the person responsible for solving the problem. Taking into account the safety and damage of the reporter or the person concerned.
3. If the complainant considers that he / she may be insecure. The complainant can request the company to provide appropriate protection measures. The company may provide protection measures to the complainant without request. If it is likely to be damaged or insecurity Those who have suffered damage will receive mitigation through proper and fair procedures.

## Section 7

### Ensure Disclosure and Financial Integrity

The Board of Directors attaches great importance to the disclosure of information as it affects the decisions of investors and stakeholders. There is a need to regulate and regulate the disclosure of legal compliance. Code of Conduct Anti-corruption policy Treatment of employees and stakeholders This includes fair practice and respect for human rights Including social and environmental responsibility. Take into account national or international accepted reporting frameworks, such information may be disclosed in the annual report. It is complete, reliable, timely, and reflects the practices that will lead to sustainable value creation both Thai and English. Information disclosure through SET Community Portal system of the SET. In addition, the Company has established an Investor Relations Office that communicates equally and fairly with investors, institutional investors, shareholders, analysts, and government agencies. The Board of Directors is committed to ensuring compliance with all applicable laws and regulations and related regulations on disclosure and transparency. If the shareholders need more information, can be contacted directly at Investor Relations Interlink Communications Public Company Limited, Address, 48 Soi Rungruang, Ratchadapisek Road. Samsennok, Huay Kwang, Bangkok Tel. 0-2666-1111 ext. 291

1. The Company has Investor Relations to provide the opportunity to ask questions that do not understand. For more information, please contact 0-2666-1111 ext. 291 or email: t.thanyarad@interlink.co.th

2. The Company disseminates information on the Company's website, both in Thai and English versions via website: [www.interlink.co.th](http://www.interlink.co.th), at the same time, the organization's communication agencies are responsible for disseminating operational information, the results of the company, through the media, to shareholders, investors, stakeholders and other stakeholders. The information of the company thoroughly.

3. The Company has activity an Opportunity Day to promote better understanding of the current situation and transparency of financial information and quarterly and annual financial results disclosed and disclose information other than those required by law.

4. The Company gives investors, analysts, and financial institutions the opportunity to meet and discuss issues directly with top executives. The company also held occasional press conferences. To provide financial and other relevant information. It can reach investors, interested people and the general public thoroughly.

The Board of Director is responsible for disclosing information, includes financial statements, annual report, form 56-1 reflects the financial status and performance. It also encourages the company to prepare a description and analysis of the management. To disclose quarterly financial statements, this will allow investors to better understand and understand the changes that have occurred in their financial position and performance in each quarter. In addition to the figures in the financial statements alone. The Board also monitors the adequacy of financial liquidity and debt repayment capability. in case that it is likely that the business is unable to repay the debt or is in financial difficulty, the committee will monitor closely and provide advice to operate the business carefully and to comply to requirements of information disclosure as well as to promote the use of information technology to disclose information through website and other channels



## Section 8

### Ensure Engagement and Communication with Shareholders

The Board of Directors recognizes and values the rights. The Company is also responsible for maintaining the interests of all shareholders in an equitable manner. In the company regulations and related laws no matter if the shareholder is a minor. Foreign Investors Institutional investors or major shareholders all shareholders have the right and equality as following;

1. Right to receive share certificates The right to trade or transfer shares
2. Right to receive timely, appropriate information for decision.
3. Right to attend the meeting and vote at the shareholders' meeting to make a decision to change the Company's important policy.
4. Right to appoint or remove a director Director's remuneration
5. Right to appoint an auditor and determine the audit fee.
6. Right to share the profit of the company.

#### Support of Shareholder Participation

1. Setting the criteria for minority shareholders to propose additional agendas in advance of the meeting date. The Board of Directors includes the agenda items proposed by the shareholders. If the board of directors denied the offer to the shareholders. The reason for the shareholders meeting.
2. The Board of Directors sends invitation letter meeting and relevant documents to the shareholders. The information is accurate, complete and sufficient for the exercise of the rights of the shareholders, published on the company's website at least 28 days before the meeting date.
3. Invitation letters and relevant documents are available in English and publish with the Thai version.

#### Procedure for the shareholders meeting

1. The Board of Directors sets the date, time and place of the meeting, taking into consideration the convenience of attendance of the shareholders.
2. The Board of Directors shall not require the shareholders or proxies to bring documents or evidence of presence beyond the limits prescribed by the relevant regulatory bodies.
3. The chairman of the board is the chairman of the shareholders' meeting to ensure the meeting is legal, relevant rules and regulations of the company, set aside time for each agenda and give shareholders the opportunity to express opinions and ask questions to the meeting on the related issues
4. The shareholders can make important decisions and the director does not support adding unnecessary agendas to the agenda. In particular, the important agenda that shareholders need to take time to study the information before deciding.
5. The Board encourages the use of ballots for important ballots, encourage independent persons to check or count votes, each agenda item shall be provided to the meeting and recorded in the minutes.

#### Disclosure of Meeting Resolution and preparation of Minutes of Shareholders' Meeting

1. The company will announce the resolutions of the shareholders' meeting together with the voting results within the next working day, through the news system of the Stock Exchange of Thailand and on the Company's website.
2. Submit a copy of the minutes of the meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.
3. Minutes of the shareholders' meeting are recorded as follows:
  - 1) List of Directors and Executives attending the meeting, the proportion of directors who attended the meeting and did not attend the meeting.

- 2) How to vote and count votes, resolution of the meeting and voting results (vote, disapproval, abstention) of each agenda.
- 3) Questions and answers at the meeting, including the name of the questioner and the respondent.

Apart from the eight practices, the Board of Directors also sees the importance of the Code of Conduct as a guideline for the conduct of the parties in each of the following part: -

## Code of Conduct

The Company has set up a company's guidebook. To all employee's adherence is a guideline for the operation, understanding and good practice and the same standard as following;

### Investor Relations Code of Conduct

Employees are required to understand the Code of Conduct. When in doubt, ask your supervisor. Human Resources Department or persons designated by the Company to be responsible for monitoring follow the code of ethics through various channels as well as inform the supervisor or the person responsible. Violation or non-compliance. Cooperate in investigating the facts with the agencies or persons assigned by the company.

### Company Practice

Employees must comply with all applicable laws and regulations. Including regulations and the order of the company and avoid Involvement in unlawful activities or contrary to the peace or good morals of the people. In addition to legal compliance, all employees must obey the ethical duty. We consider the business ethics. It is a valuable asset of the company.

### Treat my self

- 1) Be honest, fair and equitable Ethics in business.
- 2) Responsible for the work for the sake of the organization is important.
- 3) Doing the work with diligence, as well as seeking for ways to develop and improve the work is always effective.

- 4) Keep your honor to be accepted in society.
- 5) Be disciplined and comply with corporate regulations. Corporate Values and the good tradition, whether written or not.
- 6) Avoid any action. This may affect the reputation and image of the organization or a problem to the organization later.
- 7) Do not take the work of the organization to work. or use for personal benefit. This can result in inability to work in full time.

### Treats customers Related parties and societies

- 1) Facilitate and treat the contacts in a polite, willing and capable manner.
- 2) Listen to comments or suggestions from other people and ready to clarify the correct information.
- 3) The value of others. Treat others with equality and always honor others.
- 4) Contribute to the creation and development of the society in general. It does not cause any damage to the job and the image of the organization.

### Practice between employees

- 1) Strengthen teamwork by supporting each other. To benefit the work of the organization.
- 2) Create and maintain an atmosphere of unity and solidarity among employees.
- 3) The supervisor should respect the subordinates as a good example to the subordinate, following the value of the organization.
- 4) Treat the supervisor with respect and treat your colleagues with kindness and respect for the dignity of others
- 5) Do not take the work of others to impersonate your work.

### Treats Organizational

- 1) Legal compliance Rules, Regulations, command, and Board Resolutions
  - Compliance with the laws relating to the operation of the organization. Including rules Regulations, command, and Board Resolutions



- Do not engage in any act or conceal any illegal activity.
- 2) Reporting, retention, use and disclosure of corporate information.
  - Record and report information be sure to follow the system and standards and do not forge documents, reports or documents.
  - Do not use document information. Software programs, books, articles, video tapes, audio tapes and work of any person in violation of copyright law, no matter whether the information or work is copyrighted.
  - Upon the expiration of the period of time required to keep the information or documents. Relevant employees must take care to destroy. In the right way be accurate with each type of data or document.
  - Do not use corporate data obtained from performing duties, to seek benefits for themselves or others.
  - Internal information about the organization. objective plan Resolutions and Opinions of the Board, Subcommittees, Working Groups and Management. To disclose such information to any person must be approved by the owner of the information.

#### **Protecting corporate property**

- 1) Use the assets of the organization economically and profitably.
- 2) Collaborate to ensure that corporate property is not damaged.
- 3) Do not use any property. For the benefit of one's self or another.

#### **Computer and Information Technology**

- 1) Employees must comply with guidelines and instructions regarding the use of computer equipment and communications. Including electronic information of the company strictly for the benefit of the company and do not do anything, that violates the law or to the benefit of their business.

- 2) Employees will avoid websites that are considered illegal or violate morality and refrain from disclosing such information or sites to others. It will also avoid unknown sites which suspicious in safety
- 3) Only authorized employees have access to data files. Whether in the form of a computer file or other, employees are not allowed to view, reproduce, publish, delete, destroy or alter information. change Password or to take any other actions that cause damage.
- 4) Employees who use the company's computers. The software must be licensed by the copyright owner and only authorized to use from the company, to prevent intellectual property infringement.

#### **Intellectual Property**

- 1) Do not take the work of outsiders who have been or will be used within the company to check to ensure that will not infringe on the intellectual property of others.
- 2) When termination of employment. Must provide intellectual property. Including the return to the company. The data is stored in another format.

#### **Reception or any other benefits**

- 1) Do not request gift or other benefits from other persons who have a duty or business related to the organization, either by self or by others.
- 2) Do not accept any other gift or benefit from any person who has a duty or business related to the organization, except in occasions or traditional festivals that people should treat each other by other things or benefits. However, such acceptance must not influence any decision which is unfair to the performance of duties.
- 3) Receiving gift or other benefits that do not meet the criteria in Article 2). Good relationship between people The recipient shall report his / her supervisor.
- 4) Receiving gift or other benefits to each other in various activities between organizations or between the organization, the recipient shall report his / her supervisor.

### Giving gifts or other benefits

- 1) Not to use any method of money, property, goods or other benefits to any person who intentionally induces or abstains from the action.
- 2) Do not offer money, property or other benefits to business partners to exchange privileges that should not be.
- 3) Spending on business reception It is acceptable but it must be reasonable.

### Political Exercise

- 1) Should exercise their right as a good citizen under the constitutional law and other laws associated
- 2) Do not participate in any activities. It may give rise to an understanding that an organization is involved or supporting a political party.
- 3) Do not use corporate assets to support a political party.

### Monitoring and review

- 1) Duties and responsibilities of directors and employees to understand and strictly follow the code of ethics.
- 2) The supervisors at all levels must take responsibility, employees under their supervisory responsibilities this code of conduct seriously.
- 3) The supervisors at all levels must be leaders in the conduct of ethics. It also promotes the environment, employees and their stakeholders to understand that ethical conduct is the right thing to do. strictly you cannot claim that you do not know the guidelines set out in this code of conduct.
- 4) When in doubt Not sure how to follow the code, consult with the supervisor or department corporate events or agencies that do the same thing but call it something else. It is responsible for supervising ethical conduct

### Whistle Blower

#### Complaints

The Company provides channels of complaints and clues for complaints, comments or suggestions from affected stakeholders. The risk of being affected by the business

operation of the company or from the performance of the executive and its employees regarding illegal or unethical conduct, include behaviors that may imply fraud, including corrupt actions involving the company direct or indirect, lease notify the company for investigate further facts.

### Complaints and clues

When encountered with violation. Do not follow the code of conduct, including corrupt actions, may imply fraud or illegal Inquiries or complaints can be directed to the following persons;

1. President
2. supervisor you trust, in any level
3. Director of Internal Audit
4. Board of Director

### Contact for clues and complaints

- 1) Company secretary or
- 2) Mr. Chusak Direcwattanachai : Chairman of the Audit Committee, e-mail: chusak@interlink.co.th

Interlink Communication Public Company Limited  
Interlink Building, No.48, Soi Rung-Rueng  
Samsenok, Huay Khwang, Bangkok,  
Thailand 10310  
e-mail: t.thanyarad@interlink.co.th  
Tel. 0-2666-1111 ext. 291  
Fax. 0-2666-1193

### Discipline

Code of conduct is a discipline which all employees must strictly follow and strictly follow, violent Employee failure to comply will result in disciplinary action all employees have the duty to follow and encourage others to follow the code of ethics.

- 1) Do not follow the code of conduct.
- 2) Encourage, encourage or encourage others not to follow the code of conduct.
- 3) Neglected when seeing the violation or non-compliance in case you know or should know. Due to their involvement with the task under their responsibility.



- 4) Do not cooperate or interrupt the investigation. Investigate facts that claim to have violated or not followed the code of conduct.
- 5) Unfair actions to others because to the fact that the person reported not follow as code of conduct.

The unethical actions mentioned above. Follow the process of punishment and follow the rules. With the administration of personnel. Employees who commit unethical conduct may also be subject to legal penalties if the offense is illegal.

## Directors

### 1. Organization

- 1.1 Acting in full compliance with law, objectives and regulations, with integrity and the collective benefit of the organization is important.
- 1.2 Adherence to ethics Perform duties with honesty, morality, and courage in expressing your opinions.
- 1.3 Use of discretion in the performance of duties independently.
- 1.4 Be impartial, no political party or political influence.
- 1.5 Not disclose company information to outsiders.
- 1.6 Full devotion to attend the Board of Directors 'Meeting and the Shareholders' Meeting

### 2. Shareholders

- 2.1 Perform duties in accordance with the resolution of the shareholders' meeting and for the maximum benefit of the shareholders as a whole.
- 2.2 Supervise the management of the organization with prudence and prudence. To prevent damage or impact to shareholders.
- 2.3 To maintain the interests of shareholders. To ensure that the rights of the shareholders are respected and treated equally.
- 2.4 To disclose information or report on the status of the organization to the shareholders correctly, completely and timely.

### 3. Customers

- 3.1 Have a good attitude and it is important to customers, respecting the customer with willingness, enthusiasm, kindness, gentleness and confidentiality of customers. It is not used for the benefit of themselves or others wrong, as well as treat all customers equally.
- 3.2 Encourage technology development and innovation with continuous value added The quality of service to standard and high quality to provide customers with the most satisfaction.
- 3.3 Deliver quality products and work Meet with customers at fair prices.
- 3.4 Provide accurate and up-to-date information and advice to customers. To know about products and services.
- 3.5 Deliver the work and guarantee the work under the terms of the appropriate period to give customers satisfaction.
- 3.6 Secure storage of customer information, have customer confidentiality measures do not forward the information without your consent.
- 3.7 There is a process system where customers complain about the quality. Security of goods and services Including the speed of delivery response and to the end to get customers quick response.

### 4. Partner, Creditor, Debtor

- 4.1 Treat all trade debtors equally and fairly, taking into account the maximum benefit of the company and based on the fair return of both parties.
- 4.2 Competition on Equivalent Information there is no exclusion for any one partner entering the competition.
- 4.3 Construct a suitable and standard contract model.
- 4.4 Provide management and monitoring systems to ensure compliance with the contract, has an internal control system that prevents fraud and misconduct at every stage of the procurement process.

- 4.5 Payment to partners on time and the terms of payment agreed.
- 4.6 No allegation of undue misrepresentation to the trader.
- 4.7 Avoid situations which there is a conflict of interest and fulfill the commitments.
- 4.8 Provide real information correct report negotiating and solving problems are based on business relationships.
- 4.9 Comply with the terms and conditions agreed with partners and creditors strictly, the case cannot be fulfilled must be notified in advance to find solutions.
- 4.10 Use copyrighted products and services. It does not support goods or acts that infringe on intellectual property.

## 5. Competitor

- 5.1 Free Trade Policy and believe that the competition is good because it will develop the standards of service and new innovations to offer to customers.
- 5.2 Behave in a good competitive environment.
- 5.3 Does not ruin a competitor's reputation with the allegations in the wrong and without truth.
- 5.4 Do not seek confidential information from competitors in a dishonest manner or in any other inappropriate manner.

## 6. Social, Custom

- 6.1 No action that could damage the public.
- 6.2 Responsible for society by setting business policy that is not contrary to customs, traditions and morals.
- 6.3 Promote the awareness of social responsibility to employees at all levels, encourage the return of a part of the organization to society and to improve the environment.

## Management

The management of the company consists of Board of Directors and Senior Executive Vice President It has been entrusted by the shareholders to play a role in setting up a

policy to supervise and control the Company's operation effectively. To achieve business results, so to show that the company's executives are committed, our commitment is to be honest and transparent so that we can achieve our business success and was accepted by all parties. The Company therefore deems it appropriate. "Management Code of Conduct" is a guideline for executives of the following;

### 1. Organization

- 1.1 Perform duties with honesty and fairness to maximize benefit to the Company and its stakeholders.
- 1.2 Reveal the status of the business group correctly, completely, and timely.
- 1.3 Dedication, knowledge and ability for the benefit of the company all the time.
- 1.4 Act as a representative of the organization to a third party. It also helps to promote the image of the company when the opportunity is right.
- 1.5 Perform duties in accordance with the policies or regulations of the society strictly defined by the organization.
- 1.6 In case of information or interviews with the media or publicly, must be assigned by the company.

### 2. Employees

- 2.1 Have a good attitude towards the employees and to rule with kindness and justice and do not use authority in the wrong way.
- 2.2 Have leadership and practice as a good role model for employees.
- 2.3 Provide knowledge, advice and counsel to employees also listen to comments and suggestions with willingness and sincerity.
- 2.4 Encourage employees to be more secure on the job and personal life.
- 2.5 Executives will provide fair compensation to employees.
- 2.6 Executives will keep the workplace environment safe for the lives of employees, the company and employees are always safe.



- 2.7 Appointment and relocation Including rewards and punishment for employees, management is done with equality, honesty, fairness, and based on the knowledge, competence and suitability of the employees.
- 2.8 Executives will encourage employees to develop their knowledge thoroughly and consistently.
- 2.9 Executives strictly adheres to the laws and regulations relating to employees.
- 2.10 Executives will respect the individuality and dignity of humanity.

### 3. Shareholders

- 3.1 Executives will perform their duty with honesty all shareholders equally for the maximum benefit of the shareholders.
- 3.2 Executives manage the operations of the company and make any decisions with caution and prudence.
- 3.3 Executives will perform duties by applying knowledge, management skills and the best management in all cases.
- 3.4 Executives will equally report their status to the shareholders, regularly and completely.
- 3.5 Executives will not seek their own benefit and anyone else using any of the Company's information that has not yet been disclosed to the public.
- 3.6 Executives will not disclose the Company's confidential information to outsiders, especially the competition.
- 3.7 Executives will not take any action may possible conflict of interest with the Company.

### 4. Customers

- 4.1 Strive to develop and provide quality service to meet customer needs. It is safe and complies with the standard, at a reasonable price can be delivered within a specified period to maximize customer satisfaction.

- 4.2 Strictly comply with the terms and conditions of the trade agreement. And maintain customer confidentiality, do not use trade secrets for their own benefit or those involved.
- 4.3 Do not take advantage of customers or excessive profits including no unfair trade terms.
- 4.4 Communicate with customers verbally with fast and efficient operation for the customer's trust.
- 4.5 Listen to comments or regularly customer feedback and suggestions to correct.

### 5. Competitor

- 5.1 Promote cooperation in trade competition for the benefit of customers and follow the framework of fair competition.
- 5.2 Do not seek confidential information from your competitors in dishonest manner or inappropriate and do not disclose or ignore the secret of the company falls into the hands of competitors.
- 5.3 Does not attack and destroy the reputation of a competitor with alleged misdemeanors or use any other method that is not correct.
- 5.4 Ignoring bullying or make competitors lose opportunity unfairly.

### 6. Social, Environment and Community

- 6.1 Performs duties in their respective responsibilities and with a good conscience on the environment and the community is always.
- 6.2 Jointly Creative and join activities or projects for social development, environment and community
- 6.3 Act as a good example for the conservation of natural resources and the environment and to promote the use of natural resources is worthwhile.
- 6.4 Operates the business with public interests in mind.



## 7. Anti-Corruption

The company has prepared the anti-corruption policy to demonstrate our commitment to conduct our business with fairness, honesty, transparency, social responsibility and all stakeholders in accordance with good corporate governance and approved by the Audit Committee and approved by the Board of Directors and communicate to all employees. The anti-corruption policy has been set up for all employees to introduce new employees and announce them through the boards within the company also on the company website. To publish to interested parties.

## Audit fee

The Company and subsidiaries company has paid auditor fees to the registered auditor in the year 2017 in total of Baht 3,340,000 (Three million three hundred and forty thousand baht)

## Non Auditor Fees

-None-



## 15. CORPORATE SOCIAL RESPONSIBILITY

The Group of Interlink Communication Public Company Limited was established in 1987, starting from the point the my wife (Ms. Chalida Anuntarumporn) and I (Mr. Sombat Anuntatumporn) brought our saving of 250,000 Baht to register the company named “International (1987) Company Limited” (the name was later changed to Interlink Holding Company Limited). The business first started from being a distributor of electrical products, computer products and office equipment and supplies, for example; diskettes, ink ribbon, office tables and chairs.

Later, there has been a development in computer technology by connecting computers to form LAN (Local Area Network). I (Mr. Sombat Anuntarumporn) who graduated in electrical engineering and had experience in installation of electrical and communication systems saw a potential growth of computer cable business so I studied technology by which computers are connected by signal cables and I am the first one who brought in technology of LAN cable into Thailand. Furthermore, with persistent policy and focus on signal cable business, together with implementation of innovative management in “sales secretary” style and better service for the company’s customers, “Interlink Communication Public Company Limited is currently the biggest signal cable importer and distributor in Thailand” and targeted to be the biggest one in Asian soon.

Later, with our ideology to bring in technologies to develop Thailand (Mission) and with our intention to grow along with our customers (Growth Together), it leads to creation of business vision (Vision) to “grow, carry on, and sustain” (Sustainable Growth). Throughout our business operation, the Group of Interlink Communication Public Company Limited has adhered to our commitment in the form of 3 business declarations; namely, 1. Quality products, 2. Cost leadership and 3. Quick response. Consequently, the Group has grown rapidly by focusing on 3 core businesses including 1. Distribution Business 2. Telecom Business 3. Engineering Business . In return, to contribute to the society, the Group of

Interlink Communication Public Company Limited has established a foundation called Interlink Giving Hearts to implement corporate social responsibility (CSR) projects in which customers, vendors, employees, shareholders and individuals in the society in general will be prioritized.

The Group of Interlink Communication Public Company Limited has been established for 30 years. The Group consists of the parent company and its subsidiaries as follows:

1. Interlink Holding Company Limited (the parent company and the major shareholder);
2. Interlink Communication Public Company Limited;
3. Interlink Telecom Public Company Limited;
4. Interlink Power and Engineering Company Limited.
5. Interlink Data Center Company Limited.

### 15.1 Sustainable Business Practices

Over the previous 30 years, the Interlink Group has been operating as part of the Thai Society being aware of the importance of business practice with a mind for social responsibility. Therefore, the Company has established the Corporate Social Responsibility Policy aligning the strategy for Continuous Growth and Sustainability in parallel to business practices with a development for maximum benefit of the society as a whole. The Company has performed such practices through 6 dimensions as follows.

**Dimension 1:** Business management under good corporate governance concept to support and promote good corporate governance as prescribed by the Stock Exchange of Thailand by adhering to ideology. It has been traditionally operated under the Corporate Governance and Ethics On the basis of balanced and sustainable happiness. We are also aware of our mission to build confidence in our business. The management system is good, transparent and fair to all stakeholders. So what will make the shareholders trust? It is the policy of the company to ensure that the fundamental rights of the shareholders are fair, as required by law or more



Include appropriate management. Efficient and effective accepted by investors and all parties involved.

**Dimension 2:** Conducting business fairly, ethically, transparently and accountable as well as complying with the laws, rules and regulations of the society and to be neutral in political standing.

Fair Business Ethics and Transparency Can check and comply with the law. Respect the rules of society It is a politically neutral organization, adherence to the terms and conditions of the trade and contract, which set the Code of Ethics and commitment to the stakeholders strictly. Clear provisioning and implementation arrangements are in place, supporting environmentally friendly procurement, avoid anything that would violate human rights or violate intellectual property rights, also, do not do business with partners who are unlawful.

**Dimension 3:** Continual development of human resources from into to create organizational culture of “Good and Smart” which will drive the mindset of social responsibility externally through CSR programs at all levels to foster a quality project within the organization. This is a key strategy in building a sustainable society to Thailand. The key concept is that “employees” are the most valuable asset of an organization and the growth of the organization depends on the quality of employees, the company has a policy to focus on improving human resources management. Build a culture consistent with your business strategy. Create a good bond between employees to the organization. Commitment to employee retention Provide appropriate welfare to provide good quality of life for employees. Including the belief in the value of people committed to excellence, the way to give experience in learning. Additional Skills Training Develop the potential that already exists to be outstanding can be grown in the job.

**Dimension 4:** Continual improvement on relationships with stakeholders through ethical and accountable business practice, which aims for growth while looking after all stakeholders with equity. Board of Directors defines guidelines for the role of the company to stakeholders. The Company has complied with the good corporate governance principles of the SET, stakeholders, partners, creditors, competitors, shareholders or investors as well as neighbors, communities, society and the environment, including not taking any action,

violate Including intellectual property such as;

- The Company respects the rights of the Joint Venture and treats all Joint Venture Partners fairly, do not take advantage of the joint venture. It also cooperates with investors to promote and support the operation of the business to be strong. Encourage exchange of ideas, suggestions, transparency and push for the implementation of the law and sustainable development.
- The Company takes into account the equality of all parties concerned. Be honest in business. Engage in the operation to create credibility. And fair to the creditors. Follow the contract and conditions agreed. We strive to maintain a lasting relationship with our creditors.

**Dimension 5:** Participant with the local communities and society under our belief that the Company cannot grow without the support of the local communities and the society by concentrating on educational, cultural and societal development and the improvement on the quality of life to promote and support employees to have volunteer spirit through many CSR activities of the Company because the business will live with the community is sustainable. Every entrepreneur must carry out and improve the quality of life of the community. Promote good concepts and practices in caring for the community. Therefore, the Company I have tried and tried every way to cultivate good consciousness encourages employees and stakeholders. Act as a good citizen, responsible and beneficial to the community and society. It also gives opportunities for communities and stakeholders to participate in various activities or projects. Include comments, suggestions or complaints to improve the results of the company. Achievement target The Company believes that “strong society” will be the foundation for developing the country to prosper.

**Dimension 6:** Innovation improvement in products, operations, and systemic decision making beginning with the prevention, maintenance, Improvement and Development to promote new innovations.



## 15.2 Socially Responsible Information Disclosure of Business Operations

The Company emphasizes and promotes responsible corporate social responsibility to create sustainability. Corporate Social Responsibility (CSR) has been set up as a guideline for responsible corporate governance. Taking into account all stakeholders involved in business operations in terms of economy, society and environment. In the past, the Company It creates a sense of social responsibility through our corporate vision, mission and policy. It became a cultural value and organization of the organization.

### “Good persons INTERLINK No. 1”

I	Improve ourselves	Continuous self-improvement.
N	Network and Communication	The network is a good interaction.
T	Teamwork	Teamwork.
E	Excellent Service,	Service-Oriented (Excellent) quality.
R	Responsibility & Accountability	Responsibility for the success of the work and public.
Link	(Knowledge)	Exchange to innovation for corporate development.

The Company has operated responsibly. The system works from the prevention, the prevention, the maintenance, the improvement, the improvement, and the development to the innovation. The principle has been taken. Use as a key practice. This allows organizations to perform their tasks according to their goals. It can disseminate and build } confidence among all stakeholders, at the same time, the operation of the company. Corporate Social Responsibility (CSR) focuses on the virtues and ethics of the company also, the company can create value and good corporate image. It is manifested to the eyes of society. For more than 30 years, our corporate social responsibility The Triple Bottom Line can be divided into 3 areas: economic, social and environmental. The Company has disclosed business operations regarding corporate social responsibility through CSR Report 2016 (Sustainability Report 2017) to balance the business profits and return to society. The Company's social responsibility there is concrete action are as follows

### 1. Ethical Business Practices:

The Company's Board of Directors is aware of the importance of good corporate governance by giving priority to the business processes at all stages and levels for greater transparency and to increase competitiveness and the confidence from all stakeholders. The Company complies with the good corporate governance framework by the Stock Exchange of Thailand.

### 2. Anti-Corruption:

The Company has established Anti-Corruption Policy in writing as part of the Company's Code of Conduct. The Anti-Corruption Policy was approved by the Board of Directors Meeting 5/2009 on November 14, 2014. It is communicated to all employees. Are set to Training policy against corruption, corrupt all employees in the orientation of new employees and posted across the board within the company as well as on the website of the Company to disseminate to the public interest for encourage employees to have the correct knowledge and adapt to the proper operation.

### 3. Human Rights:

The Company respects human rights as the foundation in human resource development by having the policy and regulations in writing which is fair to all personnel. The } practices are in accordance with international standards through the responsibility of the human resource department. To ensure the Company is committed to the prevention of human rights abuses with a clear policy and written procedures. That is fair to all personnel. In the proper operation to prevent human rights violations in all business activities of the company. The operation is in accordance with the requirements of international standards. Through the Human Resource Management mechanism

### 4. Equitable Treatment of Employees:

The Company gives protection and take care of the employees sufficiently through many benefits and workplace protection include fair treatment to all parties because the company is aware that employees are a factor of progress. It has supported the development of highly qualified personnel. In addition, the Company manages its employees by providing fair and reasonable returns and consistent with

the performance of the company, both short and long term. The rate of return to the appropriate level, competitive with the market and the same industry. Including performance evaluation, all employees every level has a KPI and includes a review of welfare at a level higher than the statutory requirements such as provident funds, health care costs accidental medical Insurance E-JIB, etc.

#### 5. Responsibility to Consumers:

The Company thrives to create satisfaction and confidence from consumers to receive good services and high quality products according to the ISO 9001:2015 standard at an acceptable price and to disclose all important information fully while respecting customers and consumers privacy in their information. It also has continuous innovation. To deliver products and services that meet the true needs of consumers in terms of quality and price fair. Products and services must be safe at international standards. Environmentally friendly and strengthen sustainable growth. Implementing a strategy for excellence to be confident and get the highest satisfaction. They also have a responsibility for customer relationship management. They will give you suggestions on products and services, as well as advice on how to use them. Trouble-shooting after sales service. Include complaints. To suggest a plan to improve operational efficiency.

#### 6. Taking care of the Environment:

The Company thrives to develop products with a mind for the effect on the environment in all the stage of the product cycle. Therefore, all imported products are in accordance to the Restriction of Hazardous Substances Standard which is a regulation of the European Union (Directive 2002/95/EC) which has determined the standard for the environment. In addition, the construction of Interlink Data Center was for the highest efficiency in energy use. The Company also has regulations in work practice to reduce effects to the environment.

In terms of safety in the life and health of the employees, the company is always aware and always important. There is ongoing action on this issue. Occupational health, safety and working environment are defined, to ensure that all units have a good occupational health and safety management system. The aim is to create a culture of security within the body.

Employees must strictly follow. Training is also provided to raise awareness of work safety. Learn the principles of risk assessment, prevention, control and compliance.

#### 7. Local Communities and the Society Development:

The Company gives back to the communities through many projects and activities with the aim of developing the society to go sustainably. Also, all business processes are aware of the effect to all stakeholders and listens to all suggestions for a mutual agreement and improvement.

#### 8. New Innovations and publicizing innovations:

The Company has operated while being socially responsible through systematic operation and decision making to prevent, maintain, improve and develop to continually produce new innovations. The customer satisfaction survey is conducted in each business group to measure expectations customer satisfaction and bring the needs of customers to develop new innovations.

#### 9. Copyrights and Intellectual Property Infringement Campaign:

The Company's policy is to use information technology in their organizations. The guidelines have been prepared in writing. According to the document number IT.005/14/BS, which became effective on January 6th, 2014 in compliance with, or non-infringement of intellectual property rights. The Company plans to carry on with the story, including all employees must sign an agreement not delinquent on your computer and do not violate intellectual property rights. The company has a policy to use the system's information technology group and a monitoring system software employee. To prevent the use of software is pirated or not work-related.

### 15.3 Internal Corporate social responsibility

The Company operates in accordance with sustainable development, recognizing that employees are a factor in advancement; the Company supports the development of human resources to create a good attitude to the personnel. This is the first step in the spot, initially committed to creating social responsibility for the people in our organization, from executives, supervisors and employees in various areas.



The Company also ensures that the Company receives appropriate and fair remuneration consistent with the performance of the Company both short and long term to reduce the environmental impact of business operations by cultivating consciousness awareness for employees at all levels including the development of all stages of the process. It also aims to create a network for sustainable development and to implement concrete results. The activities and formats of the projects are as follows:

### (1) Personnel

■ **Annual Seminar:** The event that is held in early of the year as to allow employees and the executives to learn and understanding of the operation of each section. As a result, employees can pull their potential in order to do work effectively and efficiently. This is the most important to enable the Company to conduct its business toward policies and goals.

■ **Annual Medical Check-Up:** To promote the health and hygiene of the staff and to enhance capacity of the body to always ready to work.

■ **Outing:** This activity is held to the personnel in the organization's stress relaxation. Strengthen relationships and harmony between employees and management through recreational activities such as sports events, rally etc. Apart from that, there is a great opportunity to all the personnel in the organization to join CSR activities and events together such as the release sea turtles, growing the mangrove etc.

■ **"Interlink Hai-Jai" Cooperative:** Established and operated by a key objective is to cultivate to save and rescue the personnel who are facing financial problems.

■ **Financial Discipline Campaign:** Established to promote employee awareness and instill a habit of patronizing, discipline in spending and know how to keep and use the right way to pay the most important debt. Employees need to know how to plan their spending. It also creates knowledge and can use the knowledge gained. Happy Money is one of the "8 Happiness" topics that enhance the quality of life for employees.

■ **Chief Replacement and manager to be leadership and COACH Project:** The project aims to provide leaders with leadership skills in managing their teams to maximize efficiency and effectiveness with the attitude of work. The use

of good communication tactic, adjust the working atmosphere pull strengths and fix weaknesses. To build a strong team formed a team capable, encourage inspiration in the work, acceptance and faith in the work done to develop each team to the potential of the work pledged to bring the organization to the goal.

■ **Interlink Training Course:** To train and educate the internal personnel to promote, introduce and suggesting information, and give an advice of how to use all types of Interlink products. The Company continually develops its personnel to promote knowledge and ability to work to maximum effectiveness, therefore, the Company has always provided knowledge and training to its employees. Introduce the proper working information and usage of all types of products all personnel have knowledge and understanding of the company's products and services.

■ **Morning Talks:** The Company has always developed innovative products and services to meet the needs of consumers. In addition to the ongoing research and development budget a one stop service has been developed to provide the potential to meet the needs of our customers, analyze employee performance each week with suggestions, problem solving in the operation and understand the products to achieve the same. The result will be able to advise consumers correctly.

■ **Computer Basics Training:** To train and educate the internal personnel of the basic knowledge in computer operations such as maintenance, basic troubleshooting, using Navision, etc.

■ **"Jai Sa-bai...Guy Pen Suk":** An activity as to purify the mind and quality of life. The lectures are focused on the knowledge of living, changing the attitude and practicing vepassana Meditation. The activities are conducted both inside and outside the office as appropriated.

■ **"Ormboon Samngkusol Jaining Sukkurd":** Wishes for a new generation of heart Dharma attention and care more with regards to practice seriously.

■ **The 5S project:** The purpose is to develop and enhance the performance of the personnel to be effective and to encourage participation in the development of quality in the work of the personnel at all levels. This will also cultivate the discipline and the good habits in work. The implementation of 5S can be used as the basis in work, and, it also contributes the unity in the group as well.



■ **Fire evacuation practicing:** The purpose is to plan and practice fire evacuation by involved personnel in the simulation in order to be ready, not panicking and do not underestimate the situation when facing the real one.

■ **Training for Basic Fire Fighting:** This training is to educate the basic fire fighting and can be implemented in a real emergency including knowledge about fire the use of firefighting equipment, first aid and etc.

■ **Aerobic Exercise:** It is an exercise activity by aerobics in the evening after work by professional trainers to promote healthy employees, spending time to benefit. It also enhances good relations with employees.

■ **Healthy Food Program (chicken stewed with Chinese medicine):** This is an activity organized to teach cooking. Nutritious and health benefits and can be added to the career supplement of employees which is another way to increase

## (2) environment

■ **Environmental Programs:** Events held to provide all units to participate in the campaign by using creativity in ways to conserve energy, reduce global warming, Construct awareness for tenacious, prevention and solve environmental problem. In the years 2015 to the present organized by topic in activity is “Ruleawrukleay and Kaisajaimakkuakan” by thinking about ways to save energy in the office and everyday life employees are proud of their involvement in helping to think of ways to save energy and preserve the environment. The results of the project good for both personnel and organization. It encourages awareness of the importance of using natural resources. It is also an important driving force (Green Organization) for to know how to maintain the most valuable natural resources.

■ **Efficient Resources Usage Campaign:** According to 3Rs, which is the international standard that is the practice of waste disposal, the company has adopted the guidelines use as a policy to operate to reduce the impact on the environment from work processes. It is a mechanism for sustainable development. The principle of human resource allocation is based on the basic concept of environmentally conscious work in 3Rs.

\* **Reduce** is to reduce the use of luxuries, save enough and choose to suit the needs.

\* **Reuse** is the use of things that are used again to make use of valuable resources.

\* **Recycle** is the recycle waste to recycle.

The company supports the reuse of materials. Two-sided papers turn off the air condition and turn off the lights during work breaks or periods when the management staff is not in the office for a long time, walk up the stairs in a high floor, using a car in the same way, even though the project is not clear. In terms of numbers, energy values or reduced cost numbers. It helps to instill a personal habit and bring it back to use in the daily life of the family to be a good citizen of society.

## 15.4 External Corporate Social Responsibility

At present, the Company has more than 12,000 Dealers in the Bangkok metropolitan area and the provinces. to help the company, distribute products and services more quickly. In order to support the market expansion in the region, the Company has opened various branches. Region of Thailand The project has been implemented. “Free Delivery in Thailand” so that distributors in the provinces can buy products from the company, available at the same price in Bangkok. It also distributes products to neighboring countries via distributors. Laos, Cambodia, Myanmar, Vietnam and Singapore with awareness of the importance of the consumer, the Company has focused on service at all levels. Focus on and instill service mind to all employees to take care and build confidence.

With awareness of the rights of consumers, as a result, the Company focus on customer relationship management before and after Sales Providing product and service information to customers that are realistic and sufficient to meet the needs, commitment to innovation for product innovation and continuous service including to educate to use to decide to buy products and services. It focuses on processes and activities that bring benefits to society and the environment. This will lead to sustainable consumption and continued economic growth.

To respond to the spirit of the consumer and to restore the value to society, the company has organized many projects under the commitment to create benefits to



customers and interested. The purpose is to provide accurate knowledge of the Company's products and services to develop knowledge, application skills to have the correct understanding can be used effectively, according to the need and to keep up with the ever-changing technology. The details are as follows.

- **Interlink Training Course:** Currently, there are 5 courses, Training to give knowledge, promote and give an introduction of how to use, and the proper using of all type of company's products to the customers, to achieve better understanding on how to choose the correct method and the most effective.
- **LINK Basic of Open Cabling (LBC):** The course is designed to give the trainee the knowledge basic understanding of LAN line, Fiber Optic, CCTV, LAN conversion, PoE (Power over Ethernet), Cabinet for communication devices used in various cable systems.
- **LINK Advanced Copper Installation Terminate & Test LINK Advanced Copper Installation Terminate & Test (LAC):** Is a course designed to provide trainees with the knowledge, understanding of UTP, Coaxial, Telephone and PoE systems for proper use of tools and understand the test system that is required by international standards. It also has a professional practice.
- **LINK Advanced Fiber Optic Installation Terminate & Test (LAF):** The course is organized for the trainees to have the knowledge, understanding Fiber Optic and FTTH, the tool can be used properly and fiber Optic FDU, power sockets and other equipment can be installed. It also has a professional practice.
- **LINK Professional Design & Analysis Open Cabling (LPD):** The course held for professional engineers to understand the core of the cable system, specifically, the design and analysis of the open Cabling system for all operating conditions. In-cabling system design, analysis, features, cabling technology, and open cabling are designed to meet the international standards.
- **LINK Implement Solution & Installation (LIS):** The course is held to give the trainee the knowledge, understanding Signal Cables to Install Properly They can also be used in the cabling system for international standards or follow product recommendations.
- **Road Show:** Both Domestic and international, the campaign runs on training of how to use the company's products to cover whole regions of Thailand and international which the participants of this campaign no need to pay for all occurred expenses.
- **Special Group Seminar:** A seminar of five main groups are the government, enterprises, universities, communication systems design counseling and telecommunication group, to introduce and educate about company's products.
- **Product Seminar:** Seminar and exhibition, to present products' information including giving knowledge about products and related new technology.
- **Interlink Campus Tour:** Activities to educate to students to learn knowledge of computers cabling system and telecommunications system together with work shop and activities with purpose is to participants can apply their knowledge in their career in future.
- **Cabling Contest:** Interlink It is the largest cable importer and distributor in Thailand. It is the first company to introduce the technology of LAN cable or UTP (Unshielded Twisted Pair) in Thailand and is the initiator of the production of the RACK cabinet to the network equipment. In addition, the technology of the MEDIA CONVERTER is published to connect computer and communication systems with fiber optic cable far and faster. Our mission is to bring technology development to Thailand. Based on this success, Interlink to share and transfer knowledge to the society. It is important to develop potential for students to promote. Development of youth with technological capabilities, they also have skills and knowledge,



the youth represented in the world stage competition, students will be able to demonstrate their abilities. It also enhances the quality of education at the international level to international standards learning of new age students. It is necessary to adjust the learning process to improve the paradigm shift should be targeted, know the situation, creating the ability to work with others in different cultures the skill competition on the signal was held, for students in the undergraduate level and vocational education throughout the country.

The company is the main sponsor of the ASEAN skill Competency handbook organized by the (ILO APSDEP), which held its member countries in Chiba. Japanese and agreed to organize the ASEAN skill Competition. as such, the competition is a national agenda for all ASEAN countries, the tournament will be held every two years and in 2018, Thailand will host the ASEAN Games again at IMPACT Muang Thong Thani.

- **Thank you Party:** The activity is organized to reward the customers who trust and loyal in the company all along.

However, besides of corporate social responsibility project as mentioned above in order to build a truly sustainable back to the society. The company has been operating under “Interlink Hai-jai” The policy focus on social mobilization volunteers develop CSR, foundation by promoting and supporting to children and youth in Thailand have been trained to develop mental and cultivate awareness in social responsibility to themselves, community and society which deemed to lay the sustainable foundation to Thailand society. The project of this foundation as below stated:

#### Children and youth

- **“Pee Sorn Nong” (Teaching younger brothers/sisters):** Operated through the events, education, live by lifestyle principles of self-sufficiency economic and create happiness to students and schools in the wilderness in all regions of Thailand. In the beginning of the year, we have more than 300 of volunteers who came from employees who

sacrificing their private time to willing to participate in this project in which of the project, the volunteer team has completed the missions totaling 71 places of schools in 25 provinces of Thailand.

- **“Teacher Development”:** An exchange of knowledge and experience between teachers and Khun Chaida Anuntarumporn, President of Interlink Foundation In the care of children. Educating and Teaching Children in various matters the life. Cultivate a good person to the children in school. Currently, 17 schools are in operation.
- **“Prototype School”:** a project to train the profession or there are classrooms that provide knowledge, concepts and principles of work bring your local things to create or more value, focus on children to do it manually make children more understanding have seen the potential problems, they can find ways to deal with the problem. This is the basis for future career.
- **“Dream School Project”:** This is a contest organized by the school who had participated in the project “teaching younger brothers/sisters” in 84 schools the school has passed the award. It will be done to improve the computer network equipment and computer networking equipment within the school, set up internet connection and scholarships to the school.

#### Environment

- **“Proh Rak Prung Jai” :** project to teach children learn how to grow crops including Red Oak and Green Oak, once planted, it can be processed into a healthy food. In addition also extended the project to the juvenile delinquent children to create a career for this group, to get a job after leaving the Central juvenile and family court.
- **“1 School, 1 Tree”:** is an environmental conservation project, developed from the project “teaching younger brothers/sisters” to create a beautiful landscape for the school and instill in students more interest in environmental conservation and awareness of the importance of forest resources.



### Public Benefit

- **“Victims of Flood”**: Organize activities to the public help the disaster victims and develop the community to be self-sustaining. Improve the quality of life for everyone in the society, such as donations, consumables helping people and charitable activities.
- **“Hai Kao taw kub chuy”** : This project held to help farmers of Pichit province because the rice prices have fallen and the mechanism of marketing. It has been purchased rice jasmine rice is sold as a sack and the kilogram for helps to drain the rice in the warehouse.
- **“Taphan Hin Pedestrian Street”** at Phichit Province: This project is held to promote the people and tourists can visit the arts, culture, support valuable products of the preservation, the concept of urban development and the use of living space in accordance with the way of life of the community, promotion community economic stimulus It is considered to promote quality of life for people in the community.



## 16. INTERRELATED ITEMS

### 16.1 Interrelated transactions of Interlink Communication Public Company Limited and/or the subsidiaries with major shareholders

Person who may have conflict	Nature of transaction	Value (Million Baht)		
		2017	2016	2015
Interlink Holding Co., Ltd.	Rental expenses: The Company entered into rental agreement of resort house for the purpose of internal activities such as training, seminar and annual meeting of the management according to normal business. Rental rate and conditions are as indicated in the agreement.	0.175	0.225	0.07
Mr. Sombat Anantarumporn	Personal Guarantee: For the use of credit facilities granted by financial institutions according to normal business	7,161.72	6,925.80	6,945.29
Interlink Telecom Public Co., Ltd.	Sales: The Company sold its cables, fiber types and pricing guidelines by the cost plus margin.	14.38	18.77	5.80
	Rental income and services: The Company leased office buildings, Warehouse, land use in operations and HR, IT and Legal services.	5.4	4.14	2.91
	Interest income: The Company's loans as working capital for the construction of a fiber optic network.	-	7.01	9.50
	Rental costs: The company offers high-speed MPLS network circuit and Dark Fiber connectivity to the data store.	4.42	4.42	4.42
	Trade accounts receivable as at 31 December	0.05	16.23	14.42
	Trade accounts payable as at 31 December	6.26	3.15	4.08
Interlink Power and Engineering Co., Ltd.	Sales: The Company sold its cables, fiber types and pricing guidelines by the cost plus margin.	-	0.15	0.02
	Rental income and services: The Company leased office buildings to be used in the operation.	0.49	0.49	0.49
	Interest income: The Company provides loans as short working capital.	-	-	0.20
	Project cost : Company Subcontract Project-related interest income:	-	0.89	391.83
	Trade accounts receivable as at 31 December	0.16	0.45	0.12
	Trade accounts payable as at 31 December	3.44	0.80	7.67

## 16.2 Interrelated transactions of Interlink Communication Public Company Limited with other companies

Person who may have conflict	Nature of transaction	Value (Million Baht)		
		2017	2016	2015
E.S. International (1991) Co., Ltd.	Sales: The Company sales goods at market price. Sale conditions are as same as granted to other parties.	1.70	1.89	1.90
	Purchases: The Company engages E.S. International (1991) Co., Ltd to produce rack cabinet for containing computer network cabling equipment under the Company's trademark. The agreement has been made with the normal business conditions. Purchasing price is according to expected selling price.	107.57	112.84	111.68
	Dividend income: The Company receives dividend income from investment in share capital of E.S. International (1991) Co., Ltd by shareholding of 10%	0.50	0.50	0.50
	Trade accounts receivable as at 31 December	0.54	0.54	0.53
	Trade accounts payable as at 31 December	23.45	23.26	28.65
Interlink Hai-jai Foundation	Other purchases: The Company purchases premium goods for giving to business partner and customers with the purpose that the money will be used in social development. The purchase price is at market price that the foundation also sales to other parties with discount from due to high volume of purchasing.	0.27	0.23	-

## 16.3 Measure or Approval Process for Reporting

The Company shall assign related department to comply the information related with those items to propose the Audit Committee Commission for the consideration whether those items are in accordance with the general business practice and market price, and propose to the Board of Director for approval. In addition, the interested person or those who may have benefit conflict shall not participate in such approval process for fairness and optimal benefit of the Company.

## 16.4 Future policy or trend of interrelated transaction

(Details are specially classified in above tables)



## 16.5 Investor preventive measure

- ▶ The Company has policy to sign contract and prescribed remuneration of each other.
- ▶ Able to refer the market price.
- ▶ Prepare report and propose the Audit Committee Commission for consideration, comment and certify the items and disclosed type, value and reason of recording in annual data disclosure form.
- ▶ In case of any interrelated item is necessary to obtain comment from specialist, the Company shall provide independent specialist to express their comments toward the item.



## 17. MANAGEMENT DISCUSSION AND ANALYSIS

Operation results and financial position of Interlink Communication Public Company Limited and its subsidiaries, as from the period of 1 January to 31 December 2015, 2016 and 2017 are as follows.

### 17.1 Operation Results

In 2017, Interlink Communication Public Company Limited and its subsidiaries ("the Interlink Group") have operated in 3 businesses which are DISTRIBUTION, TELECOM and ENGINEERING. The operation results have been analyzed as follows.

#### (1)Revenues

Description	Consolidated Financial Statements for the years					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	million Baht	%	million Baht	%	million Baht	%
1. Revenue from Distribution	1,974.02	64.11	1,987.81	66.89	2,001.56	47.08
2. Revenue from network rendering and data center space rental service	93.99	9.55	439.91	14.80	569.66	13.40
3. Revenue from network installation	124.93	4.06	344.49	11.59	479.76	11.29
4. Revenue from Engineering	665.21	21.60	169.73	5.71	1,151.13	27.08
5. Other income	20.84	0.68	30.00	1.01	48.89	1.15
<b>Total revenues</b>	<b>3,078.99</b>	<b>100.00</b>	<b>2,971.94</b>	<b>100.00</b>	<b>4,251.00</b>	<b>100.00</b>

As of the end of financial years, 31 December 2015, 2016 and 2017, the Company had a total revenue of Baht 3,078.99 million, 2,971.94 million and 4,251.00 million, respectively or decreasing of 3.49% and increasing of 43.03% for the year 2016 and 2017. In 2017, the proportion of revenue from distribution contributed approximately 47.08% of the total revenue, telecom contributed approximately 24.69% of the total revenue and revenue from engineering contributed approximately 27.08% of the total revenue. The distribution revenue increased from that in 2016 by million 13.75 Baht contributed approximately 0.69%, the engineering revenue increased from that in 2016 by million 981.40 Baht contributed approximately 578.20% and the telecom, business revenue

increased from that in 2016 by million 265.02 Baht contributed approximately 33.78%

#### The analysis of revenues by businesses

##### (1.1) Revenue from distribution

for the years ended 31 December 2015, 2016 and 2017 are Baht 1,974.02 million, Baht 1,987.81 million and Baht 2,001.56 million, respectively or 0.70% and 0.69% of increasing for the year 2016 and 2017. The major reasons of increasing in the revenues from distribution are from the growth of industry that highly consumed computer network cabling systems and telecommunication equipment, as well as active policy and strategy of the Company; for example,

promotional campaign, expansion and support for partners, as a result, the Company has acquired more customers and more sales volume. However, it can be noticed that growth rate of the distribution business has been declining. This is because the revenue base increases every year. The management has already concerned for this issue and in 2017, the management has set target to maintain the growth rate to be around 10% by setting strategy carefully, maintaining leading position in the market and taking care of partners to grow along with the Company.

### (1.2) Revenue from telecom business consists of 3 components as follows:

#### *Income from network rendering service*

The telecom is conducted its operation under Interlink Telecom Public Company Limited ("Interlink Telecom") and has invested in construction of INTERLINK FIBER OPTIC NETWORK throughout Thailand on railways path since 2012 and finishing in 2013. The INTERLINK FIBER OPTIC NETWORK could generate revenue since June 2013 according to the plan. In 2015 - 2017, INTERLINK FIBER OPTIC NETWORK has generated revenue for the Interlink Group as much as Baht 269.26 million, Baht 388.54 million and Baht 508.35 million respectively, which is expected to grow continuously according to the company's target.

#### *Income from network installation service*

Over 2015 to 2017, Interlink Telecom has received fiber optic installation projects to produce additional income for

the group by utilizing the ability and specialization from the construction team of INTERLINK FIBER OPTIC NETWORK which has produced income of Baht 124.93 million, Baht 344.49 million and Baht 479.75 million, respectively.

#### *Income from data center space rental service*

INTERLINK DATA CENTER building was completed and available for the first customer in October 2014. In 2015, 2016 and 2017, revenues from this service are Baht 24.72 million, Baht 51.37 million and Baht 61.31 million, respectively. Currently the utilization rate of the data center is 95%. The remaining 5% is reserved from building of cloud computing in the future.

### (1.3) Revenue from Engineering

for the years ended 2015, 2016 and 2017 are Baht 665.21 million, Baht 169.73 million and Baht 1,151.13 million respectively, or 74.48% decrease in 2016 and 578.20% increase 2017. Revenue increase in 2017 is from revenue of Baht 378.88 million from Lumpun substation project and Suvarnabhumi Airport Development project in which the Company has partnered with Summit Grade Limited Partnership under a Consortium. Later, the Company has expanded its work scope to cover scope of the other party. Backlog as of 2017 year end is Baht 3,642.92 million which will be constantly recognized throughout work period of 3 years.

Generally, duration in proving the engineering services are approximately 1 year to 3 years, therefore, this is resulting in different of projects conducted in each year, in which could be summarized as follows:

Year	No. of major projects	Project Value	Revenue recognition of major projects	Total revenue from engineering	Proportionate revenue of major project	Remark
2015	2	1,950.00	656.71	665.21	98.72%	A
2016	3	1,624.95	114.61	169.73	67.52%	B
2017	4	2,869.31	1,126.42	1,151.13	97.85%	C

- A. Major projects in 2015 are 1) 22kV Submarine Cable to Koh Kood, Koh Mak in Trat Province with the project value of Baht 1,150 million and 2) 115kV Submarine Cable to Koh Phangan in Surat Thani Province with the project value of Baht 800 million. Both projects were completed in 2015.
- B. Major projects in 2016 are 1) Suvarnabhumi Airport Development Utilities Project of the Airports of Thailand (AOT) with the project value of Baht 809.37 million and 2) Construction of 115-22 KV Switching Station at Industrial Estates North 2-3 and Power Station Lampang 3 Project with the project value of Baht 526.28 million and 3) 115 KV Transmission Line HOD District, Chiang Mai Province Station - Maesariang District Mae Hong Son Province Station Project, which offer a total of 289.30 million. At the end of fiscal year 2016, the Company has revenue backlog to be recognized in the future over Baht 1,511.25 million.
- C. Major projects in 2017 are 1) Suvarnabhumi Airport Development Utilities Project of the Airports of Thailand (AOT) of which the value was Baht 809.37 million. Later, the Company has expanded its work scope to cover scope of the other party, resulting

in change of the project value of Baht 1,826.45 million and 2) Construction of 115-22 KV Switching Station at Industrial Estates North 2-3 and Power Station Lampang 3 Project with the project value of Baht 529.94 million and 3) 115 KV Transmission Line HOD District, Chiang Mai Province Station - Maesariang District Mae Hong Son Province Station Project, which offer a total of 289.30 million and 4) Construction of 115-22 KV Switching Station at Ban Lane with the project value of Baht 223.62 million. At the end of fiscal year 2017, the Company has revenue backlog to be recognized in the future over Baht 3,612.92 million.

Based on the above information, it is shown that revenue from engineering business depends on each year's types of projects. The Interlink Group's management has set the policy to acquire only project that granted us high margin such as project that requested for specialist and has low competition environment (i.e. Submarine Cable, Substation and Transmission Line). Such large scale of many project and submarine cable projects are to be launched for bidding in 2017, in which the Company expects to win the bidding.

## (2) Costs of Sales and Services

Description	Consolidated Financial Statements for the years					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	million Baht	%	million Baht	%	million Baht	%
1. Costs of Distribution	1,509.78	49.03	1,515.35	50.99	1,565.89	36.84
2. Costs of network rendering and data center space rental service	218.28	7.09	329.37	11.08	426.77	10.04
3. Cost of construction network	78.60	2.55	272.98	9.19	373.89	8.80
4. Cost of Engineering	533.63	17.33	136.04	4.58	1,254.63	29.51
Total costs of sales and services	2,340.29	76.01	2,253.74	75.83	3,621.18	85.18

Costs of sales and services are classified into 1) costs of distribution sales, 2) costs of telecom services and 3) costs of engineering services in which for the years ended 31 December 2015, 2016 and 2017 are Baht 2,340.29 million, Baht 2,253.74 million and Baht 3,612.18 million respectively, or 3.70% decrease and 3.70% increase in 2016 and 2017, respectively.

Costs of distribution business for the year ended 31 December 2015, 2016 and 2017 are Baht 1,509.78 million, Baht 1,515.35 million and Baht 1,565.89 million respectively, or equal to 0.37% and 3.34% of increasing for the year 2016 and 2017. This resulted from fluctuation in copper price, exchange rate and price negotiation by customers. Managements of the Company tried to manage fluctuation from aforementioned factors and expected that the gross profit will be recovered soon.

Costs of telecom business for the year ended 31 December 2015, 2016 and 2017 are Baht 296.88 million, Baht 602.35 million and Baht 800.66 million respectively, or equal to 102.89% and 32.92% of increasing for the year 2016 and 2017. This is under the same trend of revenue. The costs of

telecom business can be categorized as follow:

- Cost of network rendering service consists of depreciation, network maintenance, network and accessories rental and poles rental for cabling, for example.
- Cost of network construction service consists of materials and tools, contractors and other construction expenses, for example.
- Cost of data center space rental service consists of depreciation, facility costs and other costs to provide service, for example.

Costs of engineering business for the years ended 31 December 2015, 2016 and 2017 are Baht 533.63 million, Baht 136.04 million and Baht 1,254.63 million respectively, or 74.51% decrease and 822.25% increase for the year 2016 and 2017 respectively, which are in line with change in engineering revenues as described in (1). Costs of engineering services mainly are material on sites, deployment cost and others costs.

### (3) Gross Profits

Description	Consolidated Financial Statements for the years					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	million Baht	%	million Baht	million Baht	%	million Baht
1. Gross profits from distribution business	464.25	23.52	472.46	23.77	435.67	21.77
2. Gross profits from telecom business	122.03	29.13	182.06	23.21	248.76	23.70
3. Gross profits from engineering business	131.58	19.78	33.70	19.85	(103.50)	(8.99)
<b>Total gross profits</b>	<b>717.85</b>	<b>23.47</b>	<b>688.22</b>	<b>23.39</b>	<b>580.93</b>	<b>13.82</b>

Overall gross profits for the years ended 2015, 2016 and 2017 are Baht 717.85 million, Baht 688.22 million and Baht 580.93 million, respectively or equal to 23.47%, 23.39% and 13.82% of total income respectively. The overall gross profits are changed in the same trend with gross profits of distribution business in which the overall gross profits are close to distributions' due to the coverage of distribution revenues at approximately 50% – 60% of total revenue.

Gross profit of distribution for the years ended 31 December 2015, 2016 and 2017 are Baht 464.25 million, Baht 472.46 million and Baht 435.67 million respectively, or equal to 23.52%, 23.77% and 21.77% of gross profit margin respectively. The Company could control the gross profit margin of distribution business to be higher than 20% due to large product orders resulting in the economies of scales and the hedging of foreign currency as to foreseen selling prices and set the selling price policy concisely. In addition, as the Company is in the leading position of the distribution market, the Company is capable of setting the prices of majority of products in the market.

Gross profit of telecom business for the years ended 2015, 2016 and 2017 are Baht 122.03 million, Baht 182.06 million and Baht 248.76 million respectively, or are 29.13%, 23.21% and 23.70% of gross profit margin according to following factors:

- Gross profit of network rendering service and data center service remains constant at 25% approximately.
- Gross profit from network installation increases from 20.76% in the previous year to 22.07%, by 1.31% increase. This is because in 2016, the Company was awarded with public project (in school) of which the gross profit was fairly lower than normal rate. However, gross profits of the two years are still higher than that of 20% set in the policy. Major costs of network installation service are cost of equipment and costs of contractors.

Gross profit of engineering business for the years ended 31 December 2015, 2016 and 2017 are Baht 131.58 million, Baht 33.70 million and Baht (103.50) million respectively, or are 19.78%, 19.85% of gross profit margin

and 8.99% of loss respectively. The Company try control the gross profit margin of engineering business to be 20%; however, in 2018, the gross profit of engineering business decreased from 19.85% in the previous year to (8.99)%, or 28.84% decrease. This resulted from a situation where the Company in collaboration with Summit Grade Limited Partnership under "SG and INTERLINK CONSORTIUM" agreed to work under a Thai Baht 1,980 million (VAT inclusive) contract for Suvarnabhumi Airport Development project (financial year 2011-2017) for Airports of Thailand Public Company Limited, the consortium has commenced the work since 14th September 2016 with the scheduled completion period of 990 days. Scopes and work values were allocated as follows:

1. SG (Summit Grade Limited Partnership), work scope: sanitation systems, work value: Thai Baht 1,113.97 million;
2. Interlink Communication Public Company Limited, work scope: electrical and communication systems, work value: Thai Baht 866.03 million.

During the course of the work, SG and INTERLINK CONSORTIUM confronted problems of delay which might result in termination of the contract and further legal actions as, according to terms and conditions of the contract with government authority, all parties under the consortium must be mutually responsible for any damage arises.

The Company has been striving to find the best solution to complete its obligations as the work scope of electrical and communication systems under the Company can only be implemented after completion of construction work. A situation in which the Company cannot commence its work will absolutely lead to dire consequences.

The Company has contracted an external firm (Baker McKenzie Company Limited) for its consulting service. Finally, the consortium has agreed to reallocate work scopes and responsibilities of the parties to deliver the work in accordance with work schedule stipulated in the contract and the Company has to manage all work scopes to achieve the target on timely basis.

As a result of the aforesaid action, the Company estimated the cost of construction work and deducted that



with value of the Company's original work scope and found that the overall project cost for the Company will increase by Thai Baht 152 million (this was estimated under worst case scenario).

According to accounting policy, the estimated cost increase was immediately realized in 2017 financial statement of the Company.

#### (4) Other income

Description	Consolidated Financial Statements for the years					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	million Baht	%	million Baht	million Baht	%	million Baht
Other incomes	20.84	0.68	30.00	1.01	48.89	1.15

Other incomes are interest income, gain on exchange rate and forward contract, and others from normal operation.

For the years ended 31 December 2015, 2016 and 2017, other income are Baht 20.84 million, Baht 30.00 million and Baht 48.89 million, respectively or increasing by 43.95% and 63.00% in 2016 and 2017 respectively

#### (5) Selling and Administrative Expenses

Description	Consolidated Financial Statements for the years					
	31 Dec 2015		31 Dec 2016		31 Dec 2017	
	million Baht	%	million Baht	million Baht	%	million Baht
- Selling expenses	242.94	7.89	256.39	8.63	278.93	6.56
- Administrative expenses	123.91	4.02	131.56	4.43	193.70	4.56
- Share of losses from investment in joint venture	-	-	0.14	0.00	4.56	0.11
<b>Total</b>	<b>366.85</b>	<b>11.91</b>	<b>388.09</b>	<b>13.06</b>	<b>477.19</b>	<b>11.23</b>

Selling and administrative expenses are mainly including by employees' related expenses, rental expenses, depreciation and amortization and commission and sales promotion expenses.

For the years ended 31 December 2015, 2016 and 2017, the Company has selling and administrative expenses of Baht 366.85 million, Baht 388.09 million and Baht 477.19

million respectively, or equal to 11.91%, 13.06% and 11.23% of total revenues in which the change in proportionate to total revenues are not significant and the increasing is according to inflation.

## (6) Financing Costs

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Finance costs - statement of comprehensive income	36.92	44.56	66.25
<b>Total</b>	<b>36.92</b>	<b>44.56</b>	<b>66.25</b>

For the years ended 31 December 2015, 2016 and 2017, the Company has financing costs of Baht 36.92 million, Baht 44.56 million and Baht 66.25 million respectively. Majority of financing costs of the Company are interests of

loan which will increase in proportion with debt outstanding amount. As of 2017 end, the Company has total outstanding debt from financial institution of Baht 1,844.64 million and debt from financial lease of Baht 57.11 million.

## (7) Corporate Income Tax

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Profits before corporate income tax	334.93	285.54	86.39
Corporate income tax	68.47	58.38	16.83
<b>Corporate income tax rate (%)</b>	<b>20.44</b>	<b>20.45</b>	<b>19.48</b>

For the years ended 31 December 2015, 2016 and 2017, the Company has corporate income tax of Baht 68.47 million, Baht 58.38 million and Baht 16.83 million, respective-

ly, or equal to 20.44%, 20.45% and 19.48% of effective tax rate respectively. The effective tax rate of the Company is 20%.

## (8) Net Profits

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Profit for the year	266.45	227.16	69.56
Other comprehensive income	5.71	(0.87)	(6.80)
Reconciliation of net employee retirement benefit obligations by tax			

Total other comprehensive income for tax	5.71	(0.87)	(6.80)
Total comprehensive income	272.16	226.29	62.76
	%	%	%
Net profit rate from operation	8.65%	7.64%	1.64
Net total comprehensive income	8.84%	7.61%	1.48

For the years ended 31 December 2015, 2016 and 2017, the Company has net profits of Baht 266.45 million, Baht 227.16 million and Baht 69.59 million, respectively, or equal to 14.75%, and 69.38% decrease in 2016 and 2017, respectively. Major causes are:

- In 2017, there was a special expense (fine paid to Custom department) of Baht 35.43 million.
- Realization of loss from the engineering business described in (1).
- The recognition of revenue from telecom business has been growing rapidly and continuously, including network service, data center service, and construction network, which resulted in an increase of customers, income, and higher gross profit compared to other business.

### (9) Dividend

The Company has dividend policy to pay at least 40% of net profits of separate financial statements after income tax and deducted for legal reserve (if any), in which it has to be

approved by the shareholders' meeting unless the Company needs funding for its business expansion.

## 17.2 Financial Positions

### (1) Assets

In 2015, 2016, and 2017 the proportionate between current and non-current assets are changed to be 33%:67%, 49%:61% and 51%:49% respectively.

Total assets as at 31 December 2015, 2016, and 2017 are Baht 3,450.09 million, Baht 5,585.90 million and Baht 5,585.90 million respectively, or 61.91% and 25.71% of increasing in 2016 and 2017, respectively

Total assets as at 31 December 2017 are higher than that in 2016 by Baht 1,457.93 million due to the Interlink Telecom Public Company Limited has made an additional investment of Baht 559.84 million in INTERLINK FIBER OPTIC NETWORK, and the increase in accrued revenue from engineering service and installation of fiber optic network totaling Baht 859.79 million as the Group has a number of large-scale projects in operation.

### (2) Cash and Cash Equivalents/Current Investment/Restrict bank deposits

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
<b>Assets</b>			
Current Assets			
Cash and Cash Equivalents	304.87	694.53	919.73
Current Investment	118.41	751.40	0.20
Restrict bank deposits	-	8.00	8.00
<b>Total</b>	<b>423.28</b>	<b>1,453.93</b>	<b>927.93</b>

For the years ended 31 December 2015, 2016 and 2017, as a result from favorable operation results for many years, the company has high liquidities and has policy to invest the excess demanded cash in short term investment. However, since 2012, there has been construction of INTERLINK FIBER OPTIC NETWORK that needs high investment and in 2017, there has been large-scale construction project starting since 2016 to date as well as construction and

installation of fiber optic. The Company has to funding from issuing new ordinary shares and offering/selling the public in which such funds amount of Baht 386.00 million (2013), and funding form shareholder exercise of warrant amount of Baht 300 million (2014-2016) and the Interlink Telecom Public Company Limited (Subsidiary company) has initial publish offering and received funding from the shareholders of Baht 1,040 million (2016).

### (3) Accounts Receivable

Trade accounts receivable of the Company is aging from the due date of collection as at 31 December 2015, 2016 and 2017 as follows.

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Between 0 - 3 months	282.98	402.07	544.53
Over 3 - 6 months	5.95	10.12	43.20
Over 6 - 12 months	2.38	10.33	17.20
Over 12 months	6.73	12.01	23.03
<b>Total</b>	<b>298.04</b>	<b>434.53</b>	<b>627.96</b>
Less: Allowance for doubtful account	(12.01)	(17.30)	(18.76)
<b>Trade accounts receivable – net</b>	<b>286.03</b>	<b>417.23</b>	<b>609.20</b>

The Company's trade accounts receivable as at 31 December 2015, 2016 and 2017, are equal to Baht 286.03 million, and Baht 417.23 million and Baht 609.20 million respectively. The balance of the Company's trade accounts receivable as at 31 December 2017 increased in line with sales of Distribution and Telecom business.

The Company and subsidiaries provide on allowance for doubtful accounts for the losses that may be incurred from uncollectible accounts by reviewing the current status of existing accounts receivable and the collateral of the debtors. This allowance is set at 100% for receivables that are more than 120 days overdue.

### (4) Accrued Revenue from Engineering Business and Retention Work for Engineering

Accrued income from engineering projects and Retention receivable increased due to the large construction project that the company has been awarded including projects under engineering business and fiber optic network installation under telecom business.



## (5) Inventories

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Finished goods	192.17	259.50	238.49
Goods in transit	33.87	13.99	12.51
<b>Total</b>	<b>226.04</b>	<b>273.49</b>	<b>251.00</b>
Less: Allowance for obsolete inventories	(1.95 )	(3.04)	(2.68)
<b>Inventories-net</b>	<b>224.09</b>	<b>270.45</b>	<b>248.32</b>

The Company had inventories as at 31 December 2015, 2016 and 2017 by Baht 224.09 million, Baht 270.45 million and Baht 248.32 million, respectively. The Company has policy to store inventories at the appropriate level in order to ensure that the Company has the ability to response the demand of the market. The lead-time of each inventories order is covered the period of 1 month.

The Company estimates an allowance for obsolete stock based on the consideration of inventory turnover and deterioration in each category. For the year ended 31 December 2015, 2016 and 2017, the Company provided an allowance for obsolete stock about Baht 1.95 million, Baht 3.04 million and Baht 2.68 million, orderly, for inventories with no movement longer than 1 year.

## (6) Other Current Assets

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Other current assets	117.82	146.05	189.30

Other current assets of the company have increased significantly from input VAT and withholding tax from

construction of Interlink Fiber Optic Network and operation of the Group.

## (7) Other Long Term Investment

Name	Type of Business	Percentage owned by the Company		Cost (million Baht)		
		Shares	%	2015	2016	2017
E.S.International (1991) Co., Ltd	Sale/product Rack cabinet	8,000	10	2,250,000	2,250,000	2,250,000
Spirit Enterprise Co., Ltd.	Trading	5,000	1.67	-	-	-
<b>Total</b>				<b>2,250,000</b>	<b>2,250,000</b>	<b>2,250,000</b>

The Company holds the above investments in order to maintain the business relation and connection. E.S. International (1991) Co., Ltd. is a company who produces rack cabinet for computer and telecommunication equipment for the Company with the long-term business relationship. The

Company could reach the successful business negotiation related to trade credit term and cost of products. So, the purpose of holding on the above investments is to support the Company's business. Based on the past dealing, the aforesaid companies did not have any financial problem.

## (8) Property, Plant and Equipment

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Property, Plant and Equipment	2,271.62	2,767.50	3,327.34

As at 31 December 2015, 2016 and 2017, the Company has property, plant and equipment by Baht 2,271.62 million, Baht 2,767.50 million and Baht 3,327.34 million,

respectively. The reasons that PP&E are significantly higher are from the construction of INTERLINK FIBER OPTIC NETWORK.

## (9) Liabilities

Description	Consolidated Financial Statements for the years		
	31 Dec 2015	31 Dec 2016	31 Dec 2017
	million Baht	million Baht	million Baht
Total current liabilities	816.22	1,312.53	2,373.43
Total non-current liabilities	818.93	1,171.08	1,577.84
<b>Total liabilities</b>	<b>1,635.15</b>	<b>2,483.61</b>	<b>3,951.27</b>

As at 31 December 2015, 2016 and 2017, the Company has total liabilities of Baht 1,635.15 million, Baht 2,397.82 million and Baht 3,951.27 million, respectively, in which the liabilities have significantly increased because of investment in telecom business, mainly as follows:

- Loans from financial institutions for use as working capital for the Interlink Fiber Optic Network. (as of 31 December 2016 and 2017 of Baht 1,213.90 million, Baht 1,919.64 million respectively)

## (10) Equity

As at 31 December 2015, 2016 and 2017, the Company has shareholders' equity amounting to Baht 1,814.70 million, Baht 3,188.08 million and Baht 3,178.36 million, respectively. Equity portion varies according to profit (loss) of the Company. In 2016, the Interlink Telecom Public Company Limited (Subsidiary company) has initial public offering and received funding from the shareholders of Baht 1,040 million and funding from the shareholder in exercise of warrant amount of Baht 214 million and

dramatically increased in equity.

For the year ended 31 December 2015, 2016 and 2017, the Company paid dividend amounted Baht 73.30 million, Baht 90.02 million, and Baht 72.48 million, respectively which the calculated dividend payout ratio revealed the consistent rate about 41.10%, 43.03% and 43.03% of net profit, respectively.

### 17.3 Liquidity analysis

The Company's current ratio for the fiscal year ended 31 December 2015, 2016 and 2017 was 1.40 times, 2.22 times and 1.53 times, respectively, the company has a stable liquidity. Although the company has begun construction investment network Interlink Fiber Optic Network across the country in the year 2012 onwards, which will cost a lot. But the company also planned to protect the liquidity risk of such. Raise funds and seek finance from a commercial bank.

#### (1) Cash flow from operating activities

As at 31 December 2016 and 2017, the Company has cash flow from its operations by Baht 97.81 million and Baht (335.75) million, respectively, the cash flow from operation activities decrease from previous year because of the group has invested to construction the large-scale projects under engineering business and fiber optic network, thus the accrued revenue from engineering project increases from that in 2016 by Baht 859.79 million, for instance.

#### (2) Cash flow from investing activities

As at 31 December 2016 and 2017, the Company has spent money in investing activities by Baht 1,224.85 million, and Baht 7.25 million, respectively In 2016 and 2017, the Company used cash in construction of INTERLINK FIBER OPTIC NETWORK approximately Baht 505.89 million and Baht 742.47 million, respectively and in the year 2017 the company had incoming cash flow from due fixed deposit amounting to Baht 751.20 million.

#### (3) Cash flow from financing activities

As at 31 December 2016 and 2017, the Company has cash flow financing activities of Baht 1,516.69 million, and Baht 568.20 million respectively. Most of incoming cash flow are from net financial support from financial institution for investment in construction of Interlink Fiber Optic Network nationwide, totaling Baht 748.88 million. The Company paid dividend of Baht 72.48 million in total.

### 17.4 Sources of fund

#### (1) The appropriateness of capital structure

The Company has Debt to equity ratio computed as at 31 December 2015, 2016 and 2017 by 0.90, 0.78, and 1.24 times, respectively. The ratio is still in an appropriate level as the Company has maintained it. Despite massive investment in construction of Interlink Fiber Optic Network nationwide and in a number of large-scale projects which resulting in higher Debt to Equity ratio as the Company sought additional funding, the Company still delivers good performance and manages to control the ratio.



## 17.5 Compensation for Financial Auditor

In the last three years, compensations for financial auditors of the Company and its subsidiaries are as follows:

Audited Company	Auditor	Compensation	Other Fee	Total (Baht)
<b>As at 31 December 2015</b>				
Interlink Communication Public Company Limited	PricewaterhouseCoopers ABAS	1,135,000	-	1,135,000
Interlink Telecom Public Company Limited	PricewaterhouseCoopers ABAS	855,000	-	855,000
Interlink Power and Engineering Company Limited	PricewaterhouseCoopers ABAS	350,000	-	350,000
Interlink Data Center Company Limited	PricewaterhouseCoopers ABAS	80,000	-	80,000
		<b>2,420,000</b>	<b>-</b>	<b>2,420,000</b>
<b>As at 31 December 2016</b>				
Interlink Communication Public Company Limited	PricewaterhouseCoopers ABAS	1,285,000	-	1,285,000
Interlink Telecom Public Company Limited	PricewaterhouseCoopers ABAS	955,000	-	955,000
Interlink Power and Engineering Company Limited	PricewaterhouseCoopers ABAS	350,000	-	350,000
Interlink Data Center Company Limited	PricewaterhouseCoopers ABAS	80,000	-	80,000
		<b>2,670,000</b>	<b>-</b>	<b>2,670,000</b>
<b>As at 31 December 2017</b>				
Interlink Communication Public Company Limited	PricewaterhouseCoopers ABAS	1,500,000	-	1,500,000
Interlink Telecom Public Company Limited	PricewaterhouseCoopers ABAS	1,400,000	-	1,400,000
Interlink Power and Engineering Company Limited	PricewaterhouseCoopers ABAS	360,000	-	360,000
Interlink Data Center Company Limited	PricewaterhouseCoopers ABAS	80,000	-	80,000
		<b>3,340,000</b>	<b>-</b>	<b>3,340,000</b>

## 18. Auditor's Report and Financial statements

To the shareholders of Interlink Communication Public Company Limited

### My opinion

In my opinion, the consolidated financial statements of Interlink Communication Public Company Limited (the "Company") and its subsidiaries (the "Group") and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

### 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 consolidated and separate financial statements section of my report. I am independent of the Group and Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's 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.

### 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 period. I determine one key audit matter: Audit of recognition of revenue and cost from engineering and network installation service. 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.



Key audit matter	How our audit addressed the key audit matter
<p>Recognition of revenue and cost from engineering and network installation service</p> <p>Refer to accounting policy No. 2.22, revenue recognition.</p> <p>The Group recognises revenue and cost from engineering and network installation service using the percentage of completion method. The stage of completion is measured based on the proportion of contract costs incurred for work performed to date compared to the estimated total cost of the contract.</p> <p>I focused on these areas because:</p> <ol style="list-style-type: none"> <li>1) The amount of revenue from engineering and network installation service is significant, representing 38% of total revenue. The Group provides engineering and network installation service nationwide. This service comprises small projects and large projects for which construction and installation period take more than 1 year and;</li> <li>2) Revenue recognition with respect to the percentage of completion method utilises cost estimates made by management judgement throughout construction period until completion.</li> </ol>	<p>I performed the following procedures to assess management's estimates:</p> <ol style="list-style-type: none"> <li>1) Tested controls over the budgeting process relating to the estimated total contract costs and verified estimated costs to complete by interviewing the project engineer relating to each component of total estimated costs and inspecting the supporting evidence.</li> <li>2) Tested controls over the revenue and receivables cycle and purchase and payment cycle for projects.</li> <li>3) Examined the supporting documents for actual costs incurred for work performed to date and assessed the accuracy of the percentage of completion in the monthly progress report by:             <ul style="list-style-type: none"> <li>- comparing the percentage of completion by measured based on the proportion of contract costs incurred for work performed to date compared to the estimated total cost of the contract with the physical proportion of the contract work completed as assessed by the project engineers and considered the differences whether any adjustments were required</li> <li>- testing the actual costs incurred but not yet billed by suppliers or service provider to assess the completeness of the costs recorded</li> <li>- recalculating the percentage of completion by project per the monthly progress report</li> <li>- performing site visits of some projects and observing the method used to assess the progress of work by engineers.</li> </ul> </li> </ol> <p>I found that the management judgements and estimates associated with the recognition of revenue and cost from engineering and network installation service were consistent with the available evidence.</p>



## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report 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 will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 the audit committee.

## Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates



and related disclosures made by the directors.

Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company'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 consolidated and separate 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 and Company to cease to continue as a going concern.

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

I communicate with the audit committee 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 the audit committee 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 the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, reading "Pongthavee Ratanakoses".

**Pongthavee Ratanakoses**

Certified Public Accountant (Thailand) No. 7795

Bangkok

27 February 2018



## Statement of Financial Position

Interlink Communication Public Company Limited

As at 31 December 2017

	Notes	Consolidated		Separate	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	919,733,835	694,528,701	744,876,076	467,464,969
Short-term investments	8	200,000	751,396,001	200,000	748,396,001
Trade and other accounts receivable, net	9	902,124,256	467,712,852	615,633,363	301,066,955
Financial derivative assets	32.1	85,636	4,315,644	58,383	501,729
Accrued revenue from engineering service	10	1,287,033,405	427,240,162	732,254,245	123,749,837
Short-term loans to third party		19,108,520	40,000,000	1,108,520	40,000,000
Inventories, net	11	248,311,527	270,453,203	248,311,527	270,453,203
Current portion of retention		58,308,246	4,658,890	39,383,186	-
Other current assets	12	189,304,199	146,052,775	21,228,667	1,627,218
<b>Total current assets</b>		<b>3,624,209,624</b>	<b>2,806,358,228</b>	<b>2,403,053,967</b>	<b>1,953,259,912</b>
<b>Non-current assets</b>					
Deposits at bank held as collateral	13	8,000,000	8,000,000	8,000,000	8,000,000
Investments in subsidiaries, net	14	-	-	332,414,716	332,414,716
Investment in a joint venture	15	65,296,916	36,858,574	-	-
Other long-term investment		2,250,000	2,250,000	2,250,000	2,250,000
Property, plant and equipment, net	16	3,327,339,603	2,767,503,887	258,425,624	246,139,891
Intangible assets, net	17	19,908,339	8,994,753	1,331,390	786,814
Deferred tax assets, net	19	59,840,199	29,433,824	36,011,401	9,659,349
Retention		3,792,606	-	2,061,278	-
Other non-current assets		18,983,783	12,287,058	1,940,165	973,083
<b>Total non-current assets</b>		<b>3,505,411,446</b>	<b>2,865,328,096</b>	<b>642,434,574</b>	<b>600,223,853</b>
<b>Total assets</b>		<b>7,129,621,070</b>	<b>5,671,686,324</b>	<b>3,045,488,541</b>	<b>2,553,483,765</b>

## Statement of Financial Position (continued)

Interlink Communication Public Company Limited

As at 31 December 2017

		Consolidated		Separate	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	18	250,800,000	-	120,000,000	-
Trade and other accounts payable	20	1,510,445,672	974,549,678	726,462,373	330,186,007
Financial derivative liabilities	32.1	7,851,332	481,653	1,023,277	166,289
Current portion of finance lease liabilities, net	21	34,116,627	41,597,088	-	-
Current portion of long-term loans from financial institution, net	22	179,404,539	98,341,752	-	-
Advance received from customers under construction contracts		356,224,710	161,351,219	226,999,741	136,990,780
Accrued corporate income tax		3,771,354	19,354,105	3,680,761	18,761,565
Current portion of employee benefit obligations	23	4,810,000	1,620,086	4,600,000	-
Other current liabilities		26,003,352	15,236,282	9,421,699	4,177,737
<b>Total current liabilities</b>		<b>2,373,427,586</b>	<b>1,312,531,863</b>	<b>1,092,187,851</b>	<b>490,282,378</b>
<b>Non-current liabilities</b>					
Finance lease liabilities, net	21	22,989,827	37,768,826	-	-
Long-term loans from financial institution, net	22	1,534,432,208	1,115,554,517	-	-
Provision for warranty of engineering service		58,324	2,113,468	-	1,980,095
Employee benefit obligations	23	20,357,342	15,639,993	15,668,507	12,718,212
<b>Total non-current liabilities</b>		<b>1,577,837,701</b>	<b>1,171,076,804</b>	<b>15,668,507</b>	<b>14,698,307</b>
<b>Total liabilities</b>		<b>3,951,265,287</b>	<b>2,483,608,667</b>	<b>1,107,856,358</b>	<b>504,980,685</b>

## Statement of Financial Position (continued)

Interlink Communication Public Company Limited

As at 31 December 2017

		Consolidated		Separate	
		2017	2016	2017	2016
Notes		Baht	Baht	Baht	Baht
Liabilities and equity (continued)					
Equity					
Share capital					
Authorised share capital					
		362,423,986 ordinary shares			
		at par value of Baht 1 each			
		(31 December 2016:			
		362,479,447 ordinary shares			
		at par value of Baht 1 each)			
		362,423,986	362,479,447	362,423,986	362,479,447
Issued and paid-up share capital					
		362,423,986 ordinary shares			
		fully paid-up of Baht 1 each			
		(31 December 2016:			
		362,423,986 ordinary shares			
		fully paid-up of Baht 1 each)			
24		362,423,986	362,423,986	362,423,986	362,423,986
24		770,857,410	770,857,410	770,857,410	770,857,410
Retained earnings					
	27	36,242,398	36,242,398	36,242,398	36,242,398
		Unappropriated	942,646,701	993,608,156	768,108,389
					878,979,286
Premium on dilution of investment					
		in subsidiary	461,504,845	461,504,845	-
				-	-
Total equity attributable to owners					
		of the parent	2,573,675,340	2,624,636,795	1,937,632,183
					2,048,503,080
Non-controlling interests					
			604,680,443	563,440,862	-
				-	-
Total equity					
		3,178,355,783	3,188,077,657	1,937,632,183	2,048,503,080
Total liabilities and equity					
		7,129,621,070	5,671,686,324	3,045,488,541	2,553,483,765

## Statement of Comprehensive Income

Interlink Communication Public Company Limited  
For the year ended 31 December 2017

	Notes	Consolidated		Separate	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenue from sales		2,001,563,610	1,987,809,168	2,015,946,007	2,006,727,658
Service income from engineering service		1,151,133,436	169,732,922	1,124,604,032	169,074,467
Service income from network rendering and data center space service		569,660,433	439,909,760	-	-
Service income from network installation service		479,754,792	344,488,596	-	-
Other service income and other income		48,894,039	29,995,802	26,567,062	19,932,828
<b>Total revenue</b>		<b>4,251,006,310</b>	<b>2,971,936,248</b>	<b>3,167,117,101</b>	<b>2,195,734,953</b>
Cost of sales		(1,565,893,057)	(1,515,346,367)	(1,578,693,783)	(1,533,228,918)
Cost of engineering service		(1,254,634,458)	(136,040,174)	(1,230,150,038)	(135,512,503)
Cost of network rendering and data center space service		(426,766,488)	(329,367,381)	-	-
Cost of network installation service		(373,888,980)	(272,984,224)	-	-
Selling and service expenses		(278,925,378)	(256,394,896)	(236,600,859)	(210,669,328)
Administrative expenses		(193,696,059)	(131,555,965)	(160,158,342)	(104,834,963)
Finance costs		(66,249,696)	(44,564,477)	-	-
<b>Total expense</b>		<b>(4,160,054,116)</b>	<b>(2,686,253,484)</b>	<b>(3,205,603,022)</b>	<b>(1,984,245,712)</b>
<b>Profit (loss) before share from investment in a joint venture</b>		<b>90,952,194</b>	<b>285,682,764</b>	<b>(38,485,921)</b>	<b>211,489,241</b>
Share of losses from investment in a joint venture	15	(4,561,658)	(141,326)	-	-
<b>Profit (loss) before income tax expense</b>		<b>86,390,536</b>	<b>285,541,438</b>	<b>(38,485,921)</b>	<b>211,489,241</b>
Income tax expenses (income)	29	(16,828,605)	(58,377,358)	6,364,649	(41,628,132)
<b>Profit (loss) for the year</b>		<b>69,561,931</b>	<b>227,164,080</b>	<b>(32,121,272)</b>	<b>169,861,109</b>
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Remeasurements of retirement benefit obligations, net of tax	23, 29	(6,799,348)	(870,458)	(6,265,168)	-
<b>Total other comprehensive income (loss), net of tax</b>		<b>(6,799,348)</b>	<b>(870,458)</b>	<b>(6,265,168)</b>	<b>-</b>
<b>Total comprehensive income (loss) for the year</b>		<b>62,762,583</b>	<b>226,293,622</b>	<b>(38,386,440)</b>	<b>169,861,109</b>

## Statement of Comprehensive Income (continued)

Interlink Communication Public Company Limited

For the year ended 31 December 2017

	Note	Consolidated		Separate	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit (loss) attributable to:					
- Owners of the parent		28,079,142	220,860,793	(32,121,272)	169,861,109
- Non-controlling interests		41,482,789	6,303,287	-	-
		<u>69,561,931</u>	<u>227,164,080</u>	<u>(32,121,272)</u>	<u>169,861,109</u>
Total comprehensive income (loss)					
attributable to:					
- Owners of the parent		21,523,002	220,002,680	(38,386,440)	169,861,109
- Non-controlling interests		41,239,581	6,290,942	-	-
		<u>62,762,583</u>	<u>226,293,622</u>	<u>(38,386,440)</u>	<u>169,861,109</u>
Earnings (loss) per share					
Basic earnings (loss) per share					
(Baht per share)	30	0.08	0.63	(0.09)	0.48
Diluted earnings (loss) per share					
(Baht per share)	30	0.08	0.62	(0.09)	0.48

## Statement of Changes in Equity

Interlink Communication Public Company Limited  
For the year ended 31 December 2017

		Consolidated									
		Attributable to owners of the parent					Retained earnings				
Notes		Issued and paid-up share capital		Premium on paid-up share capital		Premium on dilution of investment in subsidiary		Appropriated-legal reserve		Unappropriated	
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	Opening balance as at 1 January 2016	334,653,851	576,466,465	-	34,816,666	865,051,698	1,810,988,680	3,711,850	1,814,700,530		
	Changes in equity for the year										
24	Warrant exercised	27,770,135	194,390,945	-	-	-	222,161,080	-	222,161,080		
26	Dividends	-	-	-	-	(90,020,490)	(90,020,490)	-	(90,020,490)		
27	Legal reserve	-	-	-	1,425,732	(1,425,732)	-	-	-		
	Total comprehensive income for the year	-	-	-	-	220,002,680	220,002,680	6,290,942	226,293,622		
	Premium on dilution of investment in subsidiary	-	-	461,504,845	-	-	461,504,845	553,438,070	1,014,942,915		
	Closing balance as at 31 December 2016	362,423,986	770,857,410	461,504,845	36,242,398	993,608,156	2,624,636,795	563,440,862	3,188,077,657		

## Statement of Changes in Equity (continued)

Interlink Communication Public Company Limited  
For the year ended 31 December 2017

	Note	Consolidated									
		Attributable to owners of the parent					Retained earnings				
		Issued and paid-up share capital	Premium on share capital	Premium on paid-up share capital	Premium on dilution of investment in subsidiary	Appropriated-legal reserve	Unappropriated	Total owners of the parent	Non-controlling interests	Total equity	Baht
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2017		362,423,986	770,857,410	461,504,845	36,242,398	993,608,156	2,624,636,795	563,440,862	3,188,077,657		
Changes in equity for the year											
Dividends	26	-	-	-	-	(72,484,457)	(72,484,457)	-	(72,484,457)		
Total comprehensive income for the year		-	-	-	-	21,523,002	21,523,002	41,239,581	62,762,583		
Closing balance as at 31 December 2017		362,423,986	770,857,410	461,504,845	36,242,398	942,646,701	2,573,675,340	604,680,443	3,178,355,783		

## Statement of Changes in Equity (continued)

Interlink Communication Public Company Limited  
For the year ended 31 December 2017

	Notes	Issued and paid-up share capital	Premium on paid-up share capital	Separate Retained earnings		Total equity
		Baht	Baht	Appropriated- legal reserve	Unappropriated	Baht
Opening balance as at 1 January 2016		334,653,851	576,466,465	34,816,666	800,564,399	1,746,501,381
Changes in equity for the year						
Warrant exercised	24	27,770,135	194,390,945	-	-	222,161,080
Dividends	26	-	-	-	(90,020,490)	(90,020,490)
Legal reserve	27	-	-	1,425,732	(1,425,732)	-
Total comprehensive income for the year		-	-	-	169,861,109	169,861,109
Closing balance as at 31 December 2016		362,423,986	770,857,410	36,242,398	878,979,286	2,048,503,080
Opening balance as at 1 January 2017		362,423,986	770,857,410	36,242,398	878,979,286	2,048,503,080
Changes in equity for the year						
Dividends	26	-	-	-	(72,484,457)	(72,484,457)
Total comprehensive loss for the year		-	-	-	(38,386,440)	(38,386,440)
Closing balance as at 31 December 2017		362,423,986	770,857,410	36,242,398	768,108,389	1,937,632,183

## Statement of Cash Flows

Interlink Communication Public Company Limited

For the year ended 31 December 2017

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax for the year	86,390,536	285,541,438	(38,485,921)	211,489,241
Adjustments to reconcile profit (loss) before income tax to net cash from operations:				
- Depreciation and amortisation	180,985,022	144,565,112	27,829,574	25,379,500
- Amortisation of prepaid expenses	19,906,731	11,190,923	4,618,913	3,342,897
- Share of losses from investment in a joint venture	4,561,658	141,326	-	-
- Gain of sale of building and equipment	(455,724)	(2,430,557)	(455,724)	(2,430,557)
- Write off of fixed assets	11,070	37,109	11,070	37,109
- Write-off construction in progress to repair and maintenance of network	11,978,926	10,078,736	-	-
- Write-off of intangible assets	-	89,000	-	89,000
- Unrealised loss (gain) on exchange rate	522,718	(5,213,943)	43,570	(1,188,419)
- Doubtful debts (reversal)	1,459,831	5,287,599	(170,646)	2,493,463
- Bad debts	-	64,002	-	64,002
- Allowance for obsolete inventories	(357,657)	1,096,565	(357,657)	1,096,565
- Impairment loss on assets	1,801,597	1,859,987	-	-
- Provision for sale promotion (reversal)	3,304,303	2,403,309	3,304,303	2,403,309
- Provision for warranty engineering service (reversal)	(2,055,144)	(114,323)	(1,980,095)	2,148
- Interest income	(14,564,002)	(7,193,588)	(13,016,462)	(12,046,332)
- Finance costs	66,249,696	44,564,477	-	-
- Retirement benefit expenses	2,338,077	1,716,544	978,835	936,685
Cash flows before changes in operating assets and liabilities	362,077,638	493,683,716	(17,680,240)	231,668,611
Change in operating assets and liabilities:				
- Trade and other accounts receivable	(455,339,317)	(172,298,572)	(318,687,729)	(86,702,459)
- Accrued revenue from engineering service	(859,793,243)	(272,174,923)	(608,504,408)	(29,925,767)
- Inventories	22,499,333	(47,455,387)	22,499,333	(47,455,387)
- Retention	(57,441,962)	(4,439,211)	(41,444,464)	-
- Other current assets	(42,274,032)	(28,559,436)	(19,547,822)	(839,026)
- Other non-current assets	(6,696,725)	(2,862,612)	(967,082)	(55,573)
- Trade and other accounts payable	559,852,465	127,043,913	393,409,108	22,097,593
- Advance received from customers under construction contracts	194,873,491	75,563,935	90,008,961	51,203,496
- Other current liabilities	10,767,070	(2,027,888)	5,243,962	(3,503,448)
- Employee benefit obligation paid	(2,930,000)	-	(1,260,000)	-
Cash generated from for operations	(274,405,282)	166,473,535	(496,930,381)	136,488,040
- Income tax paid	(61,340,912)	(69,318,572)	(33,501,915)	(43,720,630)
<b>Net cash receipts from (payment in) operating activities</b>	<b>(335,746,194)</b>	<b>97,154,963</b>	<b>(530,432,296)</b>	<b>92,767,410</b>

## Statement of Cash Flows (continued)

Interlink Communication Public Company Limited

For the year ended 31 December 2017

	Note	Consolidated		Separate	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
<b>Cash flows from investing activities</b>					
Payments for restricted cash deposit		-	(8,000,000)	-	(8,000,000)
Proceeds from investing in short-term investments		751,196,001	-	748,196,001	-
Payments for investing in short-term investments		-	(632,988,968)	-	(714,988,969)
Proceeds from loan to subsidiary		-	-	-	850,000,000
Proceeds from loan to third party		40,000,000	-	40,000,000	-
Payments for loan to third parties		(19,108,520)	(40,000,000)	(1,108,520)	(40,000,000)
Payments for investment in a joint venture		(33,000,000)	(36,999,900)	-	-
Proceeds from sale of fixed assets		541,345	2,490,151	541,345	2,430,561
Payments for purchase of fixed assets		(742,467,639)	(505,587,816)	(39,264,732)	(39,814,781)
Payments for borrowing cost included in fixed assets		(8,890,264)	(4,370,911)	-	-
Payments for purchase of intangible assets		(9,640,345)	(6,506,600)	(725,750)	(336,000)
Proceeds from interest income		14,122,127	7,115,717	12,689,516	23,070,664
<b>Net cash receipts from (payments in) investing activities</b>		<b>(7,247,295)</b>	<b>(1,224,848,327)</b>	<b>760,327,860</b>	<b>72,361,475</b>
<b>Cash flows from financing activities</b>					
Payments for finance lease liabilities		(44,744,713)	(42,684,206)	-	-
Proceeds from short-term loans from financial institutions		250,800,000	-	120,000,000	-
Proceeds from long-term loans from financial institution		600,000,000	492,000,000	-	-
Payments for long-term loans from financial institution		(99,200,000)	(15,700,000)	-	-
Payments for deferred financing fee		(1,920,000)	(1,280,000)	-	-
Proceeds from warrants exercised		-	214,421,080	-	214,421,080
Proceeds from issued ordinary shares of subsidiary		-	1,040,000,000	-	-
Payments for issued ordinary shares of subsidiary		-	(31,321,356)	-	-
Dividend paid	26	(72,484,457)	(90,020,490)	(72,484,457)	(90,020,490)
Interest paid		(64,252,207)	(48,067,876)	-	-
<b>Net cash receipts from financing activities</b>		<b>568,198,623</b>	<b>1,517,347,152</b>	<b>47,515,543</b>	<b>124,400,590</b>
<b>Net increase in cash and cash equivalents</b>		<b>225,205,134</b>	<b>389,653,788</b>	<b>277,411,107</b>	<b>289,529,475</b>
Beginning balance		694,528,701	304,874,913	467,464,969	177,935,494
<b>Ending balance</b>		<b>919,733,835</b>	<b>694,528,701</b>	<b>744,876,076</b>	<b>467,464,969</b>

## Statement of Cash Flows (continued)

Interlink Communication Public Company Limited  
For the year ended 31 December 2017

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Non-cash transactions</b>				
- Accounts payable - purchases of property, plant and equipment	366,737,104	386,080,291	1,251,796	432,077
- Accounts payable - purchases of intangible assets	2,225,600	-	-	-
- Accounts receivable - sales of property, plant and equipment	-	-	-	(5,537,766)
- Purchases of fixed assets and telecommunication networks under finance lease agreements	22,485,253	-	-	-

## Notes to the Consolidated and Separate Financial Statements For the year ended 31 December 2017

### 1 General information

Interlink Communication Public Company Limited (the "Company") is a public limited company, incorporated and resident in Thailand. The address of its registered office is 48 Soi Rung Reung, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

The Company's ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as "the Group".

The Group engages in business of importer and distributor of IT network cabling system products and service outsourcing in the design and installation of network and cabling system for computers and telecommunications including high-speed network rendering and data center space service.

These Group consolidated financial statements were authorised for issue by the Board of Directors on 27 February 2018.

### 2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

#### 2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies and to disclose the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements as disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## 2.2 Revised financial reporting standards, and related interpretation

### 2.2.1 Revised financial reporting standards and interpretations ("the accounting standards") are effective on 1 January 2017.

Commencing from 1 January 2017, the Group adopted the accounting standards, which are effective on 1 January 2017. There is no significant impact to the financial statements being present from the adoption of those standards by the Group.

### 2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which are relevant to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable



TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply to interests in entities that are classified as held for sale according to TFRS 5 (revised 2017), except for the summarised financial information.

The management has assessed and considered that the above revised standards do not have significant impact on the Group except for disclosure.

## 2.3 A service concession arrangement

A service concession arrangement is an arrangement involving an operator constructing and/or upgrading, operating and maintaining infrastructure used to provide a public service for a specified period of time. Governmental agency pays the operator for its services over the period of the arrangement. The arrangement is governed by a contract that sets out performance standards, mechanisms for adjusting prices and arrangements for arbitrating disputes. Governmental agency controls (through ownership, beneficial entitlement or otherwise) any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group, as the operator for constructing and operating infrastructure, recognises receivable arising from a service concession arrangement to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, for the construction of concession assets. Receivable recognised as a result of the service concession arrangement are measured at fair value upon initial recognition. Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by considering the physical inspection in accordance with the condition agreed with the customers. Revenue from service from operation is recognised when the services have been rendered.

The contractual obligation in commitment repair and maintenance such infrastructure which are not performed in order to improve the condition of infrastructure are measured and recognized based on the best estimation of expending to pay for the commitment as at the end of accounting period.

## 2.4 Group accounting - investments in subsidiaries and in joint arrangements

### 2.4.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully



consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations except business combination under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### 2.4.2 Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration



paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

#### 2.4.3 Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

#### 2.4.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

##### Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

##### Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

#### 2.4.5 Separate financial statement

In the separate financial statements, investments in subsidiaries and joint ventures are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.



## 2.5 Foreign currency translation

### 2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the functional and presentation currency of the Group.

### 2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in the statement of comprehensive income, any exchange component of that gain or loss is recognised in the statement of comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the profit or loss, any exchange component of that gain or loss is recognised in the profit or loss.

## 2.6 Derivative financial instruments

The Group recognises derivative financial instruments at fair value on the inception and subsequently measures each derivative financial instrument at its fair value. Gains and losses on the derivative financial instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the profit or loss, whereas the gains and losses on the derivative financial instruments which relate to trading business are offset for financial reporting purposes and are recognised as income or expense in the profit or loss.

## 2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less from the date of acquisition.



## 2.8 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount and the amount expected to be collectible. Bad debts are recognised to the profit or loss as part of administrative expenses.

## 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

## 2.10 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Group presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

## 2.11 Investments

Investments other than investments in subsidiaries, associates and joint ventures are classified into the general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Investments in non-marketable equity securities are classified as general investments.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

## 2.12 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequently all plant and equipment are stated at historical cost less accumulated depreciation and impairment (if any). The costs of property, plant and equipment comprise both the purchase price and any costs directly attributable to bringing the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Group incurs either when the items are acquired or as a consequence of having used the items during a particular period.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life, except land which is considered to have an indefinite life.

	Years
Land leasehold	10 years
Building and building leasehold	10 – 30 years
Infrastructure system	10 – 20 years
Furniture, fixtures and office equipment	5 years
Tool and equipment	5 – 10 years
Vehicle	5 years
Telecommunication network equipment	8 – 25 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of assets are determined by comparing proceeds with the carrying amount and are recognised within "other gains or losses, net" in the profit or loss.

## 2.13 Intangible assets

### Computer software licenses

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 and 15 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.



## 2.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.15 Leases

### Leases - where the Group is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

## 2.16 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the profit or loss over the period of the borrowings.



Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

#### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

## **2.17 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.



However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## 2.18 Employee benefits

The Group operate various post-employment benefits schemes. The Group has both defined benefit and defined contribution plans.

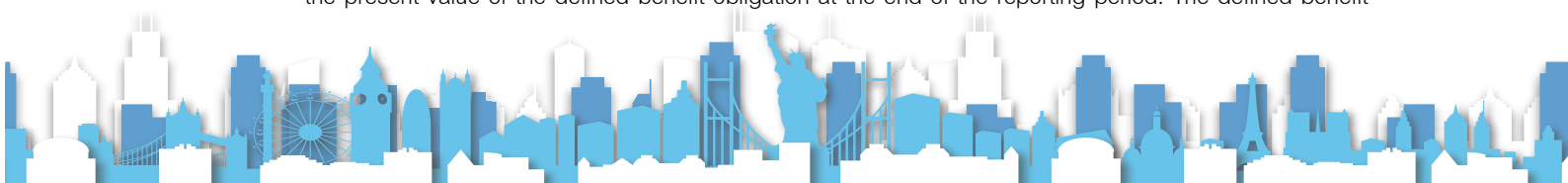
### Defined contribution

The Group operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund, managed by trustee. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

### Retirement benefits

Employees are entitled to receive benefits on reaching normal retirement age under the labour law as may be agreed between the Group and employee, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit



obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of high-quality corporate bonds /market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

## 2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

## 2.20 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## 2.21 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders and the Board of Directors.

## 2.22 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the



stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by reference to the relationship that the contract costs incurred for work performed to date bear to the estimated total costs for the contract. Revenue from other services is recognised when the services have been rendered in accordance with the terms of the agreements or invoices have been issued.

Interest income is recognised using the effective interest method.

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

## 2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as President and Chief Executive Officer that makes strategic decisions.



### 3. Reclassifications

Comparative figures have been reclassified to conform with changes in the current period. The Group has reclassified balances for the year ended 31 December 2016 as follows:

	As previously reported Baht	Reclassification Baht	After reclassified Baht
<b>Consolidated statement of financial position as at 31 December 2016</b>			
- Accrued revenue from engineering service	341,452,878	85,787,284	427,240,162
- Advance received from customers under construction contracts	75,563,935	85,787,284	161,351,219
	As previously reported Baht	Reclassification Baht	After reclassified Baht
<b>Separate statement of financial position as at 31 December 2016</b>			
- Accrued revenue from engineering service	37,962,553	85,787,284	123,749,837
- Advance received from customers under construction contracts	51,203,496	85,787,284	136,990,780

### 4. Financial risk management

The Group's activities expose it to a variety of financial risks, which include foreign exchange risk, interest rate risk, liquidity risk, and capital risk.

#### 4.1 Foreign exchange risk

The Group hedges the foreign currency exposure of its contract commitments to purchase certain production. The forward contracts used in its programme mature in 12 months or less, consistent with the related purchase commitments.



## 4.2 Interest rate risk

As the Group has no significant interest bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The interest rate risk arises from borrowings with those issued at variable interest rates exposing the Group to cash flow interest rate risk. The Group continually optimises the mix in its borrowing facilities to maximise financing flexibility whilst minimising financing cost.

## 4.3 Liquidity risk

The Group manages liquidity risk by maintaining adequate reserve of cash and cash equivalents and maintaining number of committed credit facilities from banks. The Group reviews requirements for future cash flows through the completion of an annual finance plan review. The finance plan review is completed for the forthcoming year to ensure that estimates of future requirements are analysed such that appropriate facilities can be made available.

## 4.4 Capital risk

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In the future, the Group may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Group completes a finance plan which seeks to establish positions for the current and future years' dividend projections.

# 5. Critical accounting estimates, assumptions and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.



#### Revenue and cost of engineering service

The Group recognise revenue from engineering service based on a percentage of completion method by also taking into account progress of completion from physical inspection assessed by a project engineer together with an owner or a customer.

#### Fair values of derivatives and other financial instruments

Fair values of derivatives and other financial instruments not actively traded in the market are measured by valuation technique. The Group exercise judgment in selecting valuation model and assumptions by referencing market circumstances presented at the end of reporting period.

#### Provision for warranty of engineering service

The Group provides warranty on engineering projects for approximately 2 years. The amount of provision for warranty of engineering service was estimated based on historical information and claim experienced by the Group in the past.

#### Provision for losses on engineering projects

Management used their judgement in estimating the loss they expect to be realised on each engineering project. This was based on estimates of anticipated costs that take into account the progress of each project, actual costs incurred to date, the result from testing unrecorded liabilities, outstanding purchase orders, and planned cost to complete the project.

## **6. Segment information - consolidated financial statements**

Reporting segment is referred from internal report of the Group which is reviewed by Chief Operating Decision Maker (CODM). CODM is President and Chief Executive Officer who makes decisions about resource allocation and assesses the segment performance. CODM considers the reporting segment as below:

The Group has three segments report which comprises of distribution business, engineering business and telecommunication business.



For the years ended 31 December								
	Distribution Business Baht' 000,000		Engineering Business Baht' 000,000		Telecommunication Business Baht' 000,000		Total Baht' 000,000	
	2017	2016	2017	2016	2017	2016	2017	2016
Revenues	2,001.56	1,987.81	1,151.13	169.73	1,049.42	784.40	4,202.11	2,941.94
Gross profit (loss)	435.67	472.46	(103.50)	33.69	248.76	182.05	580.93	688.20
Other income							48.89	30.00
Net income							629.82	718.20
Share of losses from investment in a joint venture							(4.56)	(0.14)
Selling and service expenses and administrative expenses							(472.62)	(387.96)
Finance costs							(66.25)	(44.56)
Income tax expenses							(16.83)	(58.38)
Net profit							69.56	227.16
Property, plant and equipment, net	258.43	246.14	0.44	0.55	3,068.47	2,520.81	3,327.34	2,767.50
Total assets	1,680.33	2,063.74	1,161.75	273.61	4,287.54	3,334.33	7,129.62	5,671.68

Chief Operation Decision Maker considers monthly performance of reporting segments from gross profit.

The Group generates revenue from sales and services by utilising the assets located in Thailand and all businesses are originated in Thailand. There is no customer who generates significant revenue to the Group.



## 7. Cash and cash equivalents

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Cash on hand	1,512,598	1,082,480	801,292	512,299
Deposits at financial institutions				
- Savings accounts	852,872,156	427,458,098	696,358,689	211,912,258
- Current accounts	60,195,956	15,372,060	45,604,139	4,426,361
Fixed deposits not over 3 months	5,153,125	250,616,063	2,111,956	250,614,051
Total cash and cash equivalents	919,733,835	694,528,701	744,876,076	467,464,969

The deposits at financial institutions of the Group comprise deposits at local financial institutions. As at 31 December 2017, deposits at financial institutions bore interest at the rate of 0.125% - 1.00% per annum (31 December 2016: interest at the rate of 0.125% - 1.00% per annum).

## 8. Short-term investments

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Fixed deposits not over 12 months	200,000	751,396,001	200,000	748,396,001
Total	200,000	751,396,001	200,000	748,396,001

As at 31 December 2017, the fixed deposits not over 12 months carry interest at the rate of 0.90% per annum (31 December 2016: interest rate of 0.875% - 1.50% per annum).

## 9. Trade and other accounts receivable, net

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Trade accounts receivable	627,952,114	434,527,198	388,050,664	268,664,342
Trade accounts receivable - related parties	-	-	10,860,867	14,615,881
<u>Less</u> Allowance for doubtful accounts	(18,760,646)	(17,300,815)	(13,616,034)	(13,786,680)
Trade accounts receivable, net	609,191,468	417,226,383	385,295,497	269,493,543
Deposits	203,869,178	11,518,224	172,342,612	11,489,532
Advance payment	2,620,463	3,451,260	1,946,150	1,859,478
Advance payment for goods	807,575	1,236,385	807,575	1,236,385
Prepaid expenses	40,797,200	26,912,844	10,847,414	10,125,490
Accounts receivable - related parties	-	-	4,140,121	2,069,861
Others	44,838,372	7,367,756	40,253,994	4,792,666
Trade and other accounts receivable, net	902,124,256	467,712,852	615,633,363	301,066,955

Outstanding trade accounts receivable are analysed by aging as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Not due	387,758,101	274,435,521	263,238,984	187,046,958
Overdue below 3 months	156,770,170	127,638,896	105,844,812	79,594,986
Overdue 3 - 6 months	43,197,024	10,119,822	14,683,057	4,627,563
Overdue 6 - 12 months	17,197,985	10,326,929	3,336,249	4,149,101
Over 12 months	23,028,834	12,006,030	11,808,429	7,861,615
	627,952,114	434,527,198	398,911,531	283,280,223
<u>Less</u> Allowance for doubtful accounts	(18,760,646)	(17,300,815)	(13,616,034)	(13,786,680)
Trade accounts receivable, net	609,191,468	417,226,383	385,295,497	269,493,543

## 10. Accrued revenue from engineering service

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Contract costs to date	1,914,011,696	442,870,534	1,233,604,227	121,601,184
Recognised profits to date	198,376,675	88,336,398	62,702,335	19,067,068
Contract costs incurred and recognised profits to date	2,112,388,371	531,206,932	1,296,306,562	140,668,252
<u>Less</u> Recognised losses to date	(152,349,450)	-	(152,349,450)	-
<u>Less</u> Progress billings	(673,005,516)	(103,966,770)	(411,702,867)	(16,918,415)
Accrued revenue from engineering service	1,287,033,405	427,240,162	732,254,245	123,749,837

## 11. Inventories, net

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Finished goods	238,485,851	259,507,833	238,485,851	259,507,833
Goods in transit	12,509,724	13,987,075	12,509,724	13,987,075
Total	250,995,575	273,494,908	250,995,575	273,494,908
<u>Less</u> Allowance for obsolescence	(2,684,048)	(3,041,705)	(2,684,048)	(3,041,705)
Inventories, net	248,311,527	270,453,203	248,311,527	270,453,203

The cost of inventories recognised as expense and included in cost of sales amounted to Baht 1,541,950,677 in the consolidated and separate statement of comprehensive income (31 December 2016: Baht 1,502,295,767).



## 12. Other current assets

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Prepaid withholding tax	19,048,188	18,825,170	-	-
Value added tax receivables	161,028,923	126,872,854	21,228,667	1,627,218
Other	9,227,088	354,751	-	-
Total other current assets	189,304,199	146,052,775	21,228,667	1,627,218

## 13. Deposits at bank held as collateral

As at 31 December 2017, the restricted cash deposits represents deposits held at saving accounts and three-month fixed deposits. These deposits are restricted for disbursement relating to the network construction only.



#### 14. Investments in subsidiaries, net

The subsidiaries incorporated in Thailand are as follows:

Separate												
Business	Paid-up share capital		Proportion of ordinary shares held by parent		Proportion of shares held by non-controlling interest		Cost Method		Allowance for impairment		Net investment - cost method	
	2017 (Baht'000)	2016 (Baht'000)	2017 (%)	2016 (%)	2017 (%)	2016 (%)	2017 (Baht'000)	2016 (Baht'000)	2017 (Baht'000)	2016 (Baht'000)	2017 (Baht'000)	2016 (Baht'000)
Interlink Telecom Public Company Limited												



## 14. Investments in subsidiaries, net (continued)

As at 31 December 2017, total non-controlling interest is Baht 604,680,443 of which Baht 601,438,842 is attributed Interlink Telecom Public Company Limited and Baht 3,241,601 to Interlink Power and Energy Company Limited. The non-controlling interest in respect of Interlink Power and Energy Company Limited is not material.

### Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

### Summarised statement of financial position

	Interlink Telecom Public Company Limited As at 31 December	
	2017 Baht	2016 Baht
Current		
Assets	1,100,093,416	736,451,056
Liabilities	(1,224,004,046)	(773,804,439)
Total current net assets	(123,910,630)	(37,353,383)
Non-current		
Assets	3,193,830,762	2,599,704,636
Liabilities	(1,561,552,480)	(1,155,766,410)
Total non-current net assets	1,632,278,282	1,443,938,226
Net assets	1,508,367,652	1,406,584,843



## Summarised statement of comprehensive income

Interlink Telecom Public Company Limited For the years ended 31 December		
	2017 Baht	2016 Baht
Revenue	1,081,248,468	809,291,874
Profit before income tax	128,984,101	84,079,198
Income tax expense	(26,582,890)	(16,836,234)
Post-tax profit from continuing operations	102,401,211	67,242,964
Other comprehensive income (loss)	(618,402)	(620,058)
Total comprehensive income	101,782,809	66,622,906

## Summarised statement of cash flows

Interlink Telecom Public Company Limited For the years ended 31 December		
	2017 Baht	2016 Baht
<b>Cash flow from operating activities</b>		
Cash generated from operations	250,459,209	27,766,073
Income tax paid	(27,615,980)	(25,597,942)
Net cash receipts from operating activities	222,843,229	2,168,131
Net cash payments in investing activities	(777,582,588)	(506,537,542)
Net cash receipts from financing activities	520,683,080	530,482,654
<b>Net (decrease) increase in cash and cash equivalents</b>	(34,056,279)	26,113,243
Cash, cash equivalents and bank overdrafts at beginning of year	137,491,307	111,378,064
Cash and cash equivalents at end of year	103,435,028	137,491,307

The information above is the amount before inter-company eliminations.



## 15. Investment in a joint venture

As at 31 December 2017, the Group has an investment in a joint venture as follows;

### Genesis Data Center Co., Ltd.

Genesis Data Center Co., Ltd., a joint venture of the Group, has a total of 2,100,000 registered ordinary shares at a par value of Baht 100 per share amounting to Baht 210 million. The Group holds 33.33% of its authorized share capital amounting to Baht 70 million.

On 3 July 2017, Genesis Data Center Co., Ltd., a joint venture of the Group called-up payment for 660,000 shares at Baht 50 per share, totalling Baht 33 million. The Group paid such called-up ordinary shares on 17 July 2017 and 21 August 2017.

The movement in investment in a joint venture can be analysed as follows:

	Consolidated	Separate
	Baht	Baht
<b>For the year ended 31 December 2017</b>		
Opening book value	36,858,574	-
Additional in investment in a joint venture	33,000,000	-
Share of losses from investment in a joint venture	(4,561,658)	-
Closing book value	65,296,916	-

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the Group.

### Nature of investment in a joint venture

Name of entity	% of ownership interest	Measurement method	Nature of the Relationship
	2017		
Genesis Data Center Co., Ltd.	33.33	Equity	Note 1

Note 1 : Genesis Data Center Co., Ltd. provides data center space services such as co-location service, cloud computing service and disaster recovery service. Genesis Data Center Co., Ltd. is a strategic partnership for the Group, providing data center space business. Genesis Data Center Co., Ltd. is a private company and there is no quoted market price available for its shares

## 15. Investment in a joint venture (continued)

### Summarised financial information for a joint venture

Set out below are the summarised financial information for Genesis Data Center Co., Ltd. which is accounted for using the equity method.

### Summarised statement of financial position

Genesis Data Center Co., Ltd.		
	As at 31 December	
	2017	2016
	Baht	Baht
Current assets		
Cash and cash equivalents	4,626,016	90,738,981
Other current assets (excluding cash)	19,680,324	1,419,467
Total current assets	24,306,340	92,158,448
Non-current assets	473,715,409	18,670,000
Total asset	498,021,749	110,828,448
Current liabilities		
Financial liabilities (excluding trade accounts payable)	54,000,000	-
Other current liabilities (including trade accounts payable)	47,189,577	252,426
Total current liabilities	101,189,577	252,426
Non-current liabilities	200,941,123	-
Total liabilities	302,130,700	252,426
Net assets	195,891,049	110,576,022

## 15. Investment in a joint venture (continued)

### Summarised financial information for joint ventures (continued)

Set out below are the summarised financial information for Genesis Data Center Co., Ltd. which is accounted for using the equity method.(continued)

### Summarised statement of comprehensive income

	Genesis Data Center Co., Ltd.	
	For the year ended 31 December 2017 Baht	For the period from 9 September 2016 to 31 December 2016 Baht
Interest income	537,897	33,598
Administrative expense	(11,346,336)	(563,570)
Finance cost	(2,770,540)	-
Loss from continuing operations	(13,578,979)	(529,972)
Income tax expense	(105,994)	105,994
Post-tax loss from continuing operations	(13,684,973)	(423,978)
Other comprehensive loss	-	-
Total comprehensive loss	(13,684,973)	(423,978)

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Group and the joint venture (and not the Group's share of those amounts).



## 15. Investment in a joint venture (continued)

### Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of its interest in joint venture.

	Genesis Data Center Co., Ltd.	
	As at 31 December	
	2017	2016
	Baht	Baht
Summarised financial information		
Opening net assets	110,576,022	12,000,000
Additions	99,000,000	99,000,000
Loss for the year	(13,684,973)	(423,978)
Closing net assets	195,891,049	110,576,022
Interest in joint venture	33.33%	33.33%
Carrying value	65,296,916	36,858,574

# 16. Property, plant and equipment, net

	Consolidated									
	Land Baht	Land improvement Baht	Building and building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Telecommunicat ion network equipment Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2016</b>										
Cost	56,211,144	5,699,636	214,670,095	128,703,375	49,759,397	120,902,135	36,180,844	1,702,968,728	200,790,784	2,515,886,138
Less Accumulated depreciation	-	(1,607,282)	(52,159,257)	(20,038,233)	(28,822,678)	(19,709,959)	(22,349,492)	(99,581,196)	-	(244,268,097)
Net book value	56,211,144	4,092,354	162,510,838	108,665,142	20,936,719	101,192,176	13,831,352	1,603,387,532	200,790,784	2,271,618,041
<b>For the year ended</b>										
<b>31 December 2016</b>										
Opening net book value	56,211,144	4,092,354	162,510,838	108,665,142	20,936,719	101,192,176	13,831,352	1,603,387,532	200,790,784	2,271,618,041
Additions	11,500,000	-	2,331,067	1,973,586	9,308,645	36,219,704	8,741,394	49,719,108	532,199,408	651,992,912
Transfer in (out)	-	-	17,703,840	1,627,955	158,469	-	-	439,376,199	(458,866,463)	-
Disposal, net	-	-	-	-	(1)	-	(3)	-	-	(4)
Write-off, net	-	-	(1,815)	-	(31,532)	(63,352)	-	-	-	(96,699)
Write-off, construction in progress	-	-	-	-	-	-	-	-	-	-
to repair and maintenance of network	-	-	-	-	-	-	-	-	(10,078,736)	(10,078,736)
Impairment charge	-	-	-	-	-	-	-	-	(1,859,987)	(1,859,987)
Depreciation charge	-	(571,210)	(13,248,277)	(13,912,941)	(7,672,847)	(16,552,915)	(5,360,080)	(86,753,370)	-	(144,071,640)
Closing net book value	67,711,144	3,521,144	169,295,653	98,353,742	22,699,453	120,795,613	17,212,663	2,005,729,469	262,185,006	2,767,503,887
<b>As at 31 December 2016</b>										
Cost	67,711,144	5,699,636	233,658,799	132,304,916	58,296,471	157,035,202	37,197,210	2,192,064,035	264,044,993	3,148,012,406
Less Accumulated depreciation	-	(2,178,492)	(64,363,146)	(33,951,174)	(35,597,018)	(36,239,589)	(19,984,547)	(186,334,566)	-	(378,648,532)
Less Impairment loss on assets	-	-	-	-	-	-	-	-	(1,859,987)	(1,859,987)
Net book value	67,711,144	3,521,144	169,295,653	98,353,742	22,699,453	120,795,613	17,212,663	2,005,729,469	262,185,006	2,767,503,887

## 16. Property, plant and equipment, net (continued)

	Consolidated									
	Land Baht	Land improvement Baht	Building and building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Telecommunication network equipment Baht	Construction in progress Baht	Total Baht
<b>As at 1 January 2017</b>										
Cost	67,711,144	5,699,636	233,658,799	132,304,916	58,296,471	157,035,202	37,197,210	2,192,064,035	264,044,993	3,148,012,406
Less Accumulated depreciation	-	(2,178,492)	(64,363,146)	(33,951,174)	(35,597,018)	(36,239,589)	(19,984,547)	(186,334,566)	-	(378,648,532)
Less Impairment loss on assets	-	-	-	-	-	-	-	-	(1,859,987)	(1,859,987)
Net book value	67,711,144	3,521,144	169,295,653	98,353,742	22,699,453	120,795,613	17,212,663	2,005,729,469	262,185,006	2,767,503,887
<b>For the year ended 31 December 2017</b>										
Opening net book value	67,711,144	3,521,144	169,295,653	98,353,742	22,699,453	120,795,613	17,212,663	2,005,729,469	262,185,006	2,767,503,887
Additions	936,000	-	1,959,413	2,114,314	16,121,464	38,413,418	3,544,776	74,822,286	615,979,522	753,891,193
Transfer in (out)	-	-	1,120,568	1,608,612	-	-	-	449,618,713	(452,347,893)	-
Disposal, net	-	-	-	-	(85,617)	-	(4)	-	-	(85,621)
Write-off, net	-	-	-	-	(10,744)	(326)	-	-	-	(11,070)
Write-off, construction in progress to repair and maintenance of network	-	-	-	-	-	-	-	-	(11,978,926)	(11,978,926)
Impairment charge	-	-	-	-	-	-	-	-	(1,801,597)	(1,801,597)
Depreciation charge	-	(569,648)	(13,743,451)	(14,230,146)	(9,789,479)	(22,594,425)	(5,982,374)	(113,268,740)	-	(180,178,263)
Closing net book value	68,647,144	2,951,496	158,632,183	87,846,522	28,935,077	136,614,280	14,775,061	2,416,901,728	412,036,112	3,327,339,603
<b>As at 31 December 2017</b>										
Cost	68,647,144	5,699,636	236,738,780	136,027,842	74,283,577	195,446,247	38,748,809	2,716,505,034	415,697,696	3,887,794,785
Less Accumulated depreciation	-	(2,748,140)	(78,106,597)	(48,181,320)	(45,348,500)	(58,831,967)	(23,973,748)	(299,603,306)	-	(556,794,181)
Less Impairment loss on assets	-	-	-	-	-	-	-	-	(3,661,584)	(3,661,584)
Net book value	68,647,144	2,951,496	158,632,183	87,846,522	28,935,077	136,614,280	14,775,061	2,416,901,728	412,036,112	3,327,339,603

## 16. Property, plant and equipment, net (continued)

	Separate							Total Baht
	Land Baht	Land improvement Baht	Building and building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	
<b>As at 1 January 2016</b>								
Cost	56,211,144	5,699,636	166,847,857	27,301,051	38,154,776	5,595,244	34,984,151	346,490,759
<u>Less</u> Accumulated depreciation	-	(1,607,282)	(49,698,973)	(13,045,516)	(25,325,669)	(2,865,267)	(21,446,495)	(113,989,202)
Net book value	56,211,144	4,092,354	117,148,884	14,255,535	12,829,107	2,729,977	13,537,656	232,501,557
<b>For the year ended 31 December 2016</b>								
Opening net book value	56,211,144	4,092,354	117,148,884	14,255,535	12,829,107	2,729,977	13,537,656	232,501,557
Additions	11,500,000	-	1,622,063	1,267,686	4,583,740	2,036,157	7,956,132	38,984,457
Transfer in (out)	-	-	17,703,840	1,627,955	158,469	-	-	(19,490,264)
Disposals, net	-	-	-	-	(1)	-	(3)	(4)
Write-offs, net	-	-	(1,815)	-	(31,532)	(3,762)	-	(37,109)
Depreciation charge	-	(571,210)	(10,198,056)	(3,391,452)	(4,912,219)	(1,221,224)	(5,014,849)	(25,309,010)
Closing net book value	67,711,144	3,521,144	126,274,916	13,759,724	12,627,564	3,541,148	16,478,936	246,139,891
<b>As at 31 December 2016</b>								
Cost	67,711,144	5,699,636	185,127,557	30,196,692	41,965,915	7,618,665	35,215,255	375,760,179
<u>Less</u> Accumulated depreciation	-	(2,178,492)	(58,852,641)	(16,436,968)	(29,338,351)	(4,077,517)	(18,736,319)	(129,620,288)
Net book value	67,711,144	3,521,144	126,274,916	13,759,724	12,627,564	3,541,148	16,478,936	246,139,891

## 16. Property, plant and equipment, net (continued)

	Separate									
	Land Baht	Land improvement Baht	Building and building improvement Baht	Infrastructure system Baht	Furniture, fixtures and office equipment Baht	Tool and equipment Baht	Vehicle Baht	Construction in progress Baht	Total Baht	
<b>As at 1 January 2017</b>										
Cost	67,711,144	5,699,636	185,127,557	30,196,692	41,965,915	7,618,665	35,215,255	2,225,315	375,760,179	
Less Accumulated depreciation	-	(2,178,492)	(58,852,641)	(16,436,968)	(29,338,351)	(4,077,517)	(18,736,319)	-	(129,620,288)	
Net book value	67,711,144	3,521,144	126,274,916	13,759,724	12,627,564	3,541,148	16,478,936	2,225,315	246,139,891	
<b>For the year ended 31 December 2017</b>										
Opening net book value	67,711,144	3,521,144	126,274,916	13,759,724	12,627,564	3,541,148	16,478,936	2,225,315	246,139,891	
Additions	936,000	-	1,341,442	314,725	6,726,642	607,974	3,544,775	26,559,266	40,030,824	
Disposals, net	-	-	-	-	(85,617)	-	(4)	-	(85,621)	
Write-offs, net	-	-	-	-	(10,744)	(326)	-	-	(11,070)	
Depreciation charge	-	(569,648)	(10,744,593)	(3,372,960)	(5,718,797)	(1,463,272)	(5,779,130)	-	(27,648,400)	
Closing net book value	68,647,144	2,951,496	116,871,765	10,701,489	13,539,048	2,685,524	14,244,577	28,784,581	258,425,624	
<b>As at 31 December 2017</b>										
Cost	68,647,144	5,699,636	186,468,999	30,511,417	48,559,229	8,224,265	36,766,853	28,784,581	413,662,124	
Less Accumulated depreciation	-	(2,748,140)	(69,597,234)	(19,809,928)	(35,020,181)	(5,538,741)	(22,522,276)	-	(155,236,500)	
Net book value	68,647,144	2,951,496	116,871,765	10,701,489	13,539,048	2,685,524	14,244,577	28,784,581	258,425,624	

## 16. Property, plant and equipment, net (continued)

For the year ended 31 December 2017, the Group capitalised interest from borrowings as the cost of fixed assets at the amount of Baht 8.89 million included in addition of assets (2016: Baht 4.37 million).

As at 31 December 2017, land and building amounting Baht 195.01 million are mortgaged with a bank as collaterals for the credit facilities, bank overdrafts, letters of credit, trust receipts, letter of guarantee and forward foreign exchange contracts (31 December 2016 : Baht 149.45 million). (Note 22)

The Group has an additions of assets under finance leases amounting Baht 22.49 million during the year (2016: No additions of assets under finance lease) included in additions of assets (where the Group is the lessee).

Leased assets included above, where the Group is a lessee under a finance lease, comprise of telecommunication network equipment as follows:

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
As at 31 December				
Cost - capitalised finance lease	192,243,074	169,757,821	-	-
<u>Less</u> Accumulated depreciation	(30,295,558)	(20,949,098)	-	-
Net book value	161,947,516	148,808,723	-	-

## 17. Intangible assets, net

	Consolidated		
	Computer software	Software in progress	Total
	Baht	Baht	Baht
<b>As at 1 January 2016</b>			
Cost	8,066,018	556,000	8,622,018
<u>Less</u> Accumulated amortisation	(3,524,793)	-	(3,524,793)
Net book value	<u>4,541,225</u>	<u>556,000</u>	<u>5,097,225</u>
<b>For the year ended 31 December 2016</b>			
Opening net book value	4,541,225	556,000	5,097,225
Additions	4,144,000	336,000	4,480,000
Transfer in (out)	615,000	(615,000)	-
Write-offs, net	-	(89,000)	(89,000)
Amortisation charge	(493,472)	-	(493,472)
Closing net book value	<u>8,806,753</u>	<u>188,000</u>	<u>8,994,753</u>
<b>As at 31 December 2016</b>			
Cost	12,825,018	188,000	13,013,018
<u>Less</u> Accumulated amortisation	(4,018,265)	-	(4,018,265)
Net book value	<u>8,806,753</u>	<u>188,000</u>	<u>8,994,753</u>
<b>For the year ended 31 December 2017</b>			
Opening net book value	8,806,753	188,000	8,994,753
Additions	2,949,126	8,771,219	11,720,345
Amortisation charge	(806,759)	-	(806,759)
Closing net book value	<u>10,949,120</u>	<u>8,959,219</u>	<u>19,908,339</u>
<b>As at 31 December 2017</b>			
Cost	15,774,144	8,959,219	24,733,363
<u>Less</u> Accumulated amortisation	(4,825,024)	-	(4,825,024)
Net book value	<u>10,949,120</u>	<u>8,959,219</u>	<u>19,908,339</u>

## 17. Intangible assets, net (continued)

	Separate		
	Computer Software Baht	Software in progress Baht	Total Baht
<b>As at 1 January 2016</b>			
Cost	3,406,000	313,000	3,719,000
<u>Less</u> Accumulated amortisation	(3,108,696)	-	(3,108,696)
Net book value	297,304	313,000	610,304
<b>For the year ended 31 December 2016</b>			
Opening net book value	297,304	313,000	610,304
Additions	-	336,000	336,000
Transfer in (out)	560,000	(560,000)	-
Write-offs, net	-	(89,000)	(89,000)
Amortisation charge	(70,490)	-	(70,490)
Closing net book value	786,814	-	786,814
<b>As at 31 December 2016</b>			
Cost	3,966,000	-	3,966,000
<u>Less</u> Accumulated amortisation	(3,179,186)	-	(3,179,186)
Net book value	786,814	-	786,814
<b>For the year ended 31 December 2017</b>			
Opening net book value	786,814	-	786,814
Additions	272,500	453,250	725,750
Amortisation charge	(181,174)	-	(181,174)
Closing net book value	878,140	453,250	1,331,390
<b>As at 31 December 2017</b>			
Cost	4,238,500	453,250	4,691,750
<u>Less</u> Accumulated amortisation	(3,360,360)	-	(3,360,360)
Net book value	878,140	453,250	1,331,390

## 18. Short-term loans from financial institutions

As at 31 December 2017, short-term loans from financial institutions comprise promissory note of Baht 250.80 million. The interest rate equal 3.10% - 4.00% per annum. These loans are due for repayment within 6 months.



The movement of the short-term loans from financial institutions for the year ended 31 December 2017 can be analyses as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>For the year ended 31 December</b>				
Opening book value	-	-	-	-
Cash received from short-term loans	250,800,000	-	120,000,000	-
Closing book value	250,800,000	-	120,000,000	-

## 19. Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered				
within 12 months	32,586,368	18,111,460	8,597,853	33,258
Deferred tax assets to be recovered				
after more than 12 months	32,155,196	14,175,307	27,425,225	9,726,437
	64,741,564	32,286,767	36,023,078	9,759,695
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled				
within 12 months	(43,960)	(784,649)	(11,677)	(100,346)
Deferred tax liabilities to be settled after				
more than 12 months	(4,857,405)	(2,068,294)	-	-
	(4,901,365)	(2,852,943)	(11,677)	(100,346)
<b>Deferred income taxes, net</b>	<b>59,840,199</b>	<b>29,433,824</b>	<b>36,011,401</b>	<b>9,659,349</b>

## 19. Deferred income taxes (continued)

The movement of the deferred income tax account is as follows:

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
At 1 January	29,433,824	14,857,367	9,659,349	8,589,821
Charged to profit or loss	28,706,537	14,358,843	24,785,760	1,069,528
Tax charged directly to other comprehensive income	1,699,838	217,614	1,566,292	-
At 31 December	59,840,199	29,433,824	36,011,401	9,659,349

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

Consolidated																	
Allowance for doubtful accounts	Provision		Financial derivation liabilities		Employee benefit obligations		Depreciation		Provision for warranty of engineering service		Impairment loss on investment		Deficits		Others		Total Baht
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Deferred tax assets																	
At 1 January 2017	3,700,163	17,752,672	608,341	3,703,895	3,756,410	(4,015)	742,965	-	-	-	-	-	-	2,026,336	-	-	32,286,767
Charged/(credited) to profit or loss	51,966	6,455,248	288,788	(370,263)	1,474,687	1,473,935	(742,965)	18,788,009	2,695,159	640,395	30,754,959						
Charged directly																	
to other comprehensive income	-	-	-	1,699,838	-	-	-	-	-	-	-	-	-	-	-	-	1,699,838
At 31 December 2017	3,752,129	24,207,920	897,129	5,033,470	5,231,097	1,469,920	-	18,788,009	2,695,159	2,666,731	64,741,564						
At 1 January 2016	2,642,643	4,782,298	389,028	2,957,043	2,472,476	148,094	742,535	-	-	-	1,251,291	15,385,408					
Charged/(credited) to profit or loss	1,057,520	12,970,374	219,313	529,238	1,283,934	(152,109)	430	-	-	-	775,045	16,683,745					
Charged directly																	
to other comprehensive income	-	-	-	217,614	-	-	-	-	-	-	-	-	-	-	-	-	217,614
At 31 December 2016	3,700,163	17,752,672	608,341	3,703,895	3,756,410	(4,015)	742,965	-	-	-	2,026,336	32,286,767					

## 19. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Separate									
	Allowance for doubtful accounts		Employee benefit obligations		Depreciation		Financial derivation liabilities		Provision for warranty of engineering service	
	Baht	Allowance for obsolescence	Baht	Employee benefit obligations	Baht	Depreciation	Baht	Financial derivation liabilities	Baht	Provision for warranty of engineering service
	Baht		Baht		Baht		Baht		Baht	
Deferred tax assets										
At 1 January 2017	2,997,336	608,341	2,795,520	1,883,452	33,258	742,965	698,823	-	-	-
Charged/(credited) to profit or loss	(274,129)	(71,531)	(308,111)	360,046	171,398	(742,965)	(698,823)	18,788,009	7,473,197	24,697,091
Charged directly										
to other comprehensive income	-	-	1,566,292	-	-	-	-	-	-	1,566,292
At 31 December 2017	2,723,207	536,810	4,053,701	2,243,498	204,656	-	-	18,788,009	7,473,197	36,023,078
At 1 January 2016	2,498,643	389,028	2,608,183	1,525,874	152,510	742,535	698,823	-	-	8,615,596
Charged/(credited) to profit or loss	498,693	219,313	187,337	357,578	(119,252)	430	-	-	-	1,144,099
At 31 December 2016	2,997,336	608,341	2,795,520	1,883,452	33,258	742,965	698,823	-	-	9,759,695

## 19. Deferred income taxes (continued)

The movement in deferred tax assets and liabilities during the year is as follows: (continued)

	Consolidated				Separate	
	Finance lease Baht	Financial derivation assets Baht	Other Baht	Total Baht	Financial derivation assets Baht	Total Baht
<b>Deferred tax liabilities</b>						
At 1 January 2017	(1,568,567)	(863,129)	(421,247)	(2,852,943)	(100,346)	(100,346)
Charged/(credited) to profit or loss	(2,480,192)	846,001	(414,231)	(2,048,422)	88,669	88,669
At 31 December 2017	(4,048,759)	(17,128)	(835,478)	(4,901,365)	(11,677)	(11,677)
At 1 January 2016	(174,514)	(348,892)	-	(523,406)	(25,776)	(25,776)
Charged/(credited) to profit or loss	(1,394,053)	(514,237)	(421,247)	(2,329,537)	(74,570)	(74,570)
At 31 December 2016	(1,568,567)	(863,129)	(421,247)	(2,852,943)	(100,346)	(100,346)

## 20. Trade and other accounts payable

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Trade accounts payable	1,081,424,590	677,238,683	580,231,242	276,073,953
Trade accounts payable - related parties	-	-	394,295	394,295
Total trade accounts payable	1,081,424,590	677,238,683	580,625,537	276,468,248
Other accounts payable	329,248,386	224,905,264	85,086,018	8,127,061
Accrued expenses	68,845,358	41,864,497	41,721,298	26,756,485
Accrued bonus	30,377,338	29,989,032	9,730,860	14,345,782
Other accounts payable - related parties	550,000	552,202	9,298,660	4,488,431
Total trade and other accounts payable	1,510,445,672	974,549,678	726,462,373	330,186,007

## 21. Finance lease liabilities, net

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>As at 31 December</b>				
Within 1 year	35,975,356	44,442,970	-	-
Over 1 year but less than 5 years	23,917,610	39,016,474	-	-
	59,892,966	83,459,444	-	-
<u>Less</u> Future interest paid				
of finance lease liabilities	(2,786,512)	(4,093,530)	-	-
Present value of finance lease				
liabilities, net	57,106,454	79,365,914	-	-

Finance lease liabilities excluded future interest paid are as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>As at 31 December</b>				
Finance lease liabilities	59,892,966	83,459,444	-	-
<u>Less</u> Deferred interest	(2,786,512)	(4,093,530)	-	-
	57,106,454	79,365,914	-	-
<u>Less</u> Current portion of finance				
lease liabilities, net	(34,116,627)	(41,597,088)	-	-
Finance lease liabilities, net	22,989,827	37,768,826	-	-

The fair value of finance lease liabilities approximated their carrying amount, as the impact of discounting is not significant.



## 22. Long-term loans from financial institution, net

22.1 The long-term loans from financial institution are as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Current portion of long-term loans from financial institutions				
Thai Baht loans	180,600,000	99,200,000	-	-
<u>Less</u> Deferred financing service fees due within 1 year	(1,195,461)	(858,248)	-	-
Current portion of long-term loans from financial institutions, net	179,404,539	98,341,752	-	-
Long-term loans from financial institutions				
Thai Baht loans	1,537,300,000	1,117,900,000	-	-
<u>Less</u> Deferred financing service fees due later than 1 year	(2,867,792)	(2,345,483)	-	-
Long-term loans from financial institutions, net	1,534,432,208	1,115,554,517	-	-
Total long-term loans from financial institutions, net	1,713,836,747	1,213,896,269	-	-

## 22. Long-term loans from financial institution, net (continued)

The fair value of long-term loans from financial institutions approximated their carrying amount, as the impact of discounting from floating rate is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.75% (2016: 4.75%) and are within level 2 of the fair value hierarchy.

At 31 December 2017, the Group had long-term loans denominated in Thai Baht with a local financial institution which were secured amounting to Baht 1,717.90 million (31 December 2016: Baht 1,217.10 million) as follows:

Number	Outstanding balance as at 31 December 2017 (Baht)	Outstanding balance as at 31 December 2016 (Baht)	Interest rate per annum	Principal repayment term	Interest payment period
1	422,900,000	517,100,000	MLR - 1.5%	Repayment every month from November 2016	Payment every month
2	295,000,000	300,000,000	MLR - 1.5%	Repayment every month from December 2017	Payment every month
3	200,000,000	200,000,000	MLR - 1.5%	Repayment every month from May 2018	Payment every month
4	200,000,000	200,000,000	MLR - 1.5%	Repayment every month From January 2019	Payment every month
5	200,000,000	-	MLR - 1.5%	Repayment every month from February 2019	Payment every month
6	200,000,000	-	MLR - 1.5%	Repayment every month from June 2019	Payment every month
7	200,000,000	-	MLR - 1.5%	Repayment every month from September 2019	Payment every month
Total	<u>1,717,900,000</u>	<u>1,217,100,000</u>			

According to loan agreement, the Group has to maintain loan from financial institution to the equity and loan from related parties ratio not exceeding 2 times and maintain debt service coverage ratio not to be less than 1.2 times, which is calculated from its financial statements. Moreover, Anantarumporn family has to maintain the portion of shareholders' equity both directly and indirectly via the subsidiaries not to be less than 25%.

This loan agreement is secured by:

1. Directors of Interlink Communication Public Company Limited
2. 51% share of Interlink Telecom Public Company Limited



## 22. Long-term loans from financial institution, net (continued)

### 22.2 The interest rate exposure on the long-term loans from financial institution

The interest rate exposure on the long-term loans from a financial institution of the Group is as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Long-term loans from financial institution				
- at floating rate	1,717,900,000	1,217,100,000	-	-
Total long-term loans from financial institution	1,717,900,000	1,217,100,000	-	-

### 22.3 Maturity of long-term loans from financial institution is as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
As at 31 December				
Within 1 year	180,600,000	99,200,000	-	-
Later than 1 year and not later than 5 years	1,309,500,000	880,800,000	-	-
Later than 5 years	227,800,000	237,100,000	-	-
Total long-term loans from financial institution	1,717,900,00	1,217,100,000	-	-

### 22.4 Credit facilities

As at 31 December 2017, the Group had the available credit facilities and overdraft from bank of Baht 887 million (31 December 2016: Baht 1,388 million). Other available credit facilities include letter of credit, trust receipt, letter of guarantee and forward foreign exchange contracts totaling Baht 4,683 million (31 December 2016: Baht 3,650 million).

## 23. Employee benefit obligations

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Statement of financial position:				
Retirement benefits	25,167,342	17,260,079	20,268,507	12,718,212
Liability in the statement of				
financial position	25,167,342	17,260,079	20,268,507	12,718,212
Profit or loss charge included				
in operating profit for:				
Retirement benefits	2,338,077	1,716,544	978,835	936,685
	2,338,077	1,716,544	978,835	936,685
Remeasurement for:				
Retirement benefits	6,799,348	870,458	6,265,168	-
	6,799,348	870,458	6,265,168	-

## 23. Employee benefit obligations (continued)

The analysis of the retirement benefit obligations is as follows:

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Retirement benefit obligations to be paid within 12 months	4,810,000	1,620,086	4,600,000	-
Retirement benefit obligations to be paid after more than 12 months	20,357,342	15,639,993	15,668,507	12,718,212
	<u>25,167,342</u>	<u>17,260,079</u>	<u>20,268,507</u>	<u>12,718,212</u>

The movement in the retirement benefit obligations over the year are as follows:

	Consolidated		Separate	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	17,260,079	14,455,463	12,718,212	11,781,527
Current service cost	1,922,357	1,350,914	689,459	671,640
Interest cost	415,720	365,630	289,376	265,045
Remeasurements				
(Gain)/loss from change in demographic assumptions	5,440,408	(728,120)	5,047,059	-
(Gain)/loss from change in financial assumptions	(904,377)	936,171	(451,381)	-
Experience loss	3,963,155	880,021	3,235,782	-
Payment from plans:				
Benefit payment	(2,930,000)	-	(1,260,000)	-
Closing balance	<u>25,167,342</u>	<u>17,260,079</u>	<u>20,268,507</u>	<u>12,718,212</u>

## 23. Employee benefit obligations (continued)

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

	Consolidated		Separate	
	2017	2016	2017	2016
	Percentage	Percentage	Percentage	Percentage
Discount rate	2.13 - 2.97	2.19 - 2.99	2.13	2.19
Salary increase rate	7.00	8.00	7.00	8.00
Turnover rate	0.00 - 19.00	0.00 - 54.00	0.00 - 19.00	10.00 - 54.00
Mortality rate	TMO 2017	TMO 2008	TMO 2017	TMO 2008

Consolidated			
2017			
Change in assumption	Impact on defined benefit obligation		
	Increase in assumption	Decrease in assumption	
Discount rate	0.5%	Decrease by Baht 810,996	Increase by Baht 880,774
Salary increase rate	0.5%	Increase by Baht 768,637	Decrease by Baht 715,302
Turnover rate	10.0%	Decrease by Baht 1,098,831	Increase by Baht 1,262,218

## 23. Employee benefit obligations (continued)

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements: (continued)

Consolidated			
2016			
Change in assumption	Impact on defined benefit obligation		
	Increase in assumption	Decrease in assumption	
Discount rate	0.5%	Decrease by Baht 413,116	Increase by Baht 442,672
Salary increase rate	0.5%	Increase by Baht 480,114	Decrease by Baht 453,069
Turnover rate	10.0%	Decrease by Baht 1,079,808	Increase by Baht 1,265,274
Separate			
2017			
Change in assumption	Impact on defined benefit obligation		
	Increase in assumption	Decrease in assumption	
Discount rate	0.5%	Decrease by Baht 810,996	Increase by Baht 880,774
Salary increase rate	0.5%	Increase by Baht 768,637	Decrease by Baht 715,302
Turnover rate	10.0%	Decrease by Baht 1,098,831	Increase by Baht 1,262,218
Separate			
2016			
Change in assumption	Impact on defined benefit obligation		
	Increase in assumption	Decrease in assumption	
Discount rate	0.5%	Decrease by Baht 413,116	Increase by Baht 442,672
Salary increase rate	0.5%	Increase by Baht 480,114	Decrease by Baht 453,069
Turnover rate	10.0%	Decrease by Baht 1,079,808	Increase by Baht 1,265,274

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

## 23. Employee benefit obligations (continued)

The weighted average durations of the Group and the Company's defined benefit obligation are equal to 18 years and 14 years, respectively (2016: 11 years and 5 years, respectively).

	Consolidated				
	Less than	Between 1-	Between 2-	Over 5	Total
	a year	2 years	5 years	years	
	Baht	Baht	Baht	Baht	Baht
At 31 December 2017					
Retirement benefits	4,810,000	5,536,172	2,833,570	127,092,629	140,272,371
Total	4,810,000	5,536,172	2,833,570	127,092,629	140,272,371

	Consolidated				
	Less than	Between 1-	Between 2-	Over 5	Total
	a year	2 years	5 years	years	
	Baht	Baht	Baht	Baht	Baht
At 31 December 2016					
Retirement benefits	1,620,086	3,979,806	5,838,284	72,082,828	83,521,004
Total	1,620,086	3,979,806	5,838,284	72,082,828	83,521,004

	Separate				
	Less than	Between 1-	Between 2-5	Over 5	Total
	a year	2 years	years	years	
	Baht	Baht	Baht	Baht	Baht
At 31 December 2017					
Retirement benefits	4,600,000	5,536,172	2,581,943	54,220,613	66,938,728
Total	4,600,000	5,536,172	2,581,943	54,220,613	66,938,728

	Separate				
	Less than	Between 1-2	Between 2-5	Over 5	Total
	a year	years	years	years	
	Baht	Baht	Baht	Baht	Baht
At 31 December 2016					
Retirement benefits	-	3,772,087	5,838,284	20,595,893	30,206,264
Total	-	3,772,087	5,838,284	20,595,893	30,206,264

## 24. Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
At 1 January 2016	334,653,851	334,653,851	576,466,465	911,120,316
Warrant exercised	27,770,135	27,770,135	194,390,945	222,161,080
At 31 December 2016	362,423,986	362,423,986	770,857,410	1,133,281,396
Warrant exercised	-	-	-	-
At 31 December 2017	362,423,986	362,423,986	770,857,410	1,133,281,396

### Increase in share capital

On 12 January 2016, 5 April 2016 and 29 September 2016, the Company registered an increase in paid-up share capital amounting to Baht 27,770,135 (27,770,135 ordinary shares at par value of Baht 1 each) for the exercise of ILINK-W1 No. 10, 11 and 12 of 11,108,063 units.

### Decrease in authorised share capital

On 25 April 2017, the 2017 Annual General Meeting of Shareholders has passed the resolution to approve the registration to decrease authorised share capital amounting to Baht 55,461 (55,461 ordinary shares at par value of Baht 1), from authorised share capital amounting to Baht 362,479,447 (362,479,447 ordinary shares at par value of Baht 1 each) to authorised share capital amounting to Baht 362,423,986 (362,423,986 ordinary shares at par value of Baht 1 each). The Company registered the decrease of authorised share capital on 8 May 2017.

## 25. Warrants

In 2013, the Company issued warrants at no cost to shareholders as follows:

Type of warrant	Issue to	Issuance date of warrant	Number of warrant issued (Units)	Period of Warrant	Exercise per share Baht	Exercise ratio per 1 warrant
ILINK-W1	General shareholders	24 June 2013	14,997,238	3 years	20.00	1 ordinary share

On 30 April 2014, the Stock Exchange of Thailand marked XD for the Company's stock for payment of dividend and stock dividend for the year 2014. As a result, the Company needed to adjust terms of the warrants in accordance with the conditions prescribed in the prospectus relating to ILINK-W1 warrants. Changes are as follows:

Effective date	Exercise price per share	Exercise ratio per 1 warrant
30 April 2014	Baht 10.00	2 ordinary shares

On 6 May 2015, the Stock Exchange of Thailand marked XD for the Company's stock for payment of dividend and stock dividend for the year 2015. As a result, the Company needed to adjust terms of the warrants in accordance with the conditions prescribed in the prospectus relating to ILINK-W1 warrants. Changes are as follows:

Effective date	Exercise price per share	Exercise ratio per 1 warrant
6 May 2015	Baht 8.00	2.5 ordinary shares

As at 31 December 2015, warrant holders notified the Company of their intent to exercise 387,000 units of warrants, the Company collected Baht 7,740,000 from warrant holders and recorded the amount as other payables in the statement of financial position as at 31 December 2015.

As at 31 December 2015, the Company had 10,742,688 units of unexercised ILINK-W1 warrants.

For the year ended 31 December 2016, the Company collected Baht 214,421,080 from warrant holders with intention to exercise 10,721,063 units of warrants. However, there was no outstanding other payables relating to warrants exercise recorded in the statement of financial position as at 31 December 2016.

As at 31 December 2016, all outstanding warrants were expired.

During 2017, there were no warrants issued.

## 26. Dividend

At the Annual General Shareholders' Meeting held on 25 April 2017, the Shareholders approved the dividend payments for the year ended 31 December 2016 by cash at Baht 0.20 per share, totaling Baht 72.48 million.

The Company paid these dividends on 23 May 2017.

At the Annual General Shareholders' Meeting held on 27 April 2016, the Shareholders approved the dividend payments for the year ended 31 December 2015 by cash at Baht 0.26 per share, totaling Baht 90.02 million.

The Company paid these dividends on 25 May 2016.

## 27. Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

## 28. Expenses by nature

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Changes in inventories of				
finished goods and work in process	22,141,676	46,358,823	22,141,676	46,358,823
Subcontract cost	447,630,052	170,759,058	161,811,071	25,714,921
Repair and maintenance expense	78,933,583	45,245,585	3,091,943	3,657,646
Raw material and consumables used	1,031,046,937	203,041,639	939,120,477	104,491,804
System and network expense	55,151,217	58,258,496	4,785,397	4,725,213
Employee benefit expense	295,018,271	259,301,851	183,389,049	179,189,554
Depreciation and amortisation	180,985,024	144,565,112	27,829,578	25,379,500
Operating lease payment	60,670,080	51,264,047	9,390,579	4,157,200

## 29. Income tax expenses (income)

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
For the years ended 31 December				
Current tax	45,535,142	72,736,201	18,421,111	42,697,660
Deferred tax	(28,706,537)	(14,358,843)	(24,785,760)	(1,069,528)
Total income tax expenses (income)	16,828,605	58,377,358	(6,364,649)	41,628,132

## 29. Income tax expenses (income) (continued)

The tax on the profit (loss) before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>For the years ended 31 December</b>				
Profit (loss) before tax	86,390,536	285,541,438	(38,485,921)	211,489,241
Tax calculated at a tax rate of	20%	20%	20%	20%
The result of the accounting profit (loss)				
multiplied by the income tax rate	17,278,107	57,108,288	(7,697,184)	42,297,848
Tax effect of:				
Joint ventures' results reported net				
of tax	912,332	28,265	-	-
Income not subject to tax	(1,189,457)	(1,059,840)	(853,925)	(1,003,952)
Expenses not deductible				
for tax purpose	528,636	2,300,645	995,759	334,236
Reversal of deferred tax asset	1,190,701	-	1,190,701	-
Tax losses for which deferred tax				
asset was recognised	(1,891,714)	-	-	-
Income taxes	16,828,605	58,377,358	(6,364,649)	41,628,132

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated					
	2017			2016		
	Tax (charge)/			Tax (charge)/		
	Before tax	credit	After tax	Before tax	credit	After tax
	Baht	Baht	Baht	Baht	Baht	Baht
Remeasurement on retirement benefit obligations	8,499,186	(1,699,838)	6,799,348	1,088,072	(217,614)	870,458
<b>Other comprehensive income</b>	<b>8,499,186</b>	<b>(1,699,838)</b>	<b>6,799,348</b>	<b>1,088,072</b>	<b>(217,614)</b>	<b>870,458</b>
Current tax	-	-	-	-	-	-
Deferred tax (Note 19)	(1,699,838)	(1,699,838)	(1,699,838)	(217,614)	(217,614)	(217,614)

## 29. Income tax expenses (income) (continued)

	Company					
	2017			2016		
	Tax (charge)/			Tax		
	Before tax	credit	After tax	Before tax	(charge)/ credit	After tax
	Baht	Baht	Baht	Baht	Baht	Baht
Remeasurement on retirement benefit obligations	7,831,460	(1,566,292)	6,265,168	-	-	-
Other comprehensive income	7,831,460	(1,566,292)	6,265,168	-	-	-
Current tax		-			-	
Deferred tax (Note 19)		(1,566,292)			-	
		(1,566,292)			-	

## 30. Earnings (loss) per share

The basic earnings (loss) per share is calculated by dividing the profit (loss) for the period attributable to ordinary shareholders of the parent after deduction of the preference shares divided by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	2017	2016	2017	2016
For the years ended 31 December				
Basic earnings (loss) per share				
Net profit (loss) attributable to ordinary shareholders of the parent (Baht)	28,079,142	220,860,793	(32,121,272)	169,861,109
Weighted average number of ordinary shares outstanding (Share)	362,423,986	351,679,609	362,423,986	351,679,609
Basic earnings (loss) per share (Baht per share)	0.08	0.63	(0.09)	0.48

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding, assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive

### 30. Earnings (loss) per share (continued)

potential ordinary shares which is warrants. The warrant calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

	Consolidated		Separate	
	2017	2016	2017	2016
For the years ended 31 December				
Diluted earnings (loss) per share				
Net profit (loss) attributable to ordinary shareholders				
of the parent (Baht)	28,079,142	220,860,793	(32,121,272)	169,861,109
Weighted average number of ordinary shares				
outstanding (Share)	362,423,986	351,679,609	362,423,986	351,679,609
Adjusted for				
- warrants (Share)	-	5,037,668	-	5,037,668
Weighted average number of ordinary shares				
for diluted earnings (loss) per share (Share)	326,423,986	356,717,277	362,423,986	356,717,277
Diluted earnings (loss) per share (Baht per share)	0.08	0.62	(0.09)	0.48

### 31. Related party transactions

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### 31. Related party transactions (continued)

As at 31 December 2017, the major shareholders are as follows:

	<u>% of shareholding</u>
• Interlink Holding Company Limited (held by Anantarumporn family)	25.05
• Anantarumporn family	26.29
• Sakchaicharoenkul family	10.21
• Others	38.45

The following transactions were carried out with related parties:

#### 31.1 Revenue from sales and services

The Company has entered into office building rental, service charges and management agreements with subsidiaries. The agreements are renewed yearly. The prices are calculated under the agreements on a cost plus basis.

For the sales of fixed assets, the Company has entered into sales agreement with a subsidiary. The prices are calculated based on net book value.

	<u>Consolidated</u>		<u>Separate</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>	<u>Baht</u>
For the years ended				
31 December				
Sales of goods				
- Subsidiaries	-	-	14,382,397	18,918,490
Rental and service income				
- Subsidiaries	-	-	5,895,624	4,142,171

## 31. Related party transactions (continued)

### 31.2 Purchases of goods and services

The Company has entered into network rental service agreements with a subsidiary. The price is calculated under the agreements on a cost plus basis.

For the cost of engineering service, the Company has entered into subcontract agreements with a subsidiary to operate for the submarine cable installation project. The agreements are made based on individual project basis. The prices are calculated under the agreements on a cost plus basis.

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
For the years ended				
31 December				
Purchases of goods and services				
- Subsidiaries	-	-	4,470,562	4,498,080
Cost of engineering service				
- Subsidiaries	-	-	-	891,137

### 31.3 Other income and expenses

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
For the years ended				
31 December				
Interest income				
- Subsidiaries	-	-	-	7,007,787
Rental expenses				
- Parent company	175,000	225,000	175,000	225,000

### 31. Related party transactions (continued)

#### 31.4 Trade accounts receivable from and trade accounts payable to related parties

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>As at 31 December</b>				
Trade accounts receivable				
- Subsidiaries	-	-	10,860,867	14,615,881
Trade accounts payable				
- Subsidiaries	-	-	394,295	394,295

#### 31.5 Amounts due from and amounts due to related parties

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>As at 31 December</b>				
Amounts due from related parties				
- Subsidiaries	-	-	4,140,021	2,069,861
Amounts due to related parties				
- Subsidiaries	-	-	9,298,660	4,488,431

#### 31.6 Key management compensation

	Consolidated		Separate	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
<b>For the years ended 31 December</b>				
Short-term employee benefits	52,397,190	43,176,412	30,066,817	25,595,350
Post employee benefits	788,564	1,075,060	558,408	539,315
Total key management compensation	53,185,754	44,251,472	30,625,225	26,134,665

## 31. Related party transactions (continued)

### 31.7 Agreement with a related company

As at 31 December 2017, Interlink Communication Public Company Limited has a consortium subcontract agreement with Interlink Power and Energy Company Limited, which is a subsidiary. The agreement is in regards to a cooperation in the construction of 115KV Transmission Line between Hod power station in Chiang Mai and Mae-sariang power station in Mae Hong Son. The total contract value is Baht 309.60 million which Baht 44.65 million of the contract value allotted to Interlink Communication Public Company Limited and Baht 264.95 million allotted to Interlink Power and Energy Company Limited.

## 32. Fair value

### 32.1 Fair value estimation

The table below analyses financial assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2017 and 2016

	Consolidated	
	Level 2 Baht	Total Baht
<b>Assets as at 31 December 2017</b>		
Forward foreign exchange contracts	85,636	85,636
<b>Assets as at 31 December 2016</b>		
Forward foreign exchange contracts	4,315,644	4,315,644
<b>Liabilities as at 31 December 2017</b>		
Forward foreign exchange contracts	7,851,332	7,851,332
<b>Liabilities as at 31 December 2016</b>		
Forward foreign exchange contracts	481,653	481,653

## 32. Fair value (continued)

	Separate	
	Level 2	Total
	Baht	Baht
<b>Assets as at 31 December 2017</b>		
Forward foreign exchange contracts	58,383	58,383
<b>Assets as at 31 December 2016</b>		
Forward foreign exchange contracts	501,729	501,729
<b>Liabilities as at 31 December 2017</b>		
Forward foreign exchange contracts	1,023,277	1,023,277
<b>Liabilities as at 31 December 2016</b>		
Forward foreign exchange contracts	166,289	166,289

There was no transfer between Level 1, 2 and 3 during the year.

There was no change in valuation techniques during the year.

### 32.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts which have been calculated using rates quoted by the Company's counterparties to terminate the contracts at the date of financial statements. The effects of discounting are generally insignificant for Level 2 derivatives.

### 32.3 Financial assets and liabilities not measured at fair value

Carrying amounts of financial assets and liabilities including cash and cash equivalents, short-term investment, accounts receivable, accounts payable, receivables from and payables to related parties, other receivables and payables and short-term borrowing approximate fair value because these group items represents financial assets and liabilities with short-term maturity in nature.



### 33. Commitments and contingent liabilities

#### 33.1 Bank guarantees

As at 31 December 2017, the outstanding bank guarantees were issued by the bank on behalf of the Company and its subsidiaries of Baht 1,186.60 million (31 December 2016: Baht 696.29 million). The bank guarantees are in a relation to certain performance obligations required in the normal course of business of the Company and its subsidiaries.

#### 33.2 Operating lease commitments and service agreements

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of spaces and other services agreements. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments required under these non-cancellable operating leases contracts and service contracts are as follows:

	(Unit: Million Baht)	
	2017	2016
<b>As at 31 December</b>		
Payable within:		
Less than 1 year	72.05	43.19
1 to 5 years	75.90	54.98
More than 5 years	140.88	144.77

#### 33.3 Lawsuits

A subcontractor (the "Plaintiff") of the subsidiary filed a claim against the Subsidiaries on the basis that the subsidiary has defaulted on an installation fiber optic agreement. The Plaintiff claimed for the total amount of Baht 1,161,279 which included principal amount of Baht 975,097 plus interest of Baht 186,182. However, the subsidiary also filed a statement of defence and counter-claim for the total amount of Baht 692,657. The Court of First Instance ordered the Plaintiff to pay the subsidiary Baht 265,744 plus interest of 7.5% per annum from 24 May 2016 until the payment is fully made. As a 27 February 2018, a statement of defence and counter-claim are currently in the process of identifying assets of the judgement debtor for legal execution.

### 33.4 Contingent liability from delay penalty charges

The Company has contingent liability from penalty charges for the delay in one construction project of Baht 54.69 million. There is uncertainty about that liability, and as a result the Company has not recorded the estimated liability. The Company is in process of clarifying and negotiating about the causes of the delay with the owner.

## 34. Customs fines

The Company has been obliged by the Customs Department to verify import duty for the import of inventories, which the Company declared incorrect types and import tariff rate of goods. On 16 March 2017, the Company paid import duty composing with fine amount, totalling Baht 33.15 million and recorded it as administrative expenses.

## 35. Financial derivatives

### Foreign exchange forward contracts

As at 31 December 2017 and 2016, the Group has foreign exchange forward contracts which have been entered into manage exposure to fluctuations in foreign currency exchange rates on accounts payable denominated in foreign currencies as follows:

### Financial Instruments

#### a) Financial assets and financial liabilities

As at 31 December, the Company and the subsidiary had outstanding balances of financial assets and financial liabilities denominated in foreign currencies as follows:

(Unit : Baht/1 foreign currency)						
Currency	Consolidated		Separate		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	As at 31 December 2017	
					Buying	Selling
US dollar	-	345,269,941	-	157,664,408	-	32.85

### 35. Financial derivatives (continued)

(Unit : Baht/1 foreign currency)						
Currency	Consolidated		Separate		Exchange rate	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	As at 31 December	
					2016	
					Buying	Selling
US dollar	-	321,306,804	-	111,935,595	-	36.00

#### Financial Instruments (continued)

##### b) Foreign currency risk

As at 31 December, foreign exchange forward contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts payable denominated in foreign currencies. The Company had forward foreign exchange contracts amounting to Baht 323.08 million. The settlement dates on open forward contracts ranged between 6 and 365 days. Amounts in Thai Baht to be settled and contractual exchange rates of the outstanding contracts were:

	Consolidated		Separate	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
US Dollar				
- Average exchange rate (Baht/ US dollar)	32.44 - 36.48	34.63 - 36.56	32.44 - 33.17	35.05 - 36.03
- Amount in foreign currency (US dollar)	9,644,053	8,962,865	4,019,425	3,054,486
- Amount in local currency (Baht'000)	323,079	318,456	132,234	109,130

##### c) Fair values

Fair value disclosed in Note 32.

## CSR 2017



# The Group of INTERLINK

## HEAD OFFICE

Interlink Communication Public Company Limited

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Tel Group : 02-666 1111 (100 lines)

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E-mail : [info@interlink.co.th](mailto:info@interlink.co.th)

 : [interlinkfan](https://www.facebook.com/interlinkfan)

 : [interlinkfan](https://www.line.me/interlinkfan)

## R&D CENTER

(DISTRIBUTION CENTER & LAB)

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Taraeng, Bangken, Bangkok 10220, Thailand

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Fax R&D : 02-181 1525 (auto)

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## SOUTHERN (HAT YAI BRANCH)

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## NORTH-EASTERN

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## FOREIGN REPRESENTATIVE

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## INTERLINK POWER & ENGINEERING COMPANY LIMITED

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## INTERLINK TELECOM PUBLIC COMPANY LIMITED

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