
2017 ANNUAL REPORT



Vision

With Innovation, Competency, Integrity
and Happiness of our People,
Symphony's heart is always strong and lively



Mission

To provide the Neutral and High-Reliable Telecommunication
and Information Technology Infrastructure Service to local and
international market with fairness, efficiency, integrity and ethic
of our happy people. We will grow with our customers
and create sustainable returns to stakeholders.

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The Company would like to welcome TIME as a strategic business partner that will be instrumental in our next phase of growth.

Dear Shareholders

In 2017, in spite of a very challenging fixed line telecommunications market, we were able to generate revenue growth. The Company recorded total revenue in 2017 in the amount of Baht 1,413 million, growing Baht 24 million from the previous year. The growth was mainly from the Private Network Revenue segment.

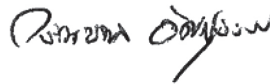
2017 has been a very busy and exciting year for us. We welcomed our strategic business partner, TIME dotCom Berhad (TIME), a leading Malaysian based, regional fixed line telecommunications provider that has taken a 46.8% stake in Symphony. With this partnership, we foresee many synergies that will assist us in our next phase of growth. We will draw on their vast experience in this line of business to

enhance our expansion and revenue growth while ensuring that our service quality will be continuously improved. We will also leverage the new economies of scale that are now present to optimize our spending so we can increase our competitiveness.

As always, the Board of Directors is determined to lead the Company to do business with fairness, transparency and good governance. The Company will focus on maximizing the potential of our people to drive strong growth and create sustainable returns to all stakeholders. We thank shareholders, business partners, suppliers, financial institutions, customers, employees and all stakeholders for your trust and strong support.



Mr. Woodtipong Moleechad
Chairman



Mr. Kranphol Asawasuwana
Chairman of Executive Committee



Mr. Teerarat Pantarasutra
President



Business and Performance Overview

The Company is a Neutral Premium Telecom Network Service Provider. We provide both domestic and international bandwidth to serve growing data demand within the ASEAN markets. We have been committed to continually improve network performance and strategically grow our coverage to retain customer base and to support future growth.

Mission

To provide the Neutral and High-Reliable Telecommunication and Information Technology Infrastructure Service to local and international market with fairness, efficiency, integrity and ethic of our happy people. We will grow with our customers and create sustainable returns to stakeholders.



Business Strategy

The company focuses on creating long-term competitiveness by providing best service to our valued customers without focusing on price competition. Therefore, the company formulates marketing strategy and business policy as follows:

1. Business Neutrality

The company strictly adheres to the business neutrality policy, which means we focus mainly on our hi-speed communication network service (Network Service Provider Only) in order to provide fair service to all partners e.g. the Company will not offer internet service to compete with our ISP customers in the same market. As a result, the ISP partners prefer our hi-speed communication network service to other service providers who also provide internet service.

2. Guarantee the quality of networks with Service Level Agreement (SLA) at 99.9%

The Company guarantees the quality of networks with Service Level Agreement (SLA) at 99.9% to ensure the Company's premium quality. We place high importance on the quality of service. Our Network Operation Center operates around-the-clock with our efficient computerized network monitoring system. Any irregularities on the network arise, we can promptly detect and instantly notify and fix the problems for our clients.

3. Maintain the Company's service standard and after-sale service.

The Company strictly maintains the standard of its hi-speed communication network service to ensure stability and smooth communication for customers. We offer service

customization to meet different customers' requirements and welcome customers' opinion in customized circuit design process. Furthermore, the Company has provided the preventive measure, for instance, our expert team and technicians have a regular schedule to check, monitor, maintain the cabling, equipments and the back-up system to ensure readiness for use at all the time. Aside from that, we provide after-sale service including one-stop call center that our experts and technicians are available 24-7 to assist or give consultations when needed.

4. Provide consultation and profound analysis

The Company continuously provides consultation and profound analysis, including organizing the technical seminar for customers' technicians. We focus on fostering valued relationship and create the highest customers' satisfaction. The Company has constantly reviewed the customers' satisfaction by conducting surveys to improve the service quality. In the event of relationship, not only we foster relationship with our direct customers, but we also extend it to the end-users who are the customers of our ISPs' customers. So they can recognize our brand and wish to continue their use of our network, even though they change their Internet service provider.

5. Strengthening brand image

The Company has been placing value on "Symphony" brand all along by creating "Symphony" brand image and customers' perception upon the service quality of "Symphony" beyond premium level and being the leader of innovative technology adoptions that differentiate our service from others e.g. development of new services that more advance than customers' expectations, the continual improvement of service both in terms of technology and management such as providing the preventive measure; fostering good relationship with customers and partners by organizing

seminars, trainings and activities for inter-department e.g. technology, sales, marketing or finance and accounting departments.

We also treat our sub-contractors as our own employees. As for the quality control, we make sure each step of our services meet our customers and partners' satisfactions. We believe the difference of our services has made our customers and partners trust us and introduce our service to their organization, partners or even their end-users. As a result, our customers have increased steadily until now.

6. Service development and capture high potential market

The Company keeps an eye on advanced innovation and development of telecommunication technologies as well as market trend. In order to lead customer expectation and capture new opportunity by developing new services that is quality-focused e.g. international leased circuits, digital broadcasting, premium broadband, etc.

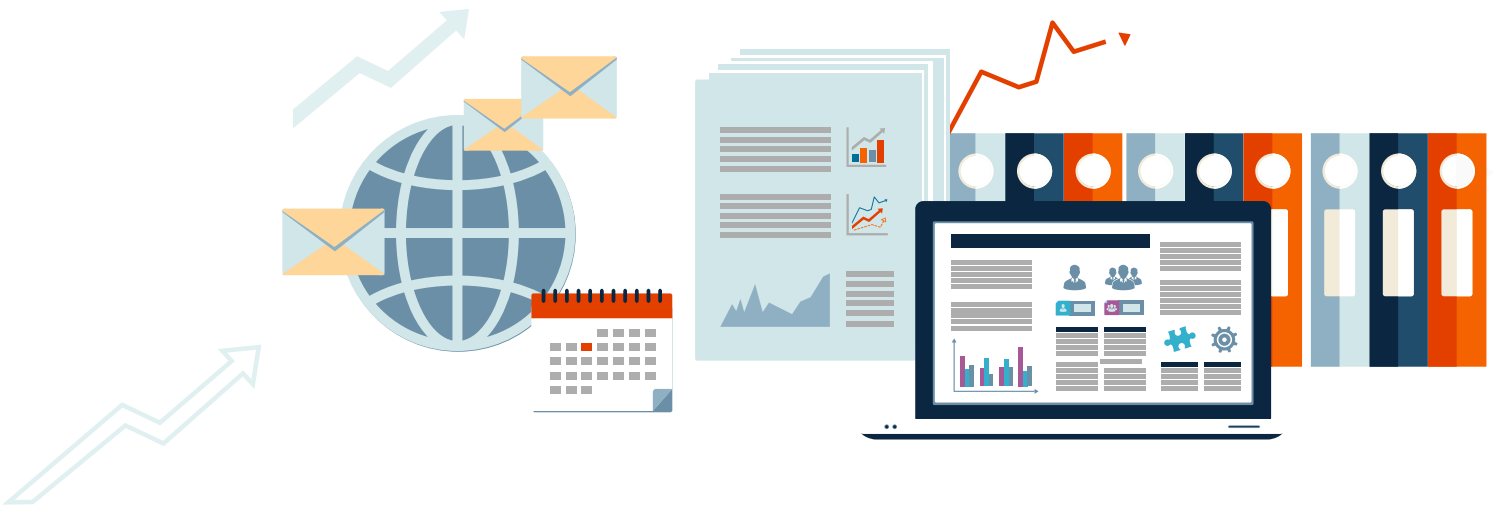
Nature of Business

The Company has core revenue from leased line service income and related services such as management and maintenance services. The target customers can be categorized into 2 major groups:

1) Telecom Service Providers who lease company's communication network for commercial purposes e.g. Internet Service Provider (ISP), Data Center Service Provider, Mobile Phone Operator, International Carrier, etc.

2) End-user customers e.g. business organization, juristic entity, other telecommunication service providers, using company's communication network for massive and rapid data transmission such as TV program producers with digital broadcasting system, modern-trade retailers, commercial banks, international corporations, securities companies, hotels, etc.

Hi-speed Communication Network Service Application



Internet Access

to connect ISP's customers to Internet. Customers in this segment are Internet Service Providers (ISPs) who offer internet service to end-users. They lease hi-speed communication network from the Company to save their investment cost.

Private Network

to connect the private network e.g. head office and branches. Customers in this segment, for example, are Telcos who lease hi-speed communication network from the Company to be their backbone networks or to provide telecom service to their end-users. There are also end-user customers who are business corporations that need massive and rapid data transmission for their business operation, for instance the communication network between headquarters and its branches of large organizations such as banks, or modern-trade retailers, etc.

International Private Leased Circuit (IPLC)

to connect international communication networks or connect between local offices and oversea offices of local or multinational corporations. Such customers are also other Telcos e.g. the international carriers, local telecom operators who lease hi-speed communication network from the Company to be their backbone network or to connect between local and international networks in various countries for their customers.

Other Applications

hi-speed communication network can be used to support a wide range of telecommunication services such as connectivity to data centers, clouds or supporting broadcasting business by connecting the producers from the production houses to Thaicom Satellite Station, or digital TV stations, etc.

Network Coverage Expansion

The company has expanded and developed network service by considering priority in strategic areas. As the demand for data connectivity has been growing along with the development of telecommunication technology and cross-borders trade and investment within ASEAN, Thailand's geographic location has high potential to be a hub of telecommunication. Therefore, the Company has expanded

network coverage to catch up with increasing demand in the high potential areas that justify customers' needs and investment returns, especially the routes that connect neighboring countries which also cover major cities nationwide and 6 international gateways to connect international networks that better support rapid telecommunication traffic growth.



Current Coverage Area

Focus on high-potential business density areas

- Bangkok and vicinity
- 49 Major provinces nationwide
- 113 leading office buildings
- 45 Industrial estates
- 17 Service centers nationwide

International Gateways

- Songkla (Hat Yai) to connect Malaysia
- Sakaew to connect Cambodia
- Nongkhai to connect Laos
- Tak (Maesot) to connect Myanmar
- Chiangrai (Maesai) to connect Myanmar
- Malaysia – Cambodia – Thailand Submarine Cable System (MCT) to connect Malaysia, Cambodia and Thailand

Market Condition and Competition

2017 was a challenging year for the telecom network business. We had strong bandwidth demand growth, however, market competition was intensified and price erosion affected telecom network operators across the industry. Nevertheless, we considered this challenge as a benefit of customers that network operators need to

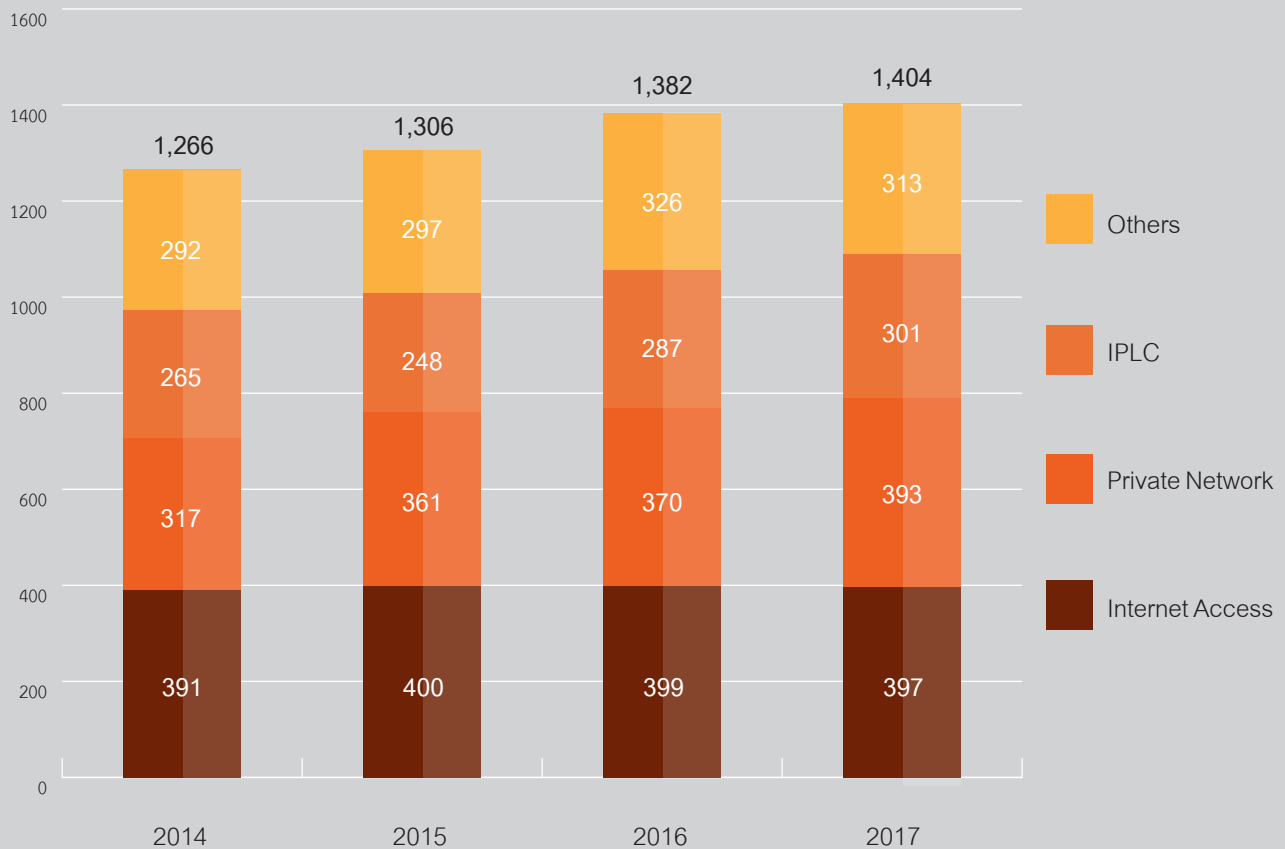
deliver their best service at competitive prices. We have been well aware of this situation and have tried our best to maintain high customer retention rate by delivering best service we can and keep on improving our network quality and service level to meet the customers' dynamic requirements.

2017 Performance Overview

We achieved revenue growth in 2017, with total revenue of Baht 1,413.0 million, representing growth of 1.8% from the previous year resulting from increasing number of customers and higher bandwidth sold despite challenging market landscape with intense price erosion.

Revenue by segments

Million Baht



Unit: Million Baht		2015		2016		2017	
		Amount	(%) of total	Amount	(%) of total	Amount	(%) of total
Internet Access		400	30.6%	399	28.9%	397	28.3%
Private Network		361	27.6%	370	26.8%	393	28.0%
IPLC		248	19.0%	287	20.8%	301	21.4%
Others		297	22.7%	326	23.6%	313	22.3%
Total Service Income		1,306	100.0%	1,382	100.0%	1,404	100.0%

Revenue from Internet Access segment was Baht 397 million, accounted for 28.3% of total service income. The Company gained more customers but Internet access revenue was slightly lower due to higher market competition.

The revenue from Private Network segment was Baht 393 million, grew Baht 23 million or 6.3% YoY. The portion of the private network revenue accounted for 28 % of total service income. The revenue from international private leased circuits segment (IPLC) was Baht 301 million, increased by Baht 14 million or 4.7% YoY.

Costs of Services and Sales

Costs of services and sales in 2017 were Baht 896.8 million, increased by Baht 52.5 million or 6.2% mainly resulting from depreciation due to network equipment addition, MCT cable system and increased network rental cost.

The depreciation and amortization included in costs of service in 2017 were Baht 413.0 million, increased by Baht 42.3 million or 11% YoY. The total network rental was Baht 155.0 million, increased by Baht 10.1 million YoY.

The other costs were rather stable and USO fee decreased due to the National Broadcasting and Telecommunications Commission (NBTC) had resolved to reduce USO fee charged for telecom operators from 3.75% of revenue to 2.5%.

Service Expenses

Service Expenses in 2017 was Baht 86.7 million, increased by Baht 14.8 million or 20.5% YoY, mainly from marketing activities to maintain customer base and sale promotion expenses.

Administrative expenses

Administrative Expenses in 2017 were Baht 457.8 million, increased by Baht 198.1 million mainly due to one-off items amounted to Baht 190.8 million:-

- ▶ non-cash allowance for impairment loss of network equipment of Baht 173.1 million;

- ▶ one-off expense incurred for professional fees on corporate exercises of Baht 12.5 million;
- ▶ allowance for doubtful debt of Baht 3.4 million (2016: Baht 6.9 million); and
- ▶ provision for obsolete inventories of Baht 1.8 million.

EBITDA and Net profit

EBITDA was Baht 442.6 million, which was lower than previous year of Baht 636.5 million. Excluding the above one-off items, the adjusted EBITDA was Baht 633.4 million, slightly lower by 1.6%, mainly due to higher operating cost incurred in 2017.

Net loss for the period amounted to Baht 88.7 million, compared to net profit of Baht 99.4 million in 2016. Excluding the effect of one-off items, the adjusted net profit would have been Baht 65.5 million. The lower adjusted net profit on YoY was mainly due to higher operating cost, depreciation and finance cost, offset by decrease in tax expense for current year.

Statement of Financial Position

As of 31 December 2017, total assets were Baht 4,929.4 million, increased by Baht 892.6 million from 31 December 2016. Cash and cash equivalents was Baht 969.4 million, increased by Baht 887.9 million from 31 December 2016 mainly due to the proceeds from capital increase in December 2017. Network equipment and PPE respectively was Baht 3,529.5 million, decreased by Baht 44.0 million from 31 December 2016 due to the recognition of depreciation and allowance for impairment loss.

Total liabilities were Baht 2,677.5 million, increased by Baht 40.6 million from 31 December 2016 mainly due to increase of non-interest bearing debt from suppliers while the Company had also reduced its interest bearing debt.

Total shareholders' equity was Baht 2,252.0 million, increased by Baht 852.0 million from 31 December 2016 due to the capital increase and net operating result of the year. As of 31 December 2017, Debt to Equity (D/E) ratio was 1.19x

Financial Highlight

Key Financial Figures	Unit	2015	2016	2017
Service Income	MB	1,305.9	1,382.1	1,404.2
Growth Rate	%	3.2%	5.8%	1.6%
Gross Profit	MB	541.1	537.8	511.6
EBITDA	MB	591.4	636.5	442.6
Adjusted EBITDA	MB	594.5	643.4	633.4
Net Profit	MB	113.9	99.4	-88.7
Adjusted Net Profit	MB	116.4	104.9	65.5
Gross Profit Margin	%	41.4%	38.9%	36.3%
EBITDA Margin	%	44.8%	45.8%	31.3%
Net Profit Margin	%	8.6%	7.2%	-6.3%
Adjusted EBITDA Margin	%	45.1%	46.3%	44.8%
Adjusted Profit margin	%	8.8%	7.6%	4.6%
Total Assets	MB	3,645.7	4,036.9	4,929.4
Interest Bearing Debt	MB	1,888.6	2,258.3	2,248.8
Total Liabilities	MB	2,349.3	2,636.8	2,677.5
Total Shareholders' Equity	MB	1,296.4	1,400.0	2,252.0
Return on Assets (ROA)	%	3.4%	2.6%	-2.0%
Return on Equity (ROE)	%	8.8%	7.4%	-4.9%
Debt to Equity Ratio	Times	1.8	1.9	1.2

Company Background and Major Development

Symphony Communication Public Company Limited was found by the management team with over 20 years of experience in telecom business. The Company was established on 24 November 2005 and has been converted to a Public Company Limited since 6 May 2010. The Company is a hi-speed communication network service provider using optical fiber cable for its core network and provides related service for example last mile network management and installation service.

The following milestones are the Company's major developments.

Nov 2005

Established with the initial registered capital of 1 million Baht

Jun 2006

Obtained the Telecommunication Service License Type II, permitted by The National Telecommunications Commission (NTC) for the contract period of 15 years

Mar 2007

Launched Ready Ethernet, Metro Ethernet and TDM services under the brand "Symphony"

Oct 2007

Obtained the telecommunication services license and was the first operator who secured the permission for Right of Way in accordance with Article 39 Section 1 of the Telecommunications Business Act (B.E. 2544)

Nov 2007

Bangkok Mass Transit System Public Company Limited (BTS) authorized the Company to install optical fiber cables and equipments on elevated rail throughout BTS's service route

Mar 2008

Launched SDH hi-speed data communication and Ethernet over SDH (EoSDH) service to corporate customers

Sep 2008

Obtained the Right of Way to place optical fiber cables along electric posts permitted by Metropolitan Electricity Authority

Jan 2009

Bangkok Metropolitan Authority (BMA) permitted the Company to install optical fiber cables solely beneath the pedestrian walkways along the BTS routes.

Jun 2009

Increased registered capital to 80 million Baht with 8 million shares outstanding, 10 Baht par value per share

Jul 2009

Attained the qualified standards of technology deployment for Metro Ethernet networks from Metro Ethernet Forum and recognized as a qualified service provider to connect to other international carriers

Sep 2009

Increased registered capital to 225 million Baht with 22.5 million shares outstanding, 10 Baht par value per share.

May 2010

Converted into a public company limited and increased registered capital to 300 million Baht with 300 million shares outstanding, 1 Baht par value per share

Aug 2010

Made an agreement with Metropolitan Electricity Authority (MEA) to use its optical fiber cable network for the period of 12 years starting from Aug 2010, which also permitted the Company to place optical fiber cables along electric posts

Nov 2010

Listed in the Stock Exchange of Thailand, with the ticker symbol "SYMC"

Dec 2010

Short-listed as a finalist in the Metro Awards for the Asia-Pacific Carrier Ethernet Service Provider of the Year for 4 consecutive years

Jun 2011

Obtained the Telecommunication Service License Type II to operate International Internet Gateway (IIG) and National Internet Exchange (NIX) services, for the contract period of 5 years

Aug 2011

Obtained the Telecommunication Service License Type III to International Private Leased Circuit (IPLC) and IP – Virtual Private Network (IP-VPN) service, for the contract period of 15 years

Dec 2011

Rated “Very Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2011, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand

Nov 2012

Rated “Excellent” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2012, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand and ranked in the Top Quartile of the companies with market capitalization between Baht 3,000-9,999 million

2012

Extended coverage areas to key major economic hubs e.g. 24 industrial estates, major cities e.g. Phuket, Chiang Mai, Udornthani, Khon Kaen, etc.

Apr 2013

Increase registered capital to Baht 306,000,000 by issuing 6,000,000 additional ordinary shares with a par value of 1 Baht each to reserve for the exercise of ESOP warrants that issued and offered to the directors, management and / or employees of the Company for 6,000,000 units.

May 2013

Obtained the Telecommunication Service License for the Internet Operation Type I, for the contract period of 5 years

Jul 2013

Obtained the Radio or Television Broadcasting Business License for the Radio or Television Network Services (Not using radio frequency), for the contract period of 15 years

Oct 2013

Rated “Excellent” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies 2013, which was surveyed and assessed by the Thai Institute of Directors Association (IOD), the Securities and Exchange Commission, and the Stock Exchange of Thailand and ranked in the Top Quartile of the companies with market capitalization between Baht 3,000-9,999 million for the 2nd consecutive year

Nov 2013

Established a subsidiary, namely Diamond Line Services Company Limited, to provide installation and maintenance service for outside-plant networks and telecom equipments, and joint-invest with other companies. The Company holds 99.99% of share capital with the registered capital of Baht 5,000,000

Jul 2014

Obtained the extension scope of service for the telecom business license Type III for International Private Leased Circuit Service (IPLC) - Terrestrial Section by adding supplementary scope of International Private Leased Circuit Service (IPLC) - Submarine Section to build the Submarine Cable Network to support international communication traffic growth and developing SYMC business to be ASEAN telecom hub and gateway

Oct 2014

Rated “Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies, which was assessed with the new assessment criterion by the Thai Institute of Directors Association (IOD)

May 2015

Signed joint investment project agreement to build Malaysia - Cambodia - Thailand (MCT) submarine cable system that spans approximately 1,300 kilometers. The Company become the first Thai private company to build international submarine cable network system.

Oct 2015

Rated “Very Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies, which was assessed by the Thai Institute of Directors Association (IOD)

May 2016

Paid dividend in form of ordinary shares at a ratio of 12 current shares per 1 dividend share at par value of 1 Baht each. Increased registered capital to 331,463,349 Baht with 331,463,349 shares at par value of 1 Baht each, paid up capital Baht 325,393,681

Jun 2016

Renewed the Telecommunication Service License Type II to operate International Internet Gateway (IIG) and National Internet Exchange (NIX) services, for another contract period of 5 years

Oct 2016

Rated “Very Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies, which was assessed by the Thai Institute of Directors Association (IOD)

Apr 2017

Approved TIME dotCom International Sdn Bhd (TdCI) to make a Partial Tender Offer to purchase a part of the shares from shareholders of the Company in a proportion of no less than 35% but no more than 37% of the total issued and paid-up shares of the Company at tender offer price of Baht 12.20 per share (Or an estimate of no less than 113,887,788 shares, but no more than 120,395,662 shares) and Approved the decrease of the registered capital by Baht 869 from the existing registered capital of Baht 331,463,349 to 331,462,480 by cancelling 869 registered ordinary shares at par value of 1 Baht per share remaining from the allocation of dividend shares by virtue of the resolution passed by the 2016 Annual General Meeting of Shareholders and Approved the increase of registered capital by Baht 113,514,548 from Baht 331,462,480 to Baht 444,977,028 by issuing 113,514,548 newly issued ordinary shares with

a par value of 1 Baht per share to offer to the existing shareholders in proportion to their shareholding (Rights Offering) after the completion of partial tender offer by TdCI

Oct 2017

Attained investment promotion and tax privileges in category of 7.1.6.1 International High Speed Network Service; submarine segment that entitled the Company to receive incentives and tax privileges according to the Investment Promotion Act B.E. 2520 for investment of Malaysia – Cambodia – Thailand Submarine Cable Project (MCT).

Obtained the extension of Telecommunication Service License Type II from The National Telecommunications Commission (NTC) for the contract period extended to 17 October 2032

Rated “Very Good” Corporate Governance Rating in the Corporate Governance Report of Thai Listed Companies, which was assessed by the Thai Institute of Directors Association (IOD)

Received “Best Investor Relations Award” from The Stock Exchange of Thailand

Nov 2017

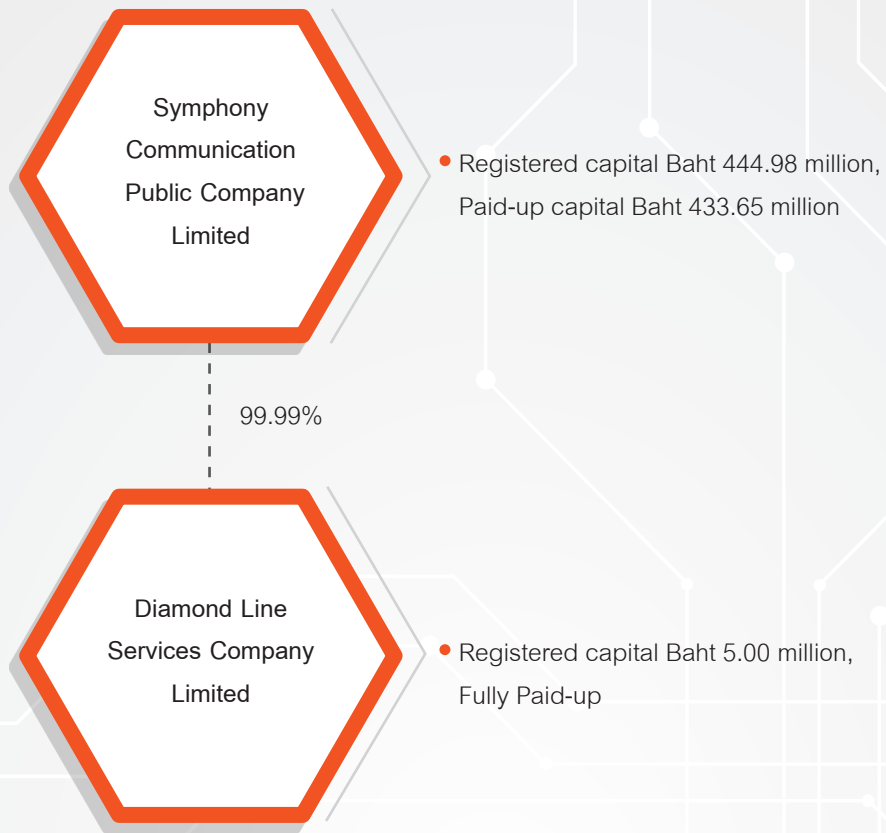
TIME dotCom International Sdn Bhd (TdCI) has acquired total 120,395,600 shares from the partial tender offer, combined with the shares acquired earlier, made TdCI hold total 126,089,989 shares or 38.75%.

Dec 2017

Issued and allotted 108,261,206 newly issued ordinary shares of the Company at a par value of 1 Baht per share to the existing shareholders in proportion of their shareholding (Rights Offering) at offering price of Baht 8.80 per share and increased paid-up capital by Baht 108,261,206 to a total paid up capital of Baht 433,654,887 and paid-up registered shares of 433,654,887 shares.

TdCI has increased its stake by purchasing 77,053,808 new shares offered to the existing shareholders, combined with the shares acquired earlier, made TdCI hold total 203,143,797 shares or 46.84%.

Corporate Structure



Capital Structure / Dividend Policy

Ordinary shares

At 31 December 2017, the Company has registered capital of Baht 444,977,028 which comprises 444,977,028 shares at par value of 1 Baht each. Paid-up capital was Baht 433,654,887 which comprises 433,654,887 paid-up shares at par value of 1 Baht each.

Major Shareholders

Top 10 major shareholders as of the book closing date on 31 December 2017 are as follows:

No.	Name	Number of shares	% of paid-up capital
1.	TIME dotCom International SDN BHD*	203,143,797	46.84%
2.	Asawasuwan Group	40,641,667	9.37%
	Mr. Kranphol Asawasuwan	40,533,334	9.35%
	Ms. Kwandarin Asawasuwan	108,333	0.02%
3.	Pantarasutra Group	39,587,023	9.13%
	Mr. Teerarat Pantarasutra	39,587,013	9.13%
	Ms. Tounporn Pantarasutra	10	0.00%
4.	Thanakijsumtorn Group	19,463,430	4.49%
	Mr. Pongthep Thanakijsumtorn	19,355,478	4.46%
	Ms. Srisamorn Threepetchsomkhun	107,952	0.02%
5.	Phatra Capital Public Company Limited	13,789,185	3.18%
6.	Mr. Niphol Suwannachet	13,337,551	3.08%
7.	Mr. Wanchai Somboonphon	10,581,122	2.44%
8.	Mr. Pathomkrit Srisuphakhnanin	7,422,451	1.71%
9.	Bualuang Long-Term Equity Fund	6,917,949	1.60%
10.	Bualuang Thanakom Open-end Fund	4,893,085	1.13%

Note : Investors can check the updated major shareholders before the Annual General Meeting of Shareholders at the Company's website (www.symphony.net.th)

*TIME dotCom International Sdn Bhd is a wholly-owned subsidiary of TIME dotCom Berhad (TIME). Mr. Afzal Bin Abdul Rahim and Mr. Patrick Corso, directors of the Company are also directors of TIME and major shareholders of Megawisra Investments Limited (MIL). MIL holds 100.00% in Megawisra Sdn Bhd, which in turn holds direct shareholding of 0.49% and indirect shareholding of 30.47% in TIME.

Dividend Policy

The Company has a dividend payout policy of at least 40% of its net profit after deducting of all reserves as per the Company's Articles of Association and governing law. This dividend payment is subject to changes based on the Company performance, business plan, liquidity, necessity and other suitability in the future. However, annual dividend payments of the Company must have been approved from shareholders, except interim dividend payment which can be approved by the Board of Directors and will be

reported to shareholders in the forthcoming shareholders meeting.

Dividend policy for the subsidiary

Diamond Line Services Co.,Ltd, the subsidiary that the Company hold 99.99% of total shares, has not determined its dividend policy. The dividend payment will be subject to its performance, business plan, liquidity, necessity and other suitability in the future.

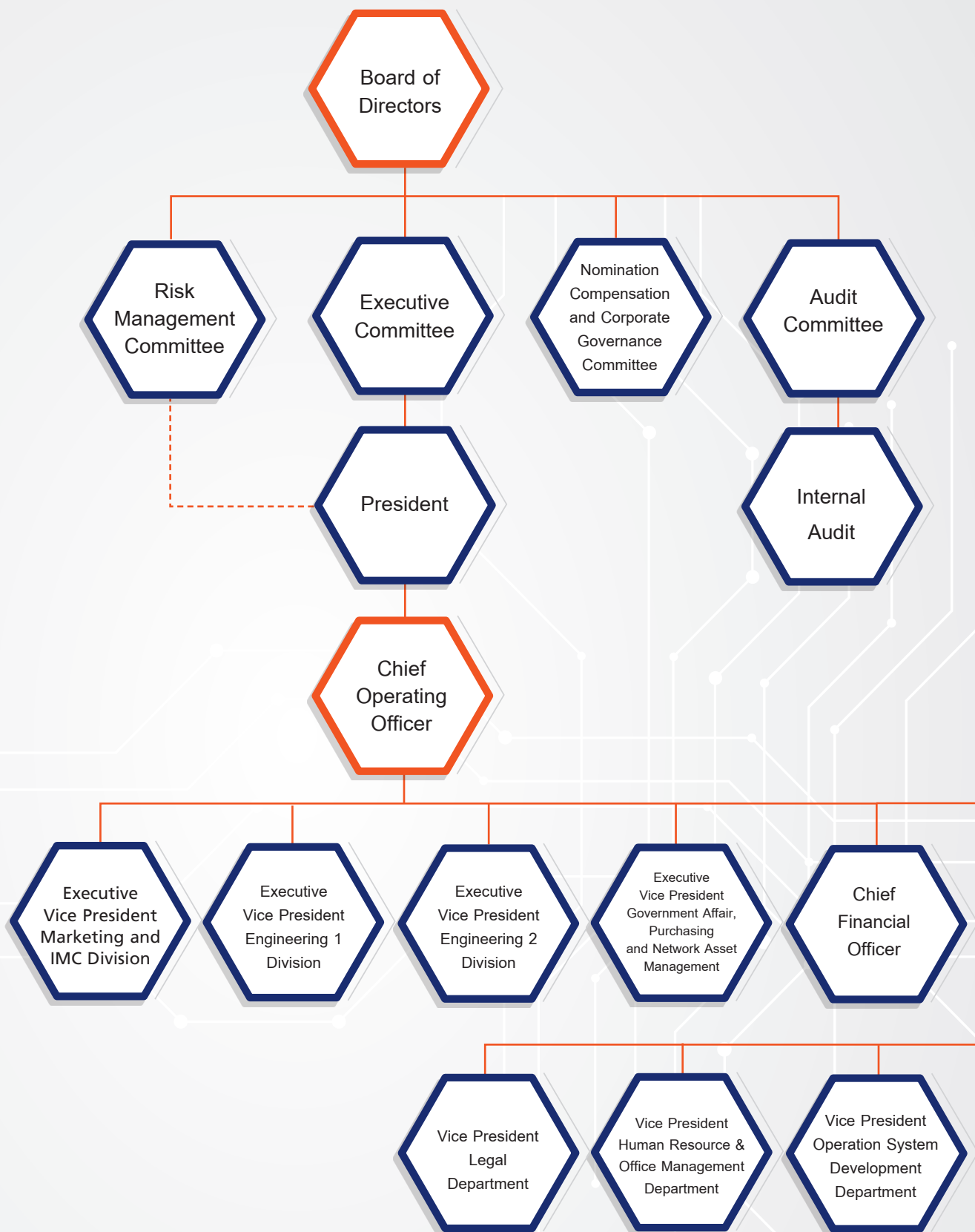
Shareholding of Directors and Management

The shareholding of directors and management include shareholding of related person (s) as defined by Section 258 of Securities and Exchange Act B.E. 2535 are as follows:

Name	Title	31 December 2016 (Shares)	Change (Shares)	31 December 2017 (Shares)
1. Mr. Woodtipong Moleechad	Chairman of the Board of Directors / Chairman of the Independent Director Committee / Chairman of the Nomination, Compensation and Corporate Governance Committee / Audit Committee Member	-	-	-
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board of Directors / Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member	-	-	-
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee / Independent Director	-	-	-
4. Mr. Akarat Na Ranong	Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member	-	-	-
5. Mr. Kranphol Asawasuwana	Director / Chairman of the Executive Committee / Nomination, Compensation and Corporate Governance Committee Member / Chairman of the Risk Management Committee / Authorized Director	53,057,593	(12,524,259)	40,533,334
Ms. Kwandarin Asawasuwana	Spouse	108,333	-	108,333
6. Mr. Teerarat Pantarasutra	Director / Executive Committee Member / Nomination, Compensation and Corporate Governance Committee Member / Deputy Chairman of the Risk Management Committee / President / Authorized Director	50,695,915	(11,108,902)	39,587,013
Ms. Tounghorn Pantarasutra	Spouse	10	-	10
7. Mr. Patrick Corso ¹	Director / Nomination, Compensation and Corporate Governance Committee Member	-	-	-
8. Mr. Anand Vijayan	Director / Executive Committee Member / Chief Operating Officer / Authorized Director	-	-	-
9. Mr. Afzal Bin Abdul Rahim ¹	Director / Executive Committee Member	-	-	-
10. Mr. Pongthep Thanakijsumton Ms. Srisamorn Threepetchsomkhun	Executive Vice President - Marketing & IMC Mother-in-law	26,459,051 108,333	(7,103,573) (381)	19,355,478 107,952
11. Mr. Supomchai Chotputtikul	Executive Vice President for Engineering 1	37,800	(26,800)	11,000
12. Mr. Loh Chi Kwan, Alex	Chief Financial Officer	-	-	-

Note : 1. Mr. Afzal Bin Abdul Rahim and Mr. Patrick Corso, directors of the Company are also directors of TIME and major shareholders of Megawisra Investments Limited (MIL). MIL holds 100.00% in Megawisra Sdn Bhd, which in turn holds direct shareholding of 0.49% and indirect shareholding of 30.47% in TIME.

Organization Chart



Directors and Executives

Mr. Woodtipong Moleechad

Age : 69 years

Chairman of the Board of Directors

Chairman of the Independent Director Committee

Chairman of the Nomination, Compensation and Corporate Governance Committee

Audit Committee Member

Education :

- ▶ Bachelor of Art (Economics),
Thammasat University
- ▶ Director Certification Program (DCP 130/2010)
- ▶ Anti-Corruption for Executive Program
(ACEP 15/2015)
- ▶ Director Certification Program Update
(DCPU 3/2015)

2015-present

Chairman of the Board /
Independent Director
Business Alignment Public Company
Limited

2012-present

Chairman of the Board /
Independent Director
International Research Corporation
Public Company Limited

2012-2015

Director
L Solar 1 Company Limited

Shareholding (%) -

Personal Relationship with the Management -

2010-2013

Director / Audit Committee Member /
Business Relations Committee Member
Sukhumvit Asset Management
Company Limited

Work Experience (Over the Past 5 Years)

2009-present Chairman of the Board of Directors /
Chairman of the Independent Director
Committee / Chairman of the
Nomination, Compensation and
Corporate Governance Committee /
Audit Committee Member
Symphony Communication Public
Company Limited

2009-2015

Director
Council Member
King Mongkut's Institute of Technology
Ladkrabang

2008-2014

Director
Banknote Management Committee
Bank of Thailand

2016-present Chairman of the audit committee /
Independent Director
Triple i logistics Company Limited

Mr. Prasitt Hemwarapornchai

Age : 69 years

Deputy Chairman of the Board of Directors

Independent Director

Audit Committee Member

Nomination, Compensation and Corporate Governance Committee Member

Education :

- ▶ Advanced Certificate of Electrical Engineering, Chulalongkorn University
- ▶ Bachelor of Engineering (Communication, Electrical Power), Chulalongkorn University
- ▶ Practical Training Certificate “Electrical System for Modern Buildings and Associated Codes of Practice in United Kingdom of Great Britain and Northern Ireland” by Confederation of British Industry (CBI)
- ▶ Director Certification Program (DCP 129/2010)
- ▶ Audit Committee Program (ACP 32/2010)
- ▶ Role of Compensation Committee (RCC 11/2010)
- ▶ Role of the Chairman Program (RCP 25/2011)
- ▶ Monitoring the Quality of Financial Reporting (MFR 15/2012)
- ▶ Role of Nomination and Governance Committee (RNG 3/2012)
- ▶ Anti-Corruption for Executive Program (ACEP 8/2013)

Work Experience (Over the Past 5 Years)

- | | |
|--------------|--|
| 2009-present | Deputy Chairman of the Board of Directors / Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member
Symphony Communication Public Company Limited |
| 2017-present | Chairman of Data Center Standard-Technical Committee
The Engineering Institute of Thailand, Under H.M. the King's Patronage |
| 2016-present | Advisory of the Board
Building Safety inspectors association |
| 2015-present | Specialist of the Assessment for the profession of Electrical Adjunct Engineer Subcommittee
Council of Engineer |
| 2011-2016 | Member of the Board of Directors, Chairman of Senior Engineer Committee, Senior advisor of Electrical Engineering Committee, Chairman of Data Center Standard Subcommittee
The Engineering Institute of Thailand, Under H.M. the King's Patronage |
| 2011-present | Member of the Assessment for the profession of Electrical Engineer Subcommittee
Council of Engineer |
| 2009-present | Advisor, Electrical System
Rose Garden Hotel (2511) Company Limited |
| 2013-2014 | Senior Electrical System Advisor for Suvarnabhumi Airport phase 2 Project
Span Company Limited., Electrical System Design and Consulting |

Shareholding (%) -

Personal Relationship with the Management -

Mr.Jitkasem Sangsingkeo

Age : 68 years

Chairman of the Audit Committee

Independent Director

Education :

- ▶ Master of Commerce (Hons), University of Canterbury, Christchurch, New Zealand
- ▶ Bachelor of Science (Hons), University of Canterbury, Christchurch, New Zealand
- ▶ Audit Committee Program (ACP 3/2004)
- ▶ Director Accreditation Program (DAP 22/2004)
- ▶ Director Certification Program (DCP 62/2005)
- ▶ Improving the Quality of Financial Reporting (1/2006)
- ▶ Advance Audit Committee Program (AACP 3/2010)
- ▶ Role of Compensation Committee (RCC 11/2010)
- ▶ Role of the Chairman Program (RCP 25/2011)
- ▶ Role of Nomination and Governance Committee (RNG 3/2012)
- ▶ Anti-Corruption for Executive Program (ACEP 8/2013)

Work Experience (Over the Past 5 Years)

2009-present	Chairman of the Audit Committee / Independent Director Symphony Communication Public Company Limited
2014-present	Senior Advisor Thai Resources and Environmental Management Institute (TREMI)
2010-2011	Advisor of Audit Committee CAT Telecom Public Company Limited
2009-2011	Director Metropolitan Waterworks Authority
2005-2013	Investment Board (SME Fund) Aureos Advisers (Thailand) Limited
2005-2012	Member of the State Enterprise Performance Appraisal Committee Ministry of Finance
2005-2010	Audit Committee Member Prasit Patana Public Company Limited

Shareholding (%) -

Personal Relationship with the Management -

Mr.Akarat Na Ranong

Age : 64 years

Independent Director

Audit Committee Member

Nomination, Compensation and Corporate Governance Committee Member

Education :

- ▶ Master of Business Administration
(Management) Marshall University,
United States of America
- ▶ Bachelor of Economics,
Chulalongkorn University
- ▶ Audit Committee Program (ACP /2004)
- ▶ Director Accreditation Program (DAP /2007)
- ▶ Role of the Compensation Committee
(RCC /2007)
- ▶ Leader Program, Capital Market Academy
(Class 6 /2008)
- ▶ Role of the Director Certification Program
(DCP /2013)
- ▶ Role of the Chairman Program (RCP /2017)

2017-present

Audit Committee Member /
Risk Management Committee /
Investment Committee
Krungthai AXA Life Insurance Public
Company Limited

2013-present

Chairman
Food Capitals Public Company Limited

2015-present

Independent Director /
Chairman of the Audit Committee
KPN Academy Company Limited

2011-present

Independent Director /
Audit Committee Member /
Nomination and Compensation
Committee Member
FINANSA Public Company Limited

2011-present

Independent Director /
Audit Committee Member
FINANSA Securities Limited

Shareholding (%) -

Personal Relationship with the Management -

2010-present

Independent Director /
Chairman of the Audit Committee
Matching Maximize Solution Public
Company Limited

Work Experience (Over the Past 5 Years)

2017-present

Independent Director /
Audit Committee Member /
Nomination, Compensation and
Corporate Governance Committee
Member
Symphony Communication Public
Company Limited

2011-2013

Lecturer
College of Music Mahidol University

2001-2017

Independent Director / Chairman of
the Audit Committee / Nomination and
Remuneration Committee Member /
Corporate Governance Committee
Member
Krungthai Card Public Company
Limited

Mr.Kranphol Asawasuwana

Age : 53 years

Director

Chairman of the Executive Committee

Nomination, Compensation and Corporate Governance Committee Member

Chairman of the Risk Management Committee

Authorized Director

Education :

- ▶ Master of Business Administration, Bangkok University
- ▶ Bachelor of Engineering (Electrical) with second class honor, Kasetsart University
- ▶ Director Certification Program (DCP 129/2010)
- ▶ Successful Formulation & Execution of Strategy (SFE 6/2010)
- ▶ Executive Development Program (EDP 7/2011)
- ▶ Capital Market Academy (CMA 13/2011)
- ▶ ASEAN Economic Community (AEC 3/2013)
- ▶ Anti-Corruption For Executive Program (ACEP 13/2014)
- ▶ Director Certification Program Update (DCPU 3/2015)
- ▶ Thammasat Leadership Program (TLP 7/2015)
- ▶ Financial and Fiscal Management Program For Senior Executive (FME 3/2016)
- ▶ Thailand Insurance Leadership Program (TILP 6/2016)
- ▶ Top Executive Program in Commerce and Trade (TEPCoT 10/2017)

Work Experience (Over the Past 5 Years)

2007-present	Director / Chairman of the Executive Committee / Nomination, Compensation and Corporate Governance Committee Member / Chairman of the Risk Management Committee Symphony Communication Public Company Limited
2007-2014	President Symphony Communication Public Company Limited
2015-present	Vice Chairman Thai Internet Service Provider Association
2017-present	Audit Committee Member Thai Listed Companies Association
2006-present	Director Synergy Net Holding Company Limited
2000-present	Director Global Crossing System Company Limited
2015-2017	Chairman of Audit Committee Thai Listed Companies Association
2000-2008	Director Global Crossing Services Company Limited

Shareholding (%) 9.37

Personal Relationship with the Management -

Mr. Teerarat Pantarasutra

Age : 57 years

Director

Executive Committee Member

Nomination, Compensation and Corporate Governance Committee Member

Deputy Chairman of the Risk Management Committee

President

Authorized Director

Education :

- ▶ M.A. (Public Affairs), Thammasat University
- ▶ Bachelor of Law, Ramkhamhaeng University
- ▶ Director Certification Program (DCP 137/2010)
- ▶ Director Accreditation Program (DAP 81/2009)
- ▶ Fundamental Practice for Corporate Secretary (FPCS 23/2011)
- ▶ Anti-Corruption For Executive Program (ACEP 13/2014)
- ▶ Administrative Law for Executive Program (ALEP 2/2015)
- ▶ Capital Market Academy (24/2017)

Shareholding (%) 9.13

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2014-present	President Symphony Communication Public Company Limited
2005-present	Director / Executive Committee Member / Nomination, Compensation and Corporate Governance Committee Member / Deputy Chairman of the Risk Management Committee Symphony Communication Public Company Limited
2005-2014	Senior Executive Vice President Symphony Communication Public Company Limited
2013-present	Chairman of the Board Diamond Line Services Company Limited
2006-present	Director, Managing Director Global Crossing System Company Limited
2006-present	Director Synergy Net Holding Company Limited
2001-2006	Director, Legal Advisor Global Crossing Services Company Limited

Mr. Patrick Corso

Age : 44 years

Director

Nomination, Compensation and Corporate Governance Committee Member

Mr. Afzal Bin Abdul Rahim

Age : 39 years

Director

Executive Committee Member

Education :

- ▶ BA (Hons), Degree in European Business Administration, European Business School, London, United Kingdom
- ▶ Bursatra Sdn Bhd "Mandatory Accreditation Programme for Directors of Public Listed Companies" (March 2016)
- ▶ Securities Industry Development Corporation "Boards in the Digital Economy" (July 2017)
- ▶ Bursa Malaysia "Fraud Risk Management Workshop" (September 2017)

Shareholding (%) -

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2017-present	Director / Nomination, Compensation and Corporate Governance Committee Member Symphony Communication Public Company Limited
present	Executive Director TIME dotCom Berhad
present	Director Megawisra Investments Limited Megawisra Sdn Bhd Global Transit International Sdn Bhd Pulau Kapas Ventures Sdn Bhd OST Capital Limited

Education :

- ▶ Degree in Mechanical Engineering with Electronics, specialising in Acoustic Wave Theory, University of Sussex, United Kingdom

Shareholding (%) -

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2017-present	Director / Executive Committee Member Symphony Communication Public Company Limited
2010-present	Executive Director / Chief Executive Officer TIME dotCom Berhad
present	Director TIME dotCom International Sdn Bhd
2016-present	Independent Director CIMB Bank Bhd, Malaysia
present	Director Pulau Kapas Ventures Sdn Bhd Megawisra Investments Limited Megawisra Sdn Bhd Global Transit International Sdn Bhd
2006	Director Malaysian Internet Exchange

Mr. Anand Vijayan

Age : 43 years

Director

Executive Committee Member

Chief Operating Officer

Authorized Director

Mr. Loh Chi Kwan, Alex

Age : 39 years

Chief Financial Officer

Education :

- ▶ Master of Business Administration (E-commerce), Charles Sturt University, Australia
- ▶ Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology (RMIT) University, Australia
- ▶ Fellow of Certified Practising Accountant (CPA), CPA Australia

Shareholding (%) -

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2017-present	Director / Executive Committee Member / Chief Operating Officer Symphony Communication Public Company Limited
2010-2017	Chief Service Officer TIME dotCom Berhad

Education :

- ▶ Bachelor of Commerce (Accounting and Finance), Murdoch University

Shareholding (%) -

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2017-present	Chief Financial Officer Symphony Communication Public Company Limited
2011-2017	Financial Controller TIME dotCom Berhad

Mr.Pongthep Thanakijsumtorn

Age : 49 years

Executive Vice President - Marketing & IMC

Education :

- ▶ Master of Business Administration (MBA) in Marketing Management, National Institute of Development Administration (NIDA)
- ▶ Bachelor of Engineering in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang (KMUTL)
- ▶ Director Certification Program (DCP 129/2010)
- ▶ Executive Development Program (EDP 8/2011)
- ▶ Anti-Corruption for Executive Program (ACEP 15/2015)
- ▶ FTTH APAC Conference (2016)

Shareholding (%) 4.49

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

2005-present	Executive Vice President - Marketing & IMC Symphony Communication Public Company Limited
2005-2017	Director Symphony Communication Public Company Limited
2006-present	Director Global Crossing System Company Limited
2006-present	Director Synergy Net Holding Company Limited

Mr.Supornchai Chotputtikul

Age : 51 years

Executive Vice President for Engineering 1
Acting Executive Vice President for Engineering 2

Education :

- ▶ Master of Business Administration, Thammasat University
- ▶ Bachelor of Engineering, King Mongkut's Institute of Technology Ladkrabang (KMUTL)
- ▶ Director Accreditation Program (DAP 89/2011)
- ▶ Director Certification Program (DCP 162/2012)
- ▶ Successful Formulation & Execution of Strategy (SFE 15/2012)
- ▶ Ethical Leadership Program (ELP 1/2015)
- ▶ Digital Economy For Management (DE4M 3/2016)

Shareholding (%) -

Personal Relationship with the Management -

Work Experience (Over the Past 5 Years)

present	Acting Executive Vice President for Engineering 2 Symphony Communication Public Company Limited
2010-present	Executive Vice President for Engineering 1 Symphony Communication Public Company Limited
2010-2017	Director Symphony Communication Public Company Limited
2013-present	Director Diamond Line Services Company Limited
2002-2010	Project Director Alcatel-Lucent (Thailand) Limited

Management Structure

Board of Directors

The Board of Directors consists of 9 Directors, 4 of them are independent directors which equate to more than one-third (1/3) of total directors, thus, can adequately exercise check-and-balance power in the deliberation and voting of agenda. Chairman of the Board and President are two distinct persons with clear distinctions of roles and responsibilities. Aside from that, the Company appointed 4 Sub-committees,

namely 1) Audit Committee, 2) Nomination, Compensation and Corporate Governance Committee, 3) Risk Management Committee and 4) Executive Committee. The Company also clearly defined the scope of power and responsibility of these Sub-committees in the Board of Directors' Charter.

At 31 December 2017, the members of Board of Directors and Sub-committees are as follows:

Name	Positions
1. Mr. Woodtipong Moleechad	Chairman of the Board of Directors / Chairman of the Independent Director Committee / Chairman of the Nomination, Compensation and Corporate Governance Committee / Audit Committee Member
2. Mr. Prasitt Hemwarapornchai	Deputy Chairman of the Board of Directors / Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member
3. Mr. Jitkasem Sangsingkeo	Chairman of the Audit Committee / Independent Director
4. Mr. Akarat Na Ranong	Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member
5. Mr. Kranphol Asawasuwana	Director / Chairman of the Executive Committee / Chairman of the Risk Management Committee / Nomination, Compensation and Corporate Governance Committee Member
6. Mr. Teerarat Pantarasutra	Director / Executive Committee Member / Nomination, Compensation and Corporate Governance Committee Member / Deputy Chairman of the Risk Management Committee / President
7. Mr. Patrick Corso	Director / Nomination, Compensation and Corporate Governance Committee Member
8. Mr. Anand Vijayan	Director / Executive Committee Member
9. Mr. Afzal Bin Abdul Rahim	Director / Executive Committee Member

Ms. Nattaya Jungsawatmetha is the secretary of the Board of Directors and Company Secretary.

Authorized Directors

Authorized directors pursuant to the Affidavit of the Company are either one of Mr. Teerarat Pantarasutra or Mr. Kranphol Asawasuwana jointly signs with either one of Mr. Patrick Corso or Mr. Anand Vijayan, with the Company's seal affixed.

Qualification of Board of Directors and Term of office

The Board of Directors shall comprise of at least 5 directors, of which not less than half of total directors must be Thai residents. The Board of Directors must comprise executive directors, non-executive directors and independent directors. The Board of Directors comprises of three independent directors or not less than one-third (1/3) of total number of directors. The independent director must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand. The appointment and dismissal of the Directors shall be in line with the principles and methods defined in the Company's Articles of Association. The term of office for director is 3 years. At every Annual General Meeting of Shareholders, one-third of the Directors shall vacate their office; if the number is indivisible by three, the nearest number shall apply. The retiring directors may be reappointed to resume the positions. Independent directors shall not hold position no longer than 9 consecutive years, except approved by nomination and corporate governance committee due to his/her contribution to the Company and the committee has opinion that additional term of office over 9 years will not impact his/her independency. Moreover, the appointment shall be approved by Board of Directors and Shareholders. At present, none of independent directors holds position longer than 9 years.

Qualification of Independent Director

The independent director must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand as following details:

1. Must be appointed by the Board of Directors or at the shareholders' meeting.

2. Must possess qualifications in compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand.

3. Must hold shares not exceeding one percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director.

4. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal shareholder or controlling person of the Company unless the foregoing status has ended more than two years prior to the date of appointment. Therefore, such prohibition does not include the director who used to be a civil servant or a consultant of the government organization that is the principal shareholder or has controlling power of the Company.

5. Must not have a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended more than two years prior to the date of appointment.

6. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and not being a principal shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended more than 2 years from the date of appointment.

7. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and neither being nor having been a principal shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended more than 2 years from the date of appointment.

8. Must not be a person related by blood or registration under laws, such as father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.

9. Must not be a director who has been appointed (both openly and secretly) as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholder.

10. Must not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary.

11. Must be a capable person who can express his/her opinion or report his/her duty independently without being controlled by the director or major shareholders of the Company, including their close relatives.

12. Must be respectable and widely accepted person.

13. Must devote sufficient time to their duty of member of Board of Directors.

The scope of power, duties and responsibilities of the Board of Directors

1. Perform duty with honesty, care and with full responsibility for the Company's best interests. Manage the Company according to the law, the Company's objectives, Articles of Association and lawful resolutions of the meeting of shareholders.

2. Determine the Company's vision, policies and direction including supervising the management team to effectively and efficiently conduct the business in accordance with the given business policy and action plan in order to maximize economic value and shareholder's wealth and foster sustainable growth.

3. Manage the Company with accountability to the shareholders and disclose full information in accordance with the Company's transparency policy.

4. The Board of Directors must possess knowledge, capability and experience deemed necessary to the Company's operation and concentrated in the Company's activity of which they are appointed as Directors.

5. Evaluate the performance of top executives and review their remunerations.

6. Set forth the business policies and objective with a clear and measurable monitoring system as an operational guidance that reasonable and possible, also regularly review such policies and the adoption.

7. Promote the publication of the Company's business ethics handbook to help all directors, executives and employees understand and comply with the standard of business ethics.

8. Carefully review all transactions that may lead to conflicts of interest, ensure that they are at the best interest to the Company and shareholders, make sure that those who have conflict of interest are not in a part of decision making process and these transactions are completely disclosed and strictly comply with related laws and the regulations.

9. Recommend the through risk management policy for the entire organization and delegate the management team to execute such policy and regularly report to the Board of Directors as well as having regular evaluation and assessment or whenever the risk level seems deviate from the specified direction and precaution to any warning signal or irregularities.

10. Make decision on important matters such as policies, business plan, large scale investment, management authority, acquisition or disposal of assets or any transaction required by law.

11. Delegate business transaction approval authority to appropriate group or persons in accordance with related laws, establish authority of approval handbook and review it on annual basis.

12. Set the reliable accounting, financial report and audit program, including the evaluation process of internal control. Appoint independent person or organization to perform such audit. Such programs should be reviewed regularly.

13. Consider the auditor appointment and determine the annual auditor fee and propose to the shareholders' meeting for approval.

14. Report the responsibility of the Board of Directors for financial reporting, together with the report of auditor in the annual report, the content of which should cover important matters in accordance with code of conduct of the SET listed company's directors.

15. The Board of Directors may appoint Sub-committee or any person to oversee, follow up, and operate the Company's business that is deemed necessary under directors' control of the Company, and in compliance with

the Company's charter, including the evaluation of its performance; or grant the powers to such Sub-committee or person for a certain period of time or as it deems appropriate. The Board of Directors may remove such person or change the scope of power of such person. Such authorization shall not allow the authorized Sub-committee or person to approve transaction that he/she has vested interest in or has conflict of interests. The Company shall propose the shareholder meeting for approval of connected transaction, the requisition or disposition of significant assets as set forth in the Company's Articles of Association and in the regulations of the Securities and Exchange Commission and the Stock exchange of Thailand. The party with conflict of interest shall not eligible to approve or vote for the transaction. The grant of approval authority for normal business transactions must be clearly defined the scope and approval limit for each level. Therefore, there is no authorization in transaction approval that has no approval limit. In the event of authorizing manager or another person to act for and on behalf of the Board of Directors, such authorization must be in written form or clearly recorded in a meeting minute. Furthermore, such authorization should clearly specify a scope of powers, duties and responsibilities of an authorized person.

16. The Board of Directors must perform self-assessment. Therefore, the scope of power of the Board of Directors has to be under the law, the Company's Articles of Association and the regulations of the concerned agencies such as the Securities and Exchange Commission and the Stock Exchange of Thailand. In accordance with the Company's objectives and regulations and with the shareholders' meeting resolutions, the Directors, authorized person or any other persons who may have vested interest in the transaction being considered or have conflict of interests with the Company or any of the subsidiaries are not entitled to vote on transactions or matters being considered.

Sub-committees and Scope of Duties

1) Audit Committee

The Audit Committee consists of following 4 independent directors.

No.	Name	Positions
1.	Mr. Jitkasem Sangsingkeo*	Chairman of the Audit Committee
2.	Mr. Woodtipong Moleechad	Audit Committee Member
3.	Mr. Prasitt Hemwarapornchai	Audit Committee Member
4.	Mr. Akarat Na Ranong*	Audit Committee Member

Ms. Nansinee Chokthienanan is the secretary of the Audit Committee

Note: * The members with experiences in Finance & Accounting.

Qualifications of Audit Committee

The Audit Committee comprises of at least 3 independent directors who are able to devote sufficient time to the duty of Audit Committee, with at least 1 member possess experiences in Finance & Accounting. The term of office of Audit Committee is 3 years, and may be appointed or removed by the Board of Directors or at the shareholders' meeting

The scope of power, duties and responsibilities of Audit Committee

1. Review financial statements to ensure the correctness and completeness thereof. Cooperate with outside auditor and responsible executives to publish financial report quarterly and annually. Disclose sufficient company's information prior to submission to the Board of Directors.

2. Review internal control system and internal audit system to ensure that the Company has a suitable and efficient internal control; to ensure that the internal audit remains independent. Provide opinions on appointment, transfer and removal of the Head of Internal Audit Department or other persons responsible for internal audit. Therefore, the audit committee may suggest the auditor to audit certain transactions that are deemed necessary during the auditing process. It may suggest the Board of Directors any ideas that can improve the Company's internal auditing system or cooperate with outside auditor, internal auditing manager and with internal auditing consultant.

3. Review the compliance with the law on securities and stock exchange and the regulations of the Stock Exchange of Thailand and other applicable laws.

4. Nominate independent persons as the Company's auditor and propose remuneration thereto for approval at the shareholders' meeting; to coordinate with auditors in a matter concerning the objectives, scope, direction and plan of auditing process, including the problems occurring during such process; and to attend meetings with an auditor in the absence of the management, at least once a year.

5. Review connected transactions or transactions with conflict of interests, ensure the disclosure in compliance with laws and the regulations of the Stock Exchange of Thailand; and to ensure the justification and the maximized benefits to the Company.

6. Review the risk management policy to ensure that the Company has appropriate risk management system.

7. Report the audit committee's operation to the Board of Directors at least 4 times a year.

8. In performing its duty, the Audit Committee has an authority to invite management executives or the Company's employees to share their views, attend the meeting or submit document that deems necessary.

9. To have authority to appoint or outsource consultants according to the Company regulations to provide opinion as deem necessary.

10. To prepare an Audit Committee's report, signed by the Chairman of Audit Committee, which shall comprise, at least, of the following details:

- ▶ Opinions on the correctness, completeness and reliability of the Company's financial reports.
- ▶ Opinions on the efficiency of the Company's internal control system.
- ▶ Opinions on the compliance with the law governing securities and stock exchange and the regulations of the Stock Exchange of Thailand and the other laws applicable to the Company's business.
- ▶ Opinions on the suitability of the auditor.
- ▶ Opinions on transactions that may involve conflict of interests.

- ▶ The number of meetings of the Audit Committee and the attendance of each member.
- ▶ Opinions or remarks on performance of duties pursuant to the Charter.
- ▶ Other transactions that the shareholders or investors should know, subject to the scope of duties and responsibilities as set forth by the Board of Directors.

11. To perform self-assessment and report the result including the problems and obstacles to the Board of Directors on annual basis.

12. To perform other duties assigned by the Board of Directors within the aforementioned scope of power and duties of the Audit Committee. In performing such duty, the Audit Committee is directly responsible for the Board of Directors, while the Board of Directors is responsible for the Company's operation.

2) Nomination, Compensation and Corporate Governance Committee

The Company's Nomination, Compensation and Corporate Governance Committee consists of the following 6 members.

No.	Name	Positions
1.	Mr. Woodtipong Moleechad	Chairman of the Nomination, Compensation and Corporate Governance Committee
2.	Mr. Prasitt Hemwarapornchai	Nomination, Compensation and Corporate Governance Committee Member
3.	Mr. Akarat Na Ranong	Nomination, Compensation and Corporate Governance Committee Member
4.	Mr. Kranphol Asawasuwan	Nomination, Compensation and Corporate Governance Committee Member
5.	Mr. Teerarat Pantarasutra	Nomination, Compensation and Corporate Governance Committee Member
6.	Mr. Patrick Corso	Nomination, Compensation and Corporate Governance Committee Member

Qualifications of Nomination, Compensation and Corporate Governance Committee

The Nomination, Compensation and Corporate Governance Committee shall be appointed by the Board of Directors, comprises of at least 3 directors, where by majority of members shall be independent or non-executive directors, and appoint one of the independent director member to be the Chairman. The term of office of Compensation Committee is 3 years.

Scope and responsibilities of Nomination, Compensation and Corporate Governance Committee

Nomination Roles

1. Set out methodology and procedures in the nomination of the qualified candidates for the Board members by determining the qualifications that align with the Company's business, area of expertise of the members.

2. Nominate the candidates to fill the Board of Directors vacancies as and when they arise and propose to the Board of Directors for consideration. Such nomination could be reappointing any Directors who complete their term of service, encouraging shareholders or Directors to propose in advance the qualified candidates to be nominated for director position, or using external recruiting methods or considering from the list of Directors.

3. Consider the nomination and choose the persons possessing qualifications according to the formulated criteria for nomination.

4. To ensure that the nominated persons possess qualification according to the law and regulations of concerned agencies.

5. Approach the qualified persons and make sure that they are willing to accept the Company's director position after being appointed by the shareholders.

6. Nominate the name to the Board of Directors for consideration and issue the nominated directors in the invitation for the shareholders' meeting for the appointment of such person.

7. Consider and review the appointment of executive in the position of Executive Vice President or higher to propose to the Board of Directors' consent.

8. Monitor the formulation of Succession Plan of the Director, President and Executive Vice President as well as other positions that vital for corporate sustainability.

Compensation Roles

1. Review the structure and criteria of the remuneration for the Board of Directors, managements and employee by reviewing the suitability of the current remuneration package, comparing to the remuneration package of peers in the same industry, and establishing appropriate remuneration that is fair and commensurate to their contribution to the Company's achievement.

2. Review all elements of remuneration such as retainer fee, incentive and attendance fee and set the appropriate payment of each element that in line with the remuneration for directors in other listed companies of the same industry and of similar size, as well as the Company's performance and business environment and commensurate with their duties and scope of responsibility.

3. Consider remuneration package in accordance with the criteria established by concerned government agencies.

4. Formulate criteria for the evaluation of the Company's Directors and President as assigned by the Board of Directors and acknowledge the assessment of executives in the position of Executive Vice President or higher.

5. Establish the guidelines in determining the remuneration package of the Company's Directors and President on the annual basis and submit it to the Board of Directors for approval. As for the remuneration package of the Directors, the Board of Director must proposed to the shareholders' meeting for approval.

6. Consider and endorse the issuance of securities under ESOP program to directors and employees of the Company, set out the attractive structure to motivate them to create value added for the shareholders and retain qualified personnel with the Company in the long run. Therefore, such program should be attractive to employees and yet be fair to the shareholders.

7. The Compensation Committee may appoint any consultant to provide opinion as deem necessary.

8. To perform other duties assigned by the Board of Directors

Corporate Governance Roles

1. Consider and draft the Corporate Governance Policy according to the updated framework of rules and regulations of related agencies e.g. the Stock Exchange of Thailand, Security Exchange Commission or other related agencies, set the guidance of Corporate Governance that in line with the universal best practices.

2. To propose the Draft of Corporate Governance Policy to the Board of Directors for consideration and implementation of best practices of Directors and Executives, and to formulate the Corporate Governance Policy Statement.

3. Set out the policy for formulating of strategic plan, monitor the risk management and the internal control that in line with the laws and situation.

4. Monitor and instruct the Directors and Managements regarding their duties and responsibilities under the Corporate Governance Policy to maintain the effective Corporate Governance that meets expectation of all stakeholders.

5. Review the Corporate Governance Policy on annual basis to ensure that the Corporate Governance Policy is update and complies with universal standards and related rules and regulations.

6. Follow up and evaluate the performance of Directors and Management according to the best practices set forth in Corporate Governance Policy on the regular basis.

7. Introduce the best practises and business ethics to Directors, Managements and employees.

8. Appoint the working group to support the tasks of Corporate Governance as necessary.

9. Consider and set out the policy and guidance for Corporate Social Responsibility (CSR)

10. The Nomination and Corporate Governance Committee may appoint any consultant to provide opinion as deem necessary.

11. To perform other duties assigned by the Board of Directors

3) The Risk Management Committee

The Risk Management Committee consists of the following 8 members.

No.	Name	Positions
1.	Mr. Kranphol Asawasuwana	Chairman of the Risk Management Committee
2.	Mr. Teerarat Pantarasutra	Deputy Chairman of the Risk Management Committee
3.	Mr. Paisarn Trichavaroj	Risk Management Committee Member
4.	Mr. Teerapun Piyaosotsan	Risk Management Committee Member
5.	Ms. Nopparat Charoenpromskul	Risk Management Committee Member
6.	Mr. Chatchawal Orawongsuphatat	Risk Management Committee Member
7.	Ms. Nattaya Jungsawatmetha	Risk Management Committee Member
8.	Mr. Chatpol Pattamaset	Risk Management Committee Member

Ms. Nansinee Chokthienanan is the secretary of the Risk Management Committee

The scope of power, duties and responsibilities of Risk Management Committee

1. Define the policy framework and process for risk management.

2. Identify and analyze risk factors and evaluate the impact of such risks on the Company.

3. Implement the risk strategy and policy to ensure that the Company has sufficient policies and procedures in

place to govern and mitigate the risks that might have negative impact on the Company.

4. Communicate the risk management measure across the entire organization and support the efficiency development of the Company's risk management policy.

5. Monitor the risk management plan and report to the Board of Directors.

6. Plan, develop and monitor the internal control process.

7. Risk Management Committee may appoint or outsource consultants to provide professional opinion as deem necessary.

4) Executive Committee

The Executive Committee consists of the following 4 members.

No.	Name	Positions
1.	Mr. Kranphol Asawasuwana	Chairman of the Executive Committee
2.	Mr. Teerarat Pantarasutra	Executive Committee Member
3.	Mr. Anand Vijayan	Executive Committee Member
4.	Mr. Afzal Bin Abdul Rahim	Executive Committee Member

The scope of power, duties and responsibilities of Executive Committee

1. Manage the Company's business operation in line with targets set by the Board of Directors and report the company's performance to the Board of Directors. The quorum of Executive Committee meeting shall have at least half of its members present and its resolution should be in accordance with the majority vote.

2. Set policies, guidelines, strategies and principles for business operation, including the management structure in line with targets set by the Board of Directors and submit it to the Board for consideration.

3. Set appropriate approval authority for each level of management and ensure segregation of duty for approval of such transaction that might lead to fraud and define the business transaction guidelines and procedures with the major shareholders, directors, management or connected persons in order to prevent the transfer of benefits or interests, then submit it to the Board of Directors for approval and ensure such approved policies as set forth are duly put into practice.

4. Review annual budget allocation as well as budget control procedure, propose to the Board of Directors for approval and monitor the budget utilization after the approval.

5. Review and approve investment budget in accordance with the authority as defined in authorization handbook.

6. Ensure any agreement or contracted that abide the Company signed by authorized person in accordance with the authority as defined in authorization handbook.

7. Set employee remuneration structure and policy to propose the compensation committee for consideration prior to propose for the approval from the Board of Directors.

8. Be responsible for providing sufficient information for the Board of Directors and shareholders for their decision making as well as reliable and transparent financial reports according to the generally accepted standard.

9. Consider the Company's profit or loss and propose the dividend payment to the Board of Directors.

10. Consider the new business venture or the closure of some business and submit to the Board of Directors for approval.

11. Set the reporting procedure of the irregularity or wrongdoing for operating officers to report the events to Executive Committee in due time. In the event that such incident has significant impact on the Company's operation, it must be reported to the Board of Directors so the remedial procedure shall be established in due time.

12. Take any actions to support the aforementioned activities according to the opinion or authority granted by the Board of Directors.

13. The resolution and/or approval of the Executive Committee must be reported to the Board of Directors in the next Board of Directors' meeting.

14. Perform the duties assigned by the Board of Directors.

15. To perform other duties assigned by the Board of Directors

Such authorization grant to the Executive Committee as mentioned earlier, must be complied with the laws and the Company's Articles of Association and shall not allow the Executive Committee to approve any transaction that they or other persons have vested interests in or have conflict of interests with the Company or any of the subsidiaries. Any connected transactions or the acquisition or disposition of significant assets of the Company or any of the subsidiaries must be complied with the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Management Team

The Company's managements as defined by the Securities and Exchange Commission comprise of the following 5 members.

No.	New Executives	Positions
1.	Mr. Teerarat Pantarasutra	President
2.	Mr. Anand Vijayan	Chief Operating Officer
3.	Mr. Pongthep Thanakijsumton	Executive Vice President - Marketing & IMC
4.	Mr. Supornchai Chotputtikul	Executive Vice President for Engineering 1
5.	Mr. Loh Chi Kwan, Alex	Chief Financial Officer

The scope of power, duties and responsibilities of President

1. Operate, plan and manage day-to-day business.

2. Make decision on important matters. Set missions, objectives, guidelines and policies for the Company's business operation and control the management of each department.

3. Authorized to supervise, contact, command, sign agreements, orders or announcements as defined in authorization handbook.

4. Authorized to hire, appoint, transfer, as well as define scope of duties and appropriate remuneration including salary, bonus, fringe benefits for employees, take disciplinary action against employees as well as dismiss the employees as defined in authorization handbook.

5. Authorized to set the trade condition for the Company's benefit.

6. Consider signing agreement related to the Company's normal business, new business venture or the closure of

some business for submission to Executive Committee and/or the Board of Directors.

7. To approve and appoint the consultant in the area that is deemed necessary.

8. To act according to the assignment from Executive Committee and/or the Board of Directors.

9. Authorized to manage the Company's business in accordance with objectives, regulations, policies, Articles of Association, order and the resolution of the shareholders' meeting and/or Executive Committee and the Board of Directors.

10. Authorized to appoint and manage working groups for efficient management and transparency and to assign the power of attorney and/or delegate specific tasks to other persons, provided that it complies with the document concerning the power of attorney and/or rules approved by the Board of Directors.

11. Authorized to order, regulate, issue announcement to ensure that overall operation is done according to the policy and best benefit of the Company.

Such authorizations shall not allow the President or any person who has been assigned the power of attorney to be his representative to approve the transactions that he has vested interests in (as set forth be related agencies), or has conflict of interests with the Company or any subsidiary, except an approval of a normal business transaction that has been clearly defined its limit.

Company Secretary

Board of Directors has appointed Ms.Nattaya Jungsawatmetha to be the Company Secretary to support activities of Board of Directors, and assist Board of Directors and the Company for compliance matters in accordance with Good Corporate Governance Guidance set forth by the Stock Exchange of Thailand. The duties and responsibilities of Company Secretary are as follows:

1. Prepare and keep following documents:
 - a. Director registration
 - b. Invitation letters and minutes of Board of Directors meetings and Annual Reports
 - c. Invitation letters and minutes of Shareholders meetings
2. Keep the report of vest interests reported by directors and managements
3. Submit the copy of vest interest information reported by directors and managements or connected persons as defined by Section 89/14 of the Securities and Exchange Act B.E. 2551 to Chairman of the Company and Chairman of Audit Committee within 7 working days from receiving date and keep all disclosure documents that disclosed to shareholders or public for at least 5 years.
4. Perform other activities as defined by the Security Exchange Commission

Background and qualification of Company Secretary

Ms. Nattaya Jungsawatmetha

Education	Master of Business Administration, Thammasat University Bachelor of Art (Economics), Thammasat University Bachelor of Business Administration (Accounting), Sukhothaidhammadhirat University
Experience	Assistant Vice President, Finance Department Symphony Communication Public Company Limited
Qualification	Knowledge of company business, SEC and SET rules, regulations and related laws regarding responsibilities of Company Secretary. Joined training courses relating to roles and responsibilities e.g. Company Secretary Program from Thai Institution of Directors, Smart Disclosure Program from SET etc.

Directors and Management Compensation

1) Compensation in cash

1.1) Directors Compensation

Directors compensation had been reviewed and considered by various factors that appropriate for the business, roles and responsibilities of directors, amount of payment comparing with other listed companies in Stock Exchange of Thailand, operating performance, achievement of the strategic execution and corporate objective including business growth and also external factors such as business

competition, market trend as well as economic environment and etc. The director compensation must be approved by shareholders' meeting.

The Annual General Meeting of Shareholders 2017, held on 26 April 2017, resolved to approve the Board of Directors and Sub-committees Compensation for the year 2017, in the amount not over Baht 7.0 million per year and director bonus in the amount not exceeding Baht 3,000,000 per year to be payable in proportion of 1% of total dividend payment (if paid).

1.1.1) Meeting allowance

Meeting allowance rate for Board of Directors meeting and Sub-committee meeting are as follows:

Position	Meeting allowance (Baht/time)						Remarks
	Board of Directors	Compensation Committee ¹	Nomination and Corporate Governance Committee ¹	Nomination, Compensation and Corporate Governance Committee ¹	Audit Committee	Independent Director Committee	
Chairman	25,000	20,000	20,000	20,000	20,000	10,000	- Payable to participated members - Meeting allowance for Sub-committee only paid to non-executive members - No meeting allowance for Executive Committee and Risk Management Committee as all members are executives
Member	20,000	15,000	15,000	15,000	15,000	10,000	

Note : 1 The Board of Directors' Meeting No. 10/2560, held on November 27, 2016, passed the resolution to approve the restructuring of 1) the Compensation Committee and 2) the Nomination and Corporate Governance Committee by combining them as one sub-committee under the same scope of powers and responsibilities, under the name Nomination, Compensation and Corporate Governance Committee.

1.1.2) Retainer fee

Retainer fee for Board of Directors and Sub-committees are as follows:

- Board of Directors 20,000 per person per month
- Sub-committees 20,000 per person per month per Sub-committee
(paid to only non-executive members)

In 2017, the compensation paid to directors according to above criteria are as follows:

(Unit : Baht)

Name	Meeting Allowance						Total
	Board of Directors	Compensation Committee ³	Nomination and Corporate Governance Committee ³	Audit Committee	Independent Director Committee	Retainer Fee	
1. Mr. Woodtipong Moleechad Chairman of the Board / Chairman of Nomination and Corporate Governance Committee / Chairman of Independent Director / Audit Committee Member / Compensation Committee Member / Chairman of Nomination, Compensation and Corporate Governance Committee ³	250,000	75,000	100,000	60,000	10,000	940,000	1,435,000
2. Mr. Prasitt Hemwarapornchai Deputy Chairman of the Board / Chairman of Compensation Committee / Nomination and Corporate Governance Committee Member / Audit Committee Member / Independent Director / Nomination, Compensation and Corporate Governance Committee Member ³	200,000	100,000	75,000	75,000	10,000	940,000	1,400,000
3. Mr. Jitkasem Sangsingkeo Chairman of the Audit Committee / Nomination and Corporate Governance Committee Member / Compensation Committee Member / Independent Director	200,000	75,000	75,000	100,000	10,000	920,000	1,380,000
4. Mr. Kranphol Asawasuan Director / Nomination and Corporate Governance Committee Member / Chairman of Executive Committee / Nomination, Compensation and Corporate Governance Committee Member ³	200,000	0	0	0	0	240,000	440,000
5. Mr. Teerarat Pantarasutra Director / Compensation Committee Member / Nomination, Compensation and Corporate Governance Committee Member ³	200,000	0	0	0	0	240,000	440,000
6. Mr. Pongthep Thanakijsumton Director ¹	160,000	0	0	0	0	200,000	360,000
7. Ms. Bussakorn Jaruwachirathanakul Director ¹	160,000	0	0	0	0	200,000	360,000
8. Mr. Supornchai Chotputtikul Director ¹	160,000	0	0	0	0	200,000	360,000
9. Mr. Wanchai Somboonphon Director ¹	160,000	0	0	0	0	200,000	360,000
10. Mr. Akarat Na Ranong Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member ^{2,3}	20,000	0	0	15,000	0	80,000	115,000

Meeting Allowance

Name	Board of Directors	Compensation Committee ³	Nomination and Corporate Governance Committee ³	Audit Committee	Independent Director Committee	Retainer Fee	Total
11. Mr. Anand Vijayan Director / Executive Committee Member ²	20,000	0	0	0	0	40,000	60,000
12. Mr. Afzal Bin Abdul Rahim Director / Executive Committee Member ^{2, 4}	0	0	0	0	0	0	0
13. Mr. Patrick Corso Director / Nomination, Compensation and Corporate Governance Committee Member ^{2, 3, 4}	0	0	0	0	0	0	0
Total	1,730,000	250,000	250,000	250,000	30,000	4,200,000	6,710,000

The meeting attendance record of each director in 2017

Number of attendances

Name	Board of Directors	Audit Committee	Compensation Committee ³	Nomination and Corporate Governance Committee ³	Nomination, Compensation and Corporate Governance Committee ³	Independent Director Committee
1. Mr. Woodtipong Moleechad Chairman of the Board / Chairman of Nomination and Corporate Governance Committee / Chairman of Independent Director / Audit Committee Member / Compensation Committee Member / Chairman of Nomination, Compensation and Corporate Governance Committee ³	10/10	4/5	5/5	5/5	-/-	1/1
2. Mr. Prasitt Hemwarapornchai Deputy Chairman of the Board / Chairman of Compensation Committee / Nomination and Corporate Governance Committee Member / Audit Committee Member / Independent Director / Nomination, Compensation and Corporate Governance Committee Member ³	10/10	5/5	5/5	5/5	-/-	1/1
3. Mr. Jitkasem Sangsingkeo Chairman of the Audit Committee / Nomination and Corporate Governance Committee Member / Compensation Committee Member / Independent Director	10/10	5/5	5/5	5/5	-	1/1
4. Mr. Kranphol Asawasuan Director / Nomination and Corporate Governance Committee Member / Chairman of Executive Committee / Nomination, Compensation and Corporate Governance Committee Member ³	10/10	-	-	5/5	-/-	-

Name	Number of attendances					
	Board of Directors	Audit Committee	Compensation Committee ³	Nomination and Corporate Governance Committee ³	Nomination, Compensation and Corporate Governance Committee ³	Independent Director Committee
5. Mr. Teerarat Pantarasutra Director / Compensation Committee Member / Nomination, Compensation and Corporate Governance Committee Member ³	10/10	-	5/5	-	-/-	-
6. Mr. Pongthep Thanakijsumton Director ¹	8/8	-	-	-	-	-
7. Ms. Bussakorn Jaruwachirathanakul Director ¹	8/8	-	-	-	-	-
8. Mr. Supornchai Chotputtikul Director ¹	8/8	-	-	-	-	-
9. Mr. Wanchai Somboonphon Director ¹	8/8	-	-	-	-	-
10. Mr. Akarat Na Ranong Independent Director / Audit Committee Member / Nomination, Compensation and Corporate Governance Committee Member ^{2,3}	1/1	-	-	-	-	-
11. Mr. Anand Vijayan Director / Executive Committee Member ²	1/1	-	-	-	-	-
12. Mr. Afzal Bin Abdul Rahim Director / Executive Committee Member ^{2,4}	1/1	-	-	-	-	-
13. Mr. Patrick Corso Director / Nomination, Compensation and Corporate Governance Committee Member ^{2,3,4}	1/1	-	-	-	-/-	-

Note :

1. Mr. Pongthep Thanakijsumton, Ms. Bussakorn Jaruwachirathanakul, Mr. Supornchai Chotputtikul and Mr. Wanchai Somboonphon resigned since 9 November 2017.
2. Board of Directors Meeting 9/2017, held on 9 November 2017 appointed Mr. Akarat Na Ranong, Mr. Anand Vijayan, Mr. Afzal Bin Abdul Rahim and Mr. Patrick Corso to replace the resigning directors
3. Board of Directors Meeting 10/2017, held on 27 November 2017 passed a resolution to approve the restructuring of 1) the Compensation Committee and 2) the Nomination and Corporate Governance Committee by combining them as one Sub-committee under the same scope of powers and responsibilities, under the name Nomination, Compensation and Corporate Governance Committee.
4. Mr. Afzal Bin Abdul Rahim and Mr. Patrick Corso expressed their intention not to receive director compensation in 2017

1.2) Management Compensation

In 2016 and 2017, management compensations are as follows:

Benefits	2016		2017	
	Number of executives	Amount (Baht)	Number of executives	Amount (Baht)
Salary and Bonus	6	22,344,819	6	21,336,066
Other remunerations such as contribution to social security fund, provident funds, etc.	6	756,219	6	1,210,257
Total	6	23,101,038	6	22,546,323

2) Other benefits

None

Personnel

1) Number of Employees and Compensation

As of 31 December 2017, the total number of employees (exclude Directors and Management) was 409, which can be classified functions as follows:

Department	No. of Employees
Office of Managing Director	3
Consultant	1
Marketing and Information Technology	78
Engineering	258
Government Affair, Purchasing and Asset Management	28
Finance and Accounting	22
Human Resources	12
Legal	2
Operation System Development	5
Total	409

The Company has a compensation policy which provides fair and attractive compensation to employees by considering the compensation policy of other companies in the same industries to motivate and retained qualified personnel in the long run. In 2016 and 2017, the compensation which the Company provided for its employees are as follows:

Employees' Compensation (Baht)	2016	2017
Salary and bonus	180,984,533	186,856,304
Other benefits such as commission, bonus, contribution to social security fund, contribution to provident fund, living expenses and other fringe benefits	67,947,834	59,885,645
Total	248,932,367	246,741,949

Human Resource Development Policies

The Company realizes the importance of human resource development to enhance capability of employees so the Company has set fundamental policies for human resources development and training plans, as follows:

The human resource development strategies need to be aligned with our visions, missions, goals, strategic plans, and fulfill the desired employee competencies. Our desired core competencies are categorized into 5 following areas: Adaptability, Professionalism, Teamwork, Integrity and Service-Minded.

In addition, the nature of our business as a telecommunications network service provider requires specialized skills of employees, which varies depending on an individual's major responsibility, typically in engineering, accountancy and management. The company also adopts the leadership competency model in order to develop managerial skills for employees engaging in supervising or coaching roles. There are 3 crucial skills including: Analytical skills, Coaching skills, Problem solving & Decision making skills. The mentioned competency management system will lead to implementation of individual development plan, career path development plan and succession plan in the near future.

Human Resource Training

In 2017, the Company properly provided for training courses for employees of the Company and its subsidiary, both in-house training and external training with professional training houses and accredited organizations. Most employees had total training hour over 18 hours per person per year which is higher than training hours required by the standard of the Department of Skill Development which required average minimum 6 hours per person per year.

Total training hours	6 hours	12 hours	More than 18 hours	Total
Number of employees	57	48	256	361

Regarding moral and virtue development, employees are encouraged to take part in various activities such as, religious ceremonies and CSR activities e.g. donation to natural disaster victims, to develop the recognition of merit making, sharing and ethic. The Company also cultivates employees to develop a service mind with customer centric approach in the corporate culture and servicing process. For instance, the staff is encouraged to assist customers to solve technical glitch, even though the problem was due to the customer's equipment malfunctioning, or not caused by the Company.

Regarding to other human resource development activities, we promote employees' creativity through many idea contests, involving areas of engineering and operational process improvement. In addition, we adopt the Bottom-up management style by which our top executives are widely open to all opinions on management process. The Company also provides training programs in the areas related to the business and invite some experts to share their useful working experiences with staff. Moreover, many other activities are arranged as the tools to improve relationship between staff, such as, employee team party, banquets, sport day and travel programs, in order to create team spirit in parallel with positive attitude toward the Company.

Good Corporate Governance

Corporate Governance Policy

The Company has realized the importance of good corporate governance and its contribution to achieving excellent performance, sustainable growth, and gaining confidence amongst the shareholders, investors and all concerned parties. As such, the Company is determined to strictly conduct business in accordance with the principles of good corporate governance, laws and regulations of Securities and Exchange Commission (SEC) and Securities Exchange of Thailand. Therefore, the Company has continuously encouraged its management and employees to acknowledge the Company's Code of Conduct and strictly put into practice.

The Company has announced Corporate Governance Policy to all directors, managements and employees to put into practice in order to foster strong corporate governance culture among managements and employees. The Company also educate good governance practices as well as code of conducts to employees and include corporate governance development in annual action plan so its business practice should be in line with the good corporate governance set by The Stock Exchange of Thailand. Its main content can be divided into 5 sections as follows:

Section 1 Shareholders' Rights

The Company realizes and gives importance on the rights of shareholders by giving equitable treatment to the shareholders and encourages the shareholders to fully exercise their rights such as rights to buy, sell and transfer shares that the person is holding, rights to receive the information of the Company or operating performance, right to receive dividend from the Company, rights to attend the shareholders' meeting, rights to express opinion, rights to make decision on the Company's important matters or assign the proxy in case that they cannot attend the meeting by themselves.

Shareholder Meeting

- ▶ Delivering meeting notices prior to the meeting in compliance with the related laws or regulations of Securities and Exchange Commission (SEC) and Security Exchange of Thailand (SET). The notices are available in Thai and English, together with details of agenda, objective of each agenda, Board of Directors' opinion and accompanying documents supplementary detailing rights of the shareholders to attend the meeting, and rights to vote for resolution of the shareholders' meeting, the documents required to present for meeting registration that use bar-code scanning. Posting such information on company's website at least 30 days prior to the mailing and advertising the notice in daily newspaper for 3 consecutive days prior to the meeting at least 14 days.
- ▶ For those shareholders who cannot attend the meeting in person, they can appoint proxies or delegate their votes to any company's independent director in attendance by filling in the proxy form which is attached along with the meeting notices.
- ▶ Prior to the meeting, the shareholders can send their views, opinions, recommendations or questions to the Company. Moreover, the Company gives opportunity to shareholders to propose the additional agenda and nominate candidates for the election of directors prior to the meeting. The Company also set the communication channels for investor contact via the Stock Exchange of Thailand and the Company's Investor Relations Websites.
- ▶ During the meeting, the Company will provide adequate time for all attendants to express opinions or recommendations and ask questions freely before voting. The Chairman and the management are to address and answer all questions clearly and precisely. All these will be recorded with written summary in the minutes of the meeting.

- ▶ After the meeting the Company will provide the complete and accurate minutes of the meeting in both Thai and English, include full information of directors attending the meeting, details of question-and-answer session, voting method, detailed results of the votes in each agenda. The Company will disclose such minutes of the meetings via the Stock Exchange of Thailand and the Company's Investor Relations Websites within 14 days after the meeting.

Section 2 Equitable treatment of Shareholders

The Company has a policy to treat every shareholder equally and fairly especially minority shareholders, for example, they are entitled to propose or add meeting agenda items prior to the meetings and nominate directors. The Company delegates independent directors to take responsibility for them; therefore they can express opinion or recommendations through those directors to deliberate agenda items that could be useful to the Company. As for the agenda, the Company should not add an agenda item without notifying the shareholders in advance, especially the one that the shareholders need special time to deliberate.

The Company has policy for the equal access to the information and set the policy regards the Use of Internal Information which describes in this annual report, section "Supervision on the Use of Internal Information".

Section 3 Roles of the Stakeholders

The Company has placed importance on the stakeholders' rights and interests, both inside and outside the Company that are customers, business partners, competitors, creditors, government, community and other concerned agencies. We also realized that the support we've received from our stakeholders will help boost our competitive potential and bolster our profits, thus fostering long term success to the Company. The Company has set Corporate Governance Policy and Code of Conducts for managements and employees to strictly put into practice.

Shareholders

The Company is committed to be a qualified representative in running commercial business for the long term profits and sound returns for the shareholders. We are committed to transparently disclose reliable information to the public. The Company should prudently manage risks and regularly review the risk mitigation measures.

Customers

The Company is committed to create highest customers' satisfaction and foster healthy relationship based on mutual benefits through offering value added services at fair prices. We are committed to promptly respond to customers' complaint, as defined in the Company's Code of Conduct. Aside from that, we fully and adequately disclose our product and service information and provide consultation service so the customers would understand and utilize them effectively. We also fully cooperate with our customers in problem solving process to minimize negative impact and in product development procedure to foster sustainable business. Moreover, we regularly conduct customer's satisfaction survey and provide convenient communicating channel for customers to send inquiries or submit suggestions and complaints, as well as provide proper security for data records.

Business partners

The Company considers fairness and committed to agreements, term of payments and mutual benefit between business partners. Therefore, the Company treats business partners on the same footing, based on regulated laws and business agreement and fairly select business partners by forbidding all employees from accepting benefits or gifts that may influence unfair business treat to any business partners.

Competitors

The Company supports fair and free competition policy within the scope of laws and business ethics. The company prohibit employees to disclose confidential information of competitors that violate laws, contract or any confidentiality agreements.

Creditors

The Company strictly complies with all terms and conditions of financial obligations and properly manage financial risks to ensure good financial position and ability to repay debt to creditors throughout the contracts.

Employees

The Company fully supports its personnel's potential development and provides fair employment term as well as good and safe work environment.

Government

The Company strictly complies with the laws and regulations of the concerned agencies.

Community, social, environment, occupational health and safety

The Company attached utmost importance to natural resources, energy conservation and preserve the environment and be responsible for the community as a whole. Not only that, the Company also gives full support to the community's activities, including those living in the neighborhood of the Company's office. We train employees to be responsible to community, social and environment and set the policy on safety, occupational health, safety and environment that we put importance to the prevention of accident related to company's activities and services. The Company also mapped out the efficient plan to deal with emergency matters and participate in the drills frequently.

Mechanism of Participation for Stakeholders

The Company provides a channel for all stakeholders e.g. shareholders, customers, community to express ideas, recommendations or ask questions. The stakeholders can submit their concerned issues by mail to :

Symphony Communication Public Company Limited
123 Suntowers Building B, 35th - 37th Floor,
Vibhavadee Rangsit Road, Chomphon, Chatuchak,
Bangkok 10900 or
Telephone : 66-(0)-2101-1111, Fax : 66-(0)-2101-1133
or through the Company's website, www.symphony.net.th in which the contact person for each department and communication channels have already been specified.

In case the stakeholders would like to report misconduct or complaint over illegal acts, fraud, negligence of directors, managements, staff, incorrect financial disclosure, or deficiency of internal control, they can directly submit their concerns to Board of Directors or Audit Committee by above mailing address or email ac@symphony.net.th. The Board of Directors will treat such information seriously and will maintain utmost confidentiality. If the misconduct is founded, the Board will prudently resolve in due time.

Section 4 Disclosure of Information and Transparency

The Company's Board of Directors has placed importance on correct, accurate, transparent and timely disclosure of information, both in terms of financial report and general information, in compliance with the regulations set by Securities and Exchange Commission and Securities Exchange of Thailand. This includes other crucial information that might affect the Company's share price and the decision of investors and stakeholders. Therefore, the Company's Board of Director has assigned the Audit Committee to audit the quality of our financial report and internal control system and disclose adequate information in the notice attached with the Company's financial statement and report it to the Board of Directors. The Company disseminates information to shareholders, investors and public through numerous channels such as SET and the Company's website, in order that all shareholders can get equal access to such information

Investor Relations

The Company realizes the importance of communication with investors, analysts and other concerned parties. Therefore, the Company has assigned the investor relations department to be responsible for investor relations activities. Such responsibilities concern the disclosure of information in accordance with the regulations set by Securities and Exchange Commission and the Security Exchange of Thailand. The department will act as company's representative to communicate and publicize other information that useful for investors, analysts and other concerned people. The Company will provide opportunities for investors to ask questions and receive information through various channels such as the

Company's website, investor and analyst meetings which attended by senior executives. The interested persons may contact the Company directly at 02-101-1111 ext. 36312 or at email: ir@symphony.net.th

Section 5 Responsibilities of the Board of Directors

Board of Directors has complete authority to set corporate vision, direction, policy, importance action plan and monitor the business management to achieve target as well as align with long-term benefits to shareholders under framework of regulations and code of conducts. The Company also consider benefits of all stakeholders. Therefore, the Company has practices to achieve sustainable growth as follows:

1) The Structure of the Board of Directors

The Company's Board of Directors consists of qualified and capable personnel with various experiences that useful for the Company's business operation. The Board of Directors plays an important role in defining policies, targets, business plan and financial budget of the Company, including governing the management team to observe such policies efficiently and effectively.

At present, the Board of Directors consists of 9 directors, of which four of them are independent directors, which is amounted more than one-third (1/3) of the total directors, thus, can adequately exercise check-and-balance power in the deliberation and voting of agenda. Aside from that, the Company appointed 4 subcommittees, namely 1) Audit Committee, 2) Nomination, Compensation and Corporate Governance Committee, 3) Risk Management Committee and 4) Executive Committee. The Company also clearly defined the scope of power and responsibility of these sub-committees in the Board of Directors' Charter.

The Company has required that the Chairman of the Board of Directors and the Chairman of the Executive Committee are two distinct persons, in order to segregate policy-making and governing duties from those of day-to-day management.

Moreover, the Company appointed the secretary of the Board of Directors to be responsible for the Company's Board of Directors meeting and shareholders' meeting. The Company also appointed corporate secretary whose main duty is to provide information on the Company's laws and regulations that the Board of Directors is supposed to know and oversee the Board of Directors' activities, to ensure that all resolutions of the Board of Directors will be strictly observed.

2) Roles, Duties and Responsibilities of the Board of Directors

Major roles and duties of Board of Director have been mentioned in management structure section. Moreover, Board of Directors take key roles to review important policies and guidance as follows:

▶ Corporate Governance Policy

The Company has defined Corporate Governance Policy in written form and issue the Corporate Governance handbook to publish as a guideline for the directors, management and employees and review it on annual basis.

▶ Business Code of Conduct

Board of Directors must promote and develop corporate governance and set code of conduct in written form for the Board of Directors, management and all employees to strictly observe, compile and set standard as a guidance to control and monitor actions of directors, managements and employees as well as define to punishment for those who misconduct.

▶ Respect to laws, human rights and intellectual properties

Business of the Company is to providing service to public, therefore, the Company shall conduct the business in compliance with laws, regulations, order and resolution of Board of Directors as well as respect to principle of human rights by avoiding any violation to human rights. The Company also set policy for employees at all level to hold on to code of conduct relating to human rights and respect to intellectual properties and use only legalized standard softwares.

▶ Anti – corruption Policy

The Company has “Anti-Corruption Policy” in written form in order to prudently make a decision on any course of action that could possibly lead to corruption and to serve as an apparent guideline in performing business and effectively developing to sustainable organization. Director, managements, and staff are disallowed to involve or accept every type of corruption both in direct or indirect manners covering every business activities. The Anti-Corruption Policy must be reviewed regularly, including with a possible revision of such policy and implementation provision in order to accord with business changes, regulation, standard, and laws. The Company provide fairness and safeguard to staff who denies or informs corruption cases relating to the Company by applying Protection Policy for appellant or persons who incorporate with Anti-Corruption information as stated in the Whistleblower Policy.

▶ Conflict of Interests

The Company is determined to restrict the conflict of interests within an organization at high level of integrity and independency, considering the framework of business ethics and for the Company’s best interests. Any party having conflict of interests to the Company’s concerning matter must disclose their relationship and define possible conflict of interest to the Company. Such person, will be refrained from the concerned decision making and not authorized for the approval of such transactions.

Such policy for the related transaction or the transactions having conflict of interests has been issued in compliance with the laws and regulations of SEC and SET. The Company has disclosed such information in the Company’s annual report and annual disclosure (form 56-1).

▶ Internal Control

The Company places importance on setting up an effective internal control system. The internal control regulations handbook has been published as a guideline for this matter, the contents of which clearly segregate the responsibilities and operating power of operating team from those of management in the matters concerning the Company’s assets, the approval of transactions, the

documentation of accounting and financial information. Moreover, they clearly segregate the duties of operating team, monitoring team and evaluation team to enhance an adequate check-and-balance system.

▶ Risk Management

The Company places supreme importance on the risk management of the entire organization. Therefore, the Company appointed the risk management team to directly oversee and manage such risks that are financial risk, operating risk and business risk. The risk management team will report to the Audit Committee on quarterly basis or whenever necessary for deliberation before submission to the Board of Directors.

3) Board of Directors meetings

Board of Directors meetings are planned for the entire year on quarterly basis, with additional meetings called to discuss special agenda items if necessary. Prior to the meeting, the meeting notice along with the meeting agenda must be issued to each director to deliberate it in advance, except only in the case of emergency. The Company stipulates that the directors have duty to attend every Board of Directors meeting, except in the case of necessity. The minutes of each meeting are properly documented and are filed for auditing purposes and for reference by directors and related persons.

In deliberation of each agenda item, the Chairman of the board, in which case the Chairman of the Meeting shall allow all directors to express their view freely and openly. In some cases, the concerned high-level executives might attend the meeting to provide more necessary information and acknowledge the policy themselves in order to execute it effectively.

Furthermore, the non-executive directors will convene the meeting without the attendance of management at least once a year to consider the business operation and performance of executive directors.

In 2017, the attendance of directors has been shown in page 39

4) Director positions in other listed companies

Policy for directors to hold director positions in other listed companies

Board of directors set policy that directors shall not hold director positions in other listed companies more than 5 companies, in order that the director can dedicate and provide efficiency to the duties of directors. At present, none of 9 directors hold director positions in other listed companies more than 5 companies, therefore, they can really contribute to the duties of directors.

Policy for the president regarding director positions in other companies

Board of directors set policy for the president regarding director positions in other companies. For the subsidiary, board of directors may appoint the president and/or senior managements of the Company to be directors of subsidiary in order to govern and set business direction in line with the Company. For other companies, the president need inform and get approval from board of directors before taking any director positions in other companies.

5) Performance Evaluation of Directors

The board of directors conducted the self-assessment on their scope of duties on annual basis, whereby each director is free to evaluate and express his/her opinions to board of directors in order to improve efficiency of board of directors. The evaluation measures including qualifications, roles of regulating and monitoring, leadership, strategic direction and duties.

In 2017, evaluation performance of board of directors and sub-committees were in “Good” level. All Director also evaluate themselves by individual evaluation including assessment of knowledge, competence, duties and responsibilities. Evaluation performance of each directors were also in “Good” level.

Board of directors has analyzed the assessment results in all aspects for further efficiency improvement.

For subcommittee assessment, there were both selves assessment by individual director and subcommittee assessment, the evaluation results have been reported to Board of Directors.

Board of directors also set annual evaluation for the president, the evaluation includes vision, leadership, change management and target achievement for various aspects. Compensation committee then take the evaluation results to consider the appropriate compensation to president.

6) Director and Executive Development

The Company values and fully supports the enrolment of its directors and executives in the development training courses or seminars relevant to their scope of duties. In the case of change in directors or executives, the Company will provide necessary document useful for the scope of duties of the new ones, including enrolling them in the useful and relevant training courses.

In 2017, the Company provided useful training courses for directors as follows:

1. Mr. Kranphol Asawasuwana has attended “Top Executive Program in Commerce and Trade (TEPCoT 10/2017)”
2. Mr. Teerarat Pantarasutra has attended “Capital Market Academy Program (24/2017)”
3. Mr. Pongthep Thanakijsumton has attended “Successful Marketing Strategy Program”
4. Ms. Bussakorn Jaruwachirathanakul has attended following course (s) :
 - ▶ Key issues for management and investment information
 - ▶ Fundamental for BOI privileges
5. Mr. Supornchai Chotputtikul has attended following course (s) :
 - ▶ Open House Network by Business Matching Business English Communication for Management Level (Group 2)

Nomination of Directors and Top Executives

The Appointment of Director

The Board of Directors has appointed Nominating, Compensation and Corporate Governance Committee to select, and nominate suitable candidates for the position of Directors and Managements and must consider the composition of board of directors in accordance with Public Company Act B.E.2535, qualification, variety of experiences and contribution to the Company. The Nominating and Corporate Governance Committee also considers if there are qualified persons nominated from minority shareholders. Then, Nominating and Corporate Governance Committee nominate to board of directors to propose the annual general shareholders meeting to appoint director by votes according to the Company's regulations. The Company allow shareholders to vote for directors individually one by one. The appointment and dismissal of the Directors shall be in line with the principles and methods defined in the Company's Articles of Association, the important contents of which are as follows:

1. The shareholders' meeting shall appoint Directors in accordance with these methods and principles

- a) For an election of one Director, the number of votes that each shareholder may cast shall be equal to the number of shares that he holds.
- b) Each shareholder may cast all of his votes according to Item (a) to elect one person or many persons as the Director, but he may not cast his vote more or less for anyone.
- c) The persons who have received the highest votes in descending order shall be appointed the Directors in the number that the Meeting of Shareholders has to choose at that time. In the event of a tie between or among the persons in the next order exceeding the number of the persons to be chosen at the meeting, the Chairman of the Meeting shall cast a ruling vote.

2. At every Annual General Meeting of Shareholders, one-third of the Directors shall vacate their office; if the number is indivisible by three, the nearest number shall apply. In the first and second years subsequent to the

Company registration, which the Directors shall vacate their office shall be decided by a draw. In the subsequent years, the Directors who remained in office for the longest time shall vacate their office. The Director whose office term has ended may be reappointed.

3. Aside from leaving the office when his/her term ends as defined in this regulation, the Directors shall leave their office when

- a) Die
- b) Resign
- c) Being dismissed by the resolution of shareholders' meeting in accordance with the Company's Articles of Association.
- d) Being deprived of quality or having possessed prohibition, as defined by law or the Company's regulation.
- e) The court orders him/her to leave the office.

4. Any director wishing to resign may submit a resignation letter to the Company. The resignation is to be effective on the date that the Company receives the letter, according to the content in the first paragraph. Such Director shall notify his/her resignation to the registrar.

5. In the event that the whole office of the Board of Directors is vacant, the Board of Directors who have left the office shall stay on duty to operate the Company's business as necessary until the new office takes position, except the court orders otherwise.

The vacating Board of Directors shall organize the shareholders' meeting to elect the new Board of Directors within one (1) month after their term ends. The invitation for the meeting should be sent out at least fourteen (14) days prior to the meeting.

6. Under the article 20 of the Company's Articles of Association, in the event that an office of the Directors is vacant for reasons other than end of office term, the Board of Directors, shall, at the next Board Meeting, appoint as a Director a person who has no undesirable qualities as set forth in the Public Company Act, Securities and Exchange Act, Telecommunications Business Act and other concerning Act, unless the remaining office term is

less than two (2) months. The resolution of the Directors as defined in the first paragraph must consist of at least three quarters (3/4) of all the votes of the remaining Directors.

The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.

7. In the event that the number of vacating Directors is outnumbered that of current Directors to be ineligible to form a quorum, the remaining Directors shall act on behalf of the whole office only to hold the shareholders' meeting to select the Directors to replace the vacating ones.

Such meeting according to the first paragraph shall be held within one (1) month after the number of the remaining Directors is less than that to be eligible to hold the meeting. The newly appointed Director shall be in office for the remaining office term of the person he/she replaces.

8. A shareholder meeting may pass a resolution removing any director from office prior to retirement as a result of the expiration of the director's term of office, by a vote of not less than three quarters (3/4) of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half (1/2) of the number of shares held by the shareholders attending the meeting and having the right to vote.

Appointment of the President and Succession Plan

Nomination and Corporate Governance Committee has the duty to consider and review the appointment of executive in the position of Executive Vice President or higher to propose to the Board of Directors' consent and monitor the formulation of Succession Plan of the Director, President and Executive Vice President as well as other positions that vital for corporate sustainability by developing and preparing successors to boost confident of shareholders, investors and staff that the Company business will be sustainable.

Governance and Control of Subsidiary

The Company has policy to appoint top executives of the Company to be the directors of subsidiary in order to drive

the common objective and best interest of the Company. Board of directors of subsidiary is reported to board of directors of the Company on quarterly basis. The importance matters that required approval from board of directors of the Company, board of directors of subsidiary must seek approval from board of directors of the Company before any implementation. However, the number of board seats in subsidiary will be in the same proportion of shareholding.

Moreover, the Company has policy that executives of subsidiary must monitor and set regulations for related parties transactions, asset acquisition and disposition and importance transaction completely, correctly and in line with the Company. Management of subsidiary shall set the internal control and filing systems, as well as transparent and timely accounting procedure in order to consolidate with the Company.

The Control of Inside Information Usage

For transparency purpose and to prevent the use of inside information that has not been disclosed to the public for personal benefits and avoid criticism of inappropriate sale and purchase of company's shares by its personnel, the Company has issued regulations to directors, executives and all employees as follows:

- ▶ The directors, executives and all employees of the Company must protect the Company's confidentiality and must not disclose it for their own or others' benefits whether directly or indirectly. They must not transfer or be transferred the Company's shares by using the Company's confidentiality and/or inside information and/or undertake any business transactions by using the Company's confidentiality and/or inside information, which would lead to financial loss to the Company whether directly or indirectly.
- ▶ The directors, executives and employees who are aware of inside information that has not been disclosed to the public must not use such information and must avoid or refrain from buying, selling, transferring or being transfers company's shares within 1 month before the disclosure of the quarterly financial statement and annual financial statement to the public.

- All company's directors and management must report any changes in their company's share ownership to SEC under section 59 of the Securities and Exchange Act B.E. 2535 within 3 days from the date of sale, purchase, disposal or receipt of such share and submit a copy to the Company as reference.

Auditor's Fee

The Company's financial statement have been reviewed and audited by certified accountant according to the general accepted accounting standard to ensure that the financial statements are fairly presented. The Company's financial statements for the year 2017 have been audited by EY Office Limited. The audit firm has received its fee as detailed below:

Items	Amount (Baht)
1. Auditing fee according to the contract (for quarterly and annual financial statement, exclude auditing fee of subsidiary in the amount of Baht 120,000)	1,170,000 Baht
2. Other expenses	18,190 Baht
Total	1,188,190 Baht

Corporate Social Responsibility

Symphony Communication Public Company Limited has a key objective to steer the Company towards an effective organization with excellent management to achieve a sustainable growth. Symphony has a long-term commitment towards corporate social responsibility, integrity, transparency, accountability and compliance with the laws. We ensure interests of all stakeholders are addressed and safeguarded for the long-term success of the Company.

CSR-in-process

Operating the business with righteousness

The Company provides telecommunications service with operating license from the government and regulated by government agencies which considered as public service. Therefore, the Company must operate its business in compliance with the laws, regulations, rules, orders, notifications and resolutions of related committees. Moreover, the Company must also respect human rights as well as promote this understanding amongst all employees to respect and adhere to the laws, regulations, rules, orders, notifications and resolutions of related committees in performing their duties.

Responsibility to all stakeholder groups

The Company continually safeguards interest of all stakeholder groups to recognize their supports and their contribution to the Company's competitiveness. which is a key to the Company's long-term success. The Company has endorsed the Code of Conduct as part of its corporate governance policy that enforces for all employees and executives to respect interest of all

stakeholder groups, whether internal stakeholders such as the Company's employees and executives or external stakeholders such as customers, business partners, competitors, creditors, the government, communities, environment, and other related organizations. The Code of Conduct is announced on the Company's website <http://www.symphony.net.th/csr/conduct.aspx>

Anti-corruption

The Company has signed the Declaration of Intent to join Thailand's Private Sector Collective Action Coalition against Corruption and has a written "Anti-Corruption Policy" as a clear guideline in operating the business and developing the Company into a sustainable organization. The Anti-Corruption Policy covers scope of responsibility, regulations, and principles for appropriate action in order to prevent corruption in all of the Company's business activities and ensure that decisions and business transactions which may have risks related to corruption are prudently considered and implemented.

Responsibility to communities, society and the environment

The Company serves public service and consider itself as an integral part of society. Therefore, the Company encourage employees to preserve the environment, efficiently use natural resources and energy as well as continually giving support for social development. In the past year, the Company continued to support the work of various foundations and organizations in improving society e.g. providing financial aids, donations for elderly, underprivileged schools, students and humanitarian relieves.

Risk Factors

1. Risks from Competition in Hi-Speed data Communications Network Market

The Office of National Broadcasting and Telecommunication Commission (“NBTC”) has the authority to issue telecommunications business licenses to new operators based on the principle of free and fair competition. The Company cannot foresee the number of new operators that will be granted telecommunication business licenses. More operators will result in stronger competition. However, the telecommunications business requires expertise and experience of management and employees as well as intensive capital. Hence, large business operators have competitive advantages over small, medium and new operators. At present, price competition is stronger in some markets segment that customers are more price conscious due to difficult economic situations.

Therefore, the Company strategically prepared for such competition by emphasizing on its businesses strength and focus on the markets that the Company has competitiveness, especially in current service coverage areas or corporate market that has high service loyalty for years. In addition, the Company also extend service scopes by providing related services e.g. Direct Internet, Broadband Internet service to support small and medium broadband operators, international network service to inter carriers.

2. Risks from Legal Regulations and Government Policy regarding Telecommunication Business

(a) Review of Contracts or Agreements between the Company and Foreign Governments, International Organizations or Persons Residing Overseas.

Under the stipulation of section 54 of the Telecommunication Business Act and Notification of the NBTC Re: Approval of Contracts relating to Telecommunications Business to be Made with Foreign Governments, International

Organizations or Persons Residing Overseas B.E. 2549, the Company is obligated to submit any drafted contracts or drafted agreements concerning the operation and servicing of telecommunication with foreign governments, international organizations or persons residing overseas, including amendment or annulment of contracts or agreements for the approval of NBTC. There is an exemption if such contracts or agreements relate with normal procedures that comply with guidelines and conditions that NBTC stipulates. However, the NBTC may request the Company to amend any such contracts or agreements in accordance with the conditions that NBTC stipulates. At present, the Company has a contract to provide circuit lease services to customers who are foreign companies and the Company still has plans to expand such business to providing services to international carriers located overseas. Hence, the stipulation of section 54 of the Telecommunication Business Act may place constraints in entering such contracts and therefore affect the business expansion plan and revenue that the Company may receive from the expansion of such customer base to foreign carriers locate overseas in the future.

(b) The Government’s implementation of Digital Economy Policy

In 2015, Government launched the Digital Economy policy. The Ministry of Information and Communication Technology (MICT) has drafted the digital economy plan (Year 2016-2020) and preparing to revise the laws relating to the mobilization of digital economy to be proposed to National Legislative Assembly for approval such as draft amendment of Organization for Allocating Broadcasting Frequency and Supervising Radio/Television Broadcasting and Telecommunication Businesses, Cyber Security Act, and Commission of an Offence relating to Computer Crime Act, Digital Economy Development Act and etc. The Company has considered that the Digital Economy (Year 2016 – 2020) will create the positive impact to the Company because it will support and stimulate demand on the digital infrastructure usage. At present, the

Computer Crimes Act (No.2) B.E.2560 has been announced. The Company has studied the amendment laws but does not assume possible adverse impact to the Company business at the moment. However, the Company need to consider other impending ministerial regulations, criteria and practices that will be announced by Ministry of Digital Economy and Society regarding investigations or confiscation of computer systems, computer data, or equipment for storing computer data by government officers or operators. Other revised laws has not been officially finalized and enforced.

3. Risks from Networks, Equipment, Working Systems, Computer Systems and Other Assets used in the Company's Operations

(a) Risk from Networks

Under the stipulation of section 39, paragraph 1 of the Telecommunication Business Act 2001 states that, if the licensee needs to set up the post or wiring, piping or install other equipment necessary for the operations of telecommunication business and need to apply the right according to the section 39. The licensee shall propose NBTC for approval before any execution. Once NBTC approve, the licensee will entitle to the Right of Way of the proposed route. At present, the Company continually obtains Right of Way from NBTC for the constructed networks. For those owners of properties who had been unaware the right and duty of the licensee who obtained the Right of Way from NBTC, that licensee is legitimate to provide services in areas of such owners of the Right of Way and caused an impediment to the network expansion in certain areas such as some industrial estates. Nowadays, the Company and owner of the properties has reached more mutual understanding, the problems has been relieved, and the Company can expand to more industrial estates.

At present, Metropolitan Electricity Authority (MEA) starts to put the electricity wires to underground for some main roads in Bangkok CBD, effecting the cabling of the Company that currently being on electricity poles.

Therefore, the Company has to reroute the networks to avoid service interruption. In some main roads in Bangkok e.g. Paholyothin road (Ladprao 5-junction to Victory Monument), Rajprarop road, Sriyudhaya road etc., the Company had signed MOU and co-invested with other operators and already moved the wires to underground ducts.

Provincial Electricity Authority (PEA) has announced the critical routes that PEA does not allow additional communication wiring. PEA has informed all operators to avoid the wiring in critical routes for safety of public and passerby. This announcement caused the delayed installation on critical routes, however, not effect to service continuity. In this regards, the Company has been co-operative to PEA and work with other operators to re-organize the network wiring for better safety condition and corporate image.

Furthermore, the Company has networks that already been installed but in the process of obtaining approval from property owners e.g. government agents, utility providers according to their criterion. Thus the Company may have an obligation to pay installation fee, maintenance fee or any additional processing fee that may increase the Company's cost of business and profitability.

(b) Risk from Equipment, Working Systems, Computer Systems and Other Assets used in the Company's Operation

As the Company's business has specific characteristic that relate with complex technology, business operations of the Company requires superior network management system since such system must be stable at all the time to serve customers' needs. If there is any hold up in the working system especially in the provision of hi-speed communication network or core network, there could be a wide-spread impact on other systems.

For this reason, the Company preemptively created a contingency plan by setting up a Disaster Recovery Operation Center (DROC) which has been operated since Q2 2013 to ensure uninterrupted servicing. The Company

also implement Business Continuity Plan (BCP) and regularly emergency exercise. For the Company's internal working system, the Company minimizes operational risks from human errors by having access control system in all operation rooms of the Company that allow access only for trained and certified employees with specified qualifications.

The Company strongly emphasizes the importance of equipment selection by selecting only fine optical fiber cables and adhering to international standards to ensure efficiency of servicing. In regards to essential equipment for the core network such as power supply, Controller, Switching and trunk modules, the Company has prepared reserved sets of equipment ready to be installed as soon as any malfunction to existing equipment occurs. As for the installation of optical fiber cable, the Company will install optical fiber cable in at least 2 non-replicated routes for core network in case any optical fiber cable malfunction occurred. Moreover, for systems related with end-users, the Company has a preventive policy to identify any flaws and promptly mend them before any errors occurred.

Technical expert team will check cable nets, main equipment and other support equipment to ensure that all are in good working conditions. For the core network, the Company install DWDM as standard network equipment for supporting other service networks e.g. Metro Ethernet, MPLS, SDH, TDM etc. This not only save cost in the long run but also enhance network stability, reduce network faults and support bandwidth expansion in accordance with current high bandwidth growth. In addition, the Company has implement 3-Year IT Master Plan (Year 2015 – 2017) in accordance with the Company's business plan. The main purposes are to gain more efficiency in each business activity, to create the data integration, and also to maintain data security within the well-organized budget.

4. Risk regarding Key Management Reliance

According to nature of business, the Company requires experts that specialized in complicated technology and

regulations, with different experiences and skills to operate the business. The Company recruits various telecom experts to serve the Company's growth. The Company gives emphasis on the succession plan and Talent Management System. With Talent Management System, company will get the strategic movement on how to recruit, develop and maintain the high performance employees who are the high potential to be future management team.

Consequently, key management reliance risk will be lowered by succession with the high competency management. The Company also allocate budget for development and training to all level of employees. For example, the Company provides scholarships for undergraduate and post-graduate study in various fields such as business administration, information technology, and engineering. By offering employees an opportunity to be trained with institutions of good reputations in terms of professional skills and development of other working skills, employees will continue to improve from such developments and trainings to prepare employees for future business expansions. Additionally, the corporate structure emphasizes bottom-up working styles to encourage employees, especially middle management, to participate in the process of brain-storming and setting operational guidelines. Moreover, the Company places emphasis on teams to work both within the business functions and across business functions to competently resolve any issues that occurred.

5. Risks from influences of major shareholders over the determination of policy and management of the Company

TIME dotcom International Sdn Bhd is the major shareholders, at 31 December 2017, holds 46.84% of total shares. As a result, the major shareholders have enough voting rights to affect the agenda requiring approval by a majority of votes in excess of 75% of the total voting shares, such as the approval of increase or decrease of capital, amendment of the Company's Article of Association etc.

6. Risk from natural disaster, riot and terrorism

The global climate change has resulted in many natural disasters. Moreover, the economic and political uncertainties triggered the civilian unrest, riots and terrorism. These events may have an impact on business operation of the Company. Therefore, the Company includes these possible matters into the Enterprise Risk Management and develop the Business Continuity Plan as a principle

for employees at every levels and departments to perform in case of emergency to ensure the smoothest service for customers. The Company's standard network design also provides redundant route to enhance stability of communication networks. Moreover, the Company has insurance policies cover against the risk of damage to network equipment and nodes. That comprises node equipment and optical fiber cable that installed in private properties. However, the equipment that installed in public areas (mainly optical fiber cable) is uninsurable.

Internal Control and Risk Management

The company realizes the importance of internal control system at an operational level to ensure that the company has efficient operation at the acceptable level of risks and suitable working environment. The company has hired an independent internal auditor to consistently monitor internal control in order to ensure optimal internal control measures appropriate to the changing situation, environment and risks. The company also manages an internal control system to be in line with standards set by COSO (The Committee of Sponsoring Organizations of the Treadway Commission). The details are as follows:

1). Control Environment

The company set organizational structure that defines policy, scope of responsibilities as well as set remuneration that correspond with its business goals. Action and budget plans have been set to help control the company's operation.

2). Risk Assessment

The company has been continuously considering both external and internal risk factors, while setting a risk mitigation approach to control risks. The company has set up a Risk Management Committee with a definite scope of responsibility in formulating and monitoring the risk management plan and reports it to the Nominating and

Corporate Governance Committee for consideration before proposing it to the Board of Directors.

3). Control Activities

The company has set up defined range of responsibilities and code of practices in written form via by the Authority Manual and Ethical Guideline to serve as the company's standard and for operational transparency. The code of practices and manuals are also revised periodically to ensure that they are corresponding with the changing situations and risks that have been changed.

4). Information & Communications

The company has a proper data management system and sufficient data to support decisions making by the management. It also has a data storage system that is organized and verifiable.

5). Monitoring Activities

The management holds periodic meetings to evaluate the company's performance, and update its objectives and policy to match with current situation. Such process is achieved by considering the causes and improvement measures. Internal audit is also performed by outsource internal auditor before reporting to the Audit Committee and the Board of Directors.

Related Party Transaction

The Board of Directors carefully considers the conflict of interests and related party transactions and set forth in the policies, guidelines and practices in compliance with the Company's Articles of Association, laws, the principles of good governance and regulations of SEC and SET. Those with conflict of interests or related businesses must report their relationship and interest with a possible conflict of interests to the Company. The connected persons will be refrained from exercising their authority for and involvement in such transactions. Moreover, the approval of such transactions must be done solely for the Company's best interests and the information must be disclosed in the note of financial statement. The consolidated annual financial statements ending on 31 December 2017 published the related transaction in the Note no. 6.

Policy and Future Related Party Transaction

The Company may have related party transactions in the future as appropriate based on normal business operation. If the transaction is not the normal business operation, the Company must propose the Audit Committee for the consideration of appropriateness and must comply with the step of approval for related transactions. The Company will consider the necessity and soundness of such transaction. The prices and conditions shall be set on arm's length basis for the best interest of all stakeholders and complied with the regulations set by the Stock Exchange of Thailand (SET) and Security and Exchange Commission (SEC). Meanwhile, the directors, management and the stakeholders who have conflict of interests shall not participate in the approval of transactions.

Board of Directors' Responsibility for Financial Reporting

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

The Board of Directors has provided and maintained risk management system and appropriate and efficient internal control system to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weakness that may be present in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, quality of financial reports, review

internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have included in the Audit Committee Report, which presented in this annual report.

The financial statements of the Company have been audited by an external auditor, EY OFFICE LIMITED. The Board of Directors facilitated all the Company's records and related data as the auditor requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

In this regard, the Board of Directors is of the opinion that the Company's internal control system is proven satisfactory and contributes the credibility of the Company's financial statements as of 31 December 2017 that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Woodtipong Moleechad
Chairman



Teerarat Pantarasutra
President

Audit Committee Report

The Audit Committee of Symphony Communication Public Company Limited comprises four independent directors whose qualifications fully comply with requirements of the Securities and Exchange Commission, namely Mr. Jitkasem Sangsingkeo, Chairman of the Audit Committee, Mr. Woodtipong Moleechad, Mr. Prasitt Hemwarapornchai and Mr. Akarat Na Ranong, members of the Audit Committee. Ms. Nansinee Chokthienanan, Internal Audit Assistant Manager serves as the secretary of Audit Committee. (Mr. Akarat Na Ranong has appointed to the director in Audit Committee by Board of Director's Meeting No. 10/2017, held on November 27, 2017.)

In 2017, the Audit Committee performed its duties in compliance with the Audit Committee Charter approved by the Board of Directors. The Audit Committee held at least once every quarter, total 5 meetings held in 2017, in which Audit Committee members have attended the meetings, together with executives, auditors and internal auditors as appropriated, which is summarized as follows:

1. Reviewed quarterly and annual financial statements for the year 2017 prior to proposing to the Board of Directors for approval. The Audit Committee has inquired management and auditor for the accuracy, completeness of the financial statements and the adequacy of disclosures. The Audit Committee is of the opinion that the Company's financial statements were prepared in accordance with legal requirements and generally accepted accounting principles.

2. Reviewed the internal control system to evaluate suitability and efficiency of current internal control system. The Audit Committee reviewed the planned quarterly audit reports from outsource internal auditor. There was no significant deficiency and the Company has proper asset control. The Audit Committee is of the opinion that the Company has efficient, adequate and suitable internal controls in the acceptable criteria. Its internal control system is regularly reviewed and evaluated. The Company also outsources an independent internal auditor to review, suggest and independently audit on a regular basis.

3. Reviewed the internal audit system. The company has hired the internal auditor for year 2017 namely KPS Audit Co., Ltd. that Mr. Wiwat Limnanthasin, Partner, to review internal audit activities and evaluate adequacy of internal control system and directly report the result to the Audit Committee on quarterly basis. The Audit Committee had considered the independence of Internal Auditor, the scope of internal auditing, independence, responsibilities, functions and audit plan. The Audit Committee is of the opinion that scope of internal auditing and audit plan are sufficient, suitable and regularly reviewed.

4. Reviewed the compliance with the law. The Audit Committee has assigned Corporate Secretary to monitor the compliance to the rules and regulations of Securities and Exchange Commission and the Stock Exchange of Thailand or other laws relating to its business as well as corporate agreement with external parties, which has an opinion that the Company has complied with the Securities and Exchange Law, regulations of the Stock Exchange of Thailand, or other laws relating to its business and its agreement to external parties.

5. Reviewed the risk management system. The Audit Committee had reviewed the risk management system, considering its linkage to internal control, risk management policy and guidance as well as risk management progress. The Audit Committee is of the opinion that the Company has efficient risk management system that is constantly reviewed in accordance with the Company's risk management guidance handbook and at acceptable risk level.

6. Reviewed the connected transactions and its disclosure in audited financial statements and the notes of audited financial statements. The Audit Committee has common opinion with the independent auditor that the connected transactions were done on normal course of business and of the Company's interest, and completely disclosed.

7. Nominated external auditor and recommended their compensation for the year 2018 and presented to the Board of Directors to propose for final approval from the 2018 Annual General Meeting of Shareholders. Audit Committee Meeting no.1/2018, held on February 24th, 2018 had considered performance, independence and appropriate compensation and, thus, has nominated following auditor (s); Mr. Sophon Permsirivallop, Certified Public Accountant (Thailand) No. 3182 and/or Ms. Rungnapa Lertsuwankul, Certified Public Accountant (Thailand) No. 3516 and/or and/or Ms. Pimjai Manitkajohnkit, Certified Public Accountant (Thailand) No. 4521 and/or Miss Rosaporn Decharkom, Certified Public Accountant (Thailand) No. 5659 and/ or Miss Sumana Punpongsanon, Certified Public Accountant (Thailand) No. 5872 from EY Office Limited as an auditor of the Company and its subsidiary in 2018 with the compensation of Baht 1,230,000.- (excludes audit fee of subsidiary).

Audit Committee has consider independency and service quality of the nominated auditor. The auditors as named above have no relationship or interest in the Company/ the management/ major shareholders or related person of the Company/ the management/major shareholders. Ms. Pimjai Manitkajohnkit, Certified Public Accountant (Thailand) No. 4521 Certified the company's financial statements for 2 years. The proposed audit fee has been considered by Audit Committee, managements and internal audit department, that the audit fee is justified and appropriated to proposed to the Board of Directors of the Company to propose to the Annual General Shareholders' Meeting for the year 2017 to consider and approve. In 2016, Audit Committee had 1 meeting with the auditor (without presence of the management team).

8. The Audit Committee conducted the self-assessment on their scope of duties in the year 2017 using the assessment form recommended by Thai Institute of Directors (IOD) which has assessment criterion according to the Audit Committee Charter and the good practice. For 2017, the assessment result was in good level. The Committee had performed its duties in accordance with the Audit Committee Charter and the good practice.

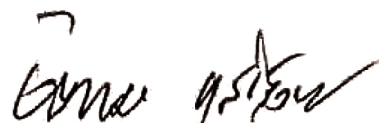
9. Assessed the adequacy of the internal control system. Audit Committee has proposed the Board of Directors committee meeting 1/2018, held on February 24th, 2018 attended by all 4 independent directors. The Board of Directors committee has assessed the internal control of the company by asking information from management and reviewing an evaluation report from the audit committee.

The report has concluded the assessment in five different elements; Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities. The Board of Directors committee has agreed that The Company's internal control system is adequate and appropriate. The Company has provided adequate personnel to operate the system effectively and can protect the assets of the Company and its subsidiaries also including transactions with persons who may have conflicts of interest and related party

10. Reviewed the Audit Committee Charter in order to develop and revise the composition, term of office, scope of duty and responsibility and the self-assessment, in accordance to the good corporate governance principles and regulations of the Stock Exchange of Thailand and the Security Exchange Commission.

In conclusion, the Audit Committee has performed its complete duties set forth in the Audit Committee Charter approved by the Board of Directors. The Company has reviewed aforementioned activities that consistent with the Good Corporate Governance Practice.

On behalf of the Audit Committee



(Mr. Jitkasem Sangsingkeo)
Chairman of the Audit Committee
Symphony Communication Public Company Limited

Independent Auditor's Report

To the Shareholders of Symphony Communication Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Symphony Communication Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Symphony Communication Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Symphony Communication Public Company Limited and its subsidiary and of Symphony Communication Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition

Because the amount of service income that the Company recognises in each period forms a significant portion of the Company's total revenues. In addition, the Company has entered into agreements with a large number of customers and there are a variety of conditions in these agreements. As a result, the Company's recognition of revenue from service income is complex. I have therefore focused on the audit of occurrence and timing of revenue recognition of service income.

I have examined the revenue recognition of the Company by

- ▶ Assessed and tested the Company's IT system and its significant internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

- ▶ Applied a sampling method to select supporting documents for service income to assess whether revenue recognition was consistent with the conditions, and in compliance with the Company's policy.

- ▶ On a sampling basis, examined supporting documents for actual service transactions occurring near the end of the accounting period.

- ▶ Reviewed credit notes that the Company issued after the period-end.

- ▶ Performed analytical procedures on disaggregated data to detect possible irregularities in service income throughout the period, particularly for accounting entries made through journal vouchers.

Network equipment

As discussed in Note 10 to the consolidated financial statements, net book value of network equipment as at 31 December 2017 are totaling Baht 3,200 million, or 65% of total assets. Therefore, in determining the impairment loss on network equipment, management had to exercise judgement with respect to the utilisation of assets, projections of future operating performance, plans for management of the Company's assets, and determination of an appropriate discount rate and key assumptions. There is thus a risk with respect to the value of network equipment.

I assessed the management's selection of a financial model, by gaining an understanding of management's decision-making process and evaluating whether the decisions were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following:

- ▶ The assumptions applied in preparing plans and cash flow projections for the Company, based on the understanding I gained of the process by which the figures were arrived at, comparison of the assumptions with sources of information and comparison of past cash flow projections with actual operating results in order to assess the exercise of management judgement in estimating cash flow projections.

- ▶ The discount rate, based on the average cost of capital and other data and

- ▶ The assumptions and approaches used by management in calculating the fair value of assets.

Litigation

As discussed in Note 28.6 to the consolidated financial statements, the Company had contingent liabilities arising from litigation claims and commercial disputes resulting from rental of optic fiber conduit. As the cases are not yet finalised, the management needs to exercise significant judgement and take into account related laws and regulations in assessing the effects of the litigation and disputes, in order to determine the corresponding liabilities. However, the actual outcomes of the litigation and disputes may differ from the estimates. There are therefore risks with respect to the recognition of provision or disclosure of contingent liabilities with respect to the litigation and disputes.

I inquired with the Company's management and legal department regarding the procedures followed to collate and monitor lawsuits filed and pending as at the date of the financial statements, reviewed legal consultation fees to check the completeness of the litigation notified by the Company, inquired about the details and progress of cases and the methods applied by the management in estimating liabilities from litigation, and assessed the judgement exercised by the management in estimating these liabilities. To carry out these procedures, I performed the following.

- ▶ Reviewed relevant conditions from related regulator that the Company referred to in determination of disputes, together with the claims and objections submitted by the Company and counterparties to the court for the purpose of providing background into the disputes.

- ▶ Reviewed correspondence between the Company and the legal consultant involved in the litigation, and relevant supporting documentation used by management and prepared by external experts, and sent confirmation letters to the legal consultant whose services were used by the Company requesting written reports on case details

and status, and legal opinions on the possible effects of the litigation on the Company. I also assessed the legal consultant's competence, experiences, independence and objectivity in accordance with relevant auditing standards. In addition, I reviewed the disclosure of information relating to litigation and commercial disputes in the notes to the financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

► Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

► Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

► Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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.

I am responsible for the audit resulting in this independent auditor's report.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 24 February 2018

Statement of financial position

Symphony Communication Public Company Limited and its subsidiary

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Assets					
Current assets					
Cash and cash equivalents	7	969,348,144	81,419,025	967,975,725	79,920,849
Trade and other receivables	6, 8	197,457,343	207,178,978	197,457,343	207,117,819
Inventories		9,989,865	12,528,653	9,989,865	12,528,653
Prepaid expenses		18,847,828	16,180,313	18,847,828	16,180,313
Input VAT refundable		8,420,734	32,599,806	8,420,734	32,599,806
Other current assets		72,962,108	26,501,340	72,962,108	26,298,895
Total current assets		1,277,026,022	376,408,115	1,275,653,603	374,646,335
Non-current assets					
Investment in subsidiary	9	-	-	-	2,313,871
Network equipment	10	3,200,467,596	3,232,104,012	3,200,467,596	3,232,104,012
Property, building and equipment	11	328,989,651	341,427,645	328,711,031	340,930,818
Intangible assets	12	26,420,290	27,951,590	26,414,271	27,941,591
Network equipment guarantees		20,059,086	19,000,341	20,059,086	19,000,341
Other guarantees and deposits		18,309,159	17,631,832	18,294,359	17,505,032
Deferred tax assets	23	46,329,773	8,809,724	46,228,193	8,809,724
Other non-current assets		11,839,320	13,533,332	11,661,968	13,533,332
Total non-current assets		3,652,414,875	3,660,458,476	3,651,836,504	3,662,138,721
Total assets		4,929,440,897	4,036,866,591	4,927,490,107	4,036,785,056

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

Statement of financial position (continued)

Symphony Communication Public Company Limited and its subsidiary

As at 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	13	30,000,000	110,000,000	30,000,000	110,000,000
Trade and other payables	14	321,730,326	220,693,275	321,685,626	220,613,575
Current portion of deferred income and advance received from customers		28,397,222	26,287,353	28,397,222	26,287,353
Current portion of long-term loans	15	354,691,758	143,040,028	354,691,758	143,040,028
Other current liabilities		18,376,248	51,769,711	18,371,847	51,762,013
Total current liabilities		753,195,554	551,790,367	753,146,453	551,702,969
Non-current liabilities					
Deferred income and advance received from customers, net of current portion		33,292,411	54,079,653	33,292,411	54,079,653
Long-term loans, net of current portion	15	1,205,833,156	1,348,171,670	1,205,833,156	1,348,171,670
Debentures	16	658,247,174	657,097,820	658,247,174	657,097,820
Provision for long-term employee benefits	17	26,887,641	25,706,295	26,887,641	25,706,295
Total non-current liabilities		1,924,260,382	2,085,055,438	1,924,260,382	2,085,055,438
Total liabilities		2,677,455,936	2,636,845,805	2,677,406,835	2,636,758,407
Shareholders' equity					
Share capital	18				
Registered					
444,977,028 ordinary shares of Baht 1 each (2016: 331,463,349 ordinary shares of Baht 1 each)		444,977,028	331,463,349	444,977,028	331,463,349
Issued and paid-up					
433,654,887 ordinary shares of Baht 1 each (2016: 325,393,681 ordinary shares of Baht 1 each)		433,654,887	325,393,681	433,654,887	325,393,681
Share premium		1,384,395,054	555,545,269	1,384,395,054	555,545,269
Capital reserve for share-based payment transactions	19	26,348,514	22,843,610	26,348,514	22,843,610
Retained earnings					
Appropriated - statutory reserve	20	33,146,335	33,146,335	33,146,335	33,146,335
Unappropriated		374,440,171	463,091,891	372,538,482	463,097,754
Total shareholders' equity		2,251,984,961	1,400,020,786	2,250,083,272	1,400,026,649
Total liabilities and shareholders' equity		4,929,440,897	4,036,866,591	4,927,490,107	4,036,785,056

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

Statement of comprehensive income

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
Profit or loss:					
Revenues					
Lease line service income	6	1,388,728,612	1,366,613,676	1,388,728,612	1,366,613,676
Management and maintenance service income - network		15,442,800	15,442,800	15,442,800	15,442,800
Revenue from sales of network equipment		4,113,668	20,838	4,113,668	20,838
Other income		4,739,680	6,638,148	4,735,072	6,558,562
Total revenues		1,413,024,760	1,388,715,462	1,413,020,152	1,388,635,876
Expenses					
Cost of services and sales		896,647,449	844,266,362	896,647,449	843,801,429
Service expenses		86,696,465	71,945,356	86,696,465	71,945,356
Administrative expenses		457,804,133	259,667,855	459,605,497	260,047,740
Total expenses		1,441,148,047	1,175,879,573	1,442,949,411	1,175,794,525
Profit (loss) before finance cost and income tax expenses		(28,123,287)	212,835,889	(29,929,259)	212,841,351
Finance cost	22	(94,151,576)	(92,332,919)	(94,151,576)	(92,332,919)
Profit (loss) before income tax expenses		(122,274,863)	120,502,970	(124,080,835)	120,508,432
Income tax revenues (expenses)	23	33,623,143	(21,143,005)	33,521,563	(21,143,005)
Profit (loss) for the year		(88,651,720)	99,359,965	(90,559,272)	99,365,427
Other comprehensive income:					
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		(88,651,720)	99,359,965	(90,559,272)	99,365,427
Earnings per share	24				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		(0.27)	0.31	(0.28)	0.31

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

Statement of changes in shareholders' equity

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements							
	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total
					Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2016		300,364,200	555,545,269	15,795,287	30,600,000	394,088,983	1,296,393,739
Profit for the year		-	-	-	-	99,359,965	99,359,965
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	99,359,965	99,359,965
Increase in share capital from issuance of stock dividend	18, 27	25,029,481	-	-	-	(25,029,481)	-
Unappropriated retained earnings transferred to statutory reserve	20	-	-	-	2,546,335	(2,546,335)	-
Capital reserve for share-based payment transactions	19	-	-	7,048,323	-	-	7,048,323
Dividend paid	27	-	-	-	-	(2,781,241)	(2,781,241)
Balance as at 31 December 2016		325,393,681	555,545,269	22,843,610	33,146,335	463,091,891	1,400,020,786
Balance as at 1 January 2017		325,393,681	555,545,269	22,843,610	33,146,335	463,091,891	1,400,020,786
Loss for the year		-	-	-	-	(88,651,720)	(88,651,720)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(88,651,720)	(88,651,720)
Increase in issuance of new shares	18	108,261,206	828,849,785	-	-	-	937,110,991
Capital reserve for share-based payment transactions	19	-	-	3,504,904	-	-	3,504,904
Balance as at 31 December 2017		433,654,887	1,384,395,054	26,348,514	33,146,335	374,440,171	2,251,984,961

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

Statement of changes in shareholders' equity

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements							
	Note	Issued and paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Total
					Appropriated - Statutory reserve	Unappropriated	
Balance as at 1 January 2016		300,364,200	555,545,269	15,795,287	30,600,000	394,089,384	1,296,394,140
Profit for the year		-	-	-	-	99,365,427	99,365,427
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	99,365,427	99,365,427
Increase in share capital from issuance of stock dividend	18, 27	25,029,481	-	-	-	(25,029,481)	-
Unappropriated retained earnings transferred to statutory reserve	20	-	-	-	2,546,335	(2,546,335)	-
Capital reserve for share-based payment transactions	19	-	-	7,048,323	-	-	7,048,323
Dividend paid	27	-	-	-	-	(2,781,241)	(2,781,241)
Balance as at 31 December 2016		325,393,681	555,545,269	22,843,610	33,146,335	463,097,754	1,400,026,649
Balance as at 1 January 2017		325,393,681	555,545,269	22,843,610	33,146,335	463,097,754	1,400,026,649
Loss for the year		-	-	-	-	(90,559,272)	(90,559,272)
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	(90,559,272)	(90,559,272)
Increase in issuance of new shares	18	108,261,206	828,849,785	-	-	-	937,110,991
Capital reserve for share-based payment transactions	19	-	-	3,504,904	-	-	3,504,904
Balance as at 31 December 2017		433,654,887	1,384,395,054	26,348,514	33,146,335	372,538,482	2,250,083,272

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

Cash flow statement

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before tax	(122,274,863)	120,502,970	(124,080,835)	120,508,432
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation	462,883,809	415,315,922	462,730,499	415,082,269
Amortisation of intangible assets	7,876,101	8,387,959	7,872,121	8,383,979
Write-off of equipment and network equipment	4,746,020	2,274,821	4,690,912	2,274,821
Unrealised (gain) loss on exchange rate	5,547,236	(1,085,699)	5,547,236	(1,085,699)
Gain on sales of equipment and network equipment	(1,194,330)	(1,044,307)	(1,194,330)	(1,044,307)
Gain on sales of property, building and equipment	(679,844)	-	(679,833)	-
Allowance for doubtful accounts	3,425,507	6,870,429	3,364,348	6,870,429
Allowance for impairment loss on network equipment	173,074,250	3,822,749	173,074,250	3,822,749
Allowance for obsolete inventories	1,756,304	-	1,756,304	-
Allowance for impairment loss on investment in subsidiary	-	-	2,313,871	1,085,948
Expense for share-based payment transactions	3,504,904	7,048,323	3,504,904	7,048,323
Provision for long-term employee benefits	1,181,346	5,557,215	1,181,346	5,557,215
Interest income	(455,106)	(168,203)	(450,574)	(163,672)
Interest expenses	90,632,422	89,392,346	90,632,422	89,392,346
Profit from operating activities before changes in operating assets and liabilities	630,023,756	656,874,525	630,262,641	657,732,833
Operating assets decrease (increase)				
Trade and other receivables	1,446,301	(23,102,915)	1,446,301	(23,102,915)
Inventories	782,484	1,628,185	782,484	1,520,217
Prepaid expenses	(2,667,515)	(243,798)	(2,667,515)	(243,798)
Input VAT refundable	24,179,072	6,302,811	24,179,072	6,302,811
Other current assets	(12,301,939)	(4,045,678)	(12,479,659)	(4,050,063)
Network equipment guarantees	(1,058,745)	16,645,590	(1,058,745)	16,645,590
Other guarantees and deposits	(677,327)	583,962	(789,328)	584,163
Other non-current assets	1,694,012	(2,685,523)	1,871,364	(2,685,523)
Operating liabilities increase (decrease)				
Trade and other payables	36,730,542	3,543,361	36,765,542	3,046,099
Deferred income and advance received from customers	(18,677,372)	(20,608,580)	(18,677,372)	(20,608,580)
Other current liabilities	(33,619,477)	30,992,919	(33,616,181)	31,056,875
Cash flows from operating activities	625,853,792	665,884,859	626,018,604	666,197,709
Cash paid for interest expenses	(102,952,788)	(90,678,449)	(102,952,788)	(90,678,449)
Cash paid for corporate income tax	(34,158,830)	(34,614,447)	(34,183,555)	(34,583,613)
Net cash flows from operating activities	488,742,174	540,591,963	488,882,261	540,935,647

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

Cash flow statement (continued)

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Cash paid for purchase of network equipment	(481,713,053)	(840,319,213)	(481,713,053)	(840,319,213)
Cash paid for purchase of property, building and equipment	(39,709,398)	(34,214,562)	(39,709,398)	(34,214,562)
Cash paid for purchase of intangible assets	(6,629,054)	(17,138,474)	(6,629,054)	(17,138,474)
Interest income	257,059	168,203	252,529	163,672
Proceed from sales of equipment and network equipment	4,548,193	1,424,749	4,548,193	1,108,575
Proceeds from sales of property, building and equipment	923,513	-	913,713	-
Net cash flows used in investing activities	(522,322,740)	(890,079,297)	(522,337,070)	(890,400,002)
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(80,000,000)	(303,123,036)	(80,000,000)	(303,123,036)
Cash paid for liabilities under finance lease agreements	-	(245,601)	-	(245,601)
Cash receipt from long-term loans	212,460,000	547,382,000	212,460,000	547,382,000
Cash paid for long-term loans	(144,164,400)	(532,820,293)	(144,164,400)	(532,820,293)
Cash receipt from debentures	-	660,000,000	-	660,000,000
Cash receipt from issuance of new shares	952,698,613	-	952,698,613	-
Issuance of new share fee	(19,484,528)	-	(19,484,528)	-
Dividend paid	-	(2,784,989)	-	(2,784,989)
Net cash flows from financing activities	921,509,685	368,408,081	921,509,685	368,408,081
Net increase in cash and cash equivalents	887,929,119	18,920,747	888,054,876	18,943,726
Cash and cash equivalents at beginning of year	81,419,025	62,498,278	79,920,849	60,977,123
Cash and cash equivalents at end of year (Note 7)	969,348,144	81,419,025	967,975,725	79,920,849
Supplement cash flows information:				
Non-cash item consist of				
Increase (decrease) in accounts payable - purchases and construction of network equipment	66,040,339	(101,067,544)	66,040,339	(101,067,544)
Increase (decrease) in accounts payable - purchases of property, building and equipment	(1,948,940)	2,843,613	(1,948,940)	2,843,613
Decrease in accounts payable - purchases of intangible assets	(284,253)	(3,609,073)	(284,253)	(3,609,073)
Issuance of stock dividend	-	25,029,481	-	25,029,481
Amortised deferred financial fee of debenture	(1,149,353)	(606,761)	(1,149,353)	(606,761)
Tax effect on issuance of new shares fee	3,896,906	-	3,896,906	-

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

Notes to consolidated financial statements

Symphony Communication Public Company Limited and its subsidiary

For the year ended 31 December 2017

1. General information

Symphony Communication Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the render of communication high speed circuit services. The registered office of the Company is at 123 Suntowers Building B, 35th-37th Floor, Vibhavadee Rangsit Road, Chomphon, Chatuchak, Bangkok.

The Company was awarded Licenses from the National Broadcasting and Telecommunications Commission (NBTC) to provide telecommunication services as follows:

Type of license	Issue date	Period
Telecom Operation License Type 2*	15 June 2006	26 years
Internet Operation License Type 2	10 June 2016	5 years
Telecom Operation License Type 3**	10 August 2011	15 years
Internet Operation License Type 1	2 May 2013	5 years

* The Company obtained approval of renewed the Telecom Operation License Type 2 on 18 October 2017.

** The Company obtained additional approval to provide International Private Leased Circuit Service (IPLC) - Submarine Section on 24 June 2014.

The Company is committed to comply with conditions stipulated under the licenses and pay fees in compliance with the Notifications of NBTC re Temporary Telecommunication Business Licensing Fees and re Criteria and Procedure for the Provision of Universal Basic Telecommunications and Social Services.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Symphony Communication Public Company Limited (“the Company”) and the subsidiary company (“the subsidiary”) which has detail as follow:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2017	2016
			(%)	(%)
Diamond Line Services Company Limited	Network equipment service (Currently dormant)	Thailand	100	100

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its return.

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

d) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.

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

2.3 The separate financial statements present investment in subsidiary under the cost method.

3. New financial reporting standards

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

During the year, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

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

4. Significant accounting policies

4.1 Revenue recognition

Sales of goods

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

Rendering of services

Lease line services income, management and maintenance service income - network are recognised when services have been rendered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

4.2 Cash and cash equivalents

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

4.3 Trade and other receivables

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

4.4 Inventories

Inventories consist of supply and network equipment are value at the lower of cost (under the first-in, first-out method) and net realisable value.

4.5 Investments

Investment in subsidiary is accounted for in the separate financial statements using the cost method less allowance for loss on impairment (if any).

4.6 Network equipment

Network equipment is stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by reference to their costs on the straight-line basis, over the estimated useful lives of 5 - 20 years.

Depreciation is included in determining income. No depreciation is provided on assets under installation.

An item of network equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal (the Company periodically assesses the future economic benefits from assets). Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Property, building and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by reference to their costs on the straight-line basis, over the following estimated useful lives:

Buildings	20 years
Leasehold improvement	5 and 9 years
Furniture, fixtures and office equipment	5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land, assets under construction and assets under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs

consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.9 Intangible assets and amortisation

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

The intangible assets with finite useful lives is as follows.

	Useful lives
Computer software	5 years

4.10 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.11 Related party transactions

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

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

4.12 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

4.13 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

4.14 Impairment of assets

At the end of each reporting period, the Company and its subsidiary performs impairment reviews in respect of the network equipment, property, building and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiary could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment losses is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiary estimate the asset's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.16 Provisions

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

4.17 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

Deferred tax

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

The Company and its subsidiary recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiary review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.19 Equity-settled share-based payment transactions

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions, including as to the expected life of the share options, share price volatility and dividend yield.

4.20 Fair value measurement

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

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

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

- ▶ Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- ▶ Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- ▶ Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follow:

Allowance for doubtful accounts

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

Network equipment, property, building and equipment

In determining depreciation of network equipment, building and equipment, the management is required to

make estimates of the useful lives and residual values of the network equipment, building and equipment and to review estimate useful lives and residual values when there are any changes.

In determining amortisation of intangible assets, the management is required to make estimates of the useful lives of the intangible assets and to review estimate useful lives when there are any changes.

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

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

6.1 Business transactions incurred during the years

During the years, the Company and its subsidiary had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, its subsidiary and those related parties, are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2017	2016	2017	2016	
Transactions with related companies					
Lease line service income	5.7	-	5.7	-	Contract price
Lease line expense	3.0	-	3.0	-	Contract price

6.2 Outstanding balances at the end of the years

As at 31 December 2017 and 2016, the outstanding balances of the accounts between the Company and those related parties and persons can be summarised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade and other receivables - related party (Note 8)				
Related company (Common shareholders)	973	-	973	-

6.3 Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Short-term employee benefits	28,270	31,401	28,270	31,401
Post-employment benefits	318	1,573	318	1,573
Share-based payment (Note 19)	175	352	175	352
Total	28,763	33,326	28,763	33,326

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash	112	110	110	100
Bank deposits	769,236	81,309	767,866	79,821
Fixed deposit	200,000	-	200,000	-
Total	969,348	81,419	967,976	79,921

As at 31 December 2017, bank deposits in saving accounts and fixed deposit account carried interests between 0.10% and 1.35% per annum (2016: between 0.10% and 0.375% per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade accounts receivable				
Aged on the basis of due dates				
Not yet due	129,060	133,111	129,060	133,111
Past due				
Up to 3 months	36,800	38,482	36,800	38,482
3 - 6 months	7,356	7,244	7,356	7,183
6 - 12 months	1,320	714	1,320	714
Over 12 months	14,865	8,129	14,804	8,129
Total trade accounts receivable	189,401	187,680	189,340	187,619
Less: Allowance for doubtful debts	(14,851)	(11,426)	(14,790)	(11,426)
Total trade accounts receivable - net	174,550	176,254	174,550	176,193
Other receivables				
Other income	198	-	198	-
Accrued income	22,709	30,925	22,709	30,925
Total other receivables	22,907	30,925	22,907	30,925
Total trade and other receivables - net	197,457	207,179	197,457	207,118

9. Investment in subsidiary

Details of investment in subsidiary as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Separate financial statements									
	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Diamond Line Services Company Limited	5,000	5,000	(%) 100	(%) 100	5,000	5,000	(5,000)	(2,686)	-	2,314

10. Network equipment

(Unit: Thousand Baht)

Consolidated and separate financial statements			
	Network equipment	Network equipment under installation	Total
Cost			
1 January 2016	3,510,344	433,853	3,944,197
Additions	138,808	593,623	732,431
Disposals / write-off	(19,181)	-	(19,181)
Transfer in (out)	340,406	(340,406)	-
Capitalised interest during the year	-	7,254	7,254
Reclassify from property, building and equipment	-	12,980	12,980
31 December 2016	3,970,377	707,304	4,677,681
Additions	148,135	399,619	547,754
Disposal / write-off	(32,396)	(5,207)	(37,603)
Transfer in (out)	877,223	(877,223)	-
Capitalised interest during the year	-	14,713	14,713
31 December 2017	4,963,339	239,206	5,202,545
Accumulated depreciation			
1 January 2016	1,081,089	-	1,081,089
Depreciation for the year	370,685	-	370,685
Depreciation on disposal / write-off	(16,409)	-	(16,409)
31 December 2016	1,435,365	-	1,435,365
Depreciation for the year	412,989	-	412,989
Depreciation on disposal / write-off	(29,563)	-	(29,563)
31 December 2017	1,818,791	-	1,818,791
Allowance for impairment			
1 January 2016	1,768	4,621	6,389
Increase during the year	1,569	2,254	3,823
31 December 2016	3,337	6,875	10,212
Increase during the year	149,051	24,023	173,074
31 December 2017	152,388	30,898	183,286
Net book value			
31 December 2016	2,531,675	700,429	3,232,104
31 December 2017	2,992,160	208,308	3,200,468
Depreciation for the year			
2016 (included in cost of services and sales)			370,685
2017 (included in cost of services and sales)			412,989

During the fourth quarter of current year, the Company identified that part of network equipment; comprise of equipment related to Digital Broadcast which management plans that it will no longer operated, and fiber optic which no longer be used, totalled of Baht 173.1 million (including some physical damaged assets of Baht 1.7 million), will not generate future economic benefits. The Company therefore set up a full provision for impairment loss and recorded as part of administrative expenses in the statement of comprehensive income of current year.

As at 31 December 2017, the Company has network equipment with a net book value of Baht 11 million (2016: Baht 11 million) that is installed on the premises of a counterparty. The ownership of the network equipment will be transferred to the counterparty at the end of the agreement. Moreover, the Company has granted the right to use the equipment to the counterparty and has committed to share revenue generated from some of the equipment at a rate stipulated in the agreement annually, for the term of the agreement. The Company also agrees

to provide to the counterparty the minimum guaranteed shared revenue amount stated in the agreement.

As at 31 December 2017, the Company has network equipment with a net book value of Baht 18 million (2016: Baht 19 million) that is covered by a Memorandum of Understanding concerning joint construction and management made with another party. The ownership of the network equipment is to be transferred to the counterparty at the end of the term of the Memorandum of Understanding at a mutually agreed price.

However, the above network equipment is only part of the core network equipment of the Company per the network construction plans set by the Company.

As at 31 December 2017, certain items of network equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 237 million (2016: Baht 255 million).

11. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Land	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost						
1 January 2016	28,212	192,864	186,298	9,360	99,926	516,660
Additions	80	14,212	11,575	-	11,191	37,058
Disposals / write-off	-	-	(558)	(1,461)	-	(2,019)
Transfer in (out)	-	98,137	-	-	(98,137)	-
Reclassify to network equipment	-	-	-	-	(12,980)	(12,980)
31 December 2016	28,292	305,213	197,315	7,899	-	538,719
Additions	3,944	23,390	10,429	-	-	37,763
Disposals / write-off	-	(113)	(10,745)	(1,271)	-	(12,129)
31 December 2017	32,236	328,490	196,999	6,628	-	564,353
Accumulated depreciation						
1 January 2016	-	44,866	101,863	7,634	-	154,363
Depreciation for the year	-	13,357	30,159	1,115	-	44,631
Depreciation on disposals / write-off	-	-	(242)	(1,461)	-	(1,703)
31 December 2016	-	58,223	131,780	7,288	-	197,291
Depreciation for the year	-	19,805	29,702	388	-	49,895
Depreciation on disposals / write-off	-	(58)	(10,494)	(1,271)	-	(11,823)

	Land	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
31 December 2017	-	77,970	150,988	6,405	-	235,363
Net book value						
31 December 2016	28,292	246,990	65,535	611	-	341,428
31 December 2017	32,236	250,520	46,011	223	-	328,990
Depreciation charges for the year						
2016 (included in administrative expenses)						44,631
2017 (included in administrative expenses)						49,895

(Unit: Thousand Baht)

Separate financial statements						
	Land	Buildings and leasehold improvement	Furniture, fixtures and office equipment	Vehicles	Assets under construction	Total
Cost						
1 January 2016	28,212	192,751	184,984	9,348	99,926	515,221
Additions	80	14,212	11,575	-	11,191	37,058
Disposals / write-off	-	-	-	(1,461)	-	(1,461)
Transfer in (out)	-	98,137	-	-	(98,137)	-
Reclassify to network equipment	-	-	-	-	(12,980)	(12,980)
31 December 2016	28,292	305,100	196,559	7,887	-	537,838
Additions	3,944	23,390	10,429	-	-	37,763
Disposals / write-off	-	-	(10,723)	(1,271)	-	(11,994)
31 December 2017	32,236	328,490	196,265	6,616	-	563,607
Accumulated depreciation						
1 January 2016	-	44,834	101,505	7,632	-	153,971
Depreciation for the year	-	13,334	29,952	1,111	-	44,397
Depreciation on disposals / write-off	-	-	-	(1,461)	-	(1,461)
31 December 2016	-	58,168	131,457	7,282	-	196,907
Depreciation for the year	-	19,802	29,554	386	-	49,742
Depreciation on disposals / write-off	-	-	(10,482)	(1,271)	-	(11,753)
31 December 2017	-	77,970	150,529	6,397	-	234,896
Net book value						
31 December 2016	28,292	246,932	65,102	605	-	340,931
31 December 2017	32,236	250,520	45,736	219	-	328,711
Depreciation charges for the year						
2016 (included in administrative expenses)						44,397
2017 (included in administrative expenses)						49,742

As at 31 December 2017, the Company had no vehicles which were acquired under finance lease agreements (2016: Baht 0.2 million).

As at 31 December 2017, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 72 million (2016: Baht 57 million).

12. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below.

(Unit: Thousand Baht)

Consolidated financial statements			
	Computer software	Computer software under installation	Total
As at 31 December 2017:			
Cost	63,584	3,196	66,780
Less: Accumulated amortisation	(40,360)	-	(40,360)
Net book value	23,224	3,196	26,420
As at 31 December 2016:			
Cost	54,322	6,114	60,436
Less: Accumulated amortisation	(32,484)	-	(32,484)
Net book value	21,838	6,114	27,952

(Unit: Thousand Baht)

Separate financial statements			
	Computer software	Computer software under installation	Total
As at 31 December 2017:			
Cost	63,564	3,196	66,760
Less: Accumulated amortisation	(40,346)	-	(40,346)
Net book value	23,218	3,196	26,414
As at 31 December 2016:			
Cost	54,302	6,114	60,416
Less: Accumulated amortisation	(32,474)	-	(32,474)
Net book value	21,828	6,114	27,942

A reconciliation of the net book value of intangible assets for the years 2017 and 2016 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net book value at beginning of year	27,952	22,810	27,942	22,796
Acquisition during the year	6,344	13,530	6,344	13,530
Amortisation	(7,876)	(8,388)	(7,872)	(8,384)
Net book value at end of year	26,420	27,952	26,414	27,942

As at 31 December 2017, certain items of intangible assets were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 19 million (2016: Baht 16 million).

13. Short-term loan from financial institution

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated and separate financial statements	
		2017	2016
Short-term loan from financial institution	2.60	30,000	110,000

As at 31 December 2017, short-term loan from financial institution is unsecured loan. The loan will be repaid within January 2018 (2016: Repaid within January, February, March 2017 and at call).

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Other payables for purchases and construction of network equipment	128,026	61,985	128,026	61,985
Trade accounts payable	121,638	109,340	121,638	109,340
Accrued expenses	33,597	39,566	33,553	39,486
Other payables for purchases of property, building and equipment	1,273	3,222	1,273	3,222
Other payables for purchases of intangible assets	124	409	124	409
Other payables	37,072	6,171	37,072	6,171
Total trade and other payables	321,730	220,693	321,686	220,613

15. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate (% per annum)	Repayment schedule	Consolidated and separate financial statements	
			2017	2016
1	MLR minus certain rates	Monthly installments as from 26 March 2014 with the last installment on 28 February 2017	-	1,664
2	5.82	Quarterly installments as from 31 March 2015 with the last installment on 28 December 2018	75,000	150,000
3	THBFIX plus certain rates	Monthly installments as from 31 August 2017 with the last installment on 28 February 2022	440,000	475,000
4	3.95 for the year 1-2, MLR minus certain rates for the year 3-7	Quarterly installments as from 31 October 2017 with the last installment on 31 August 2022	392,500	390,000
5	4.5 for the year 1-2, MLR minus certain rates for the year 3-10	Monthly installments as from 31 March 2018 with the last installment on 28 February 2026	654,842	477,382
Total long-term loans			1,562,342	1,494,046
Less: Deferred financial fee			(1,817)	(2,834)
Net			1,560,525	1,491,212
Less: Current portion			(354,692)	(143,040)
Long-term loans, net of current portion			1,205,833	1,348,172

The outstanding balance represents unsecured long-term loans from three financial institutions.

The loan agreements contain certain covenants which, among other things, require the Company to maintain certain debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2017, the Company and its subsidiary had no unused long-term loan facilities under the loan agreements (2016: Baht 783 million).

16. Debentures

Details of approval to issue the debenture of the Company are as follows:

Approved by	The Annual General Meeting of the Company's shareholders held on 26 April 2016
Amount	Revolving amount of Baht 1,000 million or the equivalent in any other currencies
Term	As announced in each issuing
Type	Any types of debentures such as unsubordinated and/or subordinated, installment and/or one-time payment, unsecured and/or secured, with and/or without debenture holder representation
Method of issuance	To be issued in Thailand

As at 31 December 2017 and 2016, the Company has unissued debentures under the above mentioned approval totaling Baht 340 million.

The outstanding balance of debentures as at 31 December 2017 and 2016 are detailed below.

Consolidated and separate financial statements								
No.	Interest rate per annum	Term	Repayment	Maturity	Number of debenture (Shares)		Amount (Thousand Baht)	
					2017	2016	2017	2016
Unsubordinated and unsecured debentures								
No. 1/2017	4.25%	3	20 June 2019	20 June 2019	660,000	660,000	660,000	660,000
Less: Deferred financial fee							(1,753)	(2,902)
Net							658,247	657,098

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets.

17. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	2017	2016
Provision for long-term employee benefits at beginning of year	25,706	20,149
Included in profit or loss:		
Current service cost	1,030	4,922
Interest cost	152	635
Provision for long-term employee benefits at end of year	26,888	25,706

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements		
	2017	2016
Cost of services and sales	342	1,551
Service and administrative expenses	840	4,006
Total expenses recognised in profit or loss	1,182	5,557

As at 31 December 2017 and 2016, the Company and its subsidiary expect not to pay long-term employee benefits during the next year.

As at 31 December 2017 and 2016, the weighted average duration of the liabilities for long-term employee benefits is 16.2 years.

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2017 (% per annum)	2016 (% per annum)
Discount rate	3.15%	3.15%
Salary increase rate	5.00%	5.00%
Staff turnover rate (depending on age)	0.00% - 12.00%	0.00% - 12.00%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2017		2016	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
Discount rate	(1.2)	1.2	(1.0)	1.0
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate	5.4	(4.5)	4.2	(3.5)
Staff turnover rate	(4.6)	2.4	(3.8)	2.1

18. Share capital/Dividend stock

On 26 April 2016, the Annual General Meeting of the Company's shareholders passed the various resolutions, including the following matters:

1) Pay dividends to the Company's shareholders from the second half operations for the year 2015. The dividend is to be paid as stock dividend in the number of 25,030,350 ordinary shares, with par value of Baht 1 each, at a ratio of 12 existing ordinary shares to receive stock dividend of 1 share, with a total amount of not exceed Baht 25.03 million, or equivalent to the dividend of Baht 0.08333 per share. In the case of any shareholder with a fraction of the shares after the stock dividend distribution, will be entitled to receive cash dividend at the rate of Baht 0.08333 per share. In addition, the Company will pay a cash dividend at Baht 0.00926 per share, or equivalent to amount of not exceed Baht 2.78 million. The Company has paid cash dividend at the rate of Baht 0.11 per share for the first half operations for the year 2015, equivalent to Baht 33.04 million. Total annual dividend payment in form of cash and stock dividend equal to Baht 0.20259 per share, equivalent to Baht 60.85 million (the number of ordinary shares before

adjusting the number of shares as a result of the distribution of the stock dividend, as discussed in Note 27). The Company paid dividend and stock dividend on 24 May 2016.

2) Increase the Company's registered share capital from Baht 306,000,000 to Baht 331,463,349 by issuance of 25,463,349 new ordinary shares at par value of Baht 1 per share for reserve for the aforementioned stock dividend and right adjustment of ESOP. The Company registered the increase in registered share capital to Baht 331,463,349 and paid-up share capital at Baht 300,364,200 with the Ministry of Commerce on 4 May 2016.

3) Allotment of 25,463,349 newly issued ordinary shares to support dividend share payment not exceeding 25,030,350 shares, and reserve for the exercise of ESOP not exceeding 432,999 shares. The Company reports to the Stock Exchange of Thailand (SET) the number of 25,029,481 ordinary shares actual allocated to the stock dividend, and registered with the Ministry of Commerce the increase in its paid-up capital at Baht 325,393,681 on 24 May 2016.

On 26 April 2017, the Annual General Meeting of the Company's shareholders passed the resolutions as the following:

1) Approved TIME dotCom Berhad ("TIME") to invest in the Company through TIME dotCom International Sdn Bhd ("Tdcl" or the "Offeror"), which is TIME's sole shareholder, to make a partial tender offer to buy issued and paid-up ordinary shares from respective shareholders at the minimum rate of 35% but not over 37% of the Company issued and paid-up ordinary shares at the bid offer Baht 12.20. In this regard, if any shareholders have an intention to sell shares more than 37% of issued and paid-up ordinary shares, the Offeror will purchase the shares by using pro-rate method and approve the authorisation of the President and/or the person delegated by the President to consider and determine any other detail with respect to the acceptance to the Partial Tender Offer made by the Offeror, including but not limited to:

- (1) to enter into negotiations, arrangements, documentation and agreements in connection with the investment made by the Offeror;
- (2) to sign the application forms for approval and evidence necessary for the investment made by the Offeror, including to contact and file the applications for approval, waiver, documentation and evidence with the government agencies or relevant agencies; and
- (3) to undertake any action necessary for and relevant to the investment made by the Offeror.

2) Approved the decrease in the registered capital of Baht 869 from Baht 331,463,349 to Baht 331,462,480 by cancelling 869 shares at a par value of Baht 1 per share remaining from the allocation of dividend shares by virtue of the resolution passed by the 2016 Annual General Meeting of Shareholders. The Company registered the decrease in the registered capital with the Ministry of Commerce on 2 May 2017.

3) Approved the increase in the registered capital to accommodate the offer for sale of shares to the existing shareholders of the Company proportionate to their respective shareholdings (Rights Offering) from the existing registered capital of Baht 331,462,480 to the new registered capital of Baht 444,977,028 by issuing 113,514,548 newly issued ordinary shares at the par value of Baht 1

per share. The Company registered the increase in the registered capital with the Ministry of Commerce on 3 May 2017.

4) Approved the allocation of not exceeding 113,514,548 newly issued ordinary shares at the par value of Baht 1 per share to be offered for sale to the existing shareholders proportionate to their respective shareholdings (Rights Offering) and the offering price of the newly issued ordinary shares is at Baht 8.80 per share. Due to the uncertainty of the number of shares prior to the allocation which depends on the outstanding of the exercise of the warrants. As a result, the shareholders of the Company are entitled to the allocation of newly issued ordinary shares at the ratio of 2.86 - 2.92 existing ordinary shares per 1 newly issued ordinary share.

Subsequently on 27 September 2017, TIME dotCom International Sdn Bhd submitted the Copy of the Tender Offer Document for the Company's ordinary shares in which the Company specified the tender offer period of 25 business days starting from 28 September 2017 to 6 November 2017. On 9 November 2017, the Offeror submitted the Report on the Result of the Tender Offer (Form 256-2) to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand reporting that the number of tendered ordinary shares was 120,395,600 shares or 37.00 percentage of the total voting rights of the Company, and combining the number of ordinary shares held prior to the tender offer of 5,694,389 shares or 1.75 percentage of the total voting rights of the Company, the Offeror will hold 126,089,989 ordinary shares or 38.75 percentage of the total voting rights of the Company.

Subsequently on 22 December 2017, the Company offered and allocated the newly-issued ordinary shares of the Company amounting to 113,514,548 shares at a par value of Baht 1 per share to existing shareholders of the Company in proportion to their respective shareholdings (Rights Offering) at the price of Baht 8.80 per share. From report on the results of the sale of securities (F53-5), the total number of subscribed shares were 108,261,206 shares. In this regard, after the subscription of rights offering, the number of remaining shares were 5,253,342 shares at a par value of Baht 1 per shares.

19. Warrants / Capital reserve for share-based payment transactions

On 2 July 2013, the Company issued and allocated of 6,000,000 warrants under the Employee Stock Option Plan (ESOP) to the directors, management and/or employees of the Company. Details are as follows:

Type	Named and non-transferable
Offering price per unit	Baht 0 ("zero") per unit
Maturity of warrants	4 years from the date of issuance of warrants
Exercise price	Baht 14.72 per share*
Conversion ratio	1 unit of warrant : 1 unit of ordinary share (warrant right adjustment is reserved)*
Period and allotment of exercise	Year 1, Not more than 15% of the allocated units, exercisable on 20 November 2013 and 20 May 2014. Year 2, Not more than 25% of the allocated units, exercisable on 20 November 2014 and 20 May 2015. Year 3, Not more than 30% of the allocated units, exercisable on 20 November 2015 and 20 May 2016. Year 4, Not more than 30% of the allocated units, exercisable on 20 November 2016, 20 May 2017 and 1 July 2017, the 4-year maturity date of these ESOP-Warrants.

* On 3 May 2016, the Company readjusted the exercise ratio and exercise price of warrants to a ratio of 1 warrant to 1.08333 new ordinary shares at an exercise price of Baht 13.588 per share.

The estimated fair value of each share option granted is Baht 4.91. This was calculated using the Black-Scholes Model. The model inputs were the share price at price determination date of Baht 17.50, exercise price of Baht 14.72, expected volatility of 35.83%, expected dividend yield of 3.94%, life of share options of 4 years, average life of share options of 2.08 years, and a risk-free interest rate of 2.88%.

During the year 2017 and 2016, the Company recorded expenses of the warrants (ESOP) amounting to Baht 4 million and Baht 7 million, respectively as personnel expenses, together with a corresponding increase in capital reserve for share-based payment transactions in shareholders' equity.

The Company cancelled total warrants to purchase ordinary shares of the Company the exercise period on 1 July 2017 due to the expiration of warrants.

In this regard, the number of remaining shares reserve for the exercise of warrants were 6,068,799 shares at par value of Baht 1 per share.

20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

21. Expenses by nature

Significant expenses classified by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salaries and wages and other employee benefits	270,467	275,130	270,467	274,798
Depreciation and amortisation expenses	470,760	423,704	470,603	423,466
Service fee for network interconnection	39,594	56,171	39,594	56,171
Rental expenses from operating lease agreements and service expenses	83,794	83,374	83,693	82,944
Rental expenses - network equipment	155,012	144,890	155,012	144,890
Professional fees	21,587	11,457	21,506	11,377

22. Finance cost

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	2017	2016	2017	2016
Interest expenses	90,632	89,392	90,632	89,392
Bank charges related to bank loans	2,252	1,943	2,252	1,943
Other bank charges	1,268	998	1,268	998
Total finance cost	94,152	92,333	94,152	92,333

23. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current income tax:				
Current income tax charge	-	23,734	-	23,734
Deferred tax:				
Relating to origination and reversal of temporary differences	(37,520)	(2,591)	(37,419)	(2,591)
Tax effect on issuance of new shares fee	3,897	-	3,897	-
Income tax expenses (revenues) reported in the statement of comprehensive income	(33,623)	21,143	(33,522)	21,143

The reconciliation between accounting profit (loss) and income tax expenses is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Accounting profit (loss) before tax	(122,275)	120,503	(124,081)	120,508
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(24,455)	24,101	(24,816)	24,101
Temporary difference from recognition of deferred tax asset	(638)	-	(638)	-
Tax effect on issuance of new shares fee	3,897	-	3,897	-
Effects of:				
Non-deductible expenses	2,450	3,791	2,912	3,791
Additional expense deductions allowed	(14,877)	(6,749)	(14,877)	(6,749)
Total	(12,427)	(2,958)	(11,965)	(2,958)
Income tax expenses (revenues) reported in the statement of comprehensive income	(33,623)	21,143	(33,522)	21,143

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets				
Allowance for doubtful accounts	2,936	1,626	2,936	1,626
Allowance for assets impairment	36,657	2,042	36,657	2,042
Provision for long-term employee benefits	5,378	5,142	5,378	5,142
Allowance for obsolete inventories	351	-	351	-
Tax losses carry forward	1,007	-	906	-
Total	46,329	8,810	46,228	8,810

As at 31 December 2017, the subsidiary has unused tax losses totaling Baht 3 million (2016: Baht 4 million), on which deferred tax assets have not been recognised as the subsidiary believes that future taxable profits may not be sufficient to allow utilisation of the unused tax losses.

24. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share:

Consolidated financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(88,652)	99,360	327,470	325,394	(0.27)	0.31

Separate financial statements						
	Profit for the year		Weighted average number of ordinary shares		Earnings per share	
	2017	2016	2017	2016	2017	2016
	(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings (loss) per share						
Profit (loss) attributable to equity holders of the Company	(90,559)	99,365	327,470	325,294	(0.28)	0.31

However, no calculation of diluted earnings per share for the year ended 31 December 2016 was required for warrants (ESOP), as disclosed in Note 19, since the aggregated amounts of the exercise price and the fair value of the warrant were higher than the average market price of the Company's ordinary shares, and no calculation of diluted earnings per share for the year ended 31 December 2017 was required for warrants (ESOP), since there is no outstanding warrant as at 31 December 2017.

25. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiary are organised into business units based on its products and services and have two reportable segments as follows:

- ▶ The render of communication high speed circuit services segment, which renders high speed circuit service via fiber optic cable as approved by NBTC.
- ▶ The network equipment services segment, which render preventive maintenance service and installation of network equipment.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiary's operating segments for the years ended 31 December 2017 and 2016, respectively.

(Unit: Thousand Baht)

For the year ended 31 December 2017					
	Render of communication high speed circuit services	Network equipment services	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,404,171	-	1,404,171	-	1,404,171
Inter - segment revenue	-	-	-	-	-
Interest income	451	4	455	-	455
Interest expense	(90,632)	-	(90,632)	-	(90,632)
Depreciation and amortisation	(470,603)	(157)	(470,760)	-	(470,760)
Loss on disposals/write-off of fixed assets	(4,691)	(55)	(4,746)	-	(4,746)
Loss on assets impairment	(175,388)	-	(175,388)	2,314	(173,074)
Income tax revenues	33,522	-	33,522	101	33,623
Segment profit (loss)	(90,559)	(508)	(91,067)	2,415	(88,652)
Segment total assets					
Increase (decrease) in non-current assets other than financial instruments and deferred tax assets	(47,721)	(157)	(47,878)	2,314	(45,564)

(Unit: Thousand Baht)

For the year ended 31 December 2016					
	Render of communication high speed circuit services	Network equipment services	Total reportable segments	Adjustments and eliminations	Consolidated
Revenue from external customers	1,382,056	-	1,382,056	-	1,382,056
Inter - segment revenue	-	9	9	(9)	-
Interest income	164	4	168	-	168
Interest expense	(89,392)	-	(89,392)	-	(89,392)
Depreciation and amortisation	(423,466)	(238)	(423,704)	-	(423,704)
Loss on disposals/write-off of fixed assets	(1,231)	-	(1,231)	-	(1,231)
Loss on assets impairment	(4,909)	-	(4,909)	1,086	(3,823)
Income tax expenses	(21,143)	-	(21,143)	-	(21,143)
Segment profit (loss)	99,365	(1,091)	98,274	1,086	99,360
Segment total assets					
Increase (decrease) in non-current assets other than financial instruments and deferred tax assets	344,581	(554)	344,027	1,086	345,113

Customer's geographical location

Revenue from external customers identified on the basis of the customer's geographical location.

(Unit: Thousand Baht)

	2017	2016
Revenue from external customers		
Thailand	1,098,239	1,075,163
Others	305,932	306,893
Total	1,404,171	1,382,056

Major customers

For the year 2017, the Company and its subsidiary have revenue from one major customer in amount of Baht 231 million (2016: Baht 236 million), arising from render of communication high speed circuit services segment.

Revenue information from lease line service income by type of license for the years ended 31 December 2017 and 2016 are as follow:

(Unit: Thousand Baht)

Separate financial statements		
	2017	2016
Telecom Operation License Type 2	1,259,184	1,222,254
Telecom Operation License Type 3	71,202	80,018
Radio or Television Broadcasting Business License for the Radio or Television Network Services (Not using radio frequency)	977	21,889
Internet Operation License Type 1	22,057	22,629
Internet Operation License Type 2	50,751	35,266
Total	1,404,171	1,382,056

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the fund monthly at the rate of 3% of basic salary. The fund, which is managed by Bank of Ayudhya Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2017, the contributions amounting to Baht 5 million (2016: Baht 5 million) were recognised as expenses.

27. Dividends

Dividends	Approved by	Approved dividend per share	Interim dividend per share	Additional dividend paid per share	Total additional dividend paid
		(Baht)	(Baht)	(Baht)	(Thousand Baht)
Stock dividends for 2016	Annual General Meeting of the shareholders on 26 April 2016	0.08	-	0.08	25,030
Final dividend for 2016	Annual General Meeting of the shareholders on 26 April 2016	0.12	0.11	0.01	2,782
Total dividends paid in 2016		0.20	0.11	0.09	27,812

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2017 and 2016, the Company had capital commitments as following.

(Unit: Million Baht)

Commitments relating to	2017	2016
Acquisition and installation of network equipment	59	247
Acquire of equipment and construction	-	2
Acquisition of program computer	1	2

28.2 Lease and service agreement commitments

a) The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space and equipment and service agreements. The terms of the agreements are generally between 1 and 4 years.

Future minimum lease and service payments required under these lease and service agreements were as follows:

(Unit: Million Baht)

	2017	2016
Lease and service agreements presented under cost of service		
Payable:		
In up to 1 year	27	27
In over 1 and up to 5 years	26	28
Lease and service agreements presented under administrative expenses		
Payable:		
In up to 1 year	32	36
In over 1 and up to 5 years	25	43

b) The Company has entered into lease agreements in respects of network rental and internet service. The term of agreement is generally 1 year and renewable every 1 year unless terminated by the Company. Total service fee for the years ended 31 December 2017 is approximately Baht 165 million (2016: Baht 150 million).

28.3 Purchase supply and equipment commitments

As at 31 December 2017, the Company has outstanding future payment commitments of approximately Baht 0.1 million (2016: Baht 2 million) relating to acquisition of supply and network equipment.

28.4 Bank guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 44 million (2016: Baht 29 million) issued by banks on behalf of the Company to guarantee fiber optic network use, space rental and other payables.

28.5 Other commitment

As at 31 December 2017, total credit facilities, both short-term and long-term loans, of the Company that could be drawn down amounted to Baht 1,010 million (2016: Baht 2,049 million).

28.6 Contingent liabilities

In 2011, a company transferred a quantity of fiber optic cable to the Company. The cable was already installed and in use in an underground cable conduit in Bangkok, belonging to the operator of a telecommunication business. Subsequently, in the first quarter of 2012, the Company received notification of the new rental rate for the underground cable conduit stipulated by the telecom operator, but no invoice has been issued to collect rental. Nevertheless, the Company has recorded a liability in respect of its rental obligations, estimated on the basis of the rental that was previously notified to the transferor of the fiber optic cable, which is lower than the new rental rate stipulated by the telecom operator. The Company's management believes that since the new rental rate for

the underground cable conduit is considerably higher than the former rate, it is a rate stipulated by the telecom operator that is not in line with the principles and methods of determining network usage charges for licensees under the notification of the National Broadcasting and Telecommunications Commission (NBTC) on the use and interconnection of telecommunications networks B.E. 2549 ("IC notice"), since, in fact, these underground cable conduits were built and used by that telecom operator and had been used by the company that transferred the fiber optic cable to the Company for least 10 years. They are thus existing assets of the telecom operator and have not required additional investment expenditure. The Company therefore believes that the new rental rate stipulated by the telecom operator is not in line with cost-based principles ("IC notice No.19") and the method of calculating the rental charge may not reflect the cost, as approved by NBTC ("IC Notice No.20"). In addition, if there is to be any change in the rental rate the telecom operator, as the licensed network operator, is required to provide the Company, as a licensee requesting use of the network, with at least 90 days' notice, and evidence or reasons showing why the rate change is needed ("IC Notice No.21"). The telecom operator has not done this. Therefore, in order to move forward in accordance with legal principals and procedures, the Company submitted a letter asking the telecom operator to clarify the reasons for setting a new rental rate for the network and to provide the Company with evidence and the calculation method used to determine that rate. The Company also asked to exercise its right to negotiate a reduced, reasonable and fair, and legal rate with the telecom operator.

Subsequently, in July 2012, that telecom operator replied to the Company, confirming that the rental rate for the underground cable conduit stipulated by the telecom operator is the appropriate and notifying the Company to confirm the payment of rental fees for the underground cable conduit by 15 August 2012 so that it can proceed with collection of fees from the Company, and that there would be no adjustment of the rental rate disputed by the Company.

However, the Company announced that it would reduce usage of the underground cable conduit as from 1 April 2012 as necessary, and the telecom operator reviewed the information in August 2012 claimed additional rental for the underground cable conduit at a rate equal to the new rental rate.

As the rental rate has been confirmed by the telecom operator, the Company's management believes that the Company and the telecom operator remain in dispute over rights under the agreement for use of underground cable conduit. The Company therefore submitted a letter reserving its right to refuse to accept the amount specified by the telecom operator because they believe that it has been calculated based on an unfair rental rate that is unlawful in accordance with the IC notice, and its right to request time to verify the amount notified.

In addition, the Company has the right to request that NBTC to accept the dispute for dispute settlement procedures in accordance with the IC notice. Nevertheless, the Company recorded accrued rental fee for cable conduit totalling amount to Baht 11 million (2016: Baht 10 million).

Subsequently, while the Company was preparing to request that NBTC intervene to provide a fair resolution, the management of the Company and the telecom operator entered into negotiations to resolve this issue. However, the telecom operator sued the Company as the second defendant through the civil courts, claiming payment for use of the conduit together with interest to the date of the lawsuit amounting to Baht 39.2 million, as well as interest at the rate of 7.5% per annum on principal of Baht 36.8 million. The Company received a copy of the lawsuit on 24 July 2014. Since the management of the telecom operator provided no prior notification or warning, it will be necessary for the Company to settle the dispute through court proceedings. The Company's management believes that the Company will win the case, since it should be resolved through dispute settlement procedures in accordance with the IC notice and is not within the authority of the Civil Court. Moreover, the telecom operator did not proceed in compliance with the notification of the NBTC (IC notice).

The Company subsequently had the opportunity to negotiate with the management of the telecom operator to resolve the disputes. The initial results of these negotiations suggest that a resolution is possible, and the Company has submitted a compromise proposal to the telecom operator. Under this proposal the Company has requested the telecom operator to charge for underground cable conduit rental at the old rate from the date following the expiration date of the service contract between the telecom operator and the company that transferred the fiber optic cable to the Company, and the date that the Company received notification of the new rental rate. After that, the new rental rate will be applied. This proposed compromise would significantly reduce rental liabilities. However, the telecom operator decided not to enter into a compromise agreement as proposed by the Company, because legal proceedings were already underway. The Company therefore proceeded with two courses of action.

The first course of action was to submit a petition to the NBTC to request a fair resolution bestowed upon it by telecoms law and the IC Notice to set of a correct rate for the underground cable conduit, and to provide protection to the Company to use the fiber optic cable from such conduit. The Company then followed its second course of action, which was to submit a statement of defence to the Civil Court that provides grounds to dispute both legal and factual aspects of the case, showing that the telecom operator had acted illegally and the Company had no legal obligation at all to pay the telecom operator the amounts being claimed under the lawsuit. The Company also filed a petition with the Court challenging the Court's jurisdiction over the case. Therefore, the Court issued an order to suspend the court proceedings, and pass the case to the Administrative Court. The Administrative Court was of the opinion that it has jurisdiction over the case, meaning there is a difference of opinion over the issue of court jurisdiction. Therefore, the matter was forwarded to the Court Jurisdiction Commission for determining court jurisdiction, and on 29 April 2015, the Commission decided that this case is under the jurisdiction of the Administrative Court. The Civil Court therefore struck the case from its case list and it can be construed that there are no longer any lawsuits that the telecom operator brought against the Company in the Civil Court.

Subsequently, the Administrative Court has announced the Court order dated 26 June 2015 to the Company that the Administrative Court has received the case from the Civil Court. However, the Company has determined that it does not agree with the order of the Court; therefore, the Company filed a rebuttal statement to the Court on 13 August 2015. The Court considered the rebuttal statement of the Company and ordered on 28 August 2015 to reject the statement although the Civil Court had strike the case out of the case list. The Civil Court had already summarised the statements and sent all the documents to the Administrative Court. It means that the case had been transferred to the Administrative Court. Although the Company still disagrees with the Court's order, such order is an interlocutory order by law. An appeal against an interlocutory order shall be filed at the same time when an appeal against a judgement is filed. In this regard, the Company has to wait till the Administrative Court reaches its judgement on this case so that it can lodge an appeal. The case is currently under legal proceedings by the Administrative Court. The Company's management believes that the Company will win this case.

29. Financial instruments

29.1 Financial risk management

The Company's and its subsidiary's financial instruments, as defined under Thai Accounting Standards No. 107 "Financial Instruments: Disclosure and Presentations",

principally comprise cash and cash equivalents, trade and other receivables, short-term loans, trade and other payables, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiary's are exposed to credit risk primarily with respect to trade accounts receivable and other receivables. The Company and its subsidiary manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiary do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statements of financial position.

Interest rate risk

The Company's and its subsidiary's exposure to interest rate risk relates primarily to its cash and cash equivalents, short-term, long-term loans and debentures. However, since most of the Company's and its subsidiary's financial assets bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 December 2017						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	200	-	769	-	969	0.10 - 1.35
Trade and other receivables	-	-	-	197	197	-
	200	-	769	197	1,166	
Financial liabilities						
Short-term loans from financial institutions	30	-	-	-	30	2.60
Trade and other payables	-	-	-	322	322	-
Long-term loans	-	75	1,485	-	1,560	3.95 - 5.82
Debentures	-	658	-	-	658	4.25
	30	733	1,485	322	2,570	

(Unit: Million Baht)

As at 31 December 2016						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	Over 1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	81	-	81	0.10 - 0.375
Trade and other receivables	-	-	-	207	207	-
	-	-	81	207	288	
Financial liabilities						
Short-term loans from financial institutions	110	-	-	-	110	2.60 - 3.65
Trade and other payables	-	-	-	221	221	-
Long-term loans	-	150	1,341	-	1,491	3.95 - 6.00
Debentures	-	657	-	-	657	4.25
	110	807	1,341	221	2,479	

The Company has entered into Interest Rate Swap Transaction Agreement with a local bank for principal totaling Baht 810 million to manage risk associated with the long-term loans carrying floating interest rate. The agreement is for a period of 4.5 years, maturing in February 2020 with the condition stipulated in the agreement. At each of the maturity dates, which occur every 1 month, the Company is required to pay interest to the bank based on the rate stipulated in the agreement (5%) and the bank is required to pay interest to the Company at THBFX plus certain rate. The agreement contains other conditions. As at 31 December 2017 and 2016, the Company has no outstanding credit.

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from service transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2017 and 2016, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2017	2016	2017	2016	2017	2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.2	1.4	0.1	0.1	32.6809	35.8307
Hongkong dollar	-	-	0.1	-	4.1803	4.6217

Foreign exchange contracts outstanding are summarised below.

As at 31 December 2017

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	0.1	-	35.00	-	28 February 2018

As at 31 December 2016

Foreign currency	Bought amount	Sold amount	Contractual exchange rate		Contractual maturity date
			Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
US dollar	0.4	-	36.07	-	2 February 2017
US dollar	0.2	-	35.69	-	9 March 2017
US dollar	0.4	-	34.64	-	29 March 2017
US dollar	0.1	-	35.32	-	20 April 2017
US dollar	0.3	-	35.32	-	20 April 2017
US dollar	0.4	-	34.77	-	25 August 2017
US dollar	0.5	-	34.72	-	26 September 2017

29.2 Fair values of financial instruments

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

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

30. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Company's debt-to-equity ratio was 1.19:1 (2016: 1.88:1).

31. Event after the reporting period

On 24 February 2018, the meeting of the Company's Board of Directors passed a resolution to propose to Annual General Meeting of the Company's shareholders for the year 2018 to approve the decrease in the registered capital of Baht 11,322,141 from Baht 444,977,028 to Baht 433,654,887 by cancelling 5,253,342 shares at a par value of Baht 1 per share remaining from the selling new issued ordinary shares to the existing shareholders (Right Offering) and cancelling 6,068,799 shares at a par value of Baht 1 per share remaining from the exercise of warrants (ESOP).

32. Approval of the financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2018.

General Information

Ticker

SYMC (Listed in The Stock Exchange of Thailand)

Company

Symphony Communication Public Company Limited

Company Registration No.

0107553000107

Registered Capital

Bath 444,977,028.-

Paid-up Capital

433,654,887 ordinary shares (Bath 1 each)

Voting Shares

433,654,887 ordinary shares

Type of Business

Hi-speed Communication Network Service Provider

Head Office

123 Suntowers Building B 35th-37th fl., Vibhavadee Rangsit Road, Chomphon, Chatuchak, Bangkok 10900

Telephone

66-2-101-1111

Fax

66-2-101-1133

Home Page

www.symphony.net.th

Accounting period

1 January – 31 December

Branch offices

- 1) Amata Nakorn Branch Office
700/640, Moo 7, Donhwaror, Muang Chonburi, Chonburi 20000
- 2) Kabin Buri Service Center Branch
103, Moo 16, Muang Kao, Kabin Buri, Prachin Buri 25240
- 3) Hat yai Service Center Branch
1173 Moo 3, Bypass (Asia) Road, Khuanlang, Hat yai, Songkhla 90110
- 4) Laemchabang Service Center Branch
31/73, Moo 9, Thung sukhla, Sri Racha, Chonburi 20230
- 5) Nakorn Ratchasima Service Center Branch
19/47, Lampru 2, Nai Muang, Muang Nakorn Ratchasima, Nakorn Ratchasima 30000
- 6) Phuket Service Center Branch
46/125, Moo 6, Ratsada, Muang Phuket, Phuket 83000
- 7) Khon Kaen branch
108/138, Moo 14, Nai Muang, Muang Khon Kean, Khon Kean 40000
- 8) Phitsanulok Service Center Branch
362/5, Moo 3, Aranyik, Muang Phitsanulok, Phitsanulok 65000
- 9) Chiang Mai Service Center Branch
39/7, Tippanate Road, Haiya, Muang Chiang Mai, Chiang Mai 50100
- 10) Samutsakhon Service Center Branch
88/304, Moo 1, Tha Sai, Muang Samutsakhon, Samutsakhon 74000
- 11) Phra Nakorn Sri Ayuttaya Service Center Branch
89/5-6, Moo 3, Klong Suan Plu, Phra Nakorn Sri Ayuttaya, Phra Nakorn Sri Ayuttaya 13000
- 12) Prachuap khiri khan Service Center Branch
208, Phachuapsiri Road, Prachuap khiri khan, Muang Prachuap khiri khan 77000
- 13) Mae Sot Service Center Branch
1086/3, Moo 1, Tha Sai Luat, Mae Sot, Tak 63110
- 14) Surat Thani Service Center Branch
17/53-54, Moo 1, Watphobangyai Road, Makham Tia, Muang Surat Thani, Surat Thani 84000
- 15) Ubon Ratchathani Service Center Branch
48/10, Moo 23, Kham Yai, Muang Ubon Ratchathani, Ubon Ratchathani 34000
- 16) Nong Khai Service Center Branch
149/3, Moo 4, Meechai, Muang Nong Khai 43000

17) Tak Service Center Branch
64/27, Moo 6, Mai Ngam, Mueang Tak, Tak 63000

18) Lamphun Service Center Branch
193/21, Moo 6, Ban Klang, Mueang Lamphun,
Lamphun 51000

19) Chiangrai Service Center Branch
624/6, Wiset Wiang Road, Tambon Wiang,
Mueang Chiang Rai, Chiang Rai 57000

Warehouse

- 1) Rangsit Warehouse
65/1, Moo 3, Phahonyothin Road, Khlong Nueng,
Khlong Luang, Pathum Thani 12120
- 2) Min Buri Warehouse
51, 53, Soi Srihaburanukit 6, Min Buri, Min Buri,
Bangkok 10510
- 3) Samutsakhon Warehouse
88/298, Baansuan thasai Village, Moo 1, Thasai, Muang
Samutsakhon, Samutsakhon 74000
- 4) Kamphaeng Phet Warehouse
99/8, Room 1, Moo 3, Nakhon Chum, Muang Kamphaeng
Phet, Kamphaeng Phet 62000
- 5) Sukhothai Warehouse
21, Barn muang Road, Thani, Muang Sukhothai,
Sukhothai 64000
- 6) Khao Suan Kwang Warehouse
199/26, Moo 11, Kham Muang, Muang Khao Suan
Kwang, Khon Kaen 40280

- 7) Phangnga Warehouse
92/54, Siri Rat Road, Thai Chang, Muang Phangnga,
Phangnga 82000
- 8) Lop Buri Warehouse
89/10, Sida road, Thale Chup Son, Muang Lop Buri,
Lop Buri 15000
- 9) Sing Buri Warehouse
186/3, Moo 1, Bang Man, Muang Sing Buri, Sing Buri
16000
- 10) Sara Buri Warehouse
2/22, Soi 7, Phahonyothin Road, Pak Phrao, Muang
Saraburi, Sara Buri 18000
- 11) Ang Thong Warehouse
134/7, Moo 4, Ban It, Muang Ang Thong, Ang Thong
14000
- 12) Chiang Mai Warehouse
80, Moo 1, Chompoo, Sarapee, Chiang Mai 50140

Cable Landing Station

95, Moo 9, Tapong, Muang Rayong, Rayong 21000

Subsidiary

Diamond Line Services Company Limited (DLS) provides installation, repair and maintenance service of external interconnected networks and telecommunication equipment and may conduct joint investment with other companies. Currently, DLS has registered capital of 5,000,000 Baht of which the Company holds 99.99 percent of the shares. The office is located at 1 Empire Tower, 47th Floor, Unit 4703, River 25 Room South Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

Reference

Securities Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
Tel: 66-2-009-9000 Fax: 66-2-009-9991
Website: <http://www.tsd.co.th>

Auditor

EY Office Limited

33rd floor, Lake Ratchada Office Building.
193/136-137, New Ratchadapisek road, Klongtoey,
Bangkok 10110
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Excellent Experience



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