

ANNUAL
REPORT | 2016



ปวงข้าพระพุทธเจ้า ขอน้อมเกล้าน้อมกระหม่อมรำลึก ในพระมหากรุณาธิคุณหาที่สุดมิได้

ข้าพระพุทธเจ้า คณะกรรมการบริษัท ผู้บริหาร พนักงาน
กลุ่มบริษัท อินเทอร์เน็ต คอมมูนิตี้ จำกัด (มหาชน) และบริษัทในเครือ
บริษัท อินเทอร์เน็ต เทเลคอม จำกัด (มหาชน)
บริษัท อินเทอร์เน็ต เพาเวอร์ แอนด์ เอ็นเนอร์ยี่ จำกัด
บริษัท อินเทอร์เน็ต โฮลดิ้ง จำกัด
และมูลนิธิอินเทอร์เน็ตหัวใจ

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





Messege from the Chairman

In 2016, the global and national perspective has shifted towards a recognition of the importance of technology as evidenced by technological changes, technology disruption and other government policy and strategy to bring Thailand towards the “Thailand 4.0” model.

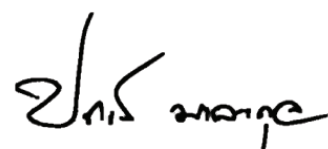
“Thailand 4.0” is the government initiation to transform the economy into an “Innovation Driven Economy”. The initiation can be described as a shift in economic structure from the “Do a lot for little gains” model to become the “Do less for more” model. In this regard, technology will unavoidably be needed to increase economic efficiency and to bring the country to meet the “Thailand 4.0” initiation.

Therefore, in the government’s agenda for reformation has been directed towards the preparation of the country’s developmental capacity particularly through an economic reform towards a digital economy, big data management and more. This has provided business opportunities for Interlink Telecom Public Company Limited to growth substantially with a solid foundation coupled with good corporate governance based on the Company’s values to provide the country with a stable and effective IT infrastructures to raise Thailand’s digital infrastructures equivalent to other developed economy both regionally and internationally.

For the year 2016, the business performance of Interlink Telecom Public Company Limited has seen an outstanding growth resulting from network coverage expansion to cover 75 provinces together with our dedication to provide high stability network service routing along the railway and public roads to achieve the most effective solution for our customers and business partners who uses our services. As a result, the Company is able to push the business performance both in sales revenue and net profit to achieve a desirable growth. The Board of Directors are affirmative in bringing the Company to become the forefront leader in Thailand for providing a stable telecommunication networks. In addition, the Company has constructed data centers to accommodate future opportunities and the ever growing data and information in the private sector. The Company has received positive responses from users indicating a positive growth direction for the Company.

The year 2017 will be another significant step for Interlink Telecom Public Company Limited to uphold our objective to expand the business operations. The goal is to become the forefront leader for providing a stable telecommunication networks beyond industry standards and the least time to access maintenance and repair site to allow our customer a smooth service as well as continual improvement in services provided through network coverage expansion according to our strategy “Continuous and Sustainable Growth”. The Company will continue to develop new related technologies and innovations to cater to the rapidly changing technologies and the digital world to be ready in all aspects and facilitates growth to provide positive returns to our business partners and shareholders in the future corresponding to the Company’s strategy.

In this occasion, on behalf of the Board of Directors, I would like to thank you all our shareholders for your confidence in our business operation and to acknowledge our benefactors the support given to the Company. I am confident Interlink Telecom Public Company Limited will continue to produce a constant and sustainable growth for all shareholders, customers and stakeholders’ benefit as well as the country and society as a whole.



Pakorn Malakul Na Ayudhya

Chairman





Messege from Managing Director

Nowadays, Thailand is transforming itself into the digital world due to the usage in many applications by users and the support from the government to push Thailand to the “Thailand 4.0” model. Looking into the statistics, Thailand had a significant technological improvement, it has moved up to the 34th spot in the Global Competitiveness Report 2016-2017 conducted by the World Economic Forum.

In the previous year, the company has rapidly expanded with 75 provinces network coverage to meet of connectivity for both intranet connections within an organisation and high speed internet connection. Also, the Company provided network service for mobile operators to be able to provide service to their customers with higher efficiency.

The Company's distinction in routing of fiber optic cables along the railway as well as public roads, and the coverage being strategically located in the country is considered the heart of service to meet customers' demand for faster service. This has contributed to the significant growth of the Company in 2016. The Company continue to maintain service quality to customer needs with highest reliability resulting in customer confidence and trust in the Company's service. The construction of specifically built data center has created confidence by customers to store information with the Company with confidence. The revenue and performance of Interlink Telecom Public Company Limited has continuously grown for the past 3 years.

The success in building a nationwide fiber optic network is an important factor for the Company. The Company is able to provide quality service to users. The Company remain committed to be the leading provider in network. The Company is the only provider to provide a combined network route with route along the railway and public road for a reliable service. This emphasises the Company's commitment to build and provide the best fiber optic network for all types of connectivity. The Company is determined to provide the country's communication infrastructures to assist in having a stable and efficient digital infrastructure improving the country's telecommunication network to be on par with developed countries in Southeast Asia and other regions of the world.

With commitment and determination, the Company has generated a significant total revenue growth of 85.24% in 2016. The growth was a result of increase in network coverage to cover 75 provinces, an increase of customer count from 242 to 337, or a 39.26% increase. As at December 31th, 2016, The Company's revenue from data center service increased by 123.05% with a utilisation rate of 95% as a result of customer trust.

The Company's continuous investment in network indicates our dedication to telecommunication business in the long-run and remained determined to design network to meet customer demand. In 2016, the Company planned to expand coverage to 75 provinces from 64 provinces as at year end of 2015. The Company plan to continue increasing network coverage into economic areas and concentrated areas in 2017 to be the telecommunication network provider with the leading network reliability of the country by aiming at exceeding the reliability standards with fast access for maintenance and repairs for customers' business to remain uninterrupted as well as development of other service quality such as increases in service coverage through the company's strategy "Continuous and Sustainable Growth". The Company focuses on developing new technologies and innovations to respond to changes in technology and support the digital world which is moving and changing rapidly. At year end of 2016, the customer base has increased to 337, however, customers are mainly businesses, this allows the Company to provide maintain good and thorough quality service.

Operating Result

In 2016, Interlink Telecom Public Company Limited, received 85.24% increase in service revenue with the total revenue of Baht 809.29 million. The increase is derived from the growth in revenue from all 3 businesses categories. Service income from network rendering increased to Baht 397.53 million, or 43.88% increase from the previous year. Service income from network installation service increased to Baht 344.49 million, or 175.75% increase from the previous year. Service income from data center space service increased to Baht 63.77 million, or 123.05% increase from the previous year. As a result, EBITDA then increased to Baht 254.96 million, or 52.21% increase from the previous year as well. The growth is resulted from the business model for a constant growth with solid foundation to produce a continuous income stream to offset the depreciation expenses from initial investment in fiber optic network and coverage expansion to cover 75 provinces nationwide.

The net profit of the Company increase to Baht 67.24 million for 2016, or 119.28% increase from the previous year. The net profit increased as a result of the 70.26% increase in net operating profit comparing to the previous year coupled with a stable borrowing interest rate.

Corporate Social Responsibility Policy

The Company's focus is not limited to monetary gains. The Company is also committed to the development of Thailand with Information Technology conforming with the country's policy and "Thailand 4.0". In the previous year, the Company participated in the installation of network and equipment for communication in more than 1,500 schools nationwide within a small timeframe to support the policy with other private businesses such as True Corporation. The installation was complete in time with high quality which will assist schools to access information and knowledge in other parts of the world through the internet. The Company also participated with Interlink Hai Jai Foundation to teach children in many schools and improvement of IT equipment in such school to be more effective. The Company will continue to carry out activities for the society with a commitment to responsible business practice under international principles, which is the objective the Company aims for the continuous and sustainable growth conforming with the Company's policy.



The Next Step in 2017

In 2017, the Company aims to maintain the stability and efficiency of our network to be of highest standard for the benefit of users. And continues to expand the Company's network to major economic regions and to increase network usage in 2017 with the aim to be the telecommunication network provider with the leading network reliability of the country by aiming at exceeding the reliability standards with fast access for maintenance and repairs for customers' business to remain uninterrupted as well as development of other service quality such as increases in service coverage. Also, the Company will push forward the capacity to service overseas customers to improve the services currently available in neighbouring countries. The Company continue to look for new business opportunities from existing infrastructure and contribute recurring revenue stream for a stable income for the company. These efforts will strengthen the Company's earnings and balance sheet and to grow the Company to grow continuously and sustainably in line with other leading telecommunication corporations in the country and overseas.

Thank you note

I am grateful for the support from shareholders, investors, and customers as well as employees and management of the Company for the commitment in working and creating positive returns to investors and best service to customers. I would like to take this opportunity to thank you very much for your trust and confidence in Interlink Telecom Public Company Limited and I am confident and determined the Company will become the leader in all services of the Company and continue to succeed. We will be the telecommunication network provider with leading network reliability of the country by aiming at exceeding the reliability standards with fast access for maintenance and repairs for customers' business to remain uninterrupted. For the development of other service quality, whether its increasing service coverage, provide the telecommunication backbone for the country and the ASEAN region and to create "Continuous and Sustainable Growth" consistent with the strategy established since the Company's inception.

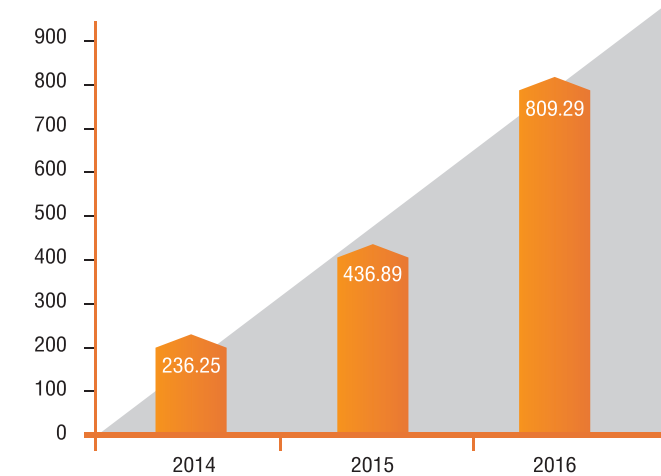
Nuttanai A.

Nuttanai Anuntarumporn

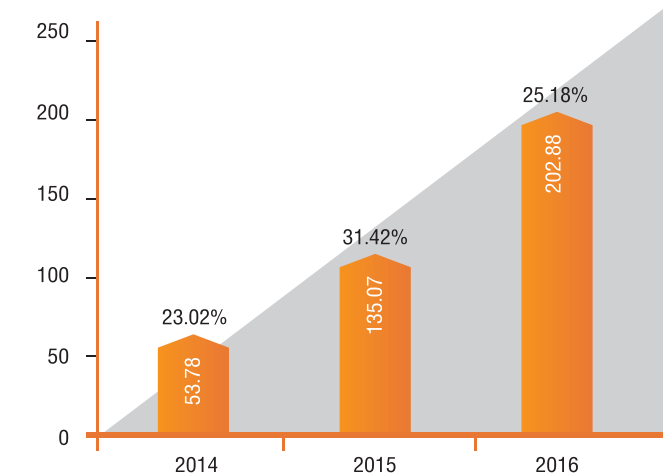
Managing Director

Financial Highlights

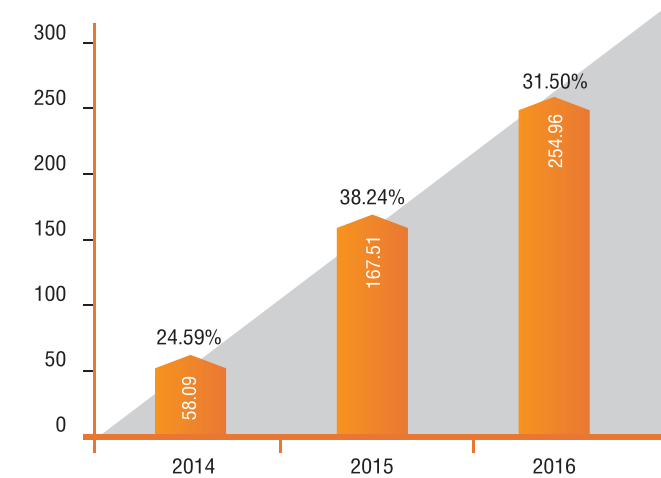
Total Revenues
(Million Baht)



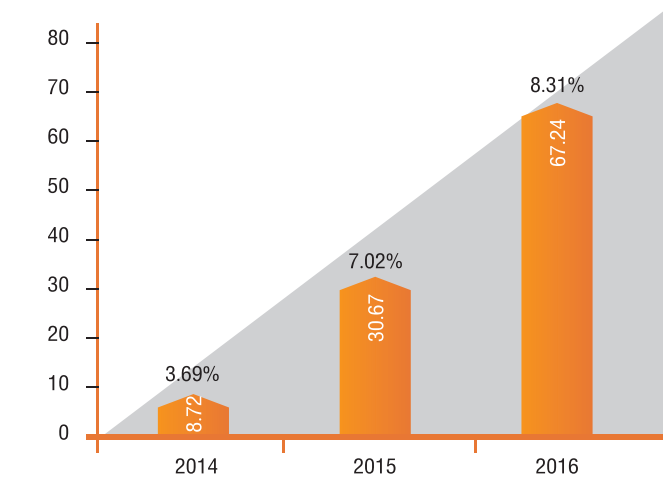
Gross Profit Margin (GP)
(Million Baht, %)



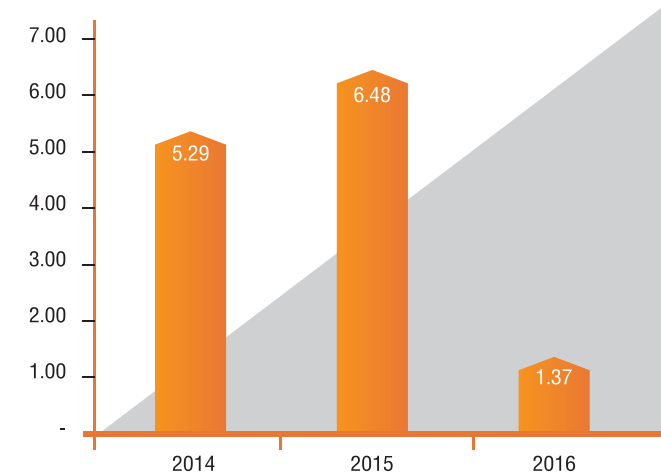
EBITDA
(Million Baht, %)



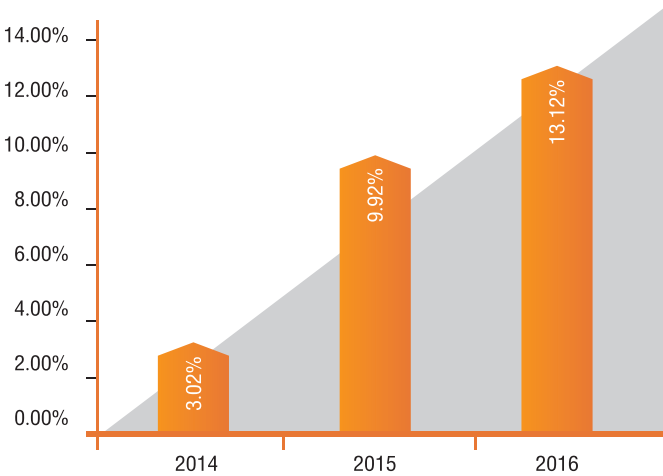
Net Income (NI)
(Million Baht, %)



Debt to Equity Ratio (Times)



Return on Equity (ROE)





Vision

Sustainable Growth

- 1) To become the Biggest Network Provider in Thailand
- 2) To become the Most Reliable Network in Thailand
- 3) To become the Most Admired Telecom in Thailand



Mission

To be a timely, secured, safe and reliable fiber optic network provider with 77 provinces coverage and the most secure and innovative data center.

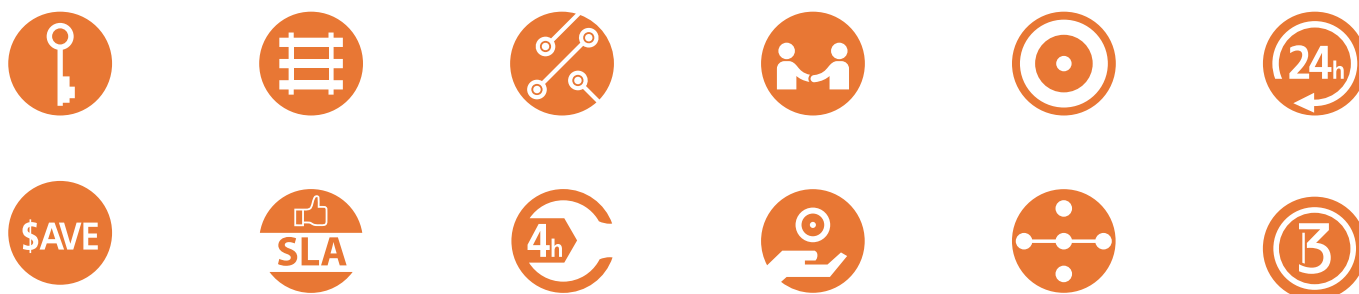


Business Goals

The Company recognizes the importance of connectivity as the heart of all businesses. We are determined to be the leader in providing communication network in Thailand with an emphasis on technological creation and integration to develop the capabilities and capacities of our network. The objective is for the Interlink Fiber Optic network to be the fastest and most stable in the industry with the ability to accommodate new services demand from the industrial sector while retaining priority to customer service and upholding customer demand and satisfaction. All services provided are flexible to respond to business needs of customers for connections that are smooth and uncomplicated



Policy and Overall Business Operations



Interlink Telecom Public Company Limited (“the Company”) was established on January 3rd, 2007 through the reorganization policy of Interlink Communication Public Company Limited (“ILINK”) to extend the cabling and equipment distribution business which ILINK specializes together with engineering business experiences as contractor of cabling network installation for mobile operators. The objective is to provide connectivity and information sharing between offices of customers and to accommodate the development and growth of telecommunication network in Thailand which requires stable network for connectivity and big data transmission.

On May 8th, 2012, the Company was granted the Telecommunications Business Operator License Type 3, for operators with own network, from the Office of National Broadcasting and Telecommunications Commission to provide high speed network with a period of 15 years. And on October 19th, 2012, the Company received authorization from the State Railway of Thailand to install fiber optic network along the railway for 30 years which differentiates us from other providers. Since the authorization, the Company began the construction of Interlink Fiber Optic Network with the objective of being a private network with the most secured and effective network. The network operates under the name “Interlink Fiber Optic Network” beginning from June 2013.

The Company’s Interlink Fiber Optic Network are a combination of network laid along the route of the State Railway of Thailand as well as primary and secondary routes along the road’s electricity pole to provide connectivity to our customers for an uninterrupted and stable connections. The services covers Interlink MPLS IP-VPN, Interlink Wavelength and Interlink Dark Fiber to cater to all communication and telecommunication requirements from businesses with the ability to support data, video and voice transmission and internet connectivity with support by engineers available 24 hours a day for all 365 days.

Therefore, it can be assured the Company’s ability to respond effectively all data transmission and communication demands with high security and the network operations status can be administered through computer allowing prevention and to resolve any issues in a timely manner. Interlink Fiber Optic network has provided services with service level agreement (SLA) of at least 99.9% which the network has coverage over the Bangkok Metropolitan area and other provinces in Thailand (as of April 30th, 2016, The Company’s network covers 75 provinces nationwide). In addition, the Company was granted by the Office of National Broadcasting and Telecommunications Commission to provide network connectivity with other countries since April 26th, 2014. This has allowed the Company network expansion into allies in the ASEAN region such as Singapore, Malaysia, Cambodia, Vietnam, Myanmar and Laos.

The Company also expands the business into data centers emphasizing on our own fiber optic network coverage with services covering server storage space and disaster recovery center to meet customer needs. The Company’s data centers and specifically built to be a data center with design and construction meeting the requirements of TIER 3 data center providing nonstop service 24 hours a day every day.

Major Developments



2007

- Established and registered as a company limited with 100% of total shares held by Interlink Communication Public Company Limited and Baht 30 million registered capital.



2012

- Received a Telecommunications Network Provider Type III License No. 3A/55/001 from Office of The National Broadcasting and Telecommunications Commission (NBTC) with 15 years of license term.
- Received “Right of Way” to install Fiber Optic Network along railways for servicing with 30 years term.
- Started installation of Fiber Optic Network over the country, covered 10 provinces by emphasizing on Bangkok area and nearby area.



2013

- Performed an installation of the network to cover 40 provinces over the country by emphasizing on Bangkok area, perimeters area and key provinces.
- Started the service of Interlink Fiber Optic Network by focusing on service quality, including service of Interlink MPLS IP-VPN, Interlink Wavelength and Interlink Dark Fiber. Targeting on customers in financing and banking business, large business and institutions which have offices in various areas.
- Established maintenance centers nationwide with the total of 18 centers in the provinces that had customers.



2014

- Expanded service area by constructing network connection points in major places such as stadiums and large convention centers to support live broadcasting of “Digital TV” especially.
- Increased registered capital by Baht 270 million from Baht 30 million to Baht 300 million by issuing 270,000 shares with the value of Baht 100 per share, offering to former shareholder for expanding the Company’s network.
- Purchased Data Center building and related equipment from Interlink Communication Public Company Limited and started Data Center service.
- Obtained Data Center quality standard from ISO under ISO27001 which is the important standard to operate business.
- Expanded service area to cover 58 provinces all over Thailand and established 24 maintenance centers.
- Received authorization from NBTC to provide International Private Leased Circuit (IPLC) and International Internet Protocol Virtual Private Network (International IP-VPN).
- Connected the network with oversea network service provider in order to provide data transferring service across countries such as Singapore, Malaysia, Cambodia, Vietnam and Hong Kong.
- Received a deal to install Fiber Optic Network for Metropolitan Electricity Authority with the value of Baht 133 million.

Major Developments



2015

- The resolution of Annual General Meeting of 2015 on April 29, 2015 approved for the Company to perform as follow:
 - Converted to Public Company Limited
 - Changed par value from Baht 100 to Baht 1
 - Increased registered capital Baht 200 million from Baht 300 million to Baht 500 million by issuing new 200,000,000 million shares at par value Baht 1 details as follows.
 - (1) 130,000,000 million shares offered to public
 - (2) 60,000,000 million shares offered to ILINK's shareholders depending on proportion of shares hold in ILINK with the same price as offering to public
 - (3) 10,000,000 million shares offered to directors and employees of the Company
- Received a deal to construction and/or improvement project of telecommunications network for True Move Company Limited with the value of Baht 180 million
- Connected the network to Myanmar at both Thailand border crossing points at Measot, Tak province and Mae Sai, Chiang Rai province.
- Expanded service area to cover 64 provinces all over Thailand and established 26 maintenance centers.



2016

- Expanded service area to cover 75 provinces all over Thailand and established 38 maintenance centers.
- Connected the network to Laos at Thailand border crossing point for providing service to customers.
- Began to provide service to customers in 3 Southern border provinces.
- The resolution of Annual General Meeting of 2016 on April 21, 2016 confirmed for capital raising and approved for changing in Baht 200 million shares offering as follow:
 - (1) 140,000,000 million shares offered to public
 - (2) 60,000,000 million shares offered to ILINK's shareholders depending on proportion of shares hold in ILINK with the same price as offering to public
- On September 2016, had an initial public offering of 200 million shares at 5.20 baht per share raising 1,040 million baht
- Registered with the Ministry of Commerce on September 12th, 2016 the paid-up share capital of 200 million baht (200 ordinary shares at the par of 1 baht each)

1st Trading Day



CSR 2016



Awards 2016



Interlink Telecom Public Company Limited received honor plaque of “Business Personnel of the Year 2016”

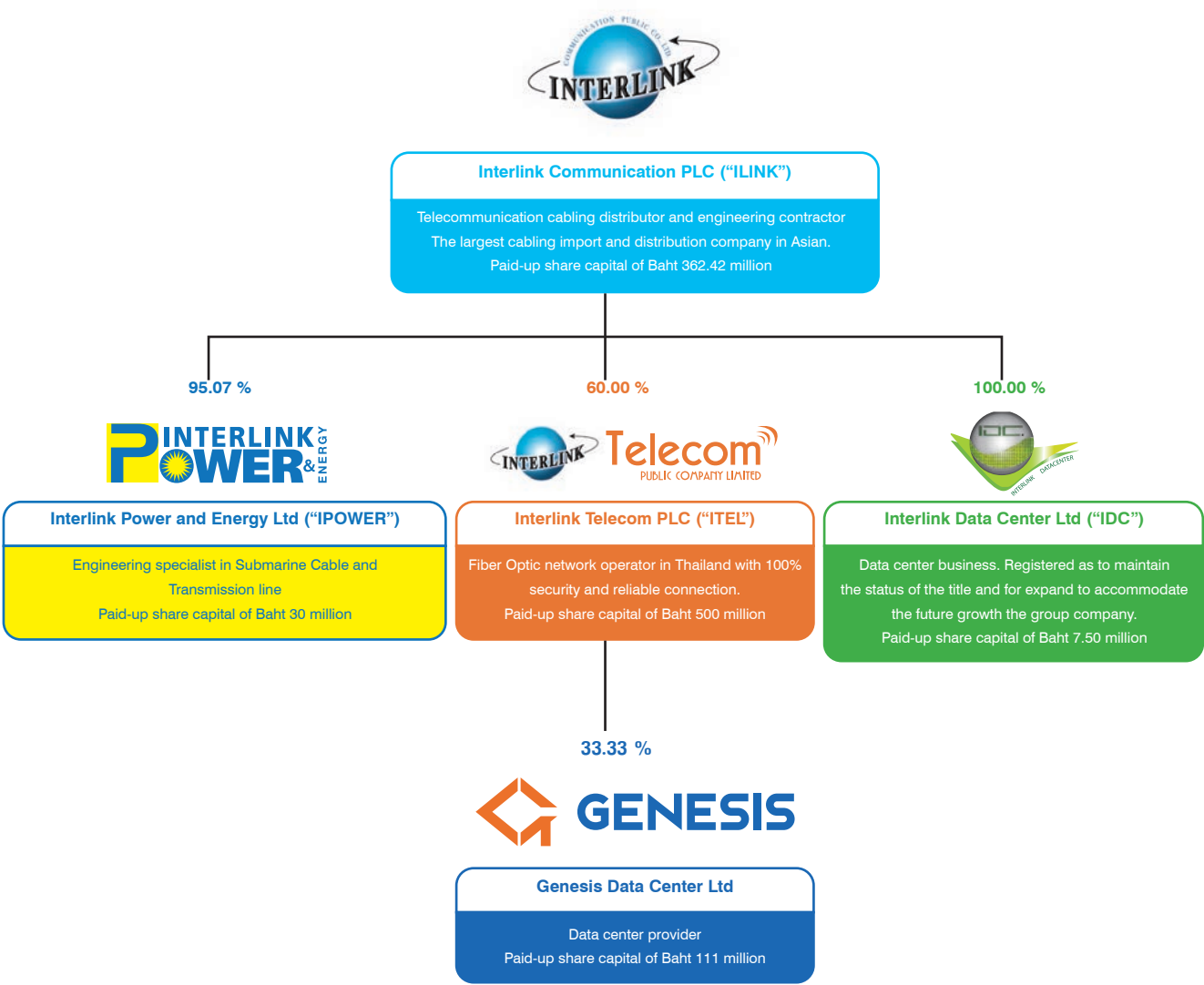
His Excellency General Phichit Kullawan (Privy Councilor) presided over the ceremony to honor the plaque, “Business Personnel of the Year 2016”, in the Information and Communication Technology sector to Mr. Nuttanai Anuntarumporn, Managing Director of Interlink Telecom Public Company Limited or ITEL in which the Company won the award for in the application of science and technology to work and to benefit society on a continuous basis.

Interlink Telecom Public Company Limited received ACES 2560 Award

Mr. Nuttanai Anuntarumporn, Managing Director of Interlink Telecom Public Company Limited received the Asia Corporate Excellence & Sustainability Awards (ACES) 2016 in Singapore in which the awards was given to organizations that carried out social activities in line with company policies and practices.



Structure of Interlink Group



Security and Shareholders

Registered and paid-up share capital

As at December 31st, 2016 the Company has registered and paid-up share capital of Baht 500 million (500 million shares at Baht 1 each)

Restrictions on the transfer of shares

The shares of the Company are freely transferable. Shares held by foreigners at any time must be no more than 49% of the total number of shares sold. The Company has the right to refuse the transfer of its shares if there is any transfer of shares that will cause the Company's shareholding ratio to exceed the mentioned ratio.

Shareholders

Shareholders structure of the Company as at March 16th, 2017 (the latest closing date of the shareholders' register book) are as follows.

No	Name	No. of shares held (shares)	% of shareholding
1	Interlink Communication Public Company Limited (1)	299,999,300	60.00
2	Mr. Chuchart Pechampai	22,000,000	4.40
3	Mr. Nares Ngamaphichon	14,000,000	2.80
4	Mr. Suksit Pechampai	11,716,500	2.34
5	Mr. Sakchai Sakchaicharoengul	9,250,000	1.85
6	Mrs. Chalida Anuntarumporn	8,389,099	1.68
7	Mr. Sombat Anuntarumporn	7,443,925	1.49
8	Thanachart Long Term Dividend Equity Fund	5,426,735	1.09
9	BR ASSOCIATES	5,300,000	1.06
10	Muang Thai Life Assurance Public Company Limited	4,750,800	0.95
	Total	388,276,359	77.66

Remark: (1) The first 10 shareholders of Interlink Communication Public Company Limited as at March 16th, 2017 (the latest closing date of the shareholders' register book), could be summarised as follows.

No	Name	No. of shares held (shares)	% of shareholding
1	Interlink Holding Company Limited **	90,778,125	25.05
2	Mrs. Chalida Anuntarumporn	49,671,227	13.71
3	Mr. Sombat Anuntarumporn	44,086,326	12.16
4	Mr. Sakchai Sakchaicharoengul	18,200,000	5.02
5	Mr. Vibul Watchararung	6,185,950	1.71
6	Thai NVDR Company Limited	5,678,775	1.57
7	Corporate Governance Fund Long-term Stocks	5,663,500	1.56
8	SCB Long Term Equity Fund 70/30	3,734,700	1.03
9	Mr. Anuntachai Sakchaicharoengul	3,100,000	0.86
10	Mr. Thawat Thanawutwattana	3,100,000	0.86
	Total	230,198,603	63.52

Remark: (2) The shareholders of Interlink Holding Company Limited as at December 31st, 2016 could be summarised as follows.

No	Name	No. of shares held (shares)	% of shareholding
1	Mr. Sombat Anuntarumporn	30,000	30.00
2	Mrs. Chalida Anuntarumporn	20,000	20.00
3	Ms. Lillada Anuntarumporn	20,000	20.00
4	Mr. Nuttanai Anuntarumporn	10,000	10.00
5	Ms. Warisa Anuntarumporn	10,000	10.00
6	Ms. Chutipa Anuntarumporn	10,000	10.00
	Total	100,000	100.00

Dividend Policy

The Company has a policy to pay a dividend of not less than 40% of its net profit from the separate financial statements, after deduction of corporate income tax and the appropriation of legal reserves. The Company may, however, consider paying dividends differently from the prescribed policy depended on the operational results, financial liquidity and the need of use in working capital to manage and expand the business, including economic conditions.

Revenue Structure

The revenue of the Company can be classified into 3 main categories which are revenue from network rendering, revenues from network installation service and revenue from data center space service. The revenue structure of the Company in 2014-2016 is as follows.

Type	2014		2015		2016	
	Million Baht	%	Million Baht	%	Million Baht	%
1.Revenue from network rendering*	114.96	48.66	276.29	63.24	397.53	49.12
2.Revenue from network installation	115.73	48.99	124.93	28.60	344.49	42.57
3.Revenue from data center space service**	2.94	1.24	28.59	6.54	63.77	7.88
Total revenue from services	233.63	98.89	429.81	98.38	805.79	99.57
Other revenue***	2.62	1.11	7.08	1.62	3.50	0.43
Total revenue	236.25	100.00	436.89	100.00	809.29	100.00

Remark: * Revenue from network rendering consist of revenue from network rendering and revenues from other services such as rental of equipments to connect with the network.
 ** Revenue from data center space service consist of revenue from service of data center spaces and electricity charged.
 *** Other revenue are interest income, marketing support from suppliers, compensation from insurance companies and proceeds from fining delayed contractors.



Type of Business and Nature of Operation

Interlink Telecom Public Company Limited ("the Company") is a telecommunication network service provider. The Company obtained Telecommunications Business Operator Type III License from Office of the National Broadcasting and Telecommunications Commission (NBTC) which authorized the Company to provide telecommunications network services with own fiber optic network. Furthermore, the Company also provides telecommunication network installation services and data center services.

Products and Services

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

1. High-Speed Data Communication Network Services (Data Service)

The Company provides high speed data communication network service through the Interlink Fiber Optic Network, which was built with advanced Internet Protocol (IP) technology and a basis for data transmission with technologies such as Dense Wavelength Division Multiplexing (DWDM) and Multi-Protocol Label Switching (MPLS). These technologies increase the capacity of the network for all types of data transmission. The technology of Interlink Fiber Optic Network has enabled a Layer 3: Network Layer in which the Layer 3 has features that increase from Layer 2: Data Link Layer capabilities. The abilities of Layer 3 data transmission are as follows.

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

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

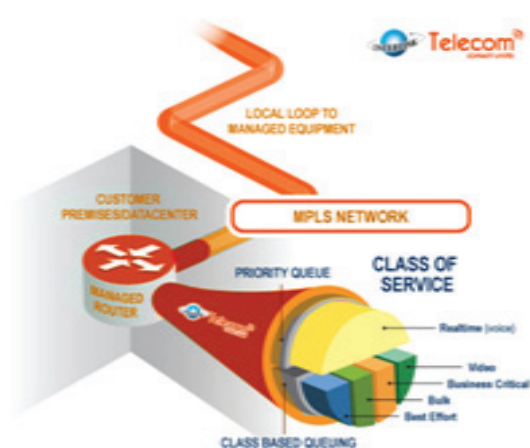
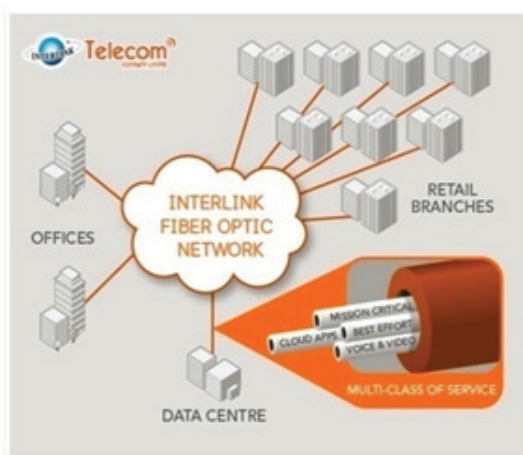
Types of Data Service

1) Interlink MPLS IP-VPN

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

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

The Interlink MPLS IP-VPN is suitable for customer groups who requires multi point to multi point connectivity, such as for connection within an organization with more than 2 locations, such as banks, securities businesses, department stores, supermarket, etc. The technology also caters to customers requiring more than 1 type of data transmission, such as voice, video, data or internet. In addition, the Company is able to service the type I and type II telecommunications business operator license that requires multi point connections to service their end user. And with connection to additional equipment, service can be expanded into voice over MPLS, video conference over MPLS, high definition broadcasting, etc.



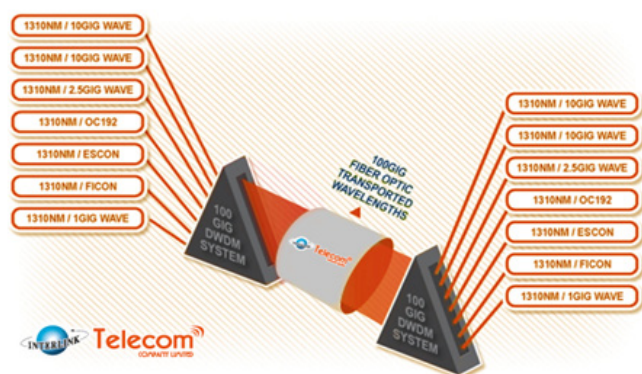
Highlights of the Interlink MPLS IP-VPN

- Installed completely with fiber optic cables, which can increase and decrease speed without changing cabling type.
- Has the stability, safety and efficiency equivalent to leased line, frame relay and asynchronous transfer mode (ATM).
- The ability to prioritize the usage of each application from video, voice, data and internet connection according to customer's requirement, and able to meet the determined quality of service.
- The network connection is in the form of ring topology, which is a ring type connection. This enables a stable and efficient network, promoting service continuity in the case of a failure of any part of the network.

- Routing intelligence in the case of a failure (Back up route).
- The core network can support up to 10 Gbps.
- The flexibility to increase or decrease the speed in different parts according to customer needs or of the channel size with the NMS system. Also, in the case of a failure, the company can connect to user's equipment for a quick and immediate centralised repair service without the need to be on site.
- The ability to choose different access connection technology such as Fast Ethernet/Gigabit Access, leased line, etc, without requiring a separate network, providing convenience to customers in maintenance and repair.
- Has a surveillance team to monitor the network 24 hours a day every day.

2) Interlink Wavelength

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



Highlights of the Interlink Wavelength

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

3) Interlink Dark Fiber

Interlink Dark Fiber service provides data transmission to customers via the Interlink Fiber Optic network. Customers may choose the technology they need to transmit data and entirely responsible for the management of network. This service is suitable for users with large scale point to point data transmission with personnel to management own network. The target customers are commercial banks, mobile operators, and other telecommunications business operators with Type I, Type II and Type III license.

Highlights of the Interlink Dark Fiber

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



4) Interlink IPLC

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

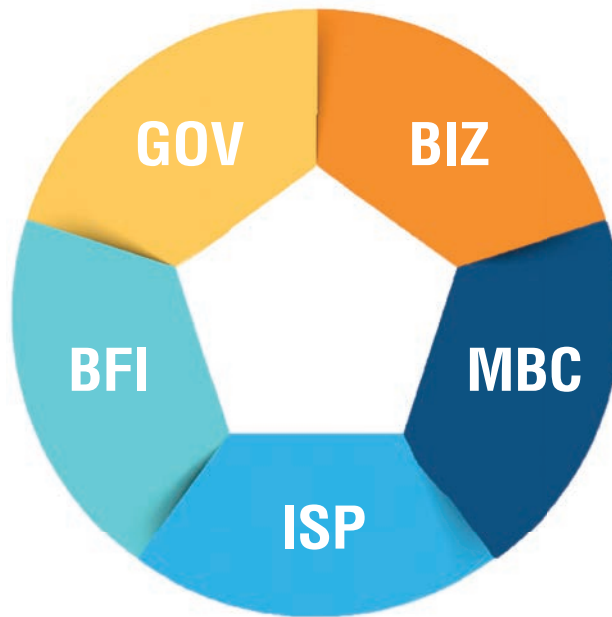
Highlights of the Interlink IPLC

- Installed completely with fiber optic cables, which can increase and decrease speed without changing cabling type.
- A high speed network with constant speed ensuring an efficient utilisation of bandwidth.
- A network for high speed data transmission which supports all types of data transmission such as video, voice, data and other multimedia.
- Supports different access connection technology such as DWDM, SDH and Ethernet.
- Supports large scale data transmission. Customer can choose between various bandwidths from 1 Gbps, 2.5 Gbps, 10 Gbps, 40 Gbps and 100 Gbps.
- Customers do not need to invest in expensive equipment for connectivity from source to destination.
- Has a surveillance team to monitor the network 24 hours a day every day.



The summary table of high speed data transmission services of the company are as follows:-

Service type	Bandwidth	Technology	Usage type	Estimated Contract duration
1. Interlink MPLS IP-VPN	1 Mbps - 10Gbps	MPLS & DWDM	Connection between at least 2 offices.	15 months
2. Interlink Wavelength	1 - 10 Gbps	DWDM	Large scale data transmission with bandwidth of at least 1 Gbps.	12 months
3. Interlink Dark Fiber	Unlimited	-	Direct connection with the customer's system and the customer will self-manage the network.	18 months
4. Interlink IPLC	1 Mbps - 10 Gbps	MPLS & DWDM	Connection to international network.	12 months



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

General Business Companies (BIZ)

Refers to business operators who demands connection between more than 2 offices in their organisation or connection between office and data center. The current customer in this category include companies such as Major Cineplex Plc., Land and House Plc. And Hewlett Packard (Thailand).

Multimedia Broadcasting Companies (MBC)

Refers to television stations, cable television operators, digital television operators and content providers who demands services to support distribution of news and multimedia to end users. This business category requires real-time large scale multimedia data transmission. The current customers in this category include companies such as MOCT Plc., BEC Multimedia and Voice TV.

Communication and Telecommunications Service Providers (ISP)

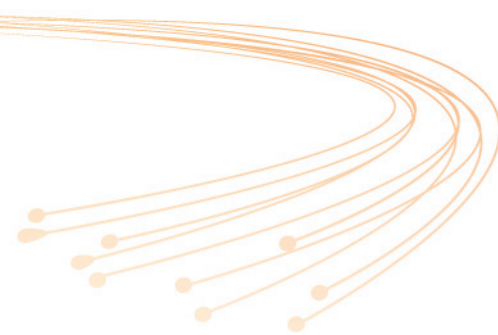
Refers to business operators who provide data communication network service, mobile network service, internet service and system integrator. This business category requires large scale data transmission with high stability in data transmission. The current customers in this category include companies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

Banking, Securities and Insurance Companies (BFI)

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

Government Institutions (GOV)

Refers to government agencies and state-owned enterprises which mostly have the same procurement procedure and characteristics as government agencies such as tender process or E-Auction. The current customer in this category include organisations such as the Royal Thai Airforce Directorate of Communications and Electronics and the Rajamangala University of Technology Krungthep.



Competitive strategy for Data Service

Differentiation in installation of fiber optic network

The Company highly recognises the importance of connectivity stability. The user must receive service availability that is stable and efficient. Therefore, the Company chooses telegraph poles along the railway as the route of Interlink Fiber Optic Network. Telegraph poles along the railway provide a safe and reliable route compared to electricity poles along public roads, reducing the chance of accidentally fallen poles. The Company has signed a lease agreement with the State Railway of Thailand to route fiber optic cables on the telegraph poles along the railway. By routing fiber optic cables along telegraph poles, the Company can reduce installation cost due to the frequency of poles being less compared to electricity poles along public roads.

In addition, the Company has main route, alternate routes and sub-routes along public roads to reach customers. The Company ensure no overlap of routes as much as possible to provide options and to differentiate service from other providers.

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

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

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

The use of modern and stable technology

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

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

Customized service to meet customer needs

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

Businesses operation focused on neutrality

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

Service quality of Service Level Agreement (SLA) at level 99.9%

The Service Level Agreement (SLA) is an agreement to guarantee the quality of service between the service provider and the service recipient to ensure confidence of the service provider at an agreed level. The telecommunication service business has different levels of guarantee in service level agreement, such as SLA 99% or SLA 99.9%, which is a service level that guarantees downtime of only 438 minutes, or 43 minutes for service 24 hours a day, 30 days per month, respectively. The Company is able to provide customers with a service level agreement (SLA) of at least 99.9% as a result of the

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

After-sales service by team consisting of 100% engineers

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

Pricing policy for Data Service

The Company determines prices based on market competition which depends on the service to be provided.

2. Telecommunication network installation services

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

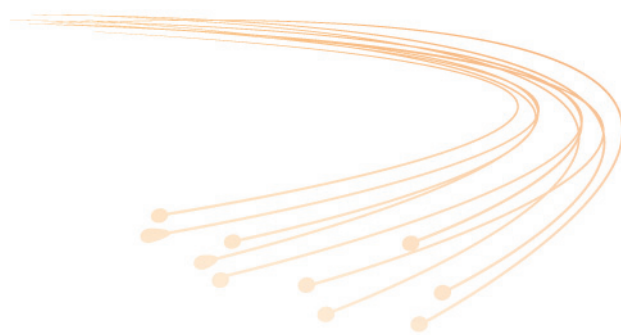
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network by utilising the expertise and experience of human resources as well as fully utilising resources in different location nationwide to produce income.

The Company has to analyse the geographical structure and connecting infrastructures to design and plan systems and equipment which are important to the connection. Once approved by the customer, the Company will engage experienced contractor with specialisation in different fields who has the capacity to complete the project. The Company's engineering team supervising the construction and examine the work to ensure quality, operational and meet customer expectations. The Company also provides after-sales service to guarantee work quality. The main customers of the company are communication and telecommunication business operators in the public and private sector such as CAT Telecom, CS LoxInfo, True Move, True Universal Convergence and Metropolitan Electricity Authority who was also granted the Telecommunication Business Operator license Type III.

Distribution channel and target customers for telecommunication network installation services

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



Competition Strategies for Telecommunication Network Installation Service

Experience and proficiency in telecommunications network installation

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

Efficient project cost management

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

One stop service and consultation

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

Pricing policy for Telecommunication Network Installation Service

The Company determines prices based on project cost with addition appropriate profit (Cost Plus Pricing).

3. Data Center

The Interlink Data Center provides server rental, co-location service and disaster recovery state to organisations with differing objectives, by moving their server to our data center, customers can reduce investment and maintenance cost, as a backup site, or to prevent disaster or other unexpected accident. The Company's data center is built specifically to be a data center which meets the TIER 3 Data Center standard with 24 hours service every day. The data center has a stability of at least 99.982% and is ISO9001:2008 and ISO27001 certified. Interlink Data Center is located at 9/2 Soi01 Kanchanaphisek 5/5, Kanchanapisek Road, Tharaeng, Bangkok, Bangkok 10220, it is 1,800 sq.m. in size with 348 racks.

Data center design

The Company work together with experienced data center planner as well as consultation with specialist from overseas for the best data center for users. The data center is built as a 3 levels standalone building with the electric generator located in a separate building. The front of level one is design to accommodate customers while the back of the building is for the installation of electrical equipment with the capacity to withstand 2,000 kilograms per sq.m. Level 2 and 3 was built for data center service. It has been designed to separate areas for customers from areas unrelated to customers. Level 2 and 3 has the capacity to withstand 1,300 kilograms per sq.m. (266.26 pounds per sq.ft.) to accommodate all types of services. More details are described below:-

Building construction

Constructed according to TIER 3 standard. The Company's data center is designed to have redundant infrastructure to reduce system failure with secondary power supply and efficient energy use as well as to withstand natural disaster and fire hazards.

Cooling system

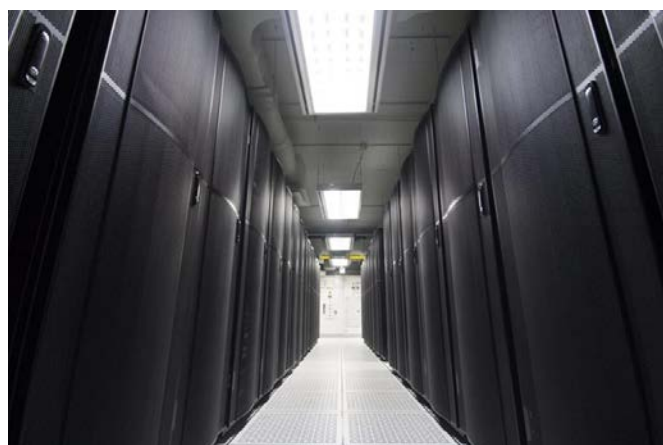
Our data center has an effective cooling system to control the right temperature for electrical devices which is 21 to 26 Celsius +/-2 with a humidity of 50% +/-5%. Also, secondary cooling system has been incorporated in the design in case of emergency. An effective cooling system allows electrical devices to operate effectively and extend its lifetime.

Security system

Several security systems have been installed as security measures. Finger print scanning is installed to control access to the building and server room with CCTV monitoring in all area. Other systems such as smoke detection and fire extinguisher are installed for the security of devices and customer's data. The company is also certified with the ISO27001 standard.

Communication system

Because our data center is the center of the Interlink Fiber Optic Network from all areas throughout Thailand, therefore, it gives easy access to Interlink's network as well as other providers with a team to monitor the connectivity. Also, connection can be made with the company's network to the national internet exchange (NIX) at 80 Gbps and the International Internet Gateway (IIG) at 40 Gbps.



Data Center Features Summary Table for each TIER

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

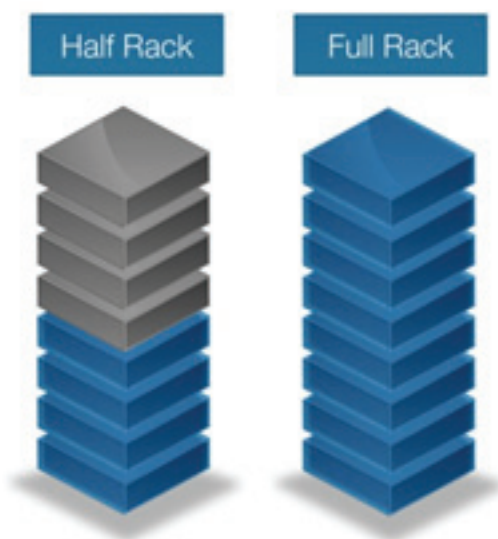
Source: Uptime Institute Data Center Standard, a data center certification company from the United States

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

1. Co-Location

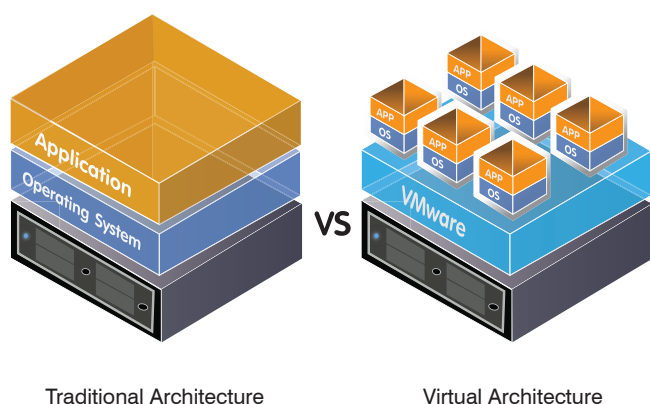
Co-Location is currently the major customers of the Company which is a server placement service in a private designated location for each customer. It is monitored by an engineering team for any problems to provide technical support 24 hours every day with an SMS notification for any issue occurred. The service has reduced customer's cost in equipment investment and administration. This category of customer has their own server, but requires a full service data center with services such as security, secondary power supply system and other connectivity system. Most customers are medium to large corporation demanding high security and other organisation as part of their risk management measures.

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



2. Virtual Server

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



3. Disaster Recovery Service

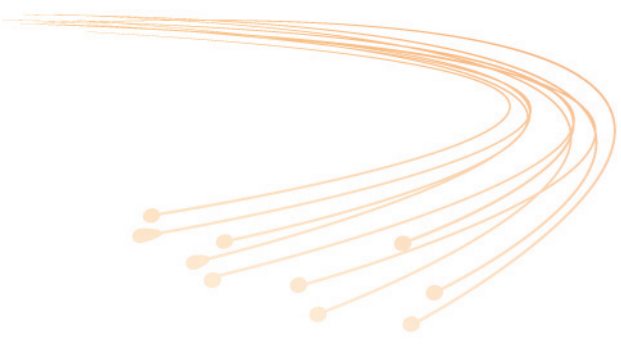
Disaster Recovery Service is a service to provide space for server placement and working space in case of failure or emergency event. The customer can adjust their need in data center according to their preference. The Company has an engineering team to monitor any problems and provide technical support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

Target customers of Data Center

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

Competition Strategies for Data Center A differentiated data center

The company recognises the current data centers available in the market are located within an already built building which has limitation in the planning and service such as not being specifically design with enough floor loading. Generally, buildings are constructed with floor loading of 300 kilograms per sq.m., however, the TIER 3 Data Center standard requires floor loading of 1,000 kilograms per sq.m. Also, generally, a building has a raised floor height of 40 cm to 60 cm while the TIER 3 Data Center standard requires at least 75 cm raised floor height. Also, by locating in a building, there is limitation to control electrical system in case of a failure which will directly affect the data center. Therefore, the Company has specifically constructed data center separately from other occupier. The data center is designed with raise floor height to meet the TIER 3 requirement as well as floor loading and other requirements. As a result, customers will receive quality service meeting international standard and confidence if there is an inspection.



Customised service to meet customer needs

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

Having own network

Because of the need of data center customers to connect with their head office and branch which requires the service of network provider to complete the connection. As the data center of the Interlink Fiber Optic Network from all areas throughout Thailand, therefore, it gives easy access to Interlink's network as well as other providers with a team to monitor the connectivity. Also, connection can be made with the Company's network to the national internet exchange (NIX) at 80 Gbps and the International Internet Gateway (IIG) at 40 Gbps.

Higher than standard Service Level Agreement (SLA) 99.982%

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

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

Pricing policy for Data Center

The Company determines prices based on the rack utilisation rate while accounting for the market competition

Service contract revenue backlog Data Service

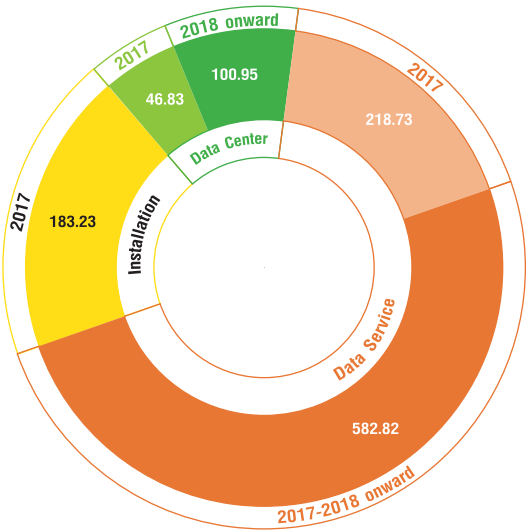
As at December 31st, 2016 the Company has data service backlog at Baht 801.55 million in which will be recognised in 2017 by Baht 218.73 million, the rest of Baht 582.82 million will be realised since 2018 onward.

Telecommunication Network Installation Service

As at December 31st, 2016 the Company has telecommunication network installation service backlog at Baht 183.23 million in which they will be recognised in 2017.

Data Center

As at December 31st, 2016 the data center has utilization at 95% with backlog at Baht 147.78 million in which they will be recognised in 2017 by Baht 46.83 million and the



Industry and Market Competition

The Company operates in the information and communication industry. The current overviews of the ICT industry are described below.

1. Information and Communication Technology (ICT) Industry

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

Information and Communication Technology (ICT) Market

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

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

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

Thai Communication Market

The communication market has an important status as the driving force to the information and communication technology (ICT) market. The communication market also has an important role and a mechanism for the development and growth of the society and economy. The communication market can be categorised into 2 categories which are:-

1. Communication Equipment
2. Communication Service

Communication Market

Classification	2014 (Million Baht)	2015 (Million Baht)	2016F (Million Baht)	Growth Rate	
				2014-2015	2015-2016F
1. Communication Equipment	199,415	226,539	255,734	13.60%	12.89%
2. Communication Service	300,326	309,450	341,850	3.04%	10.47%
Total value	499,741	535,989	597,584	7.25%	11.49%

Source: National Science and Technology Development Agency (NSTDA)

From the information of the size of communication market of 2015 and the forecast for 2016 by the National Science and Technology Development Agency ("NSTDA"), the overall market value from 2014 to 2015 increased by 7.25%, or an increase to 535,989 million baht in 2015 from 499,741 million baht in 2014. The majority of the market value is contributed from the communication service. The communication service market value was 341,850 million baht for 2016 equivalent to 57.21%, while communication equipment market only account for 225,734 million baht, or 42.79% of the total communication market.

Communication Equipment Market

Communication Equipment	2014 (Million Baht)	2015 (Million Baht)	2016F (Million Baht)	Growth Rate	
				2014-2015	2015-2016F
1. Telephone	93,358	105,020	108,114	12.49%	2.95%
2. Main network equipment	63,742	69,680	78,780	9.32%	13.06%
3. Wire communication equipment	14,978	16,030	17,980	7.02%	12.16%
4. Wireless communication equipment	27,337	35,809	50,860	30.99%	42.03%
Total value	199,415	226,539	255,734	13.60%	12.89%

Source: National Science and Technology Development Agency (NSTDA)

The communication equipment market has experienced stable growth. In 2015, the communication equipment market had a value of 226,539 million baht, an increase of 199,415 million baht in 2014, or an increase of 13.60%. For 2016, it has been estimated a growth of 12.89% or a market value of 255,734 million baht. The communication equipment market consists of 5 groups which are

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

The telephone handset and wireless equipment are expected to be the main group contributing to the growth in communication equipment for 2016 due to market expansion in the mobile phone market such as smartphones as well as investments in wireless equipment to support the increase in portable type usage and as replacement to fixed location type usage.

Communication Service Market

Communication Service	2014 (Million Baht)	2015 (Million Baht)	2016F (Million Baht)	Growth Rate	
				2014-2015	2015-2016F
1. Fixed line service	16,000	14,809	13,016	(7.44%)	(12.11%)
2. Mobile phone service	209,660	216,404	246,559	3.22%	13.93%
3. Internet service	48,663	53,578	59,396	10.10%	10.86%
4. International calling service	12,412	10,357	7,808	(16.56%)	(24.61%)
5. Data communication service	13,591	14,302	15,071	5.23%	5.38%
Total value	300,326	309,450	341,850	3.04%	10.47%

Source: National Science and Technology Development Agency (NSTDA)

The communication service market is the main proportion of the communication market, accounting for 60.10% and 57.73 of the communication market, respectively. The communication service market has grown from 300,326 million baht in 2014 to 309,450 million baht in 2015 with a growth rate of 3.04%. In 2016, it is projected the growth will be 10.47% or 341,850 million baht. The communication service market can be categorized into

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

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

Digital Economy Policy

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

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

Hard Infrastructure

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

Soft Infrastructure

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

Service Infrastructure

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

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

Digital Economy Promotion

The government will stimulate the economy by creating a complete digital environment with many digital entrepreneurs and changing the way of doing business in Thailand in many aspects with price competition and service innovation for customer satisfaction.

The government will strengthen business capacity to promote value creation for products and services through digital technologies and innovations. Technology such as Digital Business Analytic Center for SMEs, Digital Business Fund, the National APIs' Platform for SMEs and development of Service

Platform to support new types of services as well as Agile e-Marketplace in Cloud Computing for a modern and convenient in changing business process to support Thai businesses, particularly SMEs, and to create new businesses through digital technologies for the local and international market,

Digital Society

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



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

Digital Commerce

A change in the way of doing business and transactions due to changes in consumer demands. Previously, it has been called E-Commerce. Nowadays, there has been an increase in channels whether it's selling through websites, sales via direct email, posting in web boards gaining interests by users. The purpose is to create traffic as much as possible which will generate transaction if the customer agrees or choose to use the service. In addition to service promotion, it has been applied to financial transactions such as money transfer through mobile phone and the internet.

Digital Transformation

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

Digital Consumption

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

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

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

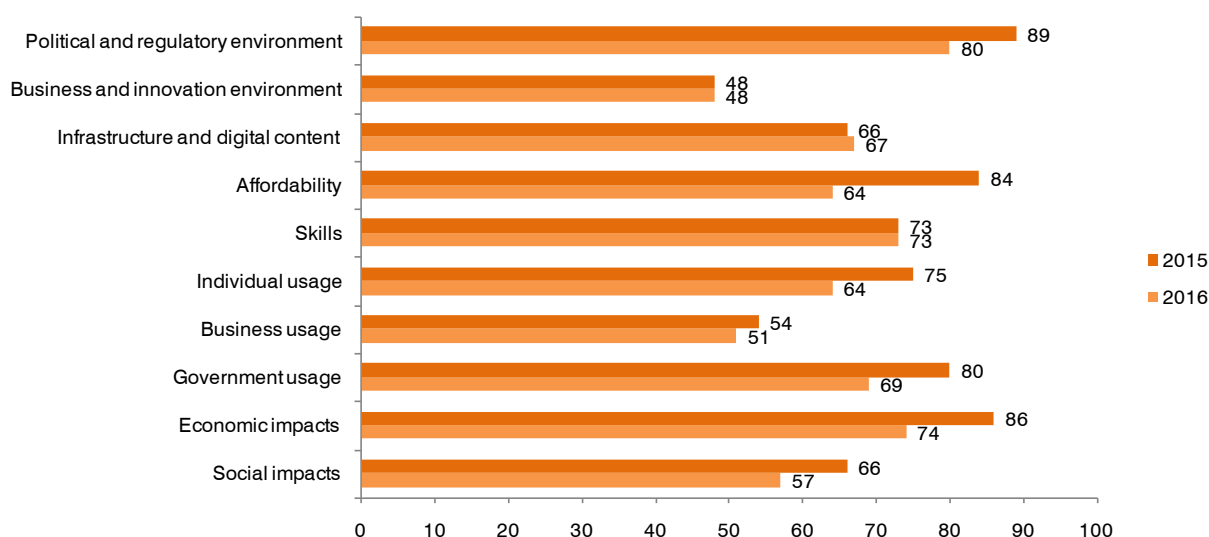
In 2016, Thailand is expected to be at 62nd place in the Network Readiness Index as indicated below:-

Country	Networked Readiness Index 2016 (From totalling 139 countries)	Networked Readiness Index 2015 (From totalling 143 countries)
Thailand	62	67
Singapore	1	1
Finland	2	2
Sweden	3	3
South Korea	13	12
Japan	10	10
Malaysia	31	32
China	59	62
India	91	89
Vietnam	79	85
Indonesia	73	79

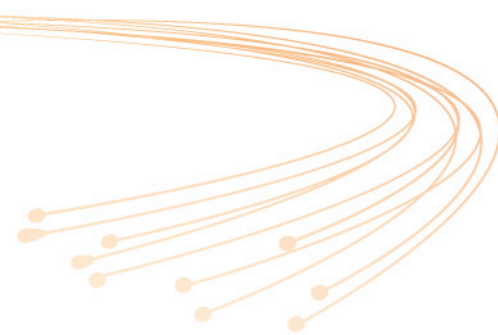
Source : World Economic Forum, The Global Information Technology Report 2015

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

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



Source : World Economic Forum, The Global Information Technology Report 2015



In considering the ranking in 2016, the business and innovation environment is ranked best compared to other factors, being ranked at 48. Thailand has also improved in other factors, affordability move up to 64th place and economic impacts at 74th place, however, infrastructure and digital content has decreased.

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

In considering electronic transactions, Thailand has experienced annual growth of 10%, however, transaction size is small compared to Malaysia and South Korea. Also, social media use has grown very fast at 33% with social media used by more than half of the population.

Factors affecting the communication market in 2016

General factors

- The economy
- Politics
- The expansion of 3G/4G network of telecommunications providers.
- The Digital Economy policy such as nationwide broadband, fundamental government infrastructures, startups business incubator, online trading community, etc.
- National e-Payment as the development on electronic payment system for the government which will be available partially in 2016
- The government's megaprojects such as Rapid transit projects with fiber optic installation for transportation and communication service
- Digital Transformation for different businesses to support services to customers and organization management
- Industry 4.0 which uses IoT/M2M in the manufacturing process in the manufacturing industry

Technology trends

- OTT Service: The development of high speed network in wireline and wireless has created online content services such as IPTV and Video on demand without the need for such service provider to invest in their own network.
- Mobile Payment: Making transactions through mobile network by deducting money from bank accounts, credit card or electronic account

- Cyber Security: The prevention of cyber threats such as personal information, organizational information and other threats from vulnerabilities in ICT systems which many sectors must focus on risk management

- IoT/M2M: Future development beyond wearable devices and mobile devices by providing a centralized platform to support the communication and connection of each devices which will be applied for daily use by individuals and businesses

- Big Data: The need to create competitive advantage in business and marketing to promptly respond to customer needs

- FTTx: A high speed technology with room for expansion and the government are supporting service expansion

- SDN/NFV/Cloud: The use of technologies such as Virtualization and Cloud to manage telecommunications network effectively with agility and reduces costs

The authorization to use frequency spectrum in the 900 MHz and 1800 MHz band for telecommunications operators through an auction

The National Broadcasting and Telecommunications Commission has the duty to manage frequency spectrum for telecommunication operations and to supervise telecommunications operations in Thailand. According to the Telecommunications Master Plan (2012 – 2016) has determined the vision as “To develop telecommunications business, bridge the gap of access to information technology, enhance the country’s competitiveness, and improve the quality of life of people”. In implementing the master plan, NBTC has established guiding framework for the allocation of frequency spectrum with the policy objectives for frequency spectrum auction for telecommunications in Thailand as follows:-

1. To effectively allocate frequency spectrum for the most benefit to the public
2. To promote competition in the market, improve service quality and reduces cost of service
3. To ensure transparency in the auction, including auction design and management
4. To develop the domestic telecommunication market and the development of basic infrastructure and service
5. To generate revenue for the country. The income for the auction are appropriate and put to good use by the government

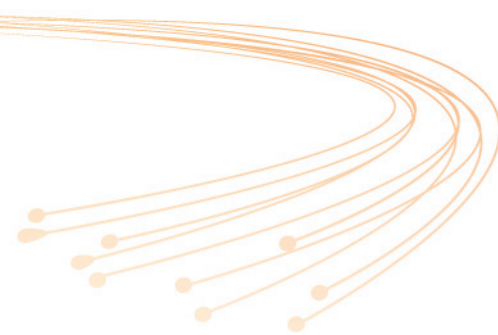
The NBTC has auctioned the 1800 MHz spectrum in November 2015 and 900 MHz in December 2015 and May 2016. The details of the auction as described below:-

1800 MHz Spectrum			
Range	Winner	Group	Highest Bid (Million Baht)
Range 1	True Move H Universal Communication Co., Ltd.	TRUE	39,792
Range 2	Advanced Wireless Network Co., Ltd. (AWS)	AIS	40,986
900 MHz Spectrum			
Range	Winner	Group	Highest Bid (Million Baht)
Range 1	True Move H Universal Communication Co., Ltd.	TRUE	75,654
Range 2	Advanced Wireless Network Co., Ltd. (AWS)	AIS	75,654

Kasikorn Research Center (Year 21, No. 2673, November 9th, 2015) expects that in the first quarter of 2016 after the stated frequency auction, telecommunications service provider after being granted the license will accelerate network expansion and begin providing 4G service which has more stability and 4-5 times faster than 3G. The move will be to gain market competitiveness as a leader in technology. However, Kasikorn Research Center expects slow transition to 4G for consumers who currently owns smartphones or/and tablets supporting only 3G and particularly consumers in other provinces who recently transition from 2G to 3G.

In 2016, Kasikorn Research Center expects increased use in mobile broadband (wireless internet access) in both 3G and 4G network with approximately 38.4 - 39.7 million users growing in the 11.00% - 14.70% range in 2015, or 60.40% - 62.60% access rate. The mobile phone service market will be 219,841 - 223,064 million baht in 2016 with 3.3% - 4.8% growth in 2015 with the overall market value of 212,816 million baht from the increased use in data service. Data service market in 2016 is expected to be 131,652 - 133,693 million baht growing at 20.60% - 22.50% from 109,121 million baht in 2015. Voice service market in 2016 is expected to be 88,189 - 89,372 million baht, a contraction of 13.80% - 15.00% from 103,695 million baht in 2015.

In addition, the auction winner of the two frequency bands will improve the 3G network effectiveness to support 4G and 3G simultaneously, and accelerate network expansion in areas with heavy data use particularly the Bangkok Metropolitan Area and other major cities. More than 158,000 million baht of investments are expected in 2016-2017 to improve existing network and additional expansion.



Market competition in telecommunications and communication industry

Despite the number of operators granted with the Telecommunications Business Operator Type III, each license grants rights to operate differing types of services such as network service, international calling service or IPLC service. The company was granted with the right to operate own network which requires high capital investment, experiences and specialization for personnel in the installation and providing services. Therefore, there are only a few operators who provides similar services, major provider such as TOT, CAT, True Universal Convergence and United Information Highway Co., Ltd. and SMEs provider such as Symphony Communication, CS LoxInfo and Information Highway while some organisations has their own network but does not provide service commercially such as MEA and PEA and the company is considered to be in the SMEs category. However, the company's network has the capacity to service with coverage in 75 provinces.

Therefore, competition in the high speed network service is not too fierce due to small number of competitors. Also, most customers for this type of service are large corporation which are not cost conscious but demand service quality and reliability of system. The customer demands matches the company's strength in providing high speed fiber optic network for data transmission with higher reliability compared to competitors who owns other type of network such as copper wire which creates bottle neck problem when connecting between two types of network and reduces effectiveness in data transmission. Also, the company uses "LINK" fiber optic which is high quality brand from the United States with ability to withstand high temperature and animal bites resulting in less problems.

The company has strategically installed network on telegraph poles along the railway for main route because telegraph poles are safer than utility poles along public roads with may fall due to accidents. Also, the company has installed alternate route and sub-route with no overlap to other providers to give choices to customers which meets customer preference to use more than 1 service providers to have back up in an event of accident.

In addition, the company has the policy to customize service to meet customer needs with flexibility for customers in different locations, differentiating the company from other providers with different network or technologies. The company uses MPLS and DWDM for data transmission with ability to provide service up to Layer 3 which can manage data transmission effectively resulting in customer confidence with no intention to switch provider.

In terms of quality, the company can provide customers with a Service Level Agreement of as least 99.9%, and has a Network Management Center to monitor and correct any problems 24 hours a day. The company also has team available at 38 Operation and Maintenance Center nationwide to ensure customer receives the best service possible and can guarantee minimal damage in case of an accident.

The company is also operates neutrally, meaning the company operates according to the Telecommunications Business Operators Type III license providing solely high speed network. The company has no intention to operate other types of telecommunications businesses to compete with our customers who are Type I and II license holder. Therefore, customers can be assured the company's focuses on reliability of network with provide non-overlapping services such as internet service provider (ISP)

2. Network installation business

The telecommunication network installation business in Thailand depends on investment and development policy of communication and telecommunication service providers such as mobile phone service operators and internet service provider. And today's demand for internet service has changes with increased demand for data services which can be met broadband over high speed fiber optic network because fiber optic network provides high speed compared to ADSL (Asymmetric Digital Subscriber Line) which is prevalent in the market at 40 times faster with no limitation. Together with fierce competition in broadband internet with new entrants entering the market to provide broadband technology with fiber optic network stimulating other providers to invest in the development and transformation of technology from ADSL to fiber optic network with nationwide coverage to protect and gain market share. The Kasikorn Research Center (Year 22, No. 2735, May 12th, 2016) forecasted investment in fiber optic network between 2016-2019 at 173,000 million baht. In 2016, there will be investment of 48,064 million baht, increasing marginally at 1.5% from 2015 which has an investment of 47,336 million baht while 70% of the total investment will be in 2017-2019.

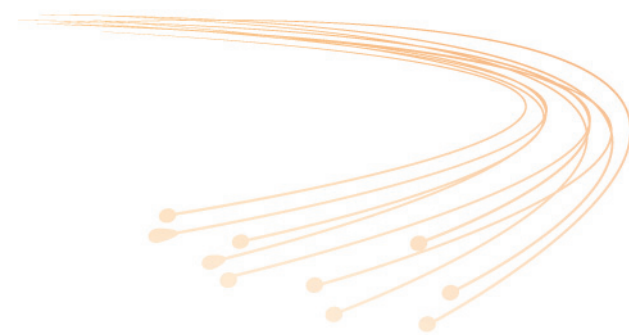
However, from the forecast of investment for the transition to broadband from ADSL into fiber optic network, Kasikorn Research Center expected businesses in the sales of wireline broadband internet equipment and the planning and installation of telecommunication network will experience the most benefit. For businesses in the sales of equipment, both Thai and foreign businesses will benefit. However, for businesses in the planning and installation, benefit will go to operators within a mobile phones provider conglomerate and other medium to large independent operators contracted directly from the mobile phones operators as well as small operators who are subcontracted. Due to the increasing amount of telecommunications system projects coupled with fast and timely project delivery resulting in an increase in mobile phones operators contracting external operators. However, the ability for contractors in planning, sourcing and contracting the installation of telecommunications depends on capacity and relationship with the network owner including experience and past completed projects. The ability to provide quality service and timely project delivery as well as strong financial position are advantages in the competition. Despite the company being a medium sized corporation, the company is an expert and has experience in installing own network. Therefore, the increased investment will be beneficial to the company. The company's

independence and medium size allows the company to be contracted directly from any mobile phones operators and internet service providers. However, the contracting party will determine the project value resulting in the profit being based on negotiation in sourcing materials and equipment to have lower cost with good conditions. Consequently, the requirement for experience, past completed projects, financial position and low power to negotiate with the contracting party has resulted in low number of new entrants. Also, there are many projects both public and private that need to be completed in a short time, so the overall picture of the competition in this business is not very competitive.

3. Data Center Industry

Based on research by Frost & Sullivan, a global consulting and research firm (headquartered in the United States with more than 40 offices worldwide), data center business expanding by 21% in 2013 resulting in a market value of more than 1,700 million baht for the Thai data center industry from the increase demand for disaster recovery site (DR Site) and inaccessible business premise due to political protests prompting organisations for ways to cope with uncertainty for operation continuity. In addition, Frost & Sullivan has forecasted the Thai data center will experience continued growth of at least 15% in 2014 from factors such as Cloud Computing, increase demand for Disaster Recovery Solution and connectivity among ASEAN nations.

Considering the government data center policy, the Digital Economy Preparation Committee in March 2015 has concluded a resolution that government agencies are no longer able to purchase or construct data center for its own organisation. Government agencies must use National Data Center according to the Data Center Consolidation Plan to prevent duplication of investment by the government. The national Data Center will be the central data consolidator with 24 hours operation. The project will be a joint investment between the government and private sector with a central agency responsible for defining standards of services, safety standards, data connectivity standards to maintain the same standard and cost of service to be at the same level in the public sector with modern technologies and appropriate size for uses to meet local needs. In addition, all data center must be at least TIER 3 with easy access and connectivity.



The e-Government Agency (EGA) forecasted the national data center initiative will generate 30,000-40,000 million baht of investment in the private sector which would stimulate the economy and create jobs such as specialist in data center and Cloud. Also, government organisations will be using data centers with the same standard with connectivity to other organisations and the public can use the government's online service with reliability.

Competition in the data center industry

Competition in the data center industry remains low, there are still a limited number of participants with own data center with a complete service. In addition to the company, there are no more than 10 participants providing such service. Large businesses providing such services are TOT, CAT, True Internet Data Center, while SME businesses are such as CS LoxInfo, Internet Thailand, TCC Technology, etc, and the company is under SME category. However, the company's data center are specifically built to be a data center with designs to have utility system, cooling system and security system as well as floor loading and raised floor height according to TIER 3 Data Center standard. Our data center are ISO9001:2008 and ISO27001 certified to ensure customer confidence according to international standards.

The company is able to cater to wide ranges of customer demands in data center service. The company is able to provide services according to location, the amount of racks and additional services upon demand. Also, because the data center is built in our own premise, the space can be customized to meet customer needs.

In addition, customers can choose out own fiber optic network to provide connectivity between data center and office which facilitates customers usage. The company has specialized personnel with ability to maintain and monitor the system in case of a failure. The company has maintained Service Level Agreement (SLA) at 99.982% minimum, Because of future growth in the data center business and the government national data center and the company's experience in building TIER 3 data center, therefore, the company's data center has to opportunity to grow from the increased demand in data centers in both private and public sector.

Key Risk Factors

1. Risk from dependency on suppliers

The Company's primary business is to provide fiber optic network services to enable users to transmit data conveniently and efficiently. Fiber optic cables are therefore a major component of the network. The company uses "LINK" fiber optic cables, which is a high quality and recognised American brand, in the installation of fiber optic cables in the Interlink Fiber Optic Network. Fiber optic cables procurement is ordered directly from the manufacturer, which the Company uses only "LINK" fiber optic cables in the installation of our nationwide network. Such dependency may give the Company risks from supplier in the case of no sales or non-delivery of fiber optic cables on time which will affect the Company's operations.

Despite the Company's reliance on "LINK" fiber optic cables, the management team has good business relationship with the owner of "LINK" brand for more than 25 years. Also, the company's large order size gives the Company power to negotiate for good trading condition. However, the Company have established relationships with other manufacturers as a backup plan to ensure the Company will not have fiber optic cables shortage or inability to service new customers.

2. Risk from technology changes

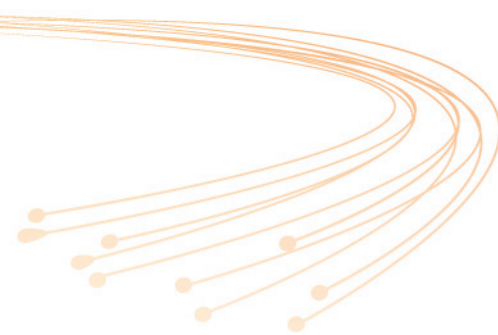
The Company's operation is technology intensive and requires large capital investment such as investment in fiber optic network. Any changes in technology can cause a significant loss to the Company. The new technology which may affect the Company is "Wireless Connectivity". However, the Company has found from studying other countries that wireless technologies are for smaller sized communication and intermittent data transmission which is different to the need of current customers, therefore, the risk is reducing. The fiber optic technology transmits data at the speed of light and supports future data transmission demands because nothing travels faster than light.

3. Risk from reliance on major customers

In 2015 and 2016, the Company received revenues from groups of customers representing 42.27% and 53.63% of total service revenue. In the future, if such customers reduce or cancel the Company's services, the revenue will be significantly impacted.

However, such groups of customers are large corporations that prioritise stability and security in data transmission. The Company's fiber optic network meets the need of such customers. The Company's network uses state-of-the-art data transmission technologies being "MPLS" and "DWDM", which enables a stable and efficient data transmission. The Company is able to meet the 99.9% service level agreement, which is a 24/7 service 30 days a month with a guarantee any network failure or service interruption will be no more than 43.2 minutes. The surveillance team monitors 24/7 every day for any failure to the network or systems. This ensures customers are confident to receive the best service and minimal damage. The Company's pricing policy is competition-based pricing, so customers are guaranteed quality service at reasonable price. For network installation service, the Company is able to provide a complete service to the customers, from consulting services and network design to meet the needs of each client with different needs. With expertise and experience, the Company is able to conduct installation with quality service within limited time. Hence, the Company has continuously gained trust from these groups of customers.

As a result, the Company is confident that the quality service provided at reasonable price as well as the policy to build quality fiber optic network with growing coverage to meet customer needs will make these groups of customers continue to use the Company's services.



4. Risk from competition in the telecommunications network provider business

According to the Telecommunications Business Act B.E. 2544 (2001), telecommunications business operators must be granted license from the National Broadcasting and Telecommunications Commission (NBTC), which used to be concessional, to promote fair competition. Any operator who has the capacity may file for the telecommunication operator license. The increasing number of licensed operators will create intense competition.

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Currently, the Company's competitors are limited to only a few operators that have been granted the Telecommunications Business Operator License Type 3 which the company was also granted, therefore, competition has not been intense. Also, telecommunications business operation requires the capabilities and experiences of management and employees and high capital investment. This makes it difficult for new entrants to enter the business even though the government has allowed operators to freely apply for license. In addition, The Company operates neutrally by doing the business as the high speed network provider only. The Company has no policy of doing other telecommunication business to compete with current customers who are Type 1 and 2 license holder having gained trust from customers that the company business will not overlap with customers business such as internet service provider. The Company aims at building quality fiber optic network to gain coverage and to meet growing customer needs to remain competitive in the long run. Based on the Company's network using "MPLS" and "DWDM" technology which are modern technologies for a stable and efficient data transmission. In addition, after sales service which has met with the Service Level Agreement (SLA) at 99.9% with surveillance team available 24/7 every day to ensure the best service and minimal damage. The Company is confident it will not be affected by any intense competition in the future.

5. Risk from the operation of network equipment, operating systems and computer systems

The Company is in the telecommunication industry, it operates complex technologies such as network equipment, operating systems and computer systems which must operate efficiently at all times. Any failure to the systems due to technical failure, natural disaster or other accidents will affect customer service.

The Company is aware that such problem will affect customer satisfaction. Therefore, the Company has designed the network with a secondary route in the form of "Ring Topology" with no physical overlap by consisting of 2 types of core network. This design method is widely adopted in foreign countries. The first type of core network is along the telegraph pole of the railway of the State Railway of Thailand and the second type of core network is along the electricity pole of the Metropolitan Electricity Authority and the Provincial Electricity Authority. This method can prevent problems caused by failure in a particular route. The system will switch to operate in the unaffected route. In addition, in the construction process, the Company emphasised on choosing quality equipment and installation to ensure confidence in the network. The Company's network is purely fiber optic network without any other type of network and fully self-operated. There is no concern of multiple provider and problems in data transmission across different type of network which simplifies management and makes the network stable for data transmission.

In addition, the Company reduces risk conducting maintenance regularly. The engineering team researches and analyses any probability of failures or errors in the system through Engineering Failure Simulation. The company also conduct preventative maintenance such as scheduled fiber optic cable replacement, firmware updates for equipment and software, general maintenance of equipment according to manufacturers' recommendations. However, the Network Operation Center surveillance team is available to monitor and repair problems 24 hours a day for any unpredicted failure. The repair team will complete any repair in time as specified in the service level agreement to ensure uninterrupted connectivity and customer satisfaction.

6. Risk from regulations and government policies regarding to telecommunications business

Currently, the Company is a fiber optic network provider with Telecommunications Business Operator Type III license to operate own network from the Office of the National Broadcasting and Telecommunications Commission ("NBTC"). Therefore, the Company operates under the supervision of NBTC. The NBTC is an independent government agency responsible for the supervision of telecommunications business operators. The NBTC has the authority to determine rates and tariffs structure, technical standard setting for telecommunications network, the prevention of monopoly and unfair competition and consumer protection. Therefore, any announcement, rules or policy changes related to telecommunication network provider may significantly impact the Company's operation.

However, because the Company has legitimately been licensed by the NBTC as telecommunication business operator, any announcement, rules or policy changes will be notified by the NBTC in advance. Consultations and meetings are also held with operators for appropriate policies. This will allow the company time to prepare or object before the new rule become effective.

7. Risk of mismatch between the Telecommunication Business Operator Type III license duration and the State Railway of Thailand lease period

The Company has been granted the Telecommunication Business Operator Type III license from the NBTC to operate in the telecommunication business with a period of 15 years, starting from 2012 to 2020. However, the Company has entered into a telegraph poles lease agreement with the State Railway of Thailand for routing fiber optic cables for a period of 30 years, starting from 2012 to 2042. If the company cannot renew the Telecommunications Business Operator Type III license from the NBTC once the current license expires, the Company may not be able to provide network service to customers while obligated to telegraph poles lease payments to the State Railway of Thailand which will significantly affect the company's operation.

However, the Company is confident that the Company will be able to renew the license. Under the Telecommunication Business Act, the business operator must meet the specified criteria for the renewal of license, which are the same criteria for initial licensing. The Company meets all the specified criteria which has remained unchanged since initial licensing.

8. Risk from exchange rate

The nature of the business requires large quantity network equipment purchases from foreign suppliers with payments in foreign currency, the United States Dollar. However, the Company receives income in Thai Baht, creating an exchange rate risk. From 2013 to 2016, the Company had made purchases in foreign currency of 203.88, 440.13, 135.14 and 250.26 million baht, respectively, accounted for 49.55%, 39.81%, 19.88% and 26.61% of the total purchases value, respectively.

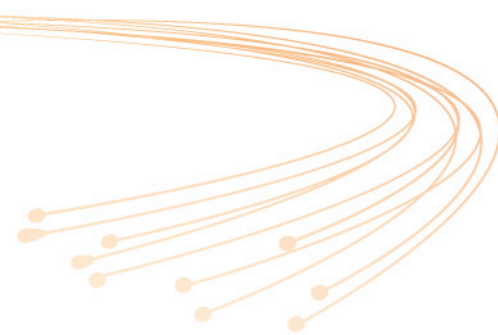
However, in the past, the Company has the policy to hedge the risk from exchange rate by evaluating the situation and closely monitor the fluctuation of the USD-THB exchange rate incorporating the forward contracts when necessary. From 2013 to 2015, the company had loss from exchange rate of 8.12, 2.44 and 10.46 million baht, respectively. The Company recognises the effect of such exchange rate risk which may affect future business operation. Therefore, since September 2015, the Company has the policy to manage exchange rate risk by entering into currency forward contracts with commercial bank to fully hedge the purchase value. The policy has reduced the Company's exposure to exchange rate fluctuations which may affect the company's operation. In 2016, the company had a loss from exchange rate of 0.23 million baht.

9. Risk from inability to install fiber optic network

The Company's fiber optic network service requires nationwide network coverage in order to serve customers thoroughly. The installation of network must be made on the land, building or property of another person or entity. This requires obtaining permission from the owner prior to installation of network. The Company will be significantly impacted if cannot get authorisation, therefore, will be unable to install the network.

However, the NBTC recognises the necessity of network installation for telecommunication business operator. Section 39 of the Telecommunications Business Operator Act B.E. 2544 (2001) has defined the right of licensee. Section 39 states that if the licensee has to set up or erect poles, lay lines or place ducts or install any other associated equipment, the licensee may submit a request to the NBTC to be approved for "Right of Way" in the installation in

- 1) Property of other licensee, state agencies or public utility provider
- 2) Domaine public of state and
- 3) Another person's land which can require the property owner to grant right of way for the installation of network equipment.



For the installation of the Company's fiber optic network, the Company will directly negotiate with the property owner for an agreement prior to submitting a request to the NBTC. For example, the Company negotiated for the long-term lease agreement with the State Railway of Thailand to route fiber optic cables along with telegraph poles along the railway, and the agreements with TOT and CAT to install cables in the pipeline. The primary, secondary and sub-route on the public roads along utility poles of the Metropolitan Electricity Authority and the Provincial Electricity Authority, the Company submitted to the NBTC for the right of way to route our fiber optic cables. This has assured the Company will be able to install network to provide service to customers.

10. Risk from irregular income from network installation

The Company's network installation business is a consultation, design and installation of network for customers who are communication and telecommunication service provider requiring own network expansion. The revenues for network installation business are dependent on network expansion plan of such customers. If the customer reduces investment in network or install network internally, the Company's revenue from installation business will be interrupted and will affect business performance.

However, there is a significant increase in demand for data transmission in the telecommunication industry, particularly wireless and wireline internet service. Internet service provider will need to invest in the development of their network. Also, the NBTC has recently auctioned the 900 MHz band and 1800MHz band in previous year. It is expected the auction winner will invest in the expansion and development of their network. The Kasikorn Research Center has estimated that in 2016 to 2018, there will be more than 173 billion baht in fiber optic investment. Therefore, the demand for installation service for the next 2 to 3 years will be higher than the previous years and network installation service provider will be benefited from the investment. With the Company's experience and specialisation in network installation for our own network, the guaranteed quality of work and on time delivery, the Company is trusted by previous customers and telecommunication service providers continues to use the company for network expansion.

11. Risk from Data Center's land lease agreement

The Company's Data Center building is located on ILINK's premise with a 3 years lease agreement (July 1st, 2015 to June 30th, 2018). The majority of data center building assets are building, building improvements and utility systems with the company acquired from ILINK with additional improvements. As at December 31st, 2016, the net book value of data center building, building improvement and utility systems is 128.11 million baht. The relocation of data center will be difficult if the lease agreement cannot be renewed. Also, the lease agreement duration ranges from 3 to 5 years, therefore, the Company has a risk of ILINK not renewing the agreement.

However, the lease agreement with ILINK granted right with the Company to renew the agreement upon expiration as long as the Company is active in data center business and ILINK agrees to give the right to the Company exclusively. The lease rate will be determined according to the market rate in each agreement renewal by an independent appraiser approved by the SEC to assess the lease rate within the 6-month period prior to expiration. According to these conditions, the Company has no risk regarding the renewal of data center's land lease agreement.

12. Risk from major shareholder with more than 50% shareholding

As at December 31st, 2016, Interlink Communication Public Company Limited ("ILINK") holds 300 million shares of the Company, accounted for 60% of paid-up shares of the company. Therefore, ILINK has the power of control and influence to the business decision of the Company such as nomination of directors and resolutions requiring majority of shareholder, unless prevent by law or the Company's article of association which requires a resolution from $\frac{3}{4}$ of the vote in shareholder meeting. Other shareholders of the Company will be disadvantaged by the inability to accumulate votes in order to check and balance the matters proposed by the major shareholder in shareholder meeting.

However, the Company has appointed the Audit Committee to review, evaluate and consider matters which may create conflict of interest in the future and the assist in the corporate governance for the transparent and efficient management of the Company.

13. Risk from reliance on the parent Company

The Company requires large capital investment in network construction, which resulted in reliance on financial assistance from ILINK. As of December 31th, 2016, the Company utilised a joint credit line with ILINK with a value of 62.77 million baht. Also, ILINK has provided loan guarantee for the 1,217.10 million baht of loan. Therefore, the Company has a risk from reliance on the parent company. Without the financial support from ILINK, the Company may have higher financial costs.

However, the Company has a policy to reduce reliance on financial assistance from ILINK. The Company has been approved credit line from a financial institution to repayment the short-term loan from ILINK. The Company has utilised part of the credit line together with capital raised from the IPO to repay 850-million-baht loan to the parent company. For the joint credit line with ILINK, the Company has used LC/TR and bank guarantees from the financial institution. For LC/TR, the Company has started to use its own credit line since the beginning of 2016. Also, the Company is gradually repaying the remaining debt of the aforementioned credit line. For the credit line of bank guarantees, the Company has been already granted its own credit line from the financial institution and has not used the credit line of ILINK since then. The Company's main assets of fiber optic network and network equipment cannot be accepted as loan collateral. Therefore, ILINK has to provide guarantee and pledge its assets as collateral for commercial bank loans. However, the Company requested to amend collateral with the financial institution. The financial institution will consider the Company's request once the Company has listed with the Stock Exchange of Thailand. ILINK's guarantee will be reduced proportional to its shareholding in the company, reducing from 100% to 60%. The policy indicates the Company's intention to reduce reliance on the parent company. And the Company will be able to raise fund with other financial instruments once listed in the Stock Exchange of Thailand.

Future Projects

Improvement and Expansion of Network Efficiency

With the Company's current coverage of 75 provinces (as of December 31st, 2016), which has enabled the Company to provide large corporations with branches distributed around the country. Due to the increasing in data size prompting a larger communication channel, the Company needs to expand the network capacity to meet the demand. The Company, therefore, will invest in the equipment for MPLS and DWDM network, as well as Node equipment to increase service stability and effectiveness from 10 Gbps to 40 Gbps. The Company also plans to extend the DWDM network to cover areas which are currently serviced by MPLS network. The expansion will prepare for international connectivity to countries such as Malaysia, Myanmar and Laos to support the ASEAN Economic Community which Thai network will be the regional backbone. The estimated investment value of 100 million baht for the improvement of DWDM network to support international connectivity which will begin in the second quarter of 2017 and will be operational in the second quarter to 2017. The sources of fund are from the Company's working capital and/or fund raising from the IPO.



Establishment of a subsidiary in Myanmar

The resolution of the Board of Directors Meeting No. 2/2560 has considered and approved an investment through establishment of a subsidiary in Myanmar to extend revenue base of the Company. As of now, the Company is in discussion with local operator for the provision of network infrastructure.

Profiles of the Board of Directors and Executives



- | | | |
|----|--------------------------------------|--|
| 1. | Mr. Pakorn Malakul Na Ayudhya | Independent Director, Chairman of the Board of Directors and Chairman of Audit Committee |
| 2. | Mr. Sombat Anuntarumporn | Director and Vice Chairmand |
| 3. | Mr. Nuttanai Anuntarumporn | Director and Managing Director |
| 4. | Mrs. Chalida Anuntarumporn | Director |
| 5. | Doctor Lillada Anuntarumporn | Director |



6.



7.



8.



9.



10.



11.

- 6. **Pol.Lt.Gen Suchat Muankaew**
- 7. **Gen. Tawatchai Samutsakorn**
- 8. **Mr. Nontikorn Kanchanachitra**
- 9. **Mr. Suwat Punnachaiya**
- 10. **Mr. Suwichan Nilanan**
- 11. **Ms. Darika Taengtrong**

Independent Director and Audit Committee
Independent Director and Audit Committee
Independent Director and Audit Committee
Director
Director
Director, Accounting Director and Company Secretary

Profiles of the Board of Directors and Executives



Mr. Pakorn Malakul Na Ayudhya Age 75 years

Position Independent Director, Chairman of the Board of Directors and Chairman of Audit Committee

Shareholding in the Company (31/12/60) -

Family Relationship Among Executives -

Education Qualifications

- Bachelor Degree in Economics, The Queen's University of Belfast, Northern Ireland
- Diploma, The Joint State - Private Sector Course Class (Por Ror Aor) Generation 8, National Defence College of Thailand
- Financial Institutions Governance Program (FGP) Generation 2/2011, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Generation 7/2002, Thai Institute of Directors Association

Experience in the past 5 years

- 2014 - Present Chairman of the Board of Directors and Chairman of Audit Committee / Interlink Telecom PLC
- 2016 - Present Chairman of the Board of Directors / Aira Capital PLC
- 2015 - Present Chairman of the Board of Directors / Aira Property PLC
- 2014 - Present Specialist in Corporate Governance and Social Responsibility / The Stock Exchange of Thailand
- 2012 - Present Preparation of memorandum and evaluation of working capital committee / Comptroller General's Department
- 2012 - Present Vice Chairman / Institute of Research and Development for Public Enterprises
- 2009 - Present Chairman of the Board of Directors / TSFC Securities Public Company Limited
- 2007 - Present Vice Chairman of the Board of Director, Audit Committee and Chairman of the Nomination and Remuneration Committee / Standard Chartered Bank (Thai) PLC
- 2007 - 2009 Chairman of the Board of Directors / The Stock Exchange of Thailand
- 2002 - 2005 Chairman of the Board of Directors / Export-Import Bank of Thailand
- 2000 - 2002 Deputy Governor / Bank of Thailand
- 1995 - 1999 Secretary General / The Securities and Exchange Commission, Thailand



Mr. Sombat Anuntarumporn Age 58 years

Position Director and Vice Chairman (Authorized Director)

Shareholding in the Company (31/12/60) 1.489

Family Relationship Among Executives

Spouse of Mrs. Chalida Anuntarumporn and the father of Mr. Nuttanai Anuntarumporn. and Doctor Lillada Anuntarumporn

Education Qualifications

- Honorary Doctorate of Business Administration, Dhonburi Rajabhat University
- Master Degree of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor Degree in Electrical Engineering, King Mongkut's University of Technology Thonburi
- Diploma, The National Defence Course Class (Wor Por Aor) Generation 2548, National Defence College of Thailand
- Executive Program (Wor Tor Tor) Generation 4, Capital Market Academy
- Diploma in Politics Democracy Certification Program (Por Por Ror) Generation 14, King Prajadhipok's institute
- Senior executive justice program (Bor Yor Sor) Generation 19, College of Justice
- Technical Dispute Resolution Technique, Central Intellectual Property and International Trade Court
- Director Accrediation Program (DAP) Generation 15/2004, Thai Institute of Directors Association

Experience in the past 5 years

- 2007 - Present Vice Chairman / Interlink Telecom PLC
- 2013 - Present Director / Interlink Data Center Ltd
- 2008 - Present Director and Managing Director / Interlink Power and Energy Co., Ltd
- 1995 - Present Chairman of the Board of Directors and Managing Director / Interlink Communication PLC
- 1987 - Present Chairman of the Board of Directors / Interlink Holding Co.,Ltd
- 2017 - Present Secretary / The Standing Committee on Commerce, Industry and Labour The National Legislative Assembly
- 2016 - Present Director / The Zoological Park Organization Under the Royal Patronage of H.M. The King
- 2014 - Present Honorary counsel / 2nd Vice-President of the National Legislative Assembly
- 2014 - Present Honorary counsel / Economic Commission, Finance, National Legislative Assembly
- 2014 - Present Honorary counsel / Commercial Commission, Industrial and labor, National Legislative Assembly
- 2013 - Present Founding President and Honorary President / Thai Cable Association
- 2011 - Present Founding President and Honorary President / MAI Listed Companies Association
- 2005 - Present Board of Trade Promotion Association / The Chamber of Commerce of Thailand
- 2003 - Present Associate Justice / Central Intellectual Property and International Trade Court
- 1992 - Present Director / Amnuay Silpa School Alumni Foundation
- 2005 - 2015 Vice Chairman of ICT business / The Chamber of Commerce of Thailand



Mr. Nuttanai Anuntarumporn

Age 30 years

Position Director and Managing Director
(Authorized Director)

Shareholding in the Company (31/12/60)

-

Family Relationship Among Executives

The sons of Mr. Sombat Anuntarumporn and
Mrs. Chalida Anuntarumporn
And brother of Doctor Lillada Anuntarumporn

Education Qualifications

- Master Degree in Financial Economics, Boston University, USA
- Bachelor Degree in Engineering, Chulalongkorn University
- Project Manager, Boston University, USA
- New Democratic Leadership Program (Por Nor Por) Generation 3, King Prajadhipok Institute
- Director Accreditation Program (DAP), Generation 103/2013, Thai Institute of Directors Association

Experience in the past 5 years

2012 - Present	Director and Managing Director / Interlink Telecom PLC
2013 - Present	Director / Interlink Data Center Ltd
2012 - Present	Director / Interlink Communication PLC
2011 - 2012	General Manager / Interlink Telecom PLC
2016 - Present	Director / Genesis Data Center Ltd.



Mrs. Chalida Anuntarumporn

Age 59 years

Position Director (Authorized Director)

Shareholding in the Company (31/12/60)

1.678

Family Relationship Among Executives

Spouse of Mr. Sombat Anuntarumporn
and the mother of Mr. Nuttanai Anuntarumporn.
and Doctor Lillada Anuntarumporn

Education Qualifications

- Studying Doctor of Philosophy, University of North Bangkok
- Master Degree of Business Administration, National Institute of Development Administration (NIDA)
- Bachelor Degree in Management, Sukhothai Thammathirat Open University
- Diploma in Accounting, Rajamangala University of Technology Phanakhon
- Diploma, The National Defence Course Class (Wor Por Aor) Generation 2552, National Defence College of Thailand
- Executive Program (Wor Tor Tor) Generation 8, Capital Market Academy
- Top Executive Program in Commerce and Trade (TEPCoT) Generation 5, Commerce Academy
- Advanced Security Management Program (ASMP) Generation 4, National Defence College of Thailand
- Director Accreditation Program (DAP) Generation 12/2004, Thai Institute of Directors Association

Experience in the past 5 years

2007 - Present	Director / Interlink Telecom PLC
2013 - Present	Director / Interlink Data Center Ltd
2008 - Present	Director / Interlink Power and Engergy Co., Ltd
1995 - Present	Director and Managing Director / Interlink Communication PLC
1987 - Present	Director and Managing Director / Interlink Holding Co.,Ltd
2014 - Present	Chairman of the Board / Interlink Hai Jai Savings cooperative founding President / Zonta Club of Bangkok 10 Consultant / Economic Commission, Finance and finance, National Legislative Assembly
2014 - Present	Associate Justice / Central Juvenile Court
2013 - Present	President of the Foundation / Interlink Hai Jai Foundation
2012 - Present	President of Women's 61st Personhood Promotion and Central Committee / Women's Personality Promotion Association
2011 - Present	Corporate Governance and Accountability Committee / The Chamber of Commerce of Thailand
2010 - Present	President of Special Events / Business and Professional Women's Association of Thailand - Bangkok
2010 - Present	Executive Director and Chief Information Officer / the National Council of Woman of Thailand under the Royal Patronage of Her Majesty the Queen
2009 - Present	Honorary counsel/ The Commission for Social Development and Children's Affairs, Youth, Women, the Elderly, the Disabled and the Underprivileged
2013 - 2014	Secretary to the Board / Student Association of Capital Market Academy
2012 - 2013	

Profiles of the Board of Directors and Executives



Doctor Lillada Anuntarumporn	Age 32 years
Position	Director
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	
The daughter of Mr. Sombat Anuntarumporn and Mrs. Chalida Anuntarumporn	
And sister of Mr. Nuttanai Anuntarumporn	

Education Qualifications	
- Bachelor Degree of Medicine, Srinakharinwirot University	
- Bachelor Degree of Medical Science, The University of Nottingham, UK	
- Director Accreditation Program (DAP) Generation 118/2015, Thai Institute of Directors Association	
Experience in the past 5 years	
2014 - Present	Director / Interlink Telecom PLC
2014 - Present	Home physician / Department of Pediatrics, Mahidol University, Siriraj Hospital



Mr. Suwichan Nilanan	Age 57 years
Position	Director
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	-

Education Qualifications	
- Master Degree of Business Administration, Thammasat University	
- Bachelor Degree in Electrical Engineering, King Mongkut's University of Technology Thonburi	
- Director Accreditation Program (DAP) Generation 118/2015, Thai Institute of Directors Association	
Experience in the past 5 years	
2014 - Present	Director / Interlink Telecom PLC
2012 - Present	Advisor of Managing Director / Interlink Telecom PLC
2016 - Present	Director / Genesis Data Center Ltd.
1994 - 2012	Executive Vice President / TT&T PLC



Mr. Suwat Punnachaiya

Age 54 years

Position Director

Shareholding in the Company (31/12/60)

-

Family Relationship Among Executives

-

Education Qualifications

- Bachelor Degree in Electrical Engineering, King Mongkut's University of Technology Ladkrabang
- Director Accreditation Program (DAP) Generation 118/2015, Thai Institute of Directors

Experience in the past 5 years

2014 - Present	Director / Interlink Telecom PLC
2013 - Present	Director / A-List Asia Co.,Ltd
2011 - 2013	Deputy Managing Director and Executive Director / TCC Technology Co.,Ltd
2006 - 2011	General Manager and Director of Office of Managing Director / Triple Three Globalnet Co.,Ltd
2002 - 2011	Head of Thailand and Indochina / Hutchison GlobalCommunications Ltd.



Ms. Darika Taengtrong

Age 35 years

Position Director, Accounting Director and Company Secretary

Shareholding in the Company (31/12/60)

-

Family Relationship Among Executives

-

Education Qualifications

- Master Degree of Business Administration, Thammasat University
- Bachelor Degree in Accounting, Thammasat University
- Director Accreditation Program (DAP) Generation 118/2015, Thai Institute of Directors
- Company Secretary Program (CSP) Generation 68/2016, Thai Institute of Directors

Experience in the past 5 years

2015 - Present	Accounting Director / Interlink Telecom PLC
2014 - Present	Director / Interlink Telecom PLC
2012 - 2015	Accounting Director / Interlink Communication PLC
2004 - 2012	Audit Manager / EY Office Limited

Profiles of the Board of Directors and Executives



Pol.Lt.Gen Suchat Muankaew	Age 65 years
Position	Independent Director and Audit Committee
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	-

Education Qualifications	
- Master Degree of Political Science, Thammasat University	
- Bachelor Degree of Laws, Sukhothai Thammathirat Open University	
- Diploma, The National Defence Course Class (Wor Por Aor) Generation 2548, National Defence College of Thailand	
- Senior executive justice program (Bor Yor Sor) Generation 7, College of Justice	
- Diploma in Politics Democracy Certification Program (Por Por Ror) Generation 8, King Prajadhipok's Institute	
- Director Certification Program (DCP) Generation 117/2009,Thai Institute of Directors Association	
Experience in the past 5 years	
2014 - Present	Independent Director and Audit Committee / Interlink Telecom PLC
2012 - 2015	Executive Chairman / PEA ENCOM International Co.,Ltd.
2012 - 2014	Director / The Transport Co.,Ltd
2012 - 2014	Special Case Director / Department of Special Investigations
2009 - 2010	Commandant / Royal Thai Police
2008 - 2010	Director / Provincial Electricity Authority



Gen. Tawatchai Samutsakorn	Age 65 years
Position	Independent Director and Audit Committee
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	-

Education Qualifications	
- Master Degree of Public Administration, National Institute of Development Administration	
- Bachelor Degree of Science, Chulachomklao Royal Military Academy	
- Diploma, The National Defence Course Class (Wor Por Aor) Generation 2548, National Defence College of Thailand	
- Advanced Security Management Program (ASMP) Generation 1, National Defence College of Thailand	
- Social Security Course Generation 1, King Prajadhipok's Institute	
- Director Certification Program (DCP) Generation 138/2010, Thai Institute of Directors Association	
- Financial Statement for Directors (FSD) Generation 9/2010, Thai Institute of Directors Association	
Experience in the past 5 years	
2014 - Present	Independent Director and Audit Committee / Interlink Telecom PLC
2015 - 2016	Chairman of the Board of Directors / SRT Electrified Train Co., Ltd.
2012 - 2013	Director / Industrial Estate Authority of Thailand
2010 - 2011	Independent Director / Thai Oil Pcl



Mr. Nontikorn Kanchanachitra Age 61 years

Position Independent Director and Audit Committee

Shareholding in the Company (31/12/60) -
Family Relationship Among Executives -

Education Qualifications

- Honorary Doctorate Degree in Business Administration in Human Resource Management, Dhonburi Rajabhat University
- Master Degree in Public Administration, Middle Tennessee State University, USA
- Bachelor Degree in political science, Chiang Mai University
- Diploma, The National Defence Course Class (Wor Por Aor) Generation 2548, National Defence College of Thailand
- Director Certification Program (DCP) Generation 102/2008, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Generation 26/2011, Thai Institute of Directors Association
- Audit Committee Program (ACP) Generation 22/2008, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC) Generation 6/2008, Thai Institute of Directors Association
- Financial Statements for Director (FSD) Generation 1/2008, Thai Institute of Directors Association

Experience in the past 5 years

- 2015 - Present Independent Director and Audit Committee / Interlink Telecom PLC
- 2015 - Present Chairman of the Board of Directors / SISB Co., Ltd
- 2015 - Present Council of State / Office of the Council of State
- 2015 - Present Consultant / Defence Technology Institute
- 2015 - Present The university council committee / Chaopraya University
- 2012 - Present Steering committee / Faculty of Political Science and Public Administration, Chiang Mai University
- 2011 - Present Director / Industrial Estate Authority of Thailand
- 2011 - Present University Council Member / Rattana Bundit University
- 2009 - Present Audit Committee / Krung Thai Bank PLC
- 2012 - 2013 Professional / Highland Research and Development Institute
- 2010 - 2015 Secretary General / Office of the Civil Service Commission
- 2010 - 2011 Chairman of the Board of Directors / PTT Global Chemical PLC
- 2010 - 2011 Independent Director / PTT PLC
- 2009 - 2012 Professional of Human Resources Management / Defence Technology Institute
- 2009 - 2012 Professional of Sub-Board of OCSC / Department of Special Investigations
- 2008 - 2012 Professional of Sub-Board of OCSC / Office of the National Economic and Social Development Board
- 2007 - 2013 University Council Member / Khonkaen University
- 2005 - 2012 Special Lecturer, Faculty of Law / Chulalongkorn University



Mr. Vinai Paiboonkulwong Age 50 years

Position Deputy Director of Network Operation

Shareholding in the Company (31/12/60) -
Family Relationship Among Executives -

Education Qualifications

- Bachelor Degree in Electricity Industrial Technology, Phranakhon Rajabhat University

Experience in the past 5 years

- 2014 - Present Deputy Director of Network Operations / Interlink Telecom PLC
- 2013 - 2014 Network Operations Manager / Interlink Telecom PLC
- 2012 Project & Subcontractor Management Manager / MobiCra Co., Ltd.
- 2009 - 2012 Deputy Director, Central Region / TT&T PLC

Profiles of the Board of Directors and Executives



Mr. Chakkrit Jaiman	Age 44 years
Position	Deputy Director of Network Quality Management
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	-

Education Qualifications	
<ul style="list-style-type: none"> - Bachelor Degree in Engineering, Electronic, King Mongkut's Institute of Technology Ladkrabang - Bachelor of Business Administration, General Management, Sukhothai Thammathirat Open University - Master Degree, Business Administration, Ramkhamhaeng university 	
Experience in the past 5 years	
2014 - Present	Deputy Director of Network Quality Management / Interlink Telecom PLC
2013 - 2014	
2009 - 2012	Network Quality Management Manager / Interlink Telecom PLC
	Manager of Mutimedia / TT&T PLC



Mr. Mek Samakkee	Age 36 years
Position	Deputy Director of Network Planning
Shareholding in the Company (31/12/60)	-
Family Relationship Among Executives	-

Education Qualifications	
<ul style="list-style-type: none"> - Master Degree in Information Technology Management, King Mongkut's University of Technology North Bangkok - Bachelor Degree in Electronics and Computer, King Mongkut's Institute of Technology Ladkrabang 	
Experience in the past 5 years	
2014 - Present	Deputy Director for Network Planning / Interlink Telecom PLC
2013 - 2014	Network Planning Manager / Interlink Telecom PLC
2011 - 2013	Business Development Manager / Interlink Communication PLC



Mr. Charlie Chairattanatrai Age 45 years

Position General Manager, Data Center Management

Shareholding in the Company (31/12/60) -
Family Relationship Among Executives -

Education Qualifications

- Master Degree of Business Administration, Oregon State University, USA
- Bachelor Degree in Engineering, Oregon State University, USA
- Bachelor Degree of Laws, Sukhothai Thammathirat Open University

Experience in the past 5 years

2014 - Present	General Manager, Data Center Management / Interlink Telecom PLC
2013 - Present	Director / A-List Asia Co.,Ltd
2013 - 2014	Director of Operations / TCC Technology Co.,LTD
2012 - 2013	Director of Technical and Operations / Loxley Mobile Co.,Ltd
2010 - 2012	Deputy Director of Enterprise Business / TT&T PLC



Mrs. Saranya Kanchanaopas Age 41 years

Position Deputy Director of Sale

Shareholding in the Company (31/12/60) -
Family Relationship Among Executives -

Education Qualifications

- Bachelor Degree in Marketing Management, Phranakhon Rajabhat University

Experience in the past 5 years

2014 - Present	Deputy Director of Sales / Interlink Telecom PLC
2014	Account Manager / Interlink Telecom PLC
2009 - 2014	sale manager / United Information Highway Co., Ltd.

Profiles of the Board of Directors and Executives



Mr. Kritsada Kaewwatpring		Age 31 years
Position	Deputy Director of Business Development	
Shareholding in the Company (31/12/60)	-	
Family Relationship Among Executives	-	

Education Qualifications

- Master Degree in Information Technology, University of North Bangkok
- Bachelor Degree in Information Technology, University of North Bangkok

Experience in the past 5 years

Dec 2014 - Present	Deputy Director of Business Development / Interlink Telecom PLC
Feb - Dec 2014	Business Development Manager / Interlink Telecom PLC
2013 - 2014	Senior Product Development and Presale/ Interlink Telecom PLC
2010 - 2013	Senior Presale Engineer / United Information Highway Co., Ltd.

Profile of Company Secretary



Education Qualifications

- Master Degree of Business Administration, Thammasat University
- Bachelor Degree in Accounting, Thammasat University
- Director Accreditation Program (DAP) Generation 118/2015, Thai Institute of Directors
- Company Secretary Program (CSP) Generation 68/2016, Thai Institute of Directors

Experience in the past 5 years

2015 - Present	Accounting Director / Interlink Telecom PLC
2014 - Present	Director / Interlink Telecom PLC
2012 - 2015	Accounting Director / Interlink Communication PLC
2004 - 2012	Audit Manager / EY Office Limited

Ms. Darika Taengtrong

Age 35 years

Position Director, Accounting Director and Company Secretary

Shareholding in the Company (31/12/60)

-

Family Relationship Among Executives

-

Responsibility of Company Secretary

1. To prepare and store of the documents below.
 - 1.1 Registration of Directors
 - 1.2 Annual report
 - 1.3 Invitation letter of the Board of Directors Meeting and the minutes of meeting
 - 1.4 Invitation letter of the shareholders meeting and the minutes of meeting
2. To maintain report of stakeholding of directors and executives
3. To submit report on the stakeholding of directors and Executives Or related persons to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 days from the date of receiving the report.
4. To manage the Board of Directors meeting And the shareholders meeting in accordance with the relevant regulations and laws.
5. To supervise, monitor and advise on the Company's operations and the Board of Directors to comply with the Company's Memorandum of Association and Articles of Association as well as regulation of Securities and Exchange Act, Public Limited Companies Act and other laws associated.
6. To be a center for information communication between directors, executives and shareholders.
7. To coordinate and monitor the implementation of the resolutions from the meeting of the Board of Director and shareholders.
8. To monitor the disclosures of information to comply with regulation
9. To take other actions as prescribed by the Capital Market Supervisory Board or as assigned by the Board of Directors

Profile of the Head of Internal Audit

In order to provide the Company's internal control system to be effective, the Company has established an internal audit department and assigned Mrs. Hathaichanok Pangnoi to serve as the chief of internal audit. She is a suitable person to perform the duties and have a good understanding of the Company's business to monitor the Company's internal control system. in which her qualifications are described below.

Education Qualifications

- Master Degree of Business Administration, Kasetsart University
- Bachelor degree in Accounting, University of the Thai Chamber of Commerce

Experience in the past 5 years

2016 - Present	Internal Audit Manager / Interlink Telecom PLC
2014 - 2016	Internal Audit Manager / Interlink Communication PLC
2011 - 2016	Chief Inspector of ISO 9001 / Interlink Communication PLC
2011 - 2013	Internal Audit Manager / Interlink Communication PLC
2009 - 2010	Internal Audit Officer / Interlink Communication PLC
2007 - 2009	Internal Audit Officer / President Bakery PLC
2003 - 2007	Internal Audit Officer / CVD International Co.,Ltd
2003	Internal Audit Officer / Central Pattana PLC
2002	Internal Audit Officer / Federal Electric Co.,Ltd
2001	Assistant auditor / Satien and Freind Attorney and Accounting Office

Mrs. Hathaichanok Pangnoi

Age 38 years

Position Internal Audit Manager

Shareholding in the Company (31/12/60)

-

Family Relationship Among Executives

-

Training of the Federation of Accounting Professions Under the royal patronage

- Business Management for Internal Audit
- IT Audit
- Internal Audit Practice, Course 1-2
- COSO: Internal Control Framework
- Internal Audit Reporting

Training :

Training of the Internal Audit Association of Thailand

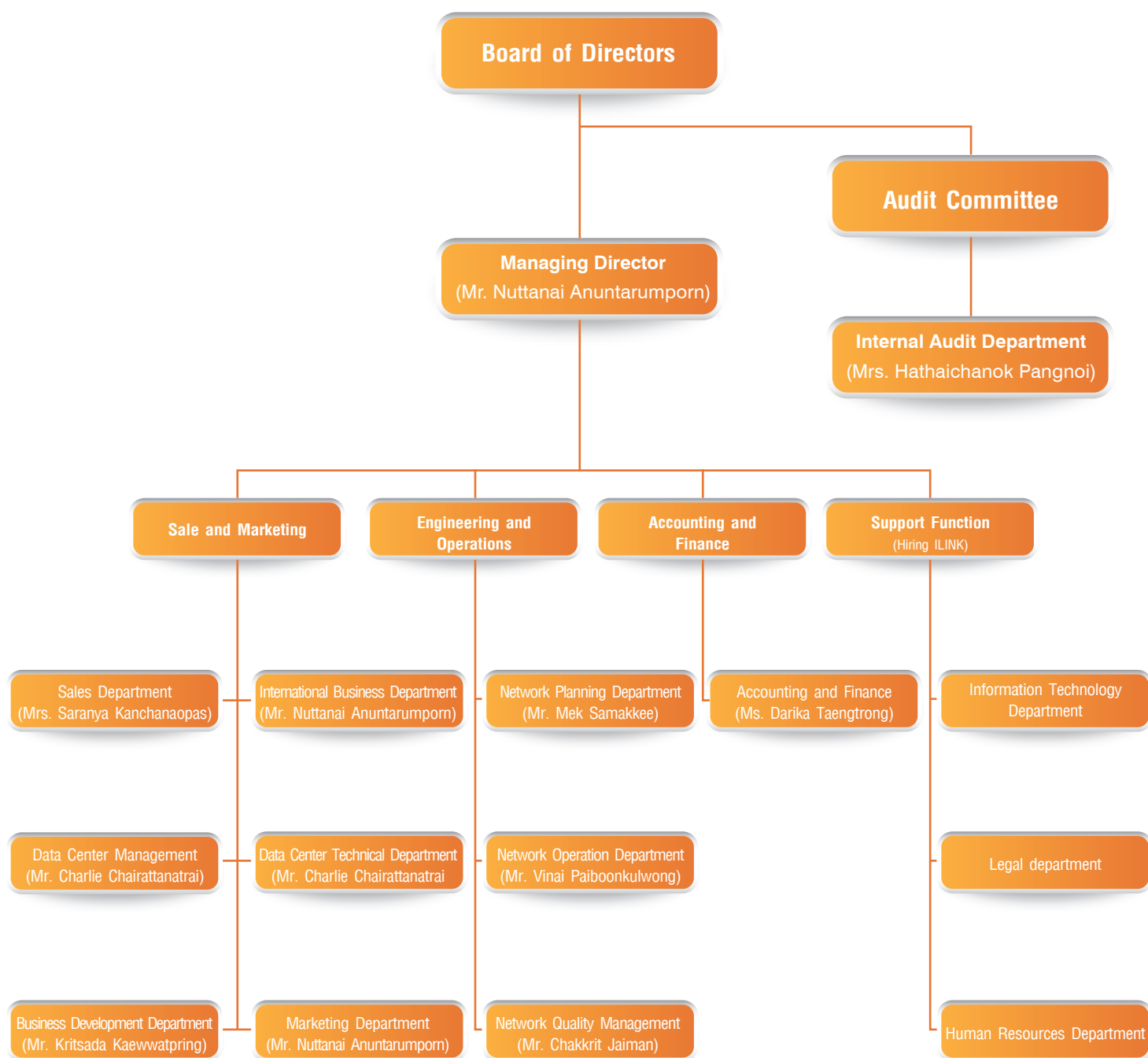
- Financial Statements Review for Internal Auditors
- Fraud Audit
- Tool & Techniques for The Audit Manager
- Creative Problem-Solving Techniques for Auditor
- Successful GRC Integrated Into Business
- Compliance Audit
- Tool & Techniques for The Beginning Auditor

Other training

- TLCA Annual Risk Management Conference
- Risk Management
- Efficiently and Effectively Integrated ERM & BCM
- Introduction & Internal Auditor ISO 9001:2008
- Introduction & Internal Auditor ISO 9001:2015
- ISO/IEC 270001 (Information Security)

The consideration and approval of the appointment or removal of the head of the internal audit must be approved. (Or have been approved) by the Audit Committee.

Management Structure



The Board of Directors and subcommittee

Management structure of Interlink Telecom Public Company Limited consists of the Board of Directors and the Audit Committee. The list of directors, including name, position and details of attendance in 2016 meeting are as follows:

Name	Position	Number of Attendances / Number of Meetings	
		The Board of Director	Audit Committee
Mr. Pakorn Malakul Na Ayudhya *	Independent Director Chairman of the Board of Directors Chairman of Audit Committee	6/6	6/6
Mr. Sombat Anuntarumporn	Director Vice Chairman Authorized Director	6/6	-
Mr. Nuttanai Anuntarumporn	Director Managing Director Authorized Director	6/6	-
Mrs. Chalida Anuntarumporn	Director Authorized Director	6/6	-
Doctor Lillada Anuntarumporn	Director	2/6	-
Pol.Lt.Gen Suchat Muankaew	Independent Director Audit Committee	6/6	6/6
Gen. Tawatchai Samutsakorn	Independent Director Audit Committee	6/6	5/6
Mr. Nontikorn Kanchanachitra	Independent Director Audit Committee	6/6	6/6
Mr. Suwichan Nilanan	Director	6/6	-
Mr. Suwat Punnachaiya	Director	6/6	-
Ms. Darika Taengtrong	Director Company Secretary	6/6	-

Note: * A director who has sufficient knowledge and experience to review the reliability of the financial statements. Details, educational background and experience appear on the profiles of the Board of Directors, page 52.

The Board of Directors has appointed Ms. Darika Taengtrong as the company secretary by the resolution of Board of Directors' meeting, held on September 17th, 2015

The Audit Committee appointed Mrs. Hathaichanok Pangnoi as Secretary to the Audit Committee.



Authorized Director

Mr. Sombat Anuntarumporn or Mrs. Chalida Anuntarumporn or Mr. Nuttanai Anuntarumporn , whoever signed and the seal of the company

Executives

The Company has 8 executives, as follows.

No	Name	Position
1	Mr. Nuttanai Anuntarumporn	Managing Director
2	Mr. Vinai Paiboonkulwong	Deputy Director of Network Operation
3	Mr. Chakkrit Jaiman	Deputy Director of Network Quality Management
4	Mr. Mek Samakkee	Deputy Director of Network Planning
5	Mr. Charlie Chairattanatrai	General Manager, Data Center Management
6	Mrs. Saranya Kanchanaopas	Deputy Director of Sale
7	Mr. Kritsada Kaewwatpring	Deputy Director of Business Development
8	Ms. Darika Taengtrong	Accounting Director

Company Secretary

At the Board of Directors meeting of Interlink Telecom Public Company Limited No. 4/2558 held on September 17, 2015, has the resolution to appoint Ms. Darika Taengtrong as the company secretary as to comply with Section 89/15 of the Securities and Exchange Act BE 2535, as amended by the Securities and Exchange Act (No. 4) BE 2551

1. To prepare and store of the documents below.
 - 1.1 Registration of Directors
 - 1.2 Annual report
 - 1.3 Invitation letter of the Board of Directors Meeting and the minutes of meeting
 - 1.4 Invitation letter of the shareholders meeting and the minutes of meetin
2. To maintain report of stakeholding of directors and executives
3. To submit report on the stakeholding of directors and Executives Or related persons to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 days from the date of receiving the report.
4. To manage the Board of Directors meeting And the shareholders meeting in accordance with the relevant regulations and laws.
5. To supervise, monitor and advise on the Company's operations and the Board of Directors to comply with the Company's Memorandum of Association and Articles of Association as well as regulation of Securities and Exchange Act, Public Limited Companies Act and other laws associated.
6. To be a center for information communication between directors, executives and shareholders.
7. To coordinate and monitor the implementation of the resolutions from the meeting of the Board of Director and shareholders.
8. To monitor the disclosures of information to comply with regulation
9. To take other actions as prescribed by the Capital Market Supervisory Board or as assigned by the Board of Directors

Directors and Management Remuneration

Director remuneration

At the Annual General Meeting of Shareholders for the year 2016 held on April 21, 2019, the remuneration of directors for the year 2016 has been approved. The Company paid the directors' remuneration as meeting allowance and annual remuneration. The details are as follows

Director's remuneration	2016
1. The Board of Directors	
Chairman and Vice Chairman	5,000 Baht per time
The Board of Directors	5,000 Baht per time
2. Audit Committee	
Chairman	5,000 Baht per time
Audit Committee	5,000 Baht per time
3. Annual Remuneration	
Chairman and Vice Chairman	50,000 Baht per annum
The Board of Directors	50,000 Baht per annum

In 2015 and 2016, the Company paid the remuneration to the Board of Directors as details are as follows.

No	Name	2015 **	2016
1	Mr. Pakorn Malakul Na Ayudhya *	115,000	115,000
2	Mr. Sombat Anuntarumporn	90,000	85,000
3	Mr. Nuttanai Anuntarumporn	90,000	85,000
4	Mrs. Chalida Anuntarumporn	90,000	85,000
5	Doctor Lillada Anuntarumporn	75,000	65,000
6	Pol.Lt.Gen Suchat Muankaew	115,000	115,000
7	Gen. Tawatchai Samutsakorn	115,000	110,000
8	Mr. Nontikorn Kanchanachitra	25,616	115,000
9	Mr. Suwichean Nilanan	90,000	85,000
10	Mr. Suwat Punnachaiya	90,000	85,000
11	Ms. Darika Taengtrong	90,000	85,000
12	Admiral Apiwat Srivawattana *	68,699	-
	Total	1,054,315	1,030,000

Remark:

* The Board of Directors Meeting of Interlink Telecom Public Company Limited No. 3/2558, held on September 9th, 2015 has the resolution to appoint Mr. Nontikorn Kanchanachitra as director and audit committee instead of Vice Admiral Apiwat Srivathana who resigned from the Board of Directors and Audit Committee on September 4th, 2015.

** The remuneration of the Board of Directors Meeting in 2015 were included meeting allowance for attending the Annual General Meeting of Shareholders for the year 2015.

Executive compensation

In 2015 and 2016, the Company paid executive compensation of Baht 12.27 million and Baht 14.04 million, respectively. Such remuneration included salaries, emoluments, bonus, provident fund contributions and other welfares.

Personnel

Number of Personnel

As at December 31st, 2015 and 2016, the Company has number of employees (excluding eight executives a total of 318 persons and 450 persons, respectively, as details below.

Department	Employees (person)	
	As at December 31th, 2015	As at December 31th, 2016
Executive Office	2	4
Accounting and Finance	8	10
Internal Audit	-	1
Network Planning	8	9
Network Operation	223	332
Network Quality Management	32	41
Sales and Marketing	23	30
Business Development	8	1
Data Center Management	14	22
Total	318	450

Labor dispute

None

Employee Compensation

In 2015 and 2016, the Company paid compensation to its employees. (Excluding management) in the amount of Baht 95.51 million and Baht 126.25 million, respectively, for salaries, emoluments, bonus, provident fund contributions and other welfares.

Human Resources Development Policy

The Company has a policy of developing personnel at all levels, from executives, department heads, supervisors, and operational staff. Regular training will be provided to increase the efficiency of the employees. The Company focuses on staff development by providing training in the following areas:

1. The development of specific aspects related to work, especially to increase the efficiency of the task assigned to accomplish effectively by sending staff to train with specialized experts and promote professional training of engineers to standardize.
2. The development of operation and management as to provide employees the concept of teamwork, time management. Communication and decision making By providing experienced trainers for employees in each level of organization

Corporate Governance

Principles of Corporate Governance

The Board of Directors recognizes the importance of Good Corporate Governance to ensure transparency in business operations, in order to enhance the competitiveness of the business, and to increase confidence to shareholders, investors and all involved parties. The Company has adopted the Code of Good Corporate Governance of the Stock Exchange of Thailand and regulations of the Securities and Exchange Commission as factors in strengthening the organization to have effective management system, create transparency in work, implementation of business ethics, preparation of various internal control systems including the focus on shareholders and keeping the interest of shareholders is important. Therefore, the Principles of Corporate Governance have been set up covering the following key principles.

- Equitable treatment of shareholders and stakeholders for all parties.
- The Boards of Directors is committed to adding value to the business in the long run, management with care and careful, responsible for the performance of duties with sufficient capacity and efficiency to maximize shareholder benefits and take care not to conflict of benefit.
- Operate with transparency, able to check and adequate disclosure to all parties involved.

By the Board of Directors meeting No. 1/2016 On February 26, 2016, the Principles Corporate Governance was established. It covers 5 categories, details are as follows:

Section 1 The rights of shareholders

The Board of Directors attaches importance to rights of the shareholders and to maintain the interests of all shareholders equally as prescribed in the Company regulations and related laws whether the shareholder is a minor, foreign investors, institutional investors or major shareholders which all shareholders have the following rights and equality:

1. The right to receive share certificates, trading rights or transfer of shares.
2. The right to adequate information, timely, appropriate for decision.
3. The right to attend the meeting and vote at the shareholders' meeting to decide on a major policy change of the company.
4. The right to appoint or remove directors and fix directors' remuneration.

5. The right to appoint an auditor and determine the amount of the audit fee.

6. The right to share the profit of the Company.

In addition to the above fundamental rights, the Company has also acted on various matters to promote and facilitate the exercise of the rights of shareholders.

- The meeting notice shall be sent to the shareholders at least 7 days in advance. The notice will identify the date, time, place as well as information related to the issues that need to be decided at the meeting in its entirety.

- In case the shareholders cannot attend the meeting. The Company allows shareholders to appoint independent directors or any person attend the meeting on their behalf by using a proxy form that the company has sent along with the notice of meeting.

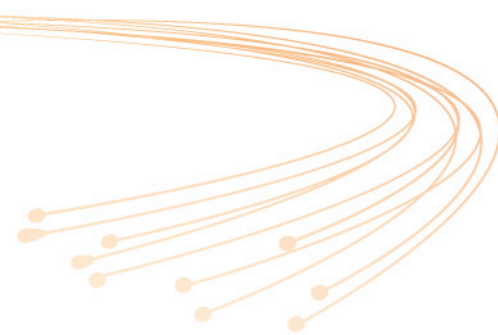
- Opportunity for shareholders to ask questions, provide comments and suggestions fully and independently.

- When the meeting was completed, the Company will prepare the minutes with accurate and complete information so that the shareholders can check.

After the company was transformed into a public company and is listed on the Stock Exchange. The Company must specify the Board of Directors' opinion in the Notice of the Shareholders' Meeting and send meeting invitation letter to shareholders in advance within the time limit set by the Securities and Exchange Commission or Stock Exchange. In addition, shareholders will receive information through the electronic media of the Stock Exchange of Thailand, the company's website and newsletters in accordance with the Public Limited Company Act. The Company has a policy to allow the Board of Directors to attend the shareholders' meeting in unison specifically, the chairpersons of various committees such as the Chairman of the audit committee, etc., will be invited to attend the meeting or to answer questions from the shareholders at the meeting.

Section 2 The Equitable Treatment of Shareholders

The Company has a policy to treat and protect the rights of all shareholders equitably and fairly for management shareholders and non-executive shareholders, Thai shareholders or foreign shareholders, major shareholders or minority shareholders. After the Initial Public Offering (IPO) and the Company is listed on the stock exchange of Thailand. The Company has a policy to increase the meeting options to shareholders who cannot attend the meeting on their own can appoint independent directors or other persons to attend the



meeting and vote on behalf of the shareholders include opportunities for minority shareholders to nominate candidates for appointment as directors in advance.

The proceedings will be in accordance with the Company's articles of association respectively. The details of each agenda will be presented in full with the information for consideration clearly. Also, it will not add unnecessary agenda items to the shareholders in advance especially important agenda is that the shareholders take time to study the information before making a decision.

The Board of Directors has set up Insider Trading policies of related persons, including directors, employees as well as spouses and minor children of such person related to the information. There are penalties for disclosure of company information or use the Company's information for personal gain, in accordance with the Company's internal information protection policy. The Company educates directors and management of the Company about the obligation to report securities holdings in their own company, spouse and minor children including reporting changes in holding securities to the Securities and Exchange Commission under Section 59 and penalties under the Securities and Exchange Act B.E. 2535

Section 3 The Role of Stakeholders

The Company has a policy to attach importance to the rights of all stakeholders. It promotes cooperation between companies and stakeholders as well as key stakeholders from shareholders, employees, customers, trading partners, creditors, competitors, communities in which the company is located, as well as the general public and related organizations as follows:

Shareholder: The Company is committed to operating the business for the utmost benefit to the Company and its shareholders, taking into account the good performance, stable growth and competitiveness. This will create long-term value for our shareholders which are an important mission of the Company including transparent and reliable disclosure of information to our shareholders.

- The Board of Directors has entrusted the Investor Relations Department to equally care for shareholders and investors. Everything based on basic rights, the rights set forth in the law, and company regulations such as the right to check the number of shares, right to receive share certificates, right to attend the shareholders' meeting and vote, right to freely express opinions at the shareholders' meeting. Moreover there is the right to fair returns. It also gives shareholders the right

to suggest ideas about the business of the Company as a company owner. All the comments will be screened for submission to the Board of Directors. The Company has the policy to pay a dividend of not less than 40% of the net profit of the separate financial statements after deducting income tax and deducting legal reserve.

Employees: The Company considers employees to be a valuable asset to the Company and a key factor in business success. There is a policy of fair compensation and benefits to employees that cover all basic needs as required by law, including health insurance, vacation belong to employment and provident fund contributions, annual health. It also pays attention to keeping the workplace environment in good condition so that employees are happy to work. In addition, there is the promotion and opportunity for employees to increase their knowledge regularly. The focus is on the development of employees to have a continuous capacity in the development of skills and knowledge in the job as well as having a good attitude. Moreover, the company has put a lot of emphasis on cultivating a sense of well-being in working and living in order to be a good employee with good knowledge and ability to work and be a good citizen in society.

Customers: The Company is committed to customer satisfaction and confidence to receive good quality service with higher standards continuously at the right price level. The Company will provide customer service information without distorting the facts. It will also maintain good image relationships with customers by not disclosing customer information without permission. In addition, the Company has organized training courses for all customer groups such as state enterprises, government officials, customers and students to provide knowledge about the telecommunications network system.

Partners: The Company treats equitable and equal trading partners based on mutual benefit, exchange of factual and accurate information. The Company ready to focus on partners because it is a key factor in creating value for partners. The Company is focused on building relationships with partners fairly for mutual business benefits without prejudice to the reputation of the company or against any law.

Creditors: The Company complies with the terms and conditions set forth in the contract strictly.

Competitors: The Company recognizes the advantage from competitive that it will have for business operations and quality improvement, continuous service for the benefit of customers. It has a policy to support and promote free trade

compliance with a competitive framework that honestly conducts business with fairness under the framework of the law and ethics. The Company have no policy in trade competition using any method which obtain the information of the competitors illegally and unethical.

Community and Society: The Company is committed to the continued pursuit of social responsibility by realizing its responsibilities to the society as a whole, as well as providing programs to support and promote socially beneficial activities.

Section 4 Disclosure and Transparency

The Board of Directors recognizes the importance of accurate, complete and transparent disclosure of information both financial and general information in accordance with the rules of the Securities and Exchange Commission and Stock include important information that affects the stock price of the Company. This affects the decision-making process of investors and stakeholders of the Company to get all those involved with the Company equally informed. The Company disseminates the company's information to shareholders and the public through the media include information dissemination channels of the stock exchange. and company website. The Board of Directors is aware of the responsibility for accurate, complete and accurate financial statements. The Company's financial statements are prepared in accordance with generally accepted accounting principles by adopting appropriate accounting policies and practices consistently including carefully discretion. In addition, adequate disclosure is made in the notes to the financial statements. Moreover, the Board of Directors has maintained an effective internal control system to reasonably ensure that accounting records are accurate, complete, and adequate to maintain the assets. These methods could know weaknesses to prevent significant fraud or malfunction including the appointment of the audit committee. This includes non-executive directors to review financial statements, inter-transactions and internal control systems. The Audit Committee will report directly to the Board of Directors.

In terms of investor relations, the Company has not yet set up a dedicated unit because of its limited activities but assigned the Company secretary department. It functions to contact and provide information to shareholders, analysts, and related organizations. The information must be accurate, complete, true and through.

Section 5 Responsibilities of the Board of Directors

1. Board structure

The Board of Directors consists of qualified, knowledgeable, competent and experienced executives from various organizations. They can bring experience, knowledge, ability to develop and set policies including direction of business operations of the Company effectively. They could bring the most benefit to the Company and shareholders. The Board of Directors plays a key role in shaping corporate policies and outlook. They also play an important role in supervising and monitoring the performance of the management and evaluating the performance of the Company in accordance with the plan.

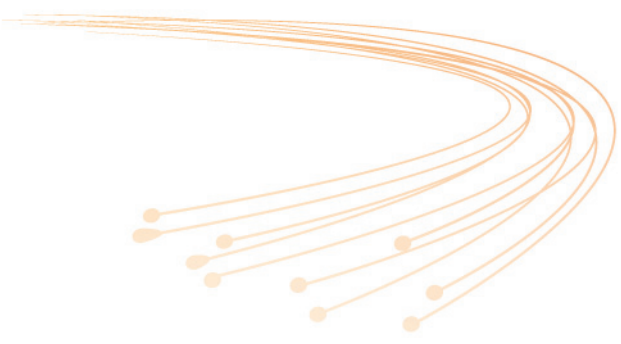
The structure of the Board of Directors consists of more than one-third of the total number of directors. Currently, the Company has a total of 11 directors and 4 independent directors. In addition, the Board of Directors appoints 1 sub-committee that is the audit committee in order to manage and control company's business. The audit committee consists of 4 members to perform specific duties and to submit the matter to the Board of Directors for consideration and acknowledgment. The audit committee has the duties and powers as determined by the audit committee. At least, one member of the audit committee must have sufficient accounting knowledge and experience to be able to review the reliability of the Company's financial statements.

The Board of Directors has a policy that the Chairman and Managing Director must not be the same person in order to clarify the responsibilities between the policy setting, supervision and routine management. Then the Company clearly separates the roles and responsibilities of the Board of Directors and management. The Board of Directors is responsible for policy formulation and oversight of executive management while executives manage the company in various areas to comply with the policy and to protect the integrity of the Company. The Company has clearly defined the scope of authority in the authority table.

The Board of Directors has appointed the Company Secretary to have duties and responsibilities under the Securities and Exchange Act.

2. Roles and Responsibilities of the Board

The Company requires directors to follow Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The Board must understand and know its roles and responsibilities. The Board must comply with the law, objectives and regulations of the company including



resolutions of the shareholders' meeting in honesty. It also takes into account the benefits of the Company and the shareholders. Then the Board identifies policy, business goals, business plans and budgets of the Company. The Board must supervise the management to ensure that they are in line with the policies, plans and budgets set forth efficiently and effectively for the maximum benefit of the company and its shareholders as a whole.

Policy on conflict of interest

The Company has set up preventive measures to prevent conflicts of interest arising from the inter-company transactions and people who may have conflicts; stakeholder will not be able to take part in approving the transaction. The Board of Directors shall ensure that the Company complies with the law governing securities and stock exchange and the regulations, notifications, orders or requirements of the relevant Capital Market Supervisory Board and the Stock Exchange of Thailand. The practice must compliance with the disclosure requirements of connected transactions. The acquiring or disposing of important assets of the Company as well as adhering to the accounting standards prescribed by the Association of Chartered Accountants.

In addition, the Company will provide the audit committee, auditor or independent experts as the case may be, to review and comment on the suitability of the price, and the reasonableness of the transaction. The related transactions will be disclosed in the Notes to financial statements that have been audited or reviewed by the Company's auditors, Annual Report (Form 56-1) and Annual Report (Form 56-2)

Internal control system

The Company recognizes the importance of internal control at both administrative level and operational levels. It has set the authority obligations for approval, the operator's actions, and the executive written clearly. The Company control over the use of the Company's assets to benefit. There is a separation of duties. Followers control and evaluate each other to ensure proper balance and inter-check. The internal control system is assessed by the internal audit section. This is done to ensure that the Company's core operations and key financial activities comply with established guidelines effectively. The methods include compliance audits and the requirements related to the Company. An audit committee is also set up to give opinions on the adequacy and appropriateness of the Company's internal control system. The Company's internal control system covers internal control issues ranging from operational level to

the executive level. These methods ensure that the Company has proper management in accordance with good corporate governance principles in order to prevent damage from the Company's use of the property misleading or without power.

For the Internal Audit Practice, the Company has an internal audit section that reports the results directly to the audit committee to ensure that internal audits are independent. They can be fully audited and counterbalanced in their operations to ensure that the Company's core operations and key financial activities are carried out belong to the established guidelines effectively include compliance audits with relevant laws.

The performance of the internal audit function will start from plan for the annual audit. It will be approved by the audit committee first and then carried out in accordance with the plan, keep important documents as evidence in accordance with the established internal auditing standards. The audit report the results of internal audit and recommendations to the relevant management then report to the audit committee for acknowledgment and follow up on the improvement. Internal audits will regularly assess the company's internal control system throughout the year and will review each system in accordance with the annual audit plan.

3. Board Meetings

The Board of Directors operates through Board meetings identify at least 4 meetings a year (3 months each) are required. They must specify meeting date beforehand throughout the year and may be extra sessions as needed.

The Chairman of the Board is the executive of the Board of Directors to schedule an agenda with the Managing Director, ensure that the directors receive the meeting documents in advance in sufficient time. About the study and consideration for giving opinions and voting ensure that the meeting documents contain clear information, analysis, recommendations, adequate and appropriate.

At the meeting, the chairman is responsible for allocating time for presenting information, discussing questions, summary of agenda item for consideration of director. The chairman will open up opportunities and encourage each director to comment, discuss comment, and present the conclusions of the meeting.

In the meeting, significant stakeholder directors on the considered subject must leave the meeting during the consideration.

In consideration of one thing, the Director has the right to request or inspect the relevant documents. The director could ask the administrative sector to clarify more details

include consultants or external experts to comment. The company is responsible for the costs.

For the resolution use majority vote as, if any of the directors oppose any resolution must record the objection in the minutes.

The Board of Directors has appointed the company secretary to support the preparation of the agenda, make meeting invitations, supervise and organize meetings documents. The company secretary advise about the Board's conduct in accordance with the laws, regulations and related conduct. The minutes of the meeting shall be prepared and proposed to the Chairman of the Board of Directors for approval.

4. Remuneration for directors and executives

The Company sets clear and transparent remuneration policy. The remuneration is appropriate for the duties and responsibilities assigned by each director. It is also sufficient to motivate and retain qualified directors and executives.

The remuneration for executive is in line with the principles and policies set by the Board of Directors. It is linked to the performance of the Company and the performance of each executive. Since the Company does not have a Nomination and Remuneration Committee, the Board of Directors will evaluate the performance of the Managing Director on an annual basis. The Board applies the evaluation criteria associated with the strategic plan and annual plan as set out to determine the appropriate remuneration and incentives. The Managing Director evaluates the performance and remuneration of senior executives, respectively. They also consider the principle of fairness; can refer to similarly sized companies in the same industry. The remuneration can keep executives with the qualities that they want, as well as motivate them to perform their jobs with the best quality and standards, proper with assigned duties and responsibilities.

5. Development of Directors and Executives

All Board of Directors are knowledgeable about the duties of directors, the nature of the company's business, as evidenced by each meeting. The board members who attend the meeting are fully committed to their duties both inquiries are not clear and observation feedback suggestions. The Company also encouraged all directors to attend training courses as recommended by the Securities and Exchange Commission organized by the Thai Institute of Directors (IOD) such as the Directors Accreditation Program (DAP), the Directors Certification Program (DCP), the Audit Committee Program (ACP), etc.). Most of committee has already passed

the training course. There is also the promotion of training to educate directors, audit committee, executive secretary, company secretary and other related persons. The Company secretary will be responsible for informing the interesting training program to all directors.

In addition, if a new director is appointed the director will be briefed on the characteristic and business conduct of the Company from the chairman for further information.

Moreover, The Company also encourages the company secretary and the secretary of the audit committee to attend various training courses. There are listening / discussion on relevant issues / situation and is beneficial to the operation. The courses organized by the Securities and Exchange Commission, Thai Listed Companies Association, and other related agencies as always.



Subcommittee

The management structure of the Company consists of the Board of Directors and one sub-committee, namely the audit committee by company committee, audit committee and executive of the Company. They have full qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 and the relevant notifications of the Capital Market Supervisory Board of the company are as follows:

Scope and authority of the Board of Directors

1. To consider and approve any matters relating to the Company's operations such as strategy (vision and / or strategy), business plans, financial targets, risks, plans and / or budgets, etc.

2. To monitor and supervise the administrative sector operate belong to implement policy and specific plan effectively and effectiveness.

3. To define internal controls and risk management include a mechanism for receiving complaints and actions in case which pointing clues.

4. To care for the business continuous and sustainable including supports employee development plans and continuity of directors.

5. To set up policies for control company's business in writing and agreed to such policy. It is specified to review policy and policy compliance at least once a year.

6. To support making business ethics in writing in order to ensure that all directors, executives, and employees understand the ethical standards that the Company uses to conduct its business and to strictly follow its code of ethics.

7. To consider carefully about conflict of interests and transactions that may have conflicts of interests. They should have clear and practical guidelines for the benefits of the Company and the shareholders as a whole are important. Stakeholders should not be involved in decision making. It is also responsible for ensuring compliance with the terms and conditions of the transaction and the disclosure of transactions that may cause conflict of benefits to be accurate and complete.

8. To provide operational control systems in financial reporting, compliance belong to regulation and policy. There are independent person or staff may be appointed to perform duties. It is responsible for monitoring such control systems and review critical systems at least once a year including disclose it in the annual report.

9. To specify risk management policy covers the entire organization. The administrative shall comply with the policy and report to the Board on a regular basis. The risk

management system should be reviewed and evaluated at least once a year. It disclosed in the annual report including in every period of time that it is found that the level of risk has changed. This includes paying attention to early warning signs and unusual items.

10. To determine the committee or the audit committee comment on the adequacy of internal control and risk management in the annual report.

11. The authority and function of the Company's regulation which specify as authority of the Board of Directors and the authority and function under Public Limited Companies Act including other laws defined as the authority of the Board of Directors or the Public Limited Companies Board of Directors.

12. The Board may authorize one or more directors or other persons to act on behalf of the Board of Directors under the control of the Board. They may delegate authority to such person as authorized by the Board. The Board of Directors deems it appropriate and within the time that the Board deems appropriate. The Board may cancel, revoke, change, or amend such power of attorney as it deems appropriate.

In order that, to assign the authority must not make that person could consider and approve by self or who may have conflict of benefits, have gain and loss or may have conflicts of benefits in any other ways with the Company or its subsidiaries (If any). They defined in the Notification of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or any other announcement of the relevant authorities except for approving items that are in line with the policies and criteria which the Board has considered and approved.

Scope, authority and function of the audit committee

1. To review the Company's financial reporting as required by the accounting standards prescribed by law and have adequate disclosure.

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and effective. There is considering about the independence of the internal audit department including approves the appointment, relocation, termination, and performance review from goodness of Internal Audit Supervisor.

3. To review the Company's compliance with the law on properties and Securities Exchange, regulations of Securities Exchange and the laws relating to the business of the Company.

4. To consider, select and nominate an independent person to be the Company's auditor and propose the

remuneration of that person including attend the meetings with the auditor without management department attend to the meeting at least once a year.

5. To consider connected transactions or lists that may lead to conflict of interests to be in compliance with the laws and regulations of the Securities Exchange of Thailand. In order that, to ensure the transactions or lists are reasonable and give the highest beneficial to the company.

6. To review and approve the charter of the internal audit department, annual internal audit plan, the performance of the internal audit department, and coordinate with the auditor including review the Company. These methods make the development in Good Corporate Governance continually including the necessary guidelines and recommendations for development.

7. To prepare the report of the Audit Committee and disclosed in the Company's Annual Report. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information:

- (a) Opinions on the accuracy, completeness and reliability in financial report of the Company.
- (b) Opinions on the adequacy of the Company's internal control system.
- (c) Opinions on the compliance with the law on Securities and Exchange, terms of the Securities Exchange of Thailand or laws relating to the business of the Company.
- (d) Opinions on the suitability of auditors.
- (e) Opinions on transactions that may lead to conflicts of benefit.
- (f) Number of Audit Committee Meetings and the attendance of each member of the audit committee.
- (g) Comments or observations which the audit committee's overall performance was based on chartered duties.
- (h) Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.

8. Report of the Board of Directors, if there is any doubt that is a conflict of benefit, corruption, or violation the Securities and Exchange Act, the regulations of Securities and Exchange or laws relating to the business of the Company. This could have a significant impact on the Company's financial position and performance. If the board or the executive does not make any modifications within the time the Board deems appropriate. The Audit Committee may report to the Office of the Securities and Exchange Commission or the Stock

Exchange of Thailand.

9. When the audit committee receives factual information from the auditor regarding the suspected circumstance that the Managing Director or the person responsible for the Company's business has committed an offense as stipulated in the Securities and Exchange Act such as fraud, misappropriation, embezzle, cheat, etc. The Audit Committee shall conduct such examination and report the results of the preliminary examination to the Securities and Exchange Commission of Thailand and auditors know within 30 days of the date of the notice from the auditor.

10. Report the performance of the audit committee to the Board of Directors at least once a quarter.

11. In the performance of the Audit Committee's duties, if there are any doubts about lists or actions of the below following which could have a significant impact on the Company's financial position and operation. The Board of Directors or the executives must make adjustments within the period of time as the Audit Committee deems appropriate.

- (a) Lists about conflicts of benefit.
- (b) Fraud, abnormalities or have significant deficiencies of the internal control system.
- (c) Violation of the Securities and Exchange Act, terms of the Securities Exchange of Thailand or laws relating to the business of the company.

If the board of directors or the directors fail to rectify within the specified period. A member of the Audit Committee may report that such report or action is made in the presence of the Securities and Exchange Commission including the Stock Exchange of Thailand.

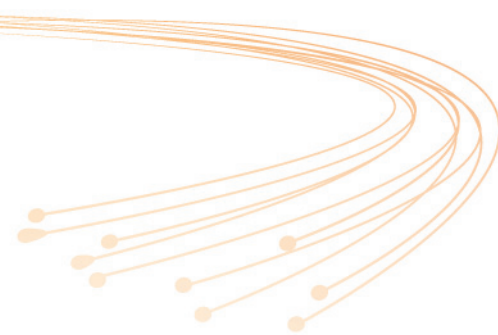
12. In the performance belong to the scope of authority and function, let the Audit Committee have the power to invite management department, executives or employees of related companies to give comments, attend the meeting, or submit documents deemed necessary.

13. Review the scope and evaluate the performance of the Audit Committee on a yearly basis.

14. Any actions are assigned by the Board of Directors with the approval from the Audit Committee by virtue of the Company's regulations and the law.

Scope of authority and function of the Managing Director

1. To consider and present key business plans and operational plans such as strategies (vision and / or strategy), financial targets, risks, plans and / or budgets, for approval by the Board of Directors.



2. To operate in accordance with the policies and business plans prescribed and approved by the Board of Directors efficiently and effectively.

3. To specify personnel management structure including they have the power to hire, dismiss, relocate, expel, specify wage rates, reward, adjusting salaries, compensation, bonuses, and providing benefits to all executives and employees.

4. To acts and represent the Company to related outsiders and beneficial to the business.

5. There is the authority to approve the normal operating expenses of the Company in accordance with the amount of money in the authorization table.

6. There is the authority to approve the transaction costs of the Company in accordance with the amount of money received in the authorization table.

7. Promote and support the implementation of Corporate Governance.

8. There is authority to operate, offer a price, and decided to bid on the project in normal business of the Company.

9. There is authority to assign or empower to others people could operate instead on a case by case basis under the rules and regulations of the Company.

10. To performs other duties as assigned by the Executive Boards or Board of Directors.

In order that, for which operations that the Managing Director, the attorney from the Managing Director or who may have conflicts (As defined by the Notification of the Capital Market Supervisory Board and / or the Securities Exchange of Thailand and / or relevant authorities). Those people are stakeholders or have conflicts of benefit with the Company and / or its subsidiaries and / or related companies. The Managing Director has no authority to approve such transaction. That matter must be proposed to the Board of Directors 'Meeting and / or the Shareholders' Meeting (As the case may be) for further approval. There is exception for the approval of transactions that are in line with normal business and normal business conditions in accordance with the Notification of the Capital Market Supervisory Board and / or the Stock Exchange of Thailand and / or relevant authorities.

Nomination and Appointment of Directors and Top Executives

The selection of persons to be appointed as directors of the Company will be made through the shareholders' meeting. The Board of Directors will select from the experience, knowledge, competency and qualifications required by law. Since the Company does not yet have a Nomination Committee, it will

select the person to hold the position. Then, the shareholders' meeting will select the directors according to the rules and procedures prescribed in the Company's specified regulations. Because the Company does not have a Nomination and Remuneration Committee, then the Board of Directors is responsible for recruiting and appoints a qualified director by the rules as:

1. Consideration in general qualification, expertise and experience in accordance with the specified regulations by the Board of Directors.

2. The Managing Director is not the same person as the Chairman of the Board.

3. The role and authority of the Managing Director is determined separately from the chairman of the board of directors clearly in order to create a balance between administration and corporate governance.

4. The Board of Directors sets the framework, authority and function, including goals of the Managing Director and to evaluate the work every year.

5. The Managing Director is responsible for assessing the performance of senior executives, respectively by using the goals and criteria for assessment linked to the annual strategic plan and plan in order to determine appropriate compensation and incentives.

Composition and Appointment of the Board of Directors

The composition and nomination, appointment, dismissal, or retirement of the Company's directors is set out in the Company's specified regulations which can be summarized as follows:

1. Board of Directors must be a qualified person. It consists of the Chairman, Vice Chairman and other directors which the number of directors is appropriate for the size of the Company for efficient operation. In total, there are not less than 5 people and not more than 11 persons, an independent director at least one-third of the total number of directors. There are at least 3 directors who are non-executive directors to perform duties and balance between non-executive directors and executive directors. In order that, the directors not less than half of all directors must be resident in the Kingdom of Thailand.

2. The meeting of shareholders to elect directors as the following rules and methods.

(1) One shareholder has votes equal to the number of shares he holds.

(2) Each shareholder will use the existing votes to elect one person or several directors. In the case of the

election of several persons, the number of votes for each director cannot be divided.

(3) The persons receiving the highest number of votes in descending order shall be elected as directors, equal to the number of directors required or elected at such time. In cases where the persons elected in descending order have the same number of votes in excess of the number of directors to be elected, the chairman shall have the casting vote.

3. At the Annual General Meeting of Shareholders let directors vacate office in one-third of the number of directors at that time. If the number of directors cannot be divided into three parts. It is issued by the nearest number to one-third. Directors who will be retired in the first and second years after the registration of the Company to draw lottery for the next year. The director who is in the longest position is the person who left the position. The directors who will be retired may be re-elected.

4. Any director who resigns shall submit a resignation letter to the Company. The resignation is effective from the date that the letter leaves the Company.

5. In case the position of the board is vacant for reasons except the expiration of the term. The board may select a qualified person and without prohibitions under the law governing public limited companies and / or the Securities and Exchange Act as a replacement for the next meeting. Unless the director's term of office is less than 2 months, the person who becomes the new director will remain in the position of the director only for the remaining term of the replaced director. The resolution of the Board of Directors must consist of not less than three-fourths of the remaining directors.

6. The shareholders' meeting may elect a director to retire before the expiration of his term by not less than three-fourths of the total number of shareholders attending the meeting and having the right to vote. They have a share not less than half of the total number of shares held by the shareholders who attend the meeting and have the right to vote.

Composition and Appointment of Independent Directors

The Board of Directors will jointly consider the qualification of the persons to be appointed as independent directors. The consideration based on the qualifications and prohibitions of directors under the Public Limited Companies Act, Securities and Exchange Act, The Capital Market Supervisory Board's notifications including the relevant regulatory announcements and / or regulations. In addition, the Board of Directors will consider the appointment of independent directors from the qualified combine with other

experiences. Then it will be proposed to the shareholders' meeting for further appointment as the Company's directors. The Company has a policy to appoint at least one-third of the total number of directors and must be not less than 3 persons.

Qualifications of Independent Directors

1. The independent directors hold no more than 1% of the total number of voting shares of the Company, its parent company, subsidiary, associate or juristic person that may have a conflict of interest including shares of related persons.

2. The Independent directors are not being or ever being a director who is involved in the directors of management, employees, staff, consultants who receive a regular salary. The independent directors must not be authoritarian who controlling company, parent company, subsidiary company, affiliated company, subsidiary with same level or juristic person who may be lead to conflicts except for such termination, not less than two years prior to appointment.

3. The independent directors are not have or have had business relationship with the Company, parent company, subsidiary company, affiliated company, subsidiary with same level or juristic person who may be lead to conflicts in a way that may obstruct the use of independent judgment. The independent directors must not being or ever being a major shareholder, Non-Independent Director or executives of persons having business relationship with the parent company, subsidiary company, associated company, subsidiary with same level or juristic person who may be lead to conflicts except for such feature, not less than 2 years prior to appointment.

4. The independent directors are not being or ever being the auditor of the Company, parent company, subsidiary company, affiliated company, subsidiary with same level or juristic person who may be lead to conflicts. The independent directors are not a major shareholder, a director who is not an independent director, manager or managing partner of the audit firm. The auditors of the Company, its parent company, subsidiary company, associated company or juristic person who may have conflict of benefit except for such feature, not less than 2 years prior to appointment.

5. The independent directors are not being or ever being a professional service provider. This includes serving as a legal advisor or financial advisor. The service fee is more than two million baht per year from the Company, its parent company, subsidiary company, associate company or juristic person which may have conflict of interest, a director who is not an independent director, manager or managing partner of a professional service provider unless it has been at least 2



years before the appointment.

6. The independent directors must have no parent, spouse, sibling and child relationship, including the spouse of the child, director, executive, major shareholder, controlling authority or persons to be nominated as directors Executives or controlling persons of the Company or its subsidiaries.

7. The independent directors are not being a director appointed as a representative of a company director, major shareholders or shareholders who are related to the major shareholders of the company.

8. The independent directors have no other characteristics that make it impossible to give an independent opinion about the company's operations.

9. In case of assignment from the Board of Directors to make decision on the operations of the parent company, subsidiary company, affiliated company, or a potentially conflicting entity. A collective decision can be made and the independent director must not be a member of the audit committee.

10. The independent directors can hold a non-executive director position or an independent member of the group. The independent directors must disclose information about the Group's independent directors and the total compensation received from the Group in Form 56-1 and Annual Report.

Composition and appointment of the audit committee

The Board of Directors appoints an Audit Committee consisting of at least 3 Audit Committee members. The appointment was appointed by an independent director of the Company with qualifications required by the Securities and Exchange Act including regulatory announcements and/or specified regulations of the Stock and Exchange of Thailand. In addition, the independent directors who are the members of the Audit Committee must have the following additional qualifications:

1. The audit committee are not a director assigned by the Board of Directors to make decisions on the operations of the Company, its parent company, subsidiaries, affiliated companies, subsidiaries with the same level, or a potentially conflicting entity.

2. The audit committee are not being a director of the parent company, subsidiary, or subsidiary with the same level only the registered company.

3. The audit committee have sufficient knowledge and experience to be able to serve as a member of the Audit Committee at least one member of the Audit Committee is required to have sufficient knowledge and experience to

review the reliability of the financial statements. In order that, each member of the Audit Committee shall hold office for a term of three years.

Supervision of operation of subsidiary and associated company

The Company will invest in companies that have the same business objectives as its core businesses, similar businesses or business supporting the Company. Those methods make the Company earn more profits, increase profits or invest in a synergy business to support the Company's core business to be more complete, to enhance the competitiveness of the Company.

To oversee subsidiaries and associates, the Company will send qualified directors and executives who are qualified to conduct business as agents in the management of the subsidiaries and associates in order to set important policies and control the business operation of such subsidiaries and / or associates. In order that, the directors who representing the Company shall be responsible for overseeing the subsidiaries and / or affiliated companies. They perform various tasks in accordance with the policy set by the Company include in the discretion of the resolution of the board meeting and / or the shareholders' meeting approved the important matters of the subsidiary and / or associates to maximize the benefits of the company and its sustainable growth.

Use of internal information

To ensure transparency and protection of personal interests from the use of internal information of companies that have not yet been publicly disclosed, and to avoid any inconsistencies in the appropriateness of the trading of securities of persons within the Company.

1. The Board of Directors and employees of the Company must keep confidential and / or internal information of the Company, not to disclose or exploit for themselves or to benefit for others, either directly or indirectly. The Board of Directors and employees shall not engage in the trading transfer or receive transfer of the Company's securities by using confidential and / or internal information of the Company and / or entering into any transaction using confidential and / or internal information of the Company which damage to the Company, either directly or indirectly.

2. The Board of Directors and employees in the Company receiving internal information of the Company must not use such information before disclosing to the public and must avoid or refrain from trading, transferring or receiving securities of the Company within one month prior to the statement of financial position before quarterly financial statements and annual financial statements are disclosed to the public.

3. Directors and executives must report any change in their holding of securities to the Office of the Securities and Exchange Commission under Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days.

4. After the date of trading transfer or receive transfer, a copy of such report must be sent to the Company for storage as evidence.

Remuneration of auditors

In the fiscal year 2015 and 2016, the Company paid the audit fee to the Company's auditor, PricewaterhouseCoopers ABAS Limited, as follows:

Description	2015	2016
Audit Fee	1,455,000 *	955,000
Non-Audit Fee	-	1,500,000 **
Total	1,455,000	2,455,000

Remark:

* The Annual General Meeting of Shareholders for the year 2015 approved the fee of the auditor of Baht 855,000. The additional auditor fee of Baht 600,000 was the auditing fee for the six-month period ended June 30, 2015 for preparation for listing to the stock exchange of Thailand.

** It is the service fee paid for the preparation for listing to the stock exchange of Thailand.



Corporate Social Responsibility

The Company is aware of the importance about conducting business under the Corporate Social Responsibility (CSR). Then the Company specify Corporate Social Responsibility policy guide for business development coupled with the highest sustainable social development as follows.

Part 1 Management under the good corporate governance principle supports and promotes compliance with good corporate governance principles in accordance with the guidelines prescribed by the Stock Exchange of Thailand.

Part 2 Operate fair business conduct, ethics, transparency, can check along with the law, and respect the rules of society and a politically neutral organization.

Part 3 Human resource development to create corporate culture of “good people and excellent people” which is an important driving force behind the concept of corporate social responsibility through the CSR process, the emphasis is placed on all levels of performance.

Part 4 Commitment to develop relationships with stakeholders through business in good faith, able to check, focus on the growth of the Company alongside the equal care of all stakeholders.

Part 5 Participation in community and social development under the belief that, the Company will not grow without the support from the community and society. The emphasis of the Company is on the development of education, culture, society and contribute to improving the quality of life of the community including promote and support employees volunteer through various activities of the Company.

Part 6 Innovation in product, operational and systematic decisions start with prevent, maintain, improve and development to keep new innovation as always.

In order to balance the business profits and return to society by corporate social responsibility, the Company has concrete practice as the followings.

1. Operate business with fairness

The Board of Directors recognizes the value of good corporate governance by focusing on the business process at every step, adherence to the management principles of transparency to enhance competitiveness. The Company increases the confidence of all stakeholders by adhering to the principles of good corporate governance in accordance with the guidelines prescribed by the Stock Exchange of Thailand.

2. Anti-corruption

The Company is committed to operating its business in accordance with good governance and good corporate governance with emphasis on anti-corruption including adherence to ethics, morals, ethics, and good governance. The Company has management with transparency. The Company has set the guidelines for proper conduct of its directors, executives and employees in the Business Ethics and Code of Conduct. This is a part of corporate governance of the Company to ensure that the Company has a policy to set guidelines, requirements and channels for complaints to prevent corruption. This method includes making decisions and conducting business operations that may be at risk by corruption, carefully considered and implemented, with a written “anti-corruption policy” literally up to be a clear guideline to conduct business as follows.

Objectives

- 1) To support the Company, directors, advisors, sub-directors, executives, and employees to not involve with corruption.
- 2) To promote the role and participation of employees and stakeholders in protection and against corruption.
- 3) To provide information and guidelines for directors, advisors, sub-directors, executives and employees of the Company including stakeholders, in case of encounters or related to corruption.
- 4) To build confidence among stakeholders that the Company has a policy against corruption and truly support corporate governance.



Scope

This Anti-Corruption Policy applicable to directors, advisors, subcommittees, executives, and employees in all divisions of the Company and its affiliates as a guideline for the operation. The Company also encourages the person or organization acting on behalf of the Company to comply with such policy.

Definition

Corruption means the pursuit of unlawful gain, use of position or information derived from performing duties for any purpose. It is beneficial to oneself, people or others to acquire property, other wrongful benefits to self both directly and indirectly include any action which contradictory to the principles of morality, ethics, and corporate governance of the company except they are in the case which the law, ordinance, proclamation, regulations, local traditions or trade traditions allow to do.

Anti-Corruption Policy

- 1) The Company will adhere to the principles of virtue, morality, ethics, ethic and good governance in actions.
- 2) The Company will not engage in corruption both directly and indirectly.
- 3) The Company will not accept or give any bribes whether in the form of cash or other property to hope for a business return that is against the principles of virtue, morality, ethics, ethic and good governance.
- 4) Receiving or giving a gift, the reception is not a corruption, if the reception or delivery is based on traditional festivals or to maintain and develop interpersonal relationships and not against the principles of virtue, morality, ethic and good governance.

3. Respect for human rights

The Company is committed to respecting human rights as a basis for human resource development with written policies and procedures which is fair to all personnel. The Company has operating in accordance with the requirements of international standards through the HR management mechanism.

4. Treatment for labor fairly

The Company provides reasonable care, protection and welfare to all personnel including protection of work status of all personnel and gives equal opportunities for work without discrimination.

5. Consumer Responsibility

The Company is committed to customer satisfaction and confidence to obtain good quality products and services in accordance with ISO 9001: 2008 quality standards at reasonable price level. The Company provides information without distorting the facts and do not disclose customer or consumer information without permission.

6. Environment treatment

The Company pays attention to environmental protection because of the Company's assets has been installed throughout Thailand. Therefore, the Company has focused on environmental care around the installed and constructed assets such as cooperate with the government to organize communication cables on request and regularly clean the area of the Company's fiber optic network and assets, etc.

7. Community or society development

The Company rewards the community through various projects and activities. The purpose is to develop the society for sustainable growth as well as to carry out the business by taking into account the impact on the surrounding community, listening to the suggestions to bring about shared values to all parties.

8. Innovation or publishing innovation

The Company is operating according to social responsibility practices by systematically doing its business and systematically decision making (System), starting from prevention, maintenance, improvement and development in order to continuously create innovation.



9. Corporate Social Responsibility within the organization

The Company attaches great importance to the society within the organization to encourage organizations to have a good working environment. It is an organization where all employees are happy to work. There are various activities provided for staff regularly by assigning in the annual calendar in advance every year and communicated to staff to know thoroughly, such as annual seminars, annual health check, annual tour and training to improve knowledge and improve the quality of life, etc. The Company has provided evaluation for activities systematically to further improve and develop.

In addition, the Company also joined the membership of Interlink Hai Jai cooperative that it was established with the main purpose to cultivate the personnel to save, sow and help those who have financial problems in order to keep the personnel as quality personnel of the organization.

10. Corporate Social Responsibility outside the organization

The Company pays attention to corporate social responsibility outside the organization by collaborating with the Metropolitan Police Bureau on the Miracle Eye project. It is innovation center of CCTV cameras to prevent the suppression of total crime. It is a project to take care of the safety of life, property of the people and of the public. In the custody of the Metropolitan Police Bureau by using CCTV system integrated with the information technology network of the Company to prevent and suppress the crime to lessen.

However, not only the above mentioned projects but the Company still seeks opportunities to participate in various projects which have benefits to the public continuously. These policies have been conveyed to staff within the organization thoroughly to gather information about opportunities to engage in social responsibility outside the organization continuously.

In addition to the CSR project mentioned above. In order to truly rebuild social sustainability, the Company has been involved in the implementation of the project under the supervision of "Interlink Hai Jai Foundation". The project has promoting, encourage children and young people in Thai society to be trained, to develop their minds, to cultivate a sense of self-responsibility, community and society, which is a foundation for sustainable Thai society. The project under the foundation is "The Brotherhood of Young Learners" and the warmth provided by the Sufficiency Economy Project, make happiness for school students in the wilderness of all regions in Thailand by joining volunteerism as a company employee who sacrifices personal time attend a large number of events.

Internal Control and Risk Management

Opinions on the internal control system of the Board of Directors

The Company has an audit committee to review its internal controls as to ensure that there are appropriate and effective internal control and audit system. They also review the Company's performance whether they are complied with the Securities and Exchange Act, the requirements of the Securities Exchange and laws relating to the business of the Company. The audit committee will hold the meeting at least quarterly to consider and provide accurate and complete financial reports include consideration of connected transactions or transactions that may lead to conflicts of interests in accordance with the law and the regulations of the Capital Market Supervisory Board and the Securities Exchange. At the meeting, the auditor attends the meeting to make observations on the audit of the Company's accounts.

In order to provide the Company's internal control system to be effective, the Company has established an internal audit department and assigned Mrs. Hathaichanok Pangnoi to serve as the chief of internal audit. She is a suitable person to perform the duties and have a good understanding of the Company's business to monitor the Company's internal control system. The internal auditor reports the results of the internal control and audit of the Company. The Company has continuously reported to the audit committee for its continuous improvement and improvement of its operations as suggested by internal auditors all along.

The Company recognizes the importance of internal control at both administration levels and operational levels. It has set the authority obligations, the operator's actions and the executive written clearly. There is control over the use of the Company's assets to its highest benefit. There is a separation of duties controls that separate between operation person, monitoring person and evaluation person as for counterbalance and check of each other properly. The internal control system will be assessed by the Internal Audit Department. This is done to ensure that the Company's core operations and key financial activities comply with established guidelines include compliance audits. The Company has also set up an audit committee to comment on the adequacy and appropriateness of the Company's internal control system.

At the Board of Directors Meeting No. 2/2017 held on February 27, 2017 which the audit committee attended the meeting. The Board of Directors has assessed the adequacy of the company's internal control system by asking information from management. It is concluded that the assessment of the Company's internal control system in 5 parts consists of

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors has the opinion that the company has adequate internal control system. The Company has sufficient personnel to perform such system effectively. It can make the company's operations comply with the principles of Good Corporate Governance and transparency. The company has set up a monitoring system to ensure that the company can protect its assets of the Company from improper or unauthorized use by directors or executives include adequate control over transactions with people may have potential conflicts or connected persons.

Moreover, the audit committee has acknowledged and commented on the remarks and suggestions of the external auditor as well as the amendment of the Company in which for the year 2016, there were no significant observations found by the audit of internal auditors and external auditors.



Risk management

The Company provides procedures for the identification and management of business risks effectively. The Company's risk management process covers the assessment and review of internal and external factors that can affect the business operations. The director and the audit committee are responsible for closely monitoring the risks that may occur; factors that may contribute to the strategic direction of financial operations, information systems, communications, and compliance with the master plan include the preparation of risk prevention plans by the group leader in each risk management department continually and regularly.

The Board of Directors has assigned the audit committee to supervise the administrative sector to ensure that the internal control system is effective and adequate covering all aspects of finance, accounting, and operations compliance with related laws, regulations and risk management. There is providing in a mechanism for effective checks and balances to protect the shareholders and the company's assets. The hierarchy of authority, approval, and responsibilities of the management and staff are defined in writing. The internal audit department checks and reviews the operational systems of all departments follow the regulations and the annual internal audit plan approved by the audit committee. In 2016, the Board of Directors acknowledged the audit committee's report which reviewed and acknowledged the performance of the Internal Audit Department on an ongoing basis. The Company had an internal control system performance is adequate and appropriate to the nature of the business and no defects in the internal control system that would affect its reliability.

Related Transactions

Relationship

The Company has entered into connected transactions with persons who may have conflicts of interest, including shareholders and/or executives of the Company, related companies, which refer to companies with potential conflict of interest or having a relationship with the management and shareholders of the Company. The relationship can be summarized as follows.

Persons who may have conflicts	Type of relationship
Interlink Communication Public Company Limited (ILINK) <ul style="list-style-type: none"> - Distribute all types of cable such as LAN cable, FIBER OPTIC cable, CCTV cable, telephone line, Security & Control cable, Media Converter, 19 "rack and Tool & Tester. - Import and export all types of cables. - Provides design, construction and contracting services for submarine cable projects, that are either electric wires or high-voltage composite power cables in combination with telecommunication cable, called composite cable. - Design, construction and contracting services for power transmission system, Under Ground Cable, Substation or power system related projects. 	<ul style="list-style-type: none"> - Having common directors namely, Mr. Sombat Anuntarumporn, Mrs. Chalida Anuntarumporn and Mr. Nuttanai Anantarumporn. - Being a major shareholder of the Company as at December 31st, 2016 at 60% of shareholding.
Interlink Power and Energy Limited (IPOWER) <ul style="list-style-type: none"> - Provides design, construction and contracting services for submarine cable projects that are either electric wires or high-voltage composite power cables in combination with telecommunication cables, called composite calbe. - Design, construction and contracting services for power transmission system, Under Ground Cable, Substation or power system related projects. 	<ul style="list-style-type: none"> - Having common directors namely, Mr. Sombat Anuntarumporn and Mrs. Chalida Anuntarumporn. - ILINK and Mr. Sombat Anuntarumporn hold shares in IPOWER at 95.07% and 4.9%, respectively, as of December 31st, 2016.
Interlink Data Center Limited (IDC) <ul style="list-style-type: none"> - Not currently operating a business. 	<ul style="list-style-type: none"> - Having common directors namely, Mr. Sombat Anuntarumporn, Mrs. Chalida Anuntarumporn and Mr. Nuttanai Anantarumporn. - ILINK holds shares in IDC at 100% as of December 31st, 2016.

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A List Asia Limited - Providing information technology consulting services.	- Having a common director namely, Mr. Suwat Punnachaiya - Mr. Charlie Chairattanatrai, the Company's executive, is a director. - Mr. Suwat Punnachaiya is a major shareholder at 99.97% as of December 31st, 2016.
Mr. Sombat Anuntarumporn	- Being the Vice Chairment of the Company - As the spouse of Mrs. Chalida Anuntarumporn. - As the father of Mr. Nuttanai Anuntarumporn and Dr. Lillada Anuntarumporn
Mrs. Chalida Anuntarumporn	- Being director of the Company - As a spouse of Mr. Sombat Anuntarumporn - As the mother of Mr. Nuttanai Anuntarumporn and Dr. Lillada Anuntarumporn
Mr. Suwichan Nilanan	- Being director of the Company

Related Transaction Details

In 2015 and 2016, the Company has entered into transactions with persons who may have conflicts. The details of the transaction are as follows:

Persons who may have conflicts	Transaction	Transaction Value (Baht)	
		2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Revenues</u>		
	Service Revenues	4,422,000	4,422,000
	Accounts Receivable	1,010,615	455,673

The Company had revenues from MPLS and Dark Fiber high speed network service to transfer data between ILINK branches across the country. The transactions were normal trade terms and conditions. In term of price, the transactions were charged at market price.

The audit committee reviewed and commented that these transactions were in the normal course of business of the Company and reasonable.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Other revenues</u>		
	Revenue from sale of materials	126,025	76,080
	Reversal of rental expenses	2,354,898	-

Revenue from sale of material

The Company has revenue from Fiber Optic cable sale to ILINK only in case of urgency because they were products that ILINK did not import. The price selling to ILINK is the cost plus with a reasonable margin.

The audit committee reviewed and commented that these transactions were in the normal course of business of the Company and reasonable.

Reversale of rental expenses

In 2014, the Company had an unpaid office rental to ILINK of Baht 2,354,898, but since that year, the Company did not charge for ILINK's high speed data network. Therefore, on July 11th, 2015, the Company and ILINK agreed to refrain the rental fee, in return for high-speed network services. The Company then reversed the rental fee of 2014 to other income in 2015. Since the year 2015, the Company has charged ILINK for high speed broadband network usage based on normal trade. The price is consistent with the market price. And in terms of rent, the Company paid the office rental to ILINK at a rate close to the rental rate of nearby commercial buildings.

The audit committee reviewed and commented that these transactions were in the normal course of business of the Company and reasonable.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Communication Public Company Limited ("ILINK")	Accounts Receivable - Engineering Project	1,749,452	2,364,534

The Company and ILINK have entered into a joint telecommunication network installation project as a consortium. The Company and ILINK share responsibility for the operation of the project. However, ILINK appointed and assigned its work to the Company. ILINK was responsible for billing to the project owner and sent the money to the Company.

The Audit Committee has considered and agreed that such transactions were beneficial to the Company. Because at the beginning, the Company has no history of large network installation track record. Collaboration with ILINK as a consortium helped the Company in order to get a large network installation project.

Persons who may have conflicts	Transaction	Transaction Value (Baht)	
		2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Other receivables</u>	1,299,923	329,747
	- Employee benefits receivables	329,747	329,747
	- Receivable awaiting collection, which resulted from the deposit of wrong bank account.	970,176	-

ILINK has outstanding balance as other receivable for the balance of employee benefit of transferred employee since 2014 up to 31 December 2016. In addition, at the end of 2015, ILINK has owe to the Company for the amount of wrongly pay-in cheque (1 cheque) in which the Company has already been received since 11 January 2016.

The audit committee has considered and commented that the transferred balance of employee benefit are of the benefit to the Company from restructuring process in order to spin off to list to the stock market. However, for the mistaken of wrongly pay-in cheque, the Company has already set the stricken policy to prevent such error being occurred.

Persons who may have conflicts	Transaction	Transaction Value (Baht)	
		2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Fixed assets and products purchasing</u>		
	- Fixed assets purchasing	5,537,766	-
	- Product purchasing	5,800,865	18,768,544
	Accounts Payable	1,930,048	14,615,881

Fixed Assets Purchasing

The Company purchased stationery, building improvements and utility system of the data center from ILINK to operate data center service of the Company. Purchase price of the assets is the ILINK's net book values as of March 31, 2015. The Company paid for the assets on September 7, 2015.

The audit committee reviewed and commented that these transactions were in the normal course of business of the Company and reasonable.

Product Purchasing

The Company purchased fiber optic cables and related equipments from ILINK which is the supplier of such products. The transactions were normal trade terms and conditions. In term of price, the transactions were charged at market price.

The audit committee reviewed and commented that these transactions were in the normal course of business of the Company and reasonable.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Communication Public Company Limited (“ILINK”)	<u>Rental payments and management costs</u>		
	- Rental payments		
	- Office area rental	2,296,728	2,296,728
	- Warehouse rental	190,080	238,095
	- Land rental	66,000	132,000
	Total	2,552,808	2,666,823

Office area rental

1. Rented building area 546.84 m2 for using as the Company's office with 2 years rental period from January 1, 2015 to December 31, 2016 and rental fee of Baht 350 per m2 per month which is similar to rental fee of nearby commercial building at between Baht 300-350 per m2 per month.

Warehouse rental

2. Rented warehouse building with approximate area of 288 m2 at 9/2 Soi 1 Kanjanapisek 5/5, Kanjanapisek Rd., Tha Raeng, Bang Khen, Bangkok with 3 years rental period from July 1, 2015 to June 30, 2018 and rental fee of Baht 110 per m2 per month which is at the fair rental fee that was appraised by an independent asset appraiser approved by SEC and this valuation is for the public purpose. From June 1, 2016, the Company has changed the warehouse building rental contract by decreasing the size from 288 m2 to 103.50 m2.

Land rental

3. Rented a land only the part of of Interlink Data Center's location, deed no. 210680 Tha Raeng, Bang Khen, Bangkok with an approximate area of 300 square wah with 3 years period from July 1, 2015 to June 30, 2018 and rental fee of Baht 11,000 per month which is at the fair rental fee that was appraised by an independent asset appraiser approved by SEC and this valuation is for the public purpose.

The Audit Committee has considered and opined that the transaction is beneficial to the Company and is reasonable.

Persons who may have conflicts	Transaction	Transaction Value (Baht)	
		2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Rental payments and management costs</u>		
	- Utility costs	896,168	3,395,437
	- Management costs	611,857	731,396
	Other payables	1,644,648	1,617,666

Utility costs

The Company paid utility costs of office area usage which the Company rented from ILINK and ILINK proportionally charges the costs following the Company's usage.

The Audit Committee has considered and opined that the transaction is beneficial to the Company and is reasonable.

Management costs

The Company hired ILINK for human resource management service, information technology service, legal consultant service and internal audit service at a fixed rate of Baht 49,500 per month, determining based on time spending for the services. However, for internal audit service, the rate were calculated from the actual spending for the audit.

The Audit Committee has considered and agreed that such transactions are beneficial to the company. The prices for such functions were reasonable in which they were more cost effective than the Company to invest by employing more staff for such functions. However, since May 1st, 2016, the Company has transferred the internal audit manager of ILINK to be the internal audit manager of the Company.

Persons who may have conflicts	Transaction	Transaction Value (Baht)	
		2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Short-term loans</u>		
	Beginning Balance	314,000,000	850,000,000
	Borrowing	536,000,000	850,000,000
	Repayment	-	-
	Ending Balance	850,000,000	-
	Interest Payments	9,503,301	7,007,787
	Interest Payable	11,102,203	-

Loans from ILINK in the form of promissory notes to be used as working capital for constructing the Company's fiber optic network with interest rate equal to the lowest 3 month fixed deposit rate of commercial banks from the announced rate from Bank of Thailand at the date on the promissory notes or ILINK's lending rate which are approximately 0.9% - 4.3% annually in 2015 and 0.9% annually in 2016. However, the Company has totally repaid the loans along with their interest by using cash from IPO according to the objective in listing in mai.

The Audit committee reviewed and commented that these loans are necessary and for the benefit of the Company to use as working capital and maintain the Company's liquidity. Moreover, those interest rates are lower than lending rate from financial institutions and no collateral needed. In addition, the repayment of the loans using cash from IPO was done according to the objective in listing to mai properly.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Loans Guarantee</u>		
	Credit line	2,935,000,000	2,935,000,000
	Outstanding	740,800,000	1,217,100,000

ILINK provided guarantee, pledged land with building and certain numbers of the Company's shares for bank loan and did not charge any compensation from the Company for this guarantee.

The audit committee reviewed and commented that this guarantee is necessary and for the benefit of the Company to obtain loans from commercial banks for performing business without charging any compensation.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Communication Public Company Limited ("ILINK")	<u>Joint Credit line</u>		
	Credit line	1,365,000,000	1,365,000,000
	Credit usage	126,490,000	67,218,791

The Company jointly used LC/TR credit line and bank guarantee credit line with ILINK without paying compensation for the joint credit line.

The audit committee reviewed and commented that this transaction is for the benefit of the Company to be used in operating business.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Power and Energy Limited ("IPOWER")	<u>Short-term loans</u>		
	Beginning Balance	25,000,000	-
	Borrowing	-	-
	Repayment	(25,000,000)	-
	Ending Balance	-	-
	Interest Payments	195,137	-
	Interest Payable	-	-

The Company has loans from IPOWER since 2014 in the form of promissory notes for use as working capital for construction of Interlink Fiber Optic Network. The interest rate is based on the lowest 3-month fixed deposit rate of the commercial banks according to the announcement of the Bank of Thailand at the date on the promissory note. The Company has repaid the loans on September 16th, 2015, and would no longer have such item in the future.

The Audit Committee has considered and opined that the loans were appropriate since such loans originated from the need for business operations as to use as working capital and maintain the liquidity of the Company. In addition, it was benefits to the Company since the interest rate charged were lower than that of the financial institution and no need of any collateral on the loans.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Interlink Data Center Limited ("IDC")	Fixed assets purchasing	719,825	-
	Selling expenses	55,559	-

Fixed assets purchasing

The company bought office equipment, equipment, tools, and utility system within the Data Center from IDC for data center services. The price of such property is the net book value of IDC as of March 31st, 2015. The Company paid the purchase price on September 7th, 2015, and will no longer have such item in the future.

The Audit Committee has considered and opined that the transaction is beneficial to the Company and is reasonable.

Selling Expenses

It was the cost of managing the data center that the Company pays to IDC during the transfer of the data center business. IDC charged based on actual costs and there would be no such item in the future.

The Audit Committee has considered and opined that such transaction occurred because of necessity to benefit the Company. The price is reasonable, based on the actual costs.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
A List Asia Limited (“ALIST”)	Administrative expenses	750,000	870,000

The Company hired Alist as a consultant for overseas business strategy such as business planning, strategy development for competitive advantage and providing advice and business opportunity to the Company from October 1st, 2015 to September 30th, 2016 and from October 1st, 2016 to September 30th, 2017 with a consulting fee according to the contract of Baht 70,000 per month and Baht 80,000 per month, respectively. The Company determined the fee by comparing the Company's management compensation.

The Audit Committee has considered and opined that such transaction occurred to benefit the Company and it is reasonable because Alist is a consulting firm specializing in information technology which can advise the Company to run business more efficiently.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Mr. Suwichan Nilanan	Administrative expenses	720,000	780,000

The Company hired Mr. Suwichan Nilanan as a consultant for business strategy such as business planning, strategy development for competitive advantage and providing advice and business opportunity to the Company from September 1st, 2015 to August 31st, 2016 and from September 1st, 2016 to August 31st, 2017 with a consulting fee according to the contract of Baht 60,000 per month and Baht 70,000 per month, respectively. The Company determined the fee by comparing the Company's management compensation.

The Audit Committee has considered and opined that such transaction occurred to benefit the Company and reasonable due to his 20 years of experience in the telecommunication business to run business more efficiently.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Mr. Sombat Anuntarumporn	<u>Loans Guarantee</u>		
	Credit line	2,935,000,000	2,935,000,000
	Outstanding	740,800,000	1,217,100,000

Mr. Sombat Anuntarumporn has entered into a private guarantee for loans from commercial banks without compensation from the Company.

The Audit Committee has considered and opined that the guarantee is beneficial to the Company in which occurs from the need for commercial bank loans to run a business with no intercompany charge.

		Transaction Value (Baht)	
Persons who may have conflicts	Transaction	2015	2016
Mrs. Chalida Anuntarumporn	<u>Short-term loans</u>		
	Beginning Balance	-	-
	Borrowing	135,000,000	-
	Repayment	(135,000,000)	-
	Ending Balance	-	-
	Interest Payments	203,836	-
	Interest Payable	-	-

Mrs. Chalida Anuntarumporn gave the company the total loan amount of Baht 135,000,000 during the year 2015 for use as working capital of the Company. The interest is charged at 1% per annum. The loan has already been paid on December 25th, 2015 and will not be available in the future.

The Audit Committee has considered and opined that the loan is beneficial to the Company occurring from the need to conduct business and use as working capital. The interest rate was lower than that of the financial institutions and without any collateral required.

Measures or procedures for approval of related transactions

The Company has set up measures to enter into related party transactions with people who may have conflicts. The Audit Committee will provide an opinion on the necessity of entering into the transactions and the price suitability of the transactions based on various conditions to be in line with normal operation in the market in which can be compared to the price charged to the third parties. In the event that the Audit Committee is not able to consider of the appropriateness of the related party transactions, the Company will provide special expertise, such as auditors, property appraisers, lawyers, etc, who are independent from the Company and stakeholders, which their result will be proposed to the Board of Directors or the shareholders.

In addition, the Company has imposed measures to prohibit the management or stakeholders to participate in the approval of their own direct and indirect interests. The Board of Directors has to monitor the Company to comply with the laws governing by the Securities and stock exchange, and regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including the compliance of the disclosure requirements of related party transactions and acquiring or disposing of assets of the Company and its subsidiary.

Trends of future related transactions

The Company may continue to conduct related party transactions in the future, which will be in line with the nature of the general operations and will clearly define the policy on entering into related party transactions with the prices and terms and conditions that are the same as normal business transactions that are given to unrelated persons and / or companies, such as purchases and services. In addition, the transactions should be incurred according to the need for business and for the benefit of the Company. The Audit Committee will review the compliance with the rules and give an opinion on the reasonableness of the transactions occurring quarterly.

For the related party transactions that are not in line with normal business that may occur in the future, the Audit Committee will review the compliance with the rules and the reasons for such transaction before entering into that transaction by commenting on the necessity of the transaction by reviewing the reasonableness and price suitability of the item based on various conditions to be in line with normal operation and at market price in which can be compared to the price charged to third parties. In the event that the Audit Committee is not able to consider of the appropriateness of the related party transactions, the Company will provide special expertise, such as auditors, property appraisers, lawyers, etc, who are independent from the Company and stakeholders, which their result will be proposed to the Board of Directors or the shareholders.

However, the related party transactions may cause potential conflicts of interest in the future. The Board of Directors shall comply with the laws governing securities and exchange, the rules, notifications, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, as well as compliance with the disclosure requirements of related party transactions and acquiring or disposing of assets of the Company and its subsidiary as well as compliance with accounting standards set by the Federation of Accounting Professions and the Certified Public Accountant (Thailand).

Audit Committee Report of 2016

Dear Shareholders,

The audit committee of Interlink Telecom Public Company Limited included with four independent directors with one independent director who has sufficient knowledge and experience to review the reliability of the financial statements. Therefore, the overall of the audit committee of the Company is fully qualified under the notification of the Securities and Exchange Commission of Thailand.

The audit committee consists of

- | | |
|----------------------------------|------------------------------------|
| 1. Mr. Pakorn Malakul Na Ayudhya | as chairman of the audit committee |
| 2. Pol.Lt.Gen Suchat Muankaew | as the audit committee |
| 3. Mr. Nontikorn Kanchanachitra | as the audit committee |
| 4. Gen. Tawatchai Samutsakorn | as the audit committee |

In 2016, the audit committee held 6 audit committee meetings and meetings with executives, auditors and internal auditors. The audit committee has performed its duties and responsibilities as assigned by the Board of Directors according to the Company regulation on the rules and guidelines of the audit committee, in which in line with the requirements of The Stock Exchange of Thailand. The summary is as follows.

1. Reviewed of the quarterly and annually statements of financial position and statements of comprehensive income for the year 2016. The meeting attended to inquire and listen to statements from the auditor including the management about the accuracy and completeness of the financial statements with sufficient disclosure including acknowledgement from the observations and suggestions of the auditor for the year 2016, which the audit committee has agreed with the auditor and has the opinion that the financial statements are in conformity with the generally accepted financial reporting standards.

2. Reviewed the internal control system to assess the suitability and effectiveness of internal controls that will help achieve the goals set based on the internal audit report for 2016 according to the approved plan that covers the key processes of the Company. The audit committee has the opinion that the internal control system is adequate and appropriate which there are no significant weaknesses or defects.

3. Reviewed internal audit to assess the effectiveness of the internal audit department by consider the scope of work, performances, duties and responsibilities, independence, staffing and budget of the internal audit department. The Audit Committee is of the opinion that the Company has an adequate and effective internal audit system.

4. Reviewed of compliance with the Securities and Exchange Act, Terms of the Stock Exchange of Thailand and the laws relating to the business of the Company including compliance with the Company requirements and its obligations to outsiders. The audit committee has the opinion that it is in compliance with the Securities and Exchange Act, Terms of the Stock Exchange of Thailand.

5. Reviewed and commented on related party transactions or items that may have conflict of interest include the disclosure of such items according to the requirements of The Stock Exchange of Thailand including the Securities and Exchange Commission. The audit committee agrees with the auditor and has the opinion that the material items have been disclosed and itemized in the financial statements including the notes to the financial statements with correct and complete.

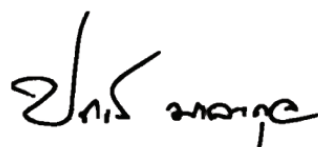
6. An assessment of the adequacy of the internal control system for the year 2016 was done in the Board of Directors Meeting No. 2/2017 held on February 27, 2016. The Board of Directors assessed the internal control system of the Company by interviewing the administrative sector and reviewing the evaluation form as assessed by the audit committee and the audit committee's report, it was concluded that from the assessment of the Company's internal control system in five aspects, the Board of Directors the company considers that the company's internal control system is adequate and appropriate.

7. Considered, selected, nominated, and proposed auditor's remuneration to present to the Board of Directors approved by the general meeting of Shareholders. The audit committee has considered the performance, independent and the suitability of the compensation. It is recommended to nominate PricewaterhouseCoopers ABAS Ltd and should appoint Miss Amornrut Puemponwattanasuk Certified Public Accountant No. 4599 and / or Mr. Pongthavee Ratanakoses Certified Public Accountant No.7795 and / or Mr. Vichien Kingmontri Certified Public Accountant No. 3977 is the Company's auditor for the year 2017.

Summary of the audit committee's opinions are as follows:

In the year 2016, the audit committee performed its assigned duties and responsibilities by full use of knowledge and act independently. The audit committee has the opinion that the Company has reported financial information and operated correctly. There was an internal control system, proper internal audit and effective, practiced belong to Law, Terms and Obligations. There was an accurate disclosure of related party transactions. The Company has a good corporate governance system that is transparent and reliable as well as improving the operating system to better quality and suit the business environment continuously.

On behalf of the audit committee



Pakorn Malakul Na Ayudhya

Chairment of the Audit Committee

Financial Reporting



Board of Directors' Responsibility for Financial Reporting

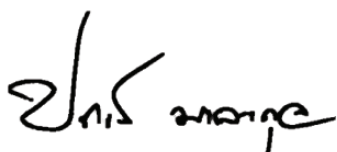
The Board of Directors is responsible for the financial statements in which the equity method is applied of Interlink Telecom Public Company Limited (the "Company") and the separate financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

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

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

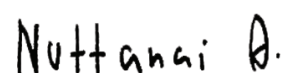
The financial statements in which the equity method is applied and the separate financial statements of the Company have been examined by an external auditor, PricewaterhouseCoopers ABAS Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Interlink Telecom Public Company Limited's financial statements for the year ended 31 December 2016. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Pakorn Malakul Na Ayudhya

Chairman of the Board of Directors



Nuttanai Anuntarumporn

Managing Director



Independent Auditor's Report

To the shareholders of Interlink Telecom Public Company Limited

My opinion

In my opinion, the financial statements in which the equity method is applied of Interlink Telecom Public Company Limited (the "Company") and the separate financial statements present fairly, in all material respects, the financial position as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

I have audited the accompanying financial statements in which the equity method is applied and the separate financial statements, which comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 December 2016, and the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income, statement of changes in equity in which the equity method is applied and the separate statement of changes in equity and statement of cash flows in which equity method is applied and the separate statement of cash flows for the year then ended, and notes to the financial statements in which the equity method is applied and the separate financial statements, including a summary of significant accounting policies.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements in which the equity method is applied and the separate financial statements of the current period. I determine one key audit matter: Audit of recognition of revenue and cost from network installation service. These matters were addressed in the context of my audit of the financial statements in which the equity method is applied and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter

Recognition of revenue and cost from network installation service

Refer to accounting policy No.2.19, revenue recognition.

The Company recognises revenue and cost from network installation service using the percentage of completion method. The stage of completion is measured based on the proportion of contract costs incurred for work performed to date compared to the estimated total cost of the contract.

I focused on these areas because:

- 1) The amount of revenue from network installation service is significant, representing 43% of total revenue and
- 2) Significant management judgment is involved in estimating the cost to complete each contract.

How my audit addressed the key audit matter

I performed the following procedures to assess management's estimates:

- 1) Tested controls over the budgeting process relating to the estimated total contract costs and verified management's estimated costs to complete by interviewing the project engineer and inspecting the supporting evidence.
- 2) Tested controls over the revenue and receivables cycle and purchase and payment cycle for projects.
- 3) Examined the supporting documents for actual costs incurred for work performed to date and assessed the accuracy of the percentage of completion in the monthly progress report by:

- comparing the percentage of completion by measured based on the proportion of contract costs incurred for work performed to date compared to the estimated total cost of contract with the physical proportion of the contract work completed as assessed by the project engineers and considered the differences whether any adjustments were required
- testing the actual costs incurred but not yet billed by suppliers or service provider to assess the completeness of the costs recorded
- recalculating the percentage of completion by project per the monthly progress report
- performing site visits and observing the method used to assess the progress of work by engineers.

I found that the management judgments and estimates associated with the recognition of revenue and cost from network installation service were consistent with the available evidence.



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements in which the equity method is applied and the separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements in which the equity method is applied and the separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements in which the equity method is applied and the separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements in which the equity method is applied and the separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements in which the equity method is applied and the separate financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in which the equity method is applied and the separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements in which the equity method is applied and the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements in which the equity method is applied and the separate financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and the separate financial statements

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

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

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.



Amornrat Pearmpoonvatanasuk

Certified Public Accountant (Thailand) No. 4599

Bangkok

27 February 2017

Statement of Financial Position

	Notes	Equity Method		Separate	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	137,491,307	111,378,064	137,491,307	111,378,064
Trade and other receivables, net	8	157,996,315	95,803,429	157,996,315	95,803,429
Financial derivative assets	28	3,813,915	1,615,580	3,813,915	1,615,580
Accrued revenue from network inst	9	303,941,009	61,954,204	303,941,009	61,954,204
Retention for network installation service		4,658,890	219,679	4,658,890	219,679
Other current assets	10	128,549,620	101,596,866	128,549,620	101,596,866
Total current assets		736,451,056	372,567,822	736,451,056	372,567,822
Non-current assets					
Investment in joint venture	11	36,858,574	-	36,999,900	-
Fixed assets and telecommunication networks, net	12	2,523,914,184	2,041,090,159	2,523,914,184	2,041,090,159
Intangible assets, net	13	8,207,939	4,486,921	8,207,939	4,486,921
Deferred tax assets, net	14	19,413,963	6,056,643	19,413,963	6,056,643
Other non-current assets		11,309,976	8,490,935	11,309,976	8,490,935
Total non-current assets		2,599,704,636	2,060,124,658	2,599,845,962	2,060,124,658
Total assets		3,336,155,692	2,432,692,480	3,336,297,018	2,432,692,480

Statement of Financial Position (Con't)

	Notes	Equity Method		Separate	
		31 December	31 December	31 December	31 December
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	15	623,715,074	388,956,479	623,715,074	388,956,479
Financial derivative liabilities	28	315,364	106,795	315,364	106,795
Short-term loans from a related par	27.7	-	850,000,000	-	850,000,000
Current portion of					
finance lease liabilities, net	17	41,597,088	41,794,214	41,597,088	41,794,214
Current portion of long-term loans					
from financial institution, net	18	98,341,752	15,339,589	98,341,752	15,339,589
Income tax payable		592,540	2,416,213	592,540	2,416,213
Other current liabilities	16	9,242,621	5,541,528	9,242,621	5,541,528
Total current liabilities		773,804,439	1,304,154,818	773,804,439	1,304,154,818
Non-current liabilities					
Finance lease liabilities, net	17	37,768,826	79,366,594	37,768,826	79,366,594
Long-term loans from financial insti	18	1,115,554,517	722,879,200	1,115,554,517	722,879,200
Provision for warranty of engineering service		133,373	249,844	133,373	249,844
Employee benefit obligations					
	19	2,309,694	1,023,002	2,309,694	1,023,002
Total non-current liabilities		1,155,766,410	803,518,640	1,155,766,410	803,518,640
Total liabilities		1,929,570,849	2,107,673,458	1,929,570,849	2,107,673,458

Statement of Financial Position (Con't)

Liabilities and equity (Con't)

Equity

Share capital

Authorised share capital

500,000,000 ordinary shares at

par value of Baht 1 each

20 500,000,000 500,000,000 500,000,000 500,000,000

Issued and paid-up share capital

500,000,000 ordinary shares paid-up

of Baht 1 each

(31 December 2015: 300,000,000

ordinary shares paid-up of Baht 1 each)

500,000,000 300,000,000 500,000,000 300,000,000

Premium on paid-up share capital

814,942,915 - 814,942,915 -

Retained earnings

Appropriated - legal reserve

21 3,400,000 - 3,400,000 -

Unappropriated

88,241,928 25,019,022 88,383,254 25,019,022

Total equity

1,406,584,843 325,019,022 1,406,726,169 325,019,022

Total liabilities and equity

3,336,155,692 2,432,692,480 3,336,297,018 2,432,692,480

Statement of Comprehensive Income

		Equity Method		Separate	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
Service income from network rendering	22	392,958,195	273,738,759	392,958,195	273,738,759
Service income from network installation service	23	344,488,596	124,925,165	344,488,596	124,925,165
Service income from data center space service		51,373,565	24,672,243	51,373,565	24,672,243
Other service income		16,974,569	6,477,128	16,974,569	6,477,128
Other income		3,496,949	7,075,995	3,496,949	7,075,995
Total revenue		809,291,874	436,889,290	809,291,874	436,889,290
Cost of network rendering		(297,757,845)	(200,092,697)	(297,757,845)	(200,092,697)
Cost of network installation service		(273,235,641)	(77,423,353)	(273,235,641)	(77,423,353)
Cost of data center space service		(31,921,199)	(17,228,041)	(31,921,199)	(17,228,041)
Service expenses		(37,939,484)	(28,188,488)	(37,939,484)	(28,188,488)
Administrative expenses		(32,418,367)	(23,825,899)	(32,418,367)	(23,825,899)
Other expenses		(226,550)	(10,457,901)	(226,550)	(10,457,901)
Finance costs		(51,572,264)	(39,198,426)	(51,572,264)	(39,198,426)
Share of losses from investment in joint venture	11	(141,326)	-	-	-
Total expense		(725,212,676)	(396,414,805)	(725,071,350)	(396,414,805)
Profit before income tax		84,079,198	40,474,485	84,220,524	40,474,485
Income tax	25	(16,836,234)	(9,809,136)	(16,836,234)	(9,809,136)
Profit for the year		67,242,964	30,665,349	67,384,290	30,665,349
Other comprehensive income					
Item that will not be reclassified to profit or loss					
- Remeasurements of retirement benefit obligations, net of tax	19, 25	(620,058)	877,848	(620,058)	877,848
Total other comprehensive income (loss), net of tax		(620,058)	877,848	(620,058)	877,848
Total comprehensive income for the year		66,622,906	31,543,197	66,764,232	31,543,197
Earnings per share					
Basic earnings per share	26	0.19	0.10	0.19	0.10

Statement of Changes in Equity

Equity Method					
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Retained earnings (Deficit)		Total
			Appropriated - Legal reserve	Unappropriated	
	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2015	300,000,000	-	-	(6,524,175)	293,475,825
Total comprehensive income for the year	-	-	-	31,543,197	31,543,197
Closing balance as at 31 December 2015	300,000,000	-	-	25,019,022	325,019,022

Opening balance as at 1 January 2016	300,000,000	-	-	25,019,022	325,019,022
Issue of ordinary shares	20 200,000,000	-	-	-	200,000,000
Premium on paid-up share capital	20 -	814,942,915	-	-	814,942,915
Legal reserve	21 -	-	3,400,000	(3,400,000)	-
Total comprehensive income for the year	-	-	-	66,622,906	66,622,906
Closing balance as at 31 December 2016	500,000,000	814,942,915	3,400,000	88,241,928	1,406,584,843

Separate					
Notes	Issued and paid-up share capital	Premium on paid-up share capital	Retained earnings (Deficit)		Total
			Appropriated - Legal reserve	Unappropriated	
	Baht	Baht	Baht	Baht	Baht

Opening balance as at 1 January 2015	300,000,000	-	-	(6,524,175)	293,475,825
Total comprehensive income for the year	-	-	-	31,543,197	31,543,197
Closing balance as at 31 December 2015	300,000,000	-	-	25,019,022	325,019,022

Opening balance as at 1 January 2016	300,000,000	-	-	25,019,022	325,019,022
Issue of ordinary shares	20 200,000,000	-	-	-	200,000,000
Premium on paid-up share capital	20 -	814,942,915	-	-	814,942,915
Legal reserve	21 -	-	3,400,000	(3,400,000)	-
Total comprehensive income for the year	-	-	-	66,764,232	66,764,232
Closing balance as at 31 December 2016	500,000,000	814,942,915	3,400,000	88,383,254	1,406,726,169

Statement of Cash Flows

		Equity Method		Separate	
		2016	2015	2016	2015
	Notes	Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax for the year		84,079,198	40,474,485	84,220,524	40,474,485
Adjustments to reconcile profit before income tax to net cash from operations:					
- Depreciation and amortisation	12, 13	119,308,118	87,834,478	119,308,118	87,834,478
- Amortisation of prepaid expenses		7,827,303	6,239,609	7,827,303	6,239,609
- Amortisation of deferred financing fee		657,480	83,749	657,480	83,749
- Share of losses from investment in joint venture	11	141,326	-	-	-
- Write-off construction in progress to repair and maintenance of network	12	10,078,736	7,082,495	10,078,736	7,082,495
- Unrealised gain on exchange rate		(4,025,525)	(124,090)	(4,025,525)	(124,090)
- Doubtful debt expenses		2,794,137	719,998	2,794,137	719,998
- Impairment loss on assets	12	1,859,987	-	1,859,987	-
- Warranty of engineering service expenses (reversal)		(116,471)	249,844	(116,471)	249,844
- Interest income		(1,179,605)	(102,065)	(1,179,605)	(102,065)
- Finance costs		51,572,264	39,198,426	51,572,264	39,198,426
- Retirement benefit expenses		511,620	690,527	511,620	690,527
Cash flows before changes in operating assets and liabilities					
		273,508,568	182,347,456	273,508,568	182,347,456
Changes in operating assets and liabilities:					
- Trade and other receivables		(72,814,326)	25,789,293	(72,814,326)	25,789,293
- Accrued revenue from network installation service		(241,986,805)	(47,608,687)	(241,986,805)	(47,608,687)
- Inventories		-	11,803,628	-	11,803,628
- Retention for network installation service		(4,439,211)	(219,679)	(4,439,211)	(219,679)
- Other current assets		(26,857,764)	(19,079,258)	(26,857,764)	(19,079,258)
- Other non-current assets		(2,819,041)	(3,702,289)	(2,819,041)	(3,702,289)
- Trade and other payables		100,131,039	52,803,249	100,131,039	52,803,249
- Advance received from network installation service		-	(4,825,490)	-	(4,825,490)
- Other current liabilities		3,701,093	(2,962,322)	3,701,093	(2,962,322)
Cash generated from operations					
		28,423,553	194,345,901	28,423,553	194,345,901
- Income tax paid		(25,597,942)	(11,697,874)	(25,597,942)	(11,697,874)
Net cash receipts from operating activities					
		2,825,611	182,648,027	2,825,611	182,648,027

Statement of Cash Flows (Con't)

		Equity Method		Separate	
		2016	2015	2016	2015
Notes		Baht	Baht	Baht	Baht
Cash flows from investing activities					
		-	68,564,753	-	68,564,753
		59,590	-	59,590	
		(36,999,900)	-	(36,999,900)	-
		(464,606,237)	(906,547,509)	(464,606,237)	(906,547,509)
		(6,170,600)	(55,000)	(6,170,600)	(55,000)
		1,179,605	229,118	1,179,605	229,118
Net cash payments in investing activities		(506,537,542)	(837,808,638)	(506,537,542)	(837,808,638)
Cash flows from financing activities					
		(41,794,894)	(33,117,980)	(41,794,894)	(33,117,980)
		-	221,883,849	-	221,883,849
		-	(249,835,154)	-	(249,835,154)
		-	671,000,000	-	671,000,000
	27.7	(850,000,000)	(160,000,000)	(850,000,000)	(160,000,000)
		492,000,000	901,323,686	492,000,000	901,323,686
		(1,280,000)	(2,664,960)	(1,280,000)	(2,664,960)
		(15,700,000)	(565,000,000)	(15,700,000)	(565,000,000)
	20	1,040,000,000	-	1,040,000,000	-
	20	(31,321,356)	-	(31,321,356)	-
		(62,078,576)	(32,326,848)	(62,078,576)	(32,326,848)
Net cash receipts from financing activities		529,825,174	751,262,593	529,825,174	751,262,593
Net increase in cash and cash equivalents					
Beginning balance		111,378,064	15,276,082	111,378,064	15,276,082
Ending balance		137,491,307	111,378,064	137,491,307	111,378,064

Notes to the Financial Statements

1 General information

Interlink Telecom Public Company Limited (the “Company”) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 48 Soi Rung Reung, Ratchadapisek Road, Samsennok, Huaykwang, Bangkok.

The principal business operations of the Company are to provide telecommunication services through nationwide fiber optic network and to provide data center space services such as co-location service, cloud computing service and disaster recovery service.

On 8 May 2012, the Company obtained Telecommunication license type 3 from National Broadcasting and Telecommunication Commission (“NBTC”) in which, allowed the Company to own the network and rendering service on such network. The period of license is 15 years.

On 11 May 2015, the Company has registered its transformation from the limited company to be the public limited company with Ministry of Commerce. The Company was listed on MAI on 12 September 2016.

This financial statements in which the equity method is applied and separate financial statements were authorised for issue by the Board of Directors on 27 February 2017.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

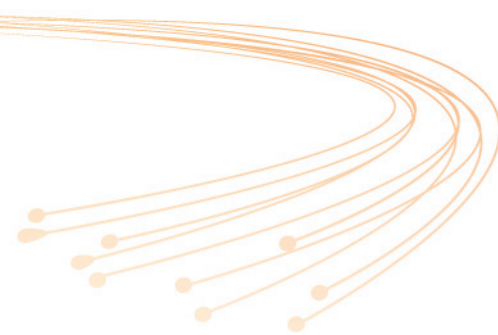
2.1 Basis for preparation

The financial statements in which the equity method is applied and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements in which the equity method is applied and separate financial statements have been prepared under the historical cost convention except for certain accounts as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies and to disclose the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements as disclosed in Note 4.

An English version of the financial statements in which the equity method is applied and separate financial statements have been prepared from the financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.



2.2 New financial reporting standards, revised accounting standards, revised financial reporting standards, and interpretations (collectively “the accounting standards”) which are effective for accounting periods beginning on or after 1st January 2016 and adopted by the Company.

2.2.1 New/revised financial reporting standards and interpretation which are relevant and have a significant impact to the Company are as follows:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

2.2.2 Revised financial reporting standards and interpretations with minor changes and do not have impact to the Company are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans

TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS 29
TFRIC 10 (revised 2015)	Financial reporting in hyperinflationary economies
TFRIC 12 (revised 2015)	Interim financial reporting and impairment
TFRIC 13 (revised 2015)	Service concession arrangements
TFRIC 14 (revised 2015)	Customer loyalty programmes
	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction

TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

2.3 New financial reporting standards, revised accounting standards, revised financial reporting standards, and interpretations (collectively “the accounting standards”) which are effective for accounting periods beginning on or after 1st January 2017. The Company has not yet early adopted these revised standards.

2.3.1 Financial reporting standards, which have significant changes and are relevant to the Company as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TAS 41 (revised 2016)	Agriculture
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

The Company’s management has been in process of assessing impact of those accounting standards. Significant changes in those accounting standards are summarised as below.

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant

to an understanding of the entity’s financial position or performance. There is also new guidance on the use of subtotals.

- Notes - confirmation that the notes do not need to be presented in a particular order.

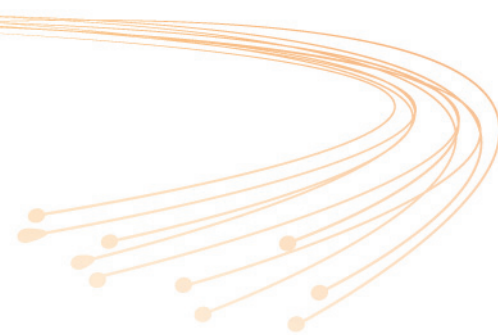
- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 16 (revised 2016), key amendments are 1) The amendments clarify that depreciation of an item of property, plant and equipment based on revenue generated by using the asset is not appropriate and 2) The amendments include bearer plants in scope of TAS 16.

TAS 19 (revised 2016), the amendments clarify that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.

TAS 27 (revised 2016), the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28. While current TAS 27 allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value (when announced). The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

TAS 28 (revised 2016), the significant changes are 1) the amendments allow an entity which is not an investment entity, but has an interest in an associate or joint venture which is an investment entity, a policy choice when applying the equity method of accounting. The entity may choose to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture and 2) the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method.



TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to 'information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

TAS 38 (revised 2016), the amendments include a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome if either the intangible asset is expressed as a measure of revenue (i.e. where a measure of revenue is the limiting factor on the value that can be derived from the asset), or it can be shown that revenue and the consumption of economic benefits generated by the asset are highly correlated.

TAS 41 (revised 2016), the amendments align with the accounting guidance for the measurement and recognition of bearer plants issued by the FAP in 2015.

TFRS 5 (revised 2016), the amendments clarify that when an asset (or disposal group) is reclassified from 'held for sale' to 'held for distribution' or vice versa, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such.

TFRS 10 (revised 2016), the amendments clarify that: 1) the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities and 2) an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities.

TFRS 11 (revised 2016), the amendments clarify that 1) the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting and 2) existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained.

TFRS 12 (revised 2016), the amendments clarify the disclosure requirements of an entity which is an investment entity and exception from preparing consolidated financial statement and instead measured its subsidiaries at fair value is required to disclose information of its subsidiaries according to the requirement in TFRS 12.

2.3.2 Revised financial reporting standards and interpretations with minor changes and do not have impact to the Company are as follows:

TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 40 (revised 2016)	Investment property
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives

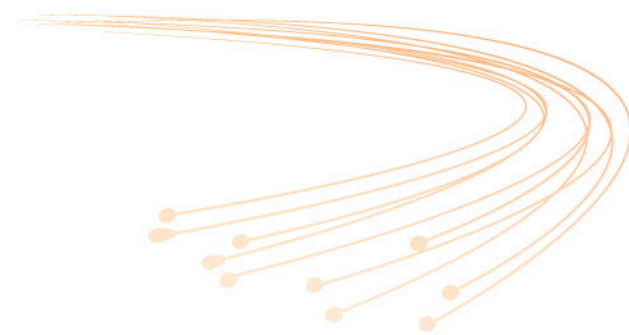
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers
TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

2.4 Investment in joint venture

A joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities.

The Company has an investment in a joint venture which is to be accounted for using the equity method of accounting. Under the equity method of accounting, investment in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures. Unrealised gains on transactions between the Company and its joint ventures are eliminated to the extent of the Company's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company.

In the Company's financial statements, investments in joint ventures are accounted for using the cost method less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.



2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Baht, which is the functional and presentation currency of the Company.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

When a gain or loss on a non-monetary item is recognised in the statement of comprehensive income, any exchange component of that gain or loss is recognised in the statement of comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in the income statement, any exchange component of that gain or loss is recognised in the income statement.

2.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash on hand, deposits held at financial institutions and short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2.7 Trade receivables

Trade receivables are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful accounts based on a review of all outstanding amounts at the period-end. The amount of the allowance is the difference between the carrying amount of the receivables and the amount expected to be collectible. Bad debts are written-off during the period in which they are identified and recognised in the income statement as part of administrative expenses.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue is recognised over the period of the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature.

The Company presents as an asset the gross amount due from customers for contract work for all contracts in progress and for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included within 'accrued revenue from network installation service'. The Company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

2.10 Fixed assets and telecommunication networks

Fixed assets and telecommunication networks are initially recorded at cost. Subsequently they are stated at historical cost less accumulated depreciation and impairment (if any). The costs of fixed assets and telecommunication networks comprise both the purchase price and any costs directly attributable to bring the assets to location and condition necessary for them to be capable of operating in the manner intended by management. Their costs also include the initial estimate of the costs of dismantling and removing the item and restoring the site on which they are located, the obligation for which the Company incurs either when the items are acquired or as a consequence of having used the items during a particular period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on fixed assets and telecommunication networks are calculated using the straight line method to write off the cost of each asset to their residual values over their estimated useful lives, as follows:

Building	30 years
Building improvement	10 years
Infrastructure system	10 years
Furniture, fixtures and office equipment	5 years
Tool and equipment	5 - 10 years
Vehicle	5 years
Telecommunication network equipment	8 - 25 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of asset is greater than its estimated recoverable amount, it is written-down immediately to its recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains or losses, net" in the income statement.

2.11 Intangible assets

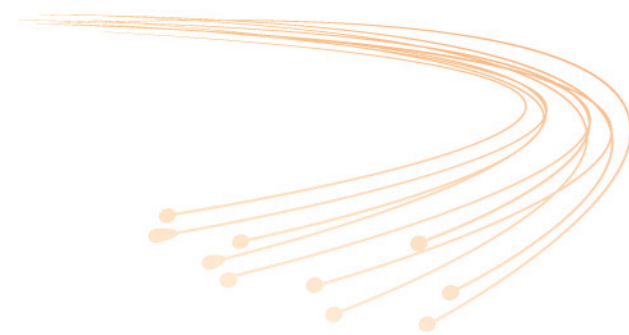
Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 15 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an



impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases

Leases - where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Company leases certain property, plant and equipment. Leases of property, plant or equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

Leases - where the Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Company. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.14 Borrowings

Borrowings are recognised initially at the fair value of the proceeds received, net of the transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised to the income statement over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.15 Employee benefits

The Company operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund, managed by trustee. The provident fund is funded by payments from employees and by the Company. Contributions to the provident fund are charged to the profit and loss in the year to which they relate.

Employees are entitled to receive benefits on reaching normal retirement age under the labour law as may be agreed between the Company and employees. The defined benefit obligation on the Company is measured, using the projected unit credit method in accordance with actuarial as the present value of the estimated future cash outflows, based on employee wages, turnover rate, retirement ages, mortality, length of service and others, and using the interest rates of government securities, which have terms to maturity approximating the term of the related obligations. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

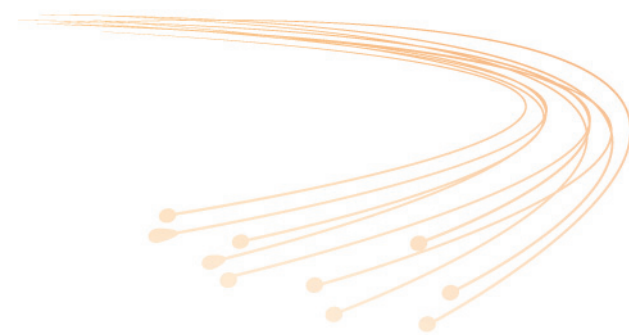
2.17 Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



2.18 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the services performed to date as a percentage of total services to be performed.

Rental income is recognised according to accrual basis.

Revenue from construction services is recognised using the percentage of completion method. The stage of completion is measured by reference to the relationship that the contract costs incurred for work performed to date bear to the estimated total costs for the contract. Revenue from other services is recognised when the services have been rendered in accordance with the terms of the agreements or invoices have been issued.

Interest income is recognised using the effective interest method.

Other income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

2.21 Derivative financial instruments

The Company recognises derivative financial instruments at fair value on the inception and subsequently measures each derivative financial instrument at its fair value. Gains and losses on the derivative financial instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the profit or loss, whereas the gains and losses on the derivative financial instruments which relate to normal course of business are offset for financial reporting purposes and are recognised as income or expense in the profit or loss.

3 Reclassifications

Comparative figures have been reclassified to conform with changes in the current period. The Company has reclassified balances for the year ended 31 December 2015 as follows:

	As previously reported Baht	Reclassification Baht	After reclassified Baht
Statement of financial position in which the equity method is applied and separate financial statements as at 31 December 2015			
- Trade and other receivables	97,312,214	(1,508,785)	95,803,429
- Financial derivative assets	-	1,615,580	1,615,580
- Financial derivative liabilities	-	106,795	106,795
Statement of financial position in which the equity method is applied and separate financial statements for the year ended 31 December 2015			
- Cost of data center space service	(13,251,453)	(3,976,588)	(17,228,041)
- Service expenses	(33,018,045)	4,829,557	(28,188,488)
- Administrative expenses	(22,972,930)	(852,969)	(23,825,899)

4 Critical accounting estimates, assumptions and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Revenue and cost of network installation service

The Company recognises revenue from network installation service based on a percentage of completion method by also taking into account progress of completion from physical inspection assessed by a project engineer together with an owner or a customer.

Fair values of derivatives and other financial instruments

Fair values of derivatives and other financial instruments not actively traded in the market are measured by valuation technique. The Company exercises judgment in selecting valuation model and assumptions by referencing market circumstances presented at the end of reporting period.

5 Financial risk management

The Company's activities expose it to a variety of financial risks, which include interest rate risk, liquidity risk, capital risk, and foreign exchange risk.

5.1 Interest rate risk

As the Company has no significant interest bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The interest rate risk arises from borrowings with those issued at variable interest rates exposing the Company to cash flow interest rate risk. The Company continually optimises the mix

in its borrowing facilities to maximise financing flexibility whilst minimising financing cost.

5.2 Liquidity risk

The Company manages liquidity risk by maintaining adequate reserve of cash and cash equivalents and maintaining number of committed credit facilities from banks. The Company reviews requirements for future cash flows through the completion of an annual finance plan review. The finance plan review is completed for the forthcoming year to ensure that estimates of future requirements are analysed such that appropriate facilities can be made available.

5.3 Capital risk

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. In the future, the Company may adjust the amount of dividend paid to shareholders in order to maintain an appropriate capital structure. Annually, the Company completes a finance plan which seeks to establish positions for the current and future years' dividend projections.

5.4 Foreign exchange risk

The Company hedges the foreign currency exposure of its contract commitments to purchase certain production. The

forward contracts used in its programme mature in 12 months or less, consistent with the related purchase commitments.

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as management that makes strategic decisions.

The one main operating segment of the Company is telecommunication business and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in this financial statements pertain to the aforementioned reportable operating segment and geographical area.

Main customer

During the year ended 31 December 2016, revenues from four major customers of approximately Baht 434 million represented 53.63% of the Company's total revenues (2015: revenues from three major customers of approximately Baht 184.66 million represented 42.27% of the Company's total revenues).

7 Cash and cash equivalents

Cash on hand
Deposits at financial institutions
- Current accounts
- Savings accounts
- Fixed deposit due within 3 months

Total cash and cash equivalents

Equity Method and Separate	
2016	2015
Baht	Baht
525,220	589,504
10,728,832	6,400,089
126,235,243	104,387,469
2,012	1,002
137,491,307	111,378,064

The deposits at financial institutions of the Company are deposits at local financial institutions. As at 31 December 2016, deposits at financial institutions bore interest at rates from 0.125% to 1% per annum (31 December 2015: 0.125% to 0.65% per annum).

8 Trade and other receivables, net

	Equity Method and Separate	
	2016 Baht	2015 Baht
Trade receivables	139,373,246	81,818,625
Trade receivables - related party	2,820,207	2,760,067
Less Allowance for doubtful accounts	(3,514,135)	(719,998)
Total trade receivables, net	138,679,318	83,858,694
Prepaid expenses	16,695,186	9,061,330
Deposits	25,192	485,475
Advance payment	1,591,782	930,490
Other receivables - related party	329,747	1,299,923
Others	675,090	167,517
Total trade and other receivables, net	157,996,315	95,803,429

Outstanding trade receivables can be analysed as follows:

	Equity Method and Separate	
	2016 Baht	2015 Baht
Not due	78,335,041	30,163,254
Overdue below 3 months	48,043,910	50,407,926
Overdue 3 - 6 months	5,492,259	2,598,913
Overdue 6 - 12 months	6,177,828	1,253,732
Over 12 months	4,144,415	154,867
	142,193,453	84,578,692
Less Allowance for doubtful accounts	(3,514,135)	(719,998)
Total trade receivables, net	138,679,318	83,858,694

9 Accrued revenue from network installation service

	Equity Method and Separate	
	2016 Baht	2015 Baht
Contract costs to date	321,723,186	51,771,615
Recognised profits to date	68,137,958	19,351,789
Contract costs incurred and recognised profits to date	389,861,144	71,123,404
Less Progress billings	(85,920,135)	(9,169,200)
Total accrued revenue from network installation service	303,941,009	61,954,204

10 Other current assets

	Equity Method and Separate	
	2016 Baht	2015 Baht
Value added tax receivables	125,152,310	98,120,723
Withholding tax refundable	3,042,559	3,042,559
Others	354,751	433,584
Total other current assets	128,549,620	101,596,866

11 Investment in joint venture

As at 31 December 2016, the Company has an investment in joint venture as follows;

Genesis Data Center Co., Ltd.

Genesis Data Center Co., Ltd., a joint ventures of the Company, the joint venture provides data center space service such as co-location service, cloud computing service and disaster recovery service with a total of 2,100,000 registered ordinary shares at a par value of Baht 100 per share amounting to Baht 210 million. The Company holds 33.33% of its authorized share capital amounting to Baht 70 million.

On 21 April 2016, the Board of Directors approved 33.33% investment in the registered capital of Genesis Data Center Co., Ltd. The Company was paid-up 40,000 shares at a par value of Baht 100 per share amounting to Baht 4 million in the third quarter. During the fourth quarter, the Company invested in increase registered capital of Genesis Data Center Co., Ltd. 660,000 shares at a par value of Baht 100 per share amounting of Baht 66 million to maintain 33.33% of the Company holds and shares were paid of Baht 33 million. The Company has an outstanding commitment in respect of the under portion of investment of Baht 33 million.

The movement in investment in the joint venture is analysed as follows:

	Equity Method	Separate
	Baht	Baht
For the year ended 31 December 2016		
Opening book value	-	-
Additional investment in joint venture	36,999,900	36,999,900
Share of losses from investment in joint venture	(141,326)	-
Closing book value	36,858,574	36,999,900

The joint venture has share capital consisting solely of ordinary shares, which is held directly by the Company.

Nature of investment in joint venture

Name of entity	% of ownership interest	Measurement method	Nature of the relationship
	2016		
Genesis Data Center Co., Ltd.	0.3333	Equity	Note 1

Note 1: Genesis Data Center Co., Ltd. provides data center space service such as co-location service, cloud computing service and disaster recovery service. Genesis Data Center Co., Ltd. is a strategic partnership for the Company, providing data center space business. Genesis Data Center Co., Ltd. is a private company and there is no quoted market price available for its shares.

Summarised financial information for joint ventures

Set out below are the summarised financial information for Genesis Data Center Co., Ltd. which is accounted for using the equity method.

Summarised statement of financial position

	Genesis Data Center Co., Ltd.
	As at 31 December 2016
	Baht
Current assets	
Cash and cash equivalents	90,738,981
Other current assets (excluding cash)	1,419,467
Total current assets	92,158,448
Non-current assets	18,670,000
	110,828,448
Current liabilities	
Financial liabilities (excluding trade payables)	-
Other current liabilities (including trade payables)	252,426
Total current liabilities	252,426
Net assets	110,576,022

Summarised statement of comprehensive income

Interest income
Administrative expense
Loss from continuing operations
Income tax expense
Post-tax loss from continuing operations
Post-tax loss from discontinued operations
Other comprehensive loss
Total comprehensive loss

Genesis Data Center Co., Ltd.	
for the period ended 9 September 2016	
(Company establishment's date)	
to 31 December 2016	
	Baht
	33,598
	(563,570)
	(529,972)
	105,994
	(423,978)
	-
	-
	(423,978)

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the Company and the joint venture (and not the Company's share of those amounts).

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of its interest in joint venture.

Summarised financial information
Opening net assets as at 9 September
(Company establishment's date)
Additions
Loss for the year
Closing net assets
Interest in joint venture
Carrying value

Genesis Data Center Co., Ltd.	
As at 31 December 2016	
	Baht
	12,000,000
	99,000,000
	(423,978)
	110,576,022
	ร้อยละ 33.33
	36,858,574

12 Fixed assets and telecommunication networks, net

	Equity Method and Separate									
	Building	Building improvement	Infrastructure system	Furniture, fixtures & office equipment	Tool and equipment	Vehicle	Telecommunication network equipment	Equipment under construction	Construction in progress	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2015										
Cost	18,003,247	7,747,070	28,548,418	12,256,797	78,196,500	1,196,693	1,115,604,080	141,537,490	155,450,255	1,558,540,550
Less Accumulated depreciation	(175,481)	(220,535)	(802,418)	(1,778,216)	(5,749,156)	(663,658)	(33,450,454)	-	-	(42,839,918)
Net book value	17,827,766	7,526,535	27,746,000	10,478,581	72,447,344	533,035	1,082,153,626	141,537,490	155,450,255	1,515,700,632
For the year ended 31 December 2015										
Opening net book value	17,827,766	7,526,535	27,746,000	10,478,581	72,447,344	533,035	1,082,153,626	141,537,490	155,450,255	1,515,700,632
Additions	12,282,416	9,789,505	68,501,306	3,318,203	25,060,967	-	55,678,984	37,605,976	407,901,453	620,138,810
Transfer in (out)	-	-	172,600	-	11,343,899	-	534,802,296	(94,812,511)	(451,506,284)	-
Reclassification	-	-	4,180,000	(4,180,000)	-	-	-	-	-	-
Write-off construction in progress to repair and maintenance of network	-	-	-	-	-	-	-	-	(7,082,495)	(7,082,495)
Depreciation charge	(835,041)	(1,229,227)	(6,190,299)	(1,654,981)	(10,939,830)	(239,339)	(66,578,071)	-	-	(87,666,788)
Closing net book value	29,275,141	16,086,813	94,409,607	7,961,803	97,912,380	293,696	1,606,056,835	84,330,955	104,762,929	2,041,090,159
As at 31 December 2015										
Cost	30,285,663	17,536,575	101,402,324	11,395,000	114,601,366	1,196,693	1,706,085,360	84,330,955	104,762,929	2,171,596,865
Less Accumulated depreciation	(1,010,522)	(1,449,762)	(6,992,717)	(3,433,197)	(16,688,986)	(902,997)	(100,028,525)	-	-	(130,506,706)
Net book value	29,275,141	16,086,813	94,409,607	7,961,803	97,912,380	293,696	1,606,056,835	84,330,955	104,762,929	2,041,090,159

		Equity Method and Separate									
		Building	Building improvement	Infrastructure system	Furniture, fixtures & office equipment	Tool and equipment	Vehicle	Telecommunication network equipment	Equipment under construction	Construction in progress	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
As at 1 January 2015											
Cost		30,285,663	17,536,575	101,402,324	11,395,000	114,601,366	1,196,693	1,706,085,360	84,330,955	104,762,929	2,171,596,865
Less Accumulated depreciation		(1,010,522)	(1,449,762)	(6,992,717)	(3,433,197)	(16,688,986)	(902,997)	(100,028,525)	-	-	(130,506,706)
Net book value		29,275,141	16,086,813	94,409,607	7,961,803	97,912,380	293,696	1,606,056,835	84,330,955	104,762,929	2,041,090,159
For the year ended 31 December 2015											
Opening net book value		29,275,141	16,086,813	94,409,607	7,961,803	97,912,380	293,696	1,606,056,835	84,330,955	104,762,929	2,041,090,159
Additions		-	709,004	705,900	4,683,107	34,183,547	785,262	50,459,925	30,631,429	491,549,300	613,707,474
Transfer in (out)		-	-	-	-	-	-	439,376,199	(5,199,492)	(434,176,707)	-
Reclassification		-	-	-	-	(59,590)	-	-	-	-	(59,590)
Write-off construction in progress to repair and maintenance of network		-	-	-	-	-	-	-	-	(10,078,736)	(10,078,736)
Impairment charge		-	-	-	-	-	-	-	-	(1,859,987)	(1,859,987)
Depreciation charge		(1,160,807)	(1,889,414)	(10,521,489)	(2,712,576)	(15,190,586)	(345,231)	(87,065,033)	-	-	(118,885,136)
Closing net book value		28,114,334	14,906,403	84,594,018	9,932,334	116,845,751	733,727	2,008,827,926	109,762,892	150,196,799	2,523,914,184
As at 31 December 2015											
Cost		30,285,663	18,245,579	102,108,224	16,078,107	148,711,013	1,981,955	2,195,921,484	109,762,892	152,056,786	2,775,151,703
Less Accumulated depreciation		(2,171,329)	(3,339,176)	(17,514,206)	(6,145,773)	(31,865,262)	(1,248,228)	(187,093,558)	-	-	(249,377,532)
Less Impairment loss on assets		-	-	-	-	-	-	-	-	(1,859,987)	(1,859,987)
Net book value		28,114,334	14,906,403	84,594,018	9,932,334	116,845,751	733,727	2,008,827,926	109,762,892	150,196,799	2,523,914,184

For the year ended 31 December 2016, borrowing cost amounting Baht 4,370,911 has been capitalised as assets which is presented as additions of assets during the year (2015: Baht 3,459,186).

The Company does not have additions of assets under finance leases in the year 2016 (2015: Baht 47.11 million) included in additions of assets (where the Company is the lessee).

Leased assets included above, where the Company is a lessee under a finance lease, comprise of telecommunication network equipment as follows:

	Equity Method and Separate	
	2016 Baht	2015 Baht
Cost - capitalised finance lease	169,757,821	169,757,821
Less Accumulated depreciation	(20,949,098)	(12,461,212)
Net book value	148,808,723	157,296,609

13 Intangible assets, net

	Equity Method and Separate		
	Computer software Baht	Computer software in progress Baht	Total Baht
As at 1 January 2015			
Cost	2,633,417	188,000	2,821,417
Less Accumulated amortisation	(248,406)	-	(248,406)
Net book value	2,385,011	188,000	2,573,011
For the year ended 31 December 2015			
Opening net book value	2,385,011	188,000	2,573,011
Additions	2,026,600	55,000	2,081,600
Amortisation charge	(167,690)	-	(167,690)
Closing net book value	4,243,921	243,000	4,486,921
As at 31 December 2015			
Cost	4,660,017	243,000	4,903,017
Less Accumulated amortisation	(416,096)	-	(416,096)
Net book value	4,243,921	243,000	4,486,921

For the year ended 31 December 2016

Opening net book value

Additions

Transfer in (out)

Amortisation charge

Closing net book value

As at 31 December 2016

Cost

Less Accumulated amortisation

Net book value

Equity Method and Separate		
Computer software	Computer software in progress	Total
Baht	Baht	Baht
4,243,921	243,000	4,486,921
4,144,000	-	4,144,000
55,000	(55,000)	-
(422,982)	-	(422,982)
8,019,939	188,000	8,207,939
8,859,017	188,000	9,047,017
(839,078)	-	(839,078)
8,019,939	188,000	8,207,939

14 Deferred income taxes, net

The analysis of deferred tax assets and deferred tax liabilities is as follows:

As at 31 December

Deferred tax assets:

Deferred tax assets to be recovered within 12 months

Deferred tax assets to be recovered after more than 12 months

Deferred tax liabilities:

Deferred tax liabilities to be settled within 12 months

Deferred tax liabilities to be settled after more than 12 months

Deferred income taxes, net

Equity Method and Separate	
2016	2015
Baht	Baht
17,820,585	4,753,688
4,345,975	1,800,585
22,166,560	6,554,273
(684,303)	(323,116)
(2,068,294)	(174,514)
(2,752,597)	(497,630)
19,413,963	6,056,643

The movement of the deferred income tax account is as follows:

As at 31 December	Equity Method and Separate	
	2016	2015
	Baht	Baht
At the beginning year	6,056,643	1,966,873
Charged/(credited) to profit or loss	13,202,306	4,304,951
Tax charged/(credited) directly to other comprehensive income	155,014	(215,181)
At the ending year	19,413,963	6,056,643

The movements in deferred tax assets and liabilities during the years are as follows:

	Equity Method and Separate			
	Finance leases	Financial derivative assets	Others	Total
	Baht	Baht	Baht	Baht
Deferred tax liabilities				
At 1 January 2016	(174,514)	(323,116)	-	(497,630)
Charged/(credited) to profit or loss	(1,394,053)	(439,667)	(421,247)	(2,254,967)
Tax charged/(credited) directly to other comprehensive income	-	-	-	-
At 31 December 2016	(1,568,567)	(762,783)	(421,247)	(2,752,597)
At 1 January 2015	-	-	-	-
Charged/(credited) to profit or loss	(174,514)	(323,116)	-	(497,630)
Tax charged/(credited) directly to other comprehensive income	-	-	-	-
At 31 December 2015	(174,514)	(323,116)	-	(497,630)

Deferred tax assets

At 1 January 2016

Charged/(credited) to profit or loss
Tax charged/(credited) directly
to other comprehensive income

At 31 December 2016

At 1 January 2015

Charged/(credited) to profit or loss
Tax charged/(credited) directly
to other comprehensive income

At 31 December 2015

Equity Method and Separate									
Allowance for doubtful accounts	Impairment loss on assets	Provision	Employee benefit obligations	Depreciation	Operating leases	Finance leases	Financial derivative liabilities	Others	Total
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
144,000	-	4,782,298	204,601	946,602	455,413	-	21,359	-	6,554,273
558,827	371,997	12,970,374	102,324	926,356	454,166	-	41,714	31,515	15,457,273
-	-	-	155,014	-	-	-	-	-	155,014
702,827	371,997	17,752,672	461,939	1,872,958	909,579	-	63,073	31,515	22,166,560
-	-	-	219,152	464,892	455,413	827,416	-	-	1,966,873
144,000	-	4,782,298	200,630	481,710	-	(827,416)	21,359	-	4,802,581
-	-	-	(215,181)	-	-	-	-	-	(215,181)
144,000	-	4,782,298	204,601	946,602	455,413	-	21,359	-	6,554,273

15 Trade and other payables

As at 31 December

Trade payables
Trade payables - related party
Total accounts payables
Accrued network installation cost
Rental for operating lease
Retention
Other payables
Accrued expenses
Accrued bonus
Other payables - related parties
Total trade and other payables

Equity Method and Separate	
2016	2015
Baht	Baht
401,118,540	196,947,605
14,615,881	1,930,048
415,734,421	198,877,653
128,159,054	112,812,697
9,563,682	7,292,853
34,810,848	26,461,629
4,330,539	7,075,484
14,623,479	12,741,278
14,323,184	10,398,719
2,169,867	13,296,166
623,715,074	388,956,479

16 Other current liabilities

As at 31 December

Accrued tax payable
Accrued social security fund
Total other current liabilities

Equity Method and Separate	
2016	2015
Baht	Baht
8,588,369	5,068,074
654,252	473,454
9,242,621	5,541,528

17 Finance lease liabilities, net

As at 31 December

Within 1 year
Over 1 years but less than 5 years
Less Future interest paid of finance lease liabilities
Present value of finance lease liabilities, net

Equity Method and Separate	
2016	2015
Baht	Baht
44,442,970	46,818,455
39,016,474	83,459,344
83,459,444	130,277,799
(4,093,530)	(9,116,991)
79,365,914	121,160,808

Finance lease liabilities excluded future interest paid are as follows:

As at 31 December

Finance lease liabilities, net
Less Current portion of finance lease liabilities, net

Equity Method and Separate	
2016	2015
Baht	Baht
79,365,914	121,160,808
(41,597,088)	(41,794,214)
37,768,826	79,366,594

The fair value of finance lease liabilities approximated their carrying amount, as the impact of discounting is not significant.

18 Long-term loans from financial institution, net

18.1 The long-term loans from financial institution are as follows:

As at 31 December

Current portion of long-term loans from financial institution
Thai Baht loans
Less Deferred financing service fees due within 1 year
Current portion of long-term loans from financial institution
Long-term loans from financial institution
Thai Baht loans
Less Deferred financing service fees due later than 1 year
Long-term loans from financial institution, net
Total long-term loans from financial institution, net

Equity Method and Separate	
2016	2015
Baht	Baht
99,200,000	15,700,000
(858,248)	(360,411)
98,341,752	15,339,589
1,117,900,000	725,100,000
(2,345,483)	(2,220,800)
1,115,554,517	722,879,200
1,213,896,269	738,218,789

The carrying amounts and fair values of certain long-term borrowings are as follows:

Equity Method and Separate			
Carrying amounts		Fair values	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
Long-term bank borrowings			
1,217,100,000	740,800,000	1,200,660,066	717,923,743
1,217,100,000	740,800,000	1,200,660,066	717,923,743

The fair value of long-term loans from financial institution approximated their carrying amount, as the impact of discounting from floating rate is not significant.

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate of 4.75% (2015: 5%) and are within level 2 of the fair value hierarchy.

As at 31 December 2016, the Company had long-term loans denominated in Thai Baht with local financial institution which were secured amounting to Baht 1,217.10 million (31 December 2015: Baht 740.80 million) as follows:

Number	Outstanding balance as at 31 December 2016 (Baht)	Outstanding balance as at 31 December 2015 (Baht)	Interest rate per annum	Principal repayment term	Interest payment period
1	517,100,000	532,800,000	MLR - 1.5%	Repayment every month from November 2016	Payment every month
2	300,000,000	208,000,000	MLR - 1.5%	Repayment every month from December 2017	Payment every month
3	200,000,000	-	MLR - 1.5%	Repayment every month from May 2018	Payment every month
4	200,000,000	-	MLR - 1.5%	Repayment every month from January 2019	Payment every month
รวม	1,217,100,000	740,800,000			

As at 31 December 2016 and 2015, the long term loans bear interest at the rate of MLR - 1.5% per annum. The Company repays principal and pays interest every month.

According to loan agreements as at 31 December 2016 and 2015, the Company has to maintain loan from financial institution to the equity and loan from related parties ratio not exceeding 2 times and maintain debt service coverage ratio not to be less than 1.2 times, which is calculated from its financial statements. Moreover, Anantarumporn family has to maintain the portion of shareholders' equity both directly and indirectly via the subsidiaries not to be less than 25%. These loan agreement are secured by:

1. Mortgaging of Interlink Communication Public Company Limited's land and building
2. Directors of Interlink Communication Public Company Limited
3. 51% share of the Company

18.2 The interest rate exposure on the long-term loans from financial institution

The interest rate exposure on the long-term loans from financial institution of the Company is as follows:

As at 31 December	Equity Method and Separate	
	2016 Baht	2015 Baht
Long-term loans from financial institution - at floating rate	1,217,100,000	740,800,000
Total long-term loans from financial institution	1,217,100,000	740,800,000

18.3 Maturity of long-term loans from financial institution are as follows:

As at 31 December

Within 1 year
Later than 1 year and not later than 5 years
Later than 5 years

Total long-term loans from financial institution

Equity Method and Separate	
2016	2015
Baht	Baht
99,200,000	15,700,000
880,800,000	561,800,000
237,100,000	163,300,000
1,217,100,000	740,800,000

18.4 Credit facilities

As at 31 December 2016, the Company and the Group under Interlink Communication Public Company Limited had the available credit facilities and overdraft from bank of Baht 1,388 million. Other available credit facilities include letter of credit, trust receipt, letter of guarantee and forward foreign exchange contracts totaling Baht 3,650 million (31 December 2015: Baht 3,156 million and Baht 3,560 million respectively).

19 Retirement benefit obligations

The movements in the retirement benefit obligations over the years are as follows:

As at 31 December

Opening balance
Current service cost
Interest cost
Remeasurements
(Gain)/loss from change in demographic assumptions
(Gain)/loss from change in financial assumptions
Experience loss

Closing balance

Equity Method and Separate	
2016	2015
Baht	Baht
1,023,002	1,425,504
471,579	642,675
40,041	47,852
365,115	(1,366,698)
185,271	(17,124)
224,686	290,793
2,309,694	1,023,002

The following table is a summary of the assumptions relating to the actuarial technique as at the date of financial statements:

	2016	2015
	%	%
Discount rate	2.79	3.13
Salary increase rate	8	8
Turnover rate	5 - 15	4.5 - 15
Pre-retirement mortality rate	TMO 2008	TMO 2008
Pre-retirement disability rate	TMO 2008	TMO 2008

		2016	
		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by Baht 207,256	Increase by Baht 231,531
Salary increase rate	0.50%	Increase by Baht 212,524	Decrease by Baht 193,418
Turnover rate	10.00%	Decrease by Baht 365,630	Increase by Baht 455,296

		2015	
		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	Decrease by Baht 101,286	Increase by Baht 114,413
Salary increase rate	0.50%	Increase by Baht 109,434	Decrease by Baht 98,200
Turnover rate	10.00%	Decrease by Baht 207,529	Increase by Baht 264,975

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The weighted average durations of the Company's defined benefit obligation is equal to 22 years.

Expected maturity analysis of undiscounted retirement:

		Equity Method and Separate				
		Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
		Baht	Baht	Baht	Baht	Baht
At 31 December 2016						
Retirement benefits	-	-	-	-	45,450,379	45,450,379
Total	-	-	-	-	45,450,379	45,450,379

		Equity Method and Separate				
		Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
		Baht	Baht	Baht	Baht	Baht
At 31 December 2015						
Retirement benefits	-	-	-	-	32,104,103	32,104,103
Total	-	-	-	-	32,104,103	32,104,103

20 Share capital and premium on share capital

	Authorised ordinary shares	Issued and paid-up shares	Issued and paid-up Baht	Premium on share capital Baht	Total Baht
As at 1 January 2015	3,000,000	3,000,000	300,000,000	-	300,000,000
Split shares	297,000,000	297,000,000	-	-	-
Increase shares	200,000,000	-	-	-	-
As at 31 December 2015	500,000,000	300,000,000	300,000,000	-	300,000,000
Issued of new shares	-	200,000,000	200,000,000	814,942,915	1,014,942,915
As at 31 December 2016	500,000,000	500,000,000	500,000,000	814,942,915	1,314,942,915

From 31 August to 2 September 2016, the Company allotted and sold 60 million ordinary shares with an offer price of Baht 5.20 per share totalling Baht 304.48 million net of issuance expenditures, net of tax to the parent company. This was in accordance with the resolution of the General Meeting of Shareholders held on 21 April 2016.

From 7 to 9 September 2016, the Company allotted and sold 140 million ordinary shares in connection with the Initial Public Offering to investors and unconnected persons for Baht 5.20 per share totalling Baht 710.46 million net of issuance expenditures, net of tax.

As at 31 December 2016, there was a total of 500 million ordinary shares at a par value of Baht 1 each (31 December 2015: 500 million ordinary shares at a par value of Baht 1 each).

21 Legal reserve

	Equity Method		Separate	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
At 1 January	-	-	-	-
Appropriation during the year	3,400,000	-	3,400,000	-
At 31 December	3,400,000	-	3,400,000	-

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

22 Service income from network rendering

For the years ended 31 December 2016 and 2015, service income from network rendering under Telecommunication license type 3 could be separated by type of service as follows:

As at 31 December	Equity Method and Separate	
	2016 Baht	2015 Baht
Interlink MPLS IP-VPN	250,423,023	154,586,699
Interlink Wavelength	3,330,510	2,620,817
Interlink Dark Fiber	110,343,537	90,306,262
Interlink IPLC	28,861,125	26,224,981
Total	392,958,195	273,738,759

23 Service income from network installation service

During the year ended 31 December 2016, service income from network installation service comprises connection service income amounting to Baht 9,493,054 (2015: Baht 11,136,709).

24 Expenses by nature

As at 31 December	Equity Method and Separate	
	2016 Baht	2015 Baht
Subcontract costs	145,032,137	43,877,452
Staff costs	71,342,407	46,080,861
Depreciation and amortisation of assets	119,308,118	87,834,478
Repair and maintenance expense	41,587,539	28,531,479
Material used	98,399,530	25,539,703
System and network expense	57,953,283	33,557,735
Rental under operating lease	46,525,173	23,845,263
Loss on exchange rates, net	226,550	10,457,901

25 Income tax

For the years ended 31 December

	Equity Method		Separate	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax	30,038,540	14,114,087	30,038,540	14,114,087
Deferred tax	(13,202,306)	(4,304,951)	(13,202,306)	(4,304,951)
Total income tax	16,836,234	9,809,136	16,836,234	9,809,136

The tax on the profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

For the years ended 31 December

	Equity Method		Separate	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Profit before tax	84,079,198	40,474,485	84,220,524	40,474,485
Tax calculated at a tax rate of 20	20	20	20	20
The result of the accounting profit multiplied by the income tax rate	16,815,840	8,094,897	16,844,105	8,094,897
Tax effect of:				
Expenses not deductible for tax purposes	48,017	69,645	19,752	69,645
Double deductible expenses for tax purposes	(27,623)	(40,603)	(27,623)	(40,603)
Write-off deferred tax assets	-	1,685,197	-	1,685,197
Income tax	16,836,234	9,809,136	16,836,234	9,809,136

The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Equity Method and Separate					
	2016			2015		
	Before tax Baht	Tax (charge)/ credit Baht	After tax Baht	Before tax Baht	Tax (charge)/ credit Baht	After tax Baht
Remeasurement on retirement benefit obligations	775,072	(155,014)	620,058	(1,093,029)	215,181	(877,848)
Other comprehensive income	775,072	(155,014)	620,058	(1,093,029)	215,181	(877,848)
Current tax	-	-	-	-	-	-
Deferred tax (Note 14)	(155,014)			215,181		
	(155,014)			215,181		

The tax (charged)/credited directly to equity during the year is as follows:

	Equity Method		Separate	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Current tax				
Issuance expenditures	6,264,271	-	6,264,271	-
	6,264,271	-	6,264,271	-

26 Basic earnings per share

The basic earnings per share is calculated by dividing the profit for the year attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	Equity Method		Separate	
	2016	2015	2016	2015
For the years ended 31 December				
Profit attributable to the Company (Baht)	67,242,964	30,665,349	67,384,290	30,665,349
Weighted average number of ordinary shares in issue (Share)	360,655,738	300,000,000	360,655,738	300,000,000
Basic earnings per share (Baht)	0.19	0.10	0.19	0.10

There were no dilutive ordinary shares in issue during the year presented.

27 Related party transactions

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The major shareholder of the Company is Interlink Communication Public Company Limited, holding 60% of the Company's shares.

The significant related party transactions are as follows:

27.1 Revenue from services

For the years ended 31 December

Revenue from services
- Parent company

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
4,422,000	4,422,000	4,422,000	4,422,000

27.2 Purchases of goods

For the years ended 31 December

Purchases of goods
- Parent company

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
18,768,544	5,800,865	18,768,544	5,800,865

27.3 Other income

For the years ended 31 December

Other income
- Parent company

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
76,080	2,480,923	76,080	2,480,923

27.4 Other expenses

For the years ended 31 December

Rental expenses
- Parent company

Interest expenses
- Parent company
- Other related parties
- Directors

Service expenses
- Parent company
- Other related parties

Administrative expenses
- Parent company
- Directors

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
2,666,823	2,552,808	2,666,823	2,552,808
7,007,787	9,503,301	7,007,787	9,503,301
-	195,137	-	195,137
-	203,836	-	203,836
2,607,182	-	2,607,182	-
-	55,559	-	55,559
1,519,651	1,508,024	1,519,651	1,508,024
2,202,200	1,470,000	2,202,200	1,470,000

27.5 Trade receivables and trade payables - related parties

As at 31 December

Trade receivables
- Parent company
Trade payables
- Parent company

Equity Method and Separate	
2016	2015
Baht	Baht
2,820,207	2,760,067
14,615,881	1,930,048

27.6 Amount due from and amount due to related parties

As at 31 December

Other receivables
- Parent company
Other payables
- Parent company
- Directors

Equity Method and Separate	
2016	2015
Baht	Baht
329,747	1,299,923
1,617,667	12,746,851
552,200	549,315

27.7 Short-term loans from a related party and interest expenses

The movement of short-term loans from a related party can be analysed as follow:

For the year ended 31 December 2016
Opening balance
Repayment
Closing balance

Equity Method and Separate	
	Baht
	850,000,000
	(850,000,000)
	-

During the year, the loans from the parent company bear interest rates of 0.9% per annum.

The fair value of short-term loans from the parent company approximated their carrying amount, as the impact of discounting is not significant.

As at 31 December

Accrued interest expense (Note 27.6)

- Parent company

Equity Method and Separate	
2016	2015
Baht	Baht
-	11,102,203
-	11,102,203

For the years ended 31 December

Interest expense

- Parent company

- Other related party

- Directors

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
7,007,787	9,503,301	7,007,787	9,503,301
-	195,137	-	195,137
-	203,836	-	203,836
7,007,787	9,902,274	7,007,787	9,902,274

27.8 Key management compensation

For the years ended 31 December

Short-term employee benefits

Post-employee benefits

Equity Method		Separate	
2016	2015	2016	2015
Baht	Baht	Baht	Baht
15,177,122	13,275,739	15,177,122	13,275,739
310,490	97,986	310,490	97,986
15,487,612	13,373,725	15,487,612	13,373,725

28 Fair value

28.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Company's financial assets and liabilities that are measured at fair value at 31 December 2016 and 2015.

	Equity Method and Separate	
	Level 2 Baht	Total Baht
Assets as at 31 December 2016		
Forward foreign exchange contracts	3,813,915	3,813,915
Assets as at 31 December 2015		
Forward foreign exchange contracts	1,615,580	1,615,580
Liabilities as at 31 December 2016		
Forward foreign exchange contracts	315,364	315,364
Liabilities as at 31 December 2015		
Forward foreign exchange contracts	106,795	106,795

There were no transfers between Levels 1, 2 and 3 during the year.

There were no changes in valuation techniques during the year.

28.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise forward foreign exchange contracts which have been fair valued using forward exchange rates that are quoted in an active market.

The effects of discounting are generally insignificant for Level 2 derivatives.

28.3 Financial assets and liabilities that are not measured at fair value

Carrying amounts of financial assets and liabilities including cash and cash equivalents, short-term investment, trade receivables and payables, amounts due from and due to related parties, other receivables and payables, and short-term loans approximate fair value because these group items represents financial assets and liabilities with short-term maturity in nature.

29 Commitments and contingent liabilities

29.1 Bank guarantees

As at 31 December 2016, there were outstanding bank guarantees issued by the bank on behalf of the Company of Baht 65.57 million (31 December 2015: Baht 32.05 million) in respect of certain performance obligations required in the normal course of business of the Company.

29.2 Operating and service lease commitments

The Company has entered into several lease agreements in respect of the lease of spaces and other services agreements. The terms of the agreements are generally between 1 and 30 years. Future minimum lease payments required under these non-cancellable operating leases contracts and service contracts are as follows

As at 31 December

Payable within:

- Less than 1 year
- 1 to 5 years
- More than 5 years

(Unit : Million Baht)	
2016	2015
40.67	35.06
53.94	37.63
144.77	152.01

29.3 Capital commitment

The Company has an outstanding commitment in respect of the undue portion of investment in Genesis Data Center Co., Ltd., a joint venture of Baht 33 million.

29.4 Litigation

As at 31 December 2016, the Company has litigation as follows;

A subcontractor (the "Plaintiff") of the Company filed a claim against the Company on the basis that the Company has defaulted on an installation fiber optic agreement. The Plaintiff claimed for the total amount of Baht 1,161,279 which included principal amount of Baht 975,097 plus interest of Baht 186,182. However, the Company also filed a statement of defence and counter-claim for a total amount Baht 692,657. The Court of First Instance ordered the Plaintiff to pay the Company Baht 265,744 plus interest of 7.5% per annum from 24 May 2016. Currently, the Plaintiff submitted a request to extend the appeal period. The Court then gave an approval of extension until 16 March 2017.

30 Financial derivatives

Forward foreign exchange contracts

As at 31 December 2016 and 2015, the Company has forward foreign exchange contracts which have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts payable denominated in foreign currency as follow:

Financial Instruments

a) Financial assets and financial liabilities

As at 31 December, the Company had outstanding balances of financial assets and financial liabilities denominated in foreign currency as follows:

Currency
US Dollars

(Unit : Baht/1 foreign currency)			
Equity Method and Separate		Exchange rate	
Financial assets	Financial liabilities	As at 31 December 2016	
		Buying	Selling
-	209,371,209	-	36.00

Currency
US Dollars

(Unit : Baht/1 foreign currency)			
Equity Method and Separate		Exchange rate	
Financial assets	Financial liabilities	As at 31 December 2015	
		Buying	Selling
-	103,783,735	-	36.25

b) Foreign currency risk

As 31 December, forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts payable denominated in foreign currency. The Company had forward foreign exchange contracts amounting to Baht 209.33 million. The settlement dates on open forward contracts ranged between 43 and 365 days. Amounts in Thai Baht to be settled and contractual exchange rates of the outstanding contracts were:

As at 31 December

US Dollars

- Average exchange rate (Baht/USD)
- Amount in foreign currency (USD)
- Amount in local currency (Baht'000)

(Unit : Million Baht)	
2016	2015
34.63 - 36.56	34.65 - 36.46
5,908,378	2,786,176
209,326	99,288

c) Fair values

Fair value disclosed in Note 28.

31 Events occurring after the reporting date

Establishment subsidiary

At the Board of Directors' Meeting no. 2/2017 held on 27 February 2017, the Board granted approval for the establishment of a new subsidiary named Interlink Telecom (Myanmar) Company Limited in Myanmar. The purpose of this new subsidiary is to invest in telecommunication business which will be 100% held by Interlink Telecom Public Company Limited.

The change in par value of ordinary shares

At the Board of Directors' Meeting no. 2/2017 held on 27 February 2017, the Board approved a change of the par value of ordinary shares of the Company from that of Baht 1 to that of Baht 0.50 by splitting one ordinary share at a par value of Baht 1 into 2 ordinary shares at par value of Baht 0.50 and approved a change the Company's memorandum of association to accord with such change in the par value of the Company's shares. Such change must be subsequently approved an Extraordinary Shareholder's Meeting.

Management Discussion and Analysis of 2016

An overview of the results of past operations

The Company operates in telecommunication business by providing telecommunication services through nationwide fiber optic network and providing installation of telecommunication infrastructure. On 8 May 2012, the Company obtained Telecommunication license type 3 from National Broadcasting and Telecommunication Commission (“NBTC”) in which, allowed the Company to own the network and rendering service through the mentioned network. The period of license is 15 years. The Company has started to construct core fiber optic network since 2012 in which the fiber optic were installed along with telegraph poles that the Company has 30 years’ right of way since 19 October 2012 from The State Railway of Thailand. The Company has also constructed the main trunk routes and sub-routes along with the road through the poles as to connect to customers. The Company has launched a service under the network called “Interlink Fiber Optic Network” in June 2013.

In 2014, the Company has entered into data center business by acquiring assets from Interlink Communication Public Company Limited (ILINK) including building and equipment as to provide data center space services for companies and organizations according to their needs. The data center services have been operated in October 2014.

According to a policy of the government, Digital Economy, this policy is to use information technology to apply to the economic and social activities, by focusing on the development of digital infrastructure and aiming to provide stability data connection in all areas with adequately supply for demand and could be access at a reasonable cost, as to lead to further development of the nation in both economic and social aspects in efficiency way. The digital economy policy is important to help promote the growth of information and communications technology industry (ICT) of Thailand and the Company as well.

For the year ended 31 December 2016, the Company has total revenue of Baht 809.29 million or increasing of 85.24% comparing to the same period of prior year. In addition, the Company has net income of Baht 67.24 million or increasing by Baht 36.58 million or 119.28% comparing to the same periods of prior year as well.

Analysis of Operating Results

1. Revenues

For the year ended 31 December 2016, the Company has total revenues of Baht 809.29 million in which they were growth for 85.24% as presented below.

	31 December 2016		31 December 2015		Increase/(Decrease)	
	Million Baht	%	Million Baht	%	Million Baht	%
Service incomes	805.79	99.57	429.81	98.38	375.98	87.48
Other incomes	3.50	0.43	7.08	1.62	(3.58)	(50.58)
Total Revenues	809.29	100.00	436.89	100.00	372.40	85.24

1.1. Service incomes

Type of Service

1. Service income from network rendering

- Service income from network rendering

- Other service income

Total service income from network rendering

2. Service income from network installation service

- Service income from network installation service

- Service income from network connection service

Total service income from network installation service

3. Service income from data center space service

- Service income from data center space service

- Other service income

Total service income from data center space service

Total service incomes

31 December 2016		31 December 2015		Increase/(Decrease)	
Million Baht	%	Million Baht	%	Million Baht	%
392.96	48.76	273.74	63.69	119.22	43.55
4.57	0.57	2.55	0.59	2.02	79.22
397.53	49.33	276.29	64.28	121.24	43.88
333.05	41.33	113.84	26.49	219.21	192.56
11.44	1.42	11.09	2.58	0.35	3.16
344.49	42.75	124.93	29.07	219.56	175.75
51.37	6.38	24.67	5.74	26.70	108.23
12.40	1.54	3.92	0.91	8.48	216.33
63.77	7.92	28.59	6.65	35.18	123.05
805.79	100.00	429.81	100.00	375.98	87.48

Service incomes are divided into 3 categories as follows.

1.1.1 Service income from network rendering

Service income from network rendering is categorized into various types such as Interlink MPLS IP-VPN, Interlink Wavelength, Interlink Dark Fiber, and Interlink IPLC which the Company has started the services since June 2013.

For year ended 31 December 2016, the Company has service income from network rendering for Baht 397.53 million or represented 49.33% of total service income in which combined by service income from network rendering of Baht 392.96 million, and other service income of Baht 4.57 million. The service income from network rendering of 2016 increased from the same period of previous year by Baht 121.24 million or 43.88% because of the increasing of customers. It was because the Company increased the network coverage around 75 provinces to connect to customer premises. In addition, the Company's network is well-known because of the good quality service.

1.1.2 Service income from network installation service

Service income from network installation service is related to the construction of telecommunication hi-speed network and is categorized into 2 types as follows.

1) Service income from network installation service in which recognizes revenue by percentage of completion according to cost to cost method

2) Service income from network connection service in which recognizes revenue once the service has been completed.

For the year ended 31 December 2016, these services generated revenue for Baht 344.49 million or 42.75% of total service income which can divide to service income from network installation service Baht 333.05 million and service income from network connection service Baht 11.44 million. The major project in 2016 is such as the ongoing project from 2015 that is the improvement of telecommunications network for internet provider has already recognized revenue for Baht 96.13 million in 2016. The other main project is the construction/improvement of telecommunications network for mobile operator which recognized revenue for Baht 81.33 million. It included State Public School Project which recognized revenue for Baht 86.44 million.

1.1.3 Service income from data center space service

The Company has operated data center space service in October 2014 after acquiring assets from ILINK.

For year ended 31 December 2016, the Company has revenue from data center for Baht 63.77 million or 7.92% of total service income. It significantly increased because there was new customer coming in September 2015 which the Company recognized revenue for 4 months. However, in 2016, the Company recognized revenue for 12 months.

2. Costs and expenses

The major costs of the Company are such as costs of services, selling expenses, administrative expenses, other expenses and finance cost in which for the year ended 31 December 2016, their total amount is Baht 725.21 million.

2.1 Costs of services and gross profit margin

Costs of services are main costs of the Company. For year ended 31 December 2016, their value are Baht 602.92 million is higher than the same periods of 2015 by 104.56%. The increasing in cost of services was aligned with the increasing revenue of 2016. Below is table illustrated the components of costs of services and their relative % of GP.

	31 December 2016		31 December 2015	
	Million Baht	Gross Profit Margin (%)	Million Baht	Gross Profit Margin (%)
Cost of network rendering	297.76	25.10	200.09	27.58
Cost of network installation service	273.24	20.68	77.42	38.02
Cost of data center space service	31.92	49.95	17.23	39.73
Total costs of services	602.92		294.74	

2.1.1 Cost of network rendering

For the year ended 31 December 2016, the Company has costs of network rendering for Baht 297.76 million in which resulting to gross profit margin of network rendering service is 25.10%. The gross profit margin of 2016 decreased when compared to 2015 because there are expenses occurring from expanding fiber optic network to cover 75 provinces. The major expenses are such as depreciation expenses, interconnection of network expenses, repair and maintenance expenses, rental space to install the network expenses and employee benefit expenses which represented 34.47%, 19.46%, 13.68%, 10.21% and 6.28% of total cost of network rendering of 2016, respectively.

2.1.2 Cost of network installation service

For the year ended 31 December 2016, costs of network installation service are Baht 273.24 million in which resulting to gross profit margin of installation service is 20.68%. The gross profit margin of 2016 decreased comparing to 2015 because, in 2015, the Company has projects which were contributed high gross profit margin. In 2016, the Company got the State Public School Project which contributed low gross profit margin. However, the projects' average gross profit margin of 2016 complied with the Company's policy which is above 20%. Major costs from network installation service are such as material cost and installation cost.

2.1.3 Cost of data center space service

For the year ended 31 December 2016, the Company has cost of data center space service for Baht 31.92 million in which resulting to gross profit margin of data center business is 49.95%. The gross profit margin of 2016 increased from 2015 because the Company has more customers. So, the utilization of assets is better in 2016. Major costs are such as depreciation expenses, utilities expenses, and employee benefit expenses.

2.1.4 Gross profit and gross profit margin

For year ended 31 December 2016, the Company has gross margin of Baht 202.88 million increased from 2015 by Baht 67.81 million. The gross profit margin of 2016 is 25.18%. It is lower than 2015 which has the gross profit margin at 31.43%. This is because of the decrease in gross profit margin of installation service as stated above.

2.2 Selling expenses

For the year ended 31 December 2016, the Company has selling expenses of Baht 37.94 million which is 4.69% of total revenues. Selling expenses increased by 34.59% compared to 2015. However, the selling expenses per total revenue are lower than that in 2015, because the Company controlled its expenses more effectively while its revenues are continuously growth. Major selling expenses are such as employee benefit expenses and marketing expenses that they are represented to 43.02% and 18.82%, respectively.

2.3 Administrative expenses

For the year ended 31 December 2016, the Company has administrative expenses of Baht 32.42 million that is higher by 36.06% comparing to the same period of the previous year or equivalent to 4.01% of total revenues. The administrative expenses per total revenue are lower than that in 2015, because the Company controlled its expenses more effectively while its revenues are continuously growth. Major administrative expenses are such as employee benefit expenses, IPO related expenses, professional expenses, and rental expenses which represented to 51.76%, 10.06%, 8.05% and 7.31% of total administrative expenses of 2016.

2.4 Other expenses

For the year ended 31 December 2016, the Company's other expenses are loss from exchange rate which significantly decreased because the Company has set policy to fully hedge by providing forward contract for every imported purchases since September 2015 and implemented effectively.

2.5 Finance costs

For the year ended 31 December 2016, the Company has finance costs of Baht 51.57 million. The finance costs are interest expenses from loans and equipment leasing. As of 31 December 2016, the Company has loans from financial institution amounted to Baht 1,213.90 million and leasing liability amounted to Baht 79.37 million.

2.6 Net income and percentage of net income

based on the above explanation, the Company's net income for the year ended 31 December 2016 is Baht 67.24 million. The net profit margin is 8.31%. It is higher than net profit margin of 2015 because the Company has more customers and effectively controlled selling and administrative expenses.

2.7 Return on Equity (ROE)

ROE is changed in the same direction of the Company's operation profit or loss. In 2016, the Company's ROE equal to 10.71%, is higher than ROE of 2015 that is 9.92%.

Financial Position

1. Assets

As at 31 December 2016, the Company has total assets of Baht 3,336.16 million or 37.14% of increasing compared to Baht 2,432.59 million at the end of 2015. Major assets are such as cash and cash equivalent, trade accounts receivable, accrued revenue from network installation service, and fixed assets and telecommunication networks which are presented as at 31 December 2016's figures by 4.12%, 4.72%, 9.11% and 75.65% of total assets, respectively. The significant accounts that are notable increased are such as

- 1) cash and cash equivalent, increasing from cash funding from IPO
- 2) trade accounts receivable, increasing in line with sales
- 3) accrued revenue, increasing according to progress work that still to be billed and
- 4) fixed assets, increasing from expanding as to support sales, increase its coverage as well as its stability.

2. Liabilities

As at 31 December 2016, the Company has total liabilities of Baht 1,929.57 million or decreased by 8.45% comparing to Baht 2,107.67 million at the end of 2015. Mainly, the decreasing is from repayment of principles of loans from parent company by Baht 850 million in September and December 2016.

However, the usual liabilities are continuously increased according to need of funding in order to expand the fiber optic network. Major liabilities are such as loans from financial institutions and trade accounts payable that they are approximately 62.91% and 32.32% of total liabilities, respectively.

3. Equity

As at 31 December 2016, the Company has equities at Baht 1,406.59 million or increased by 30.05% comparing to Baht 1,081.57 million at the end of 2015. The increasing is mainly from offering and selling of the Company's shares capital of Baht 200 million (200 million shares at Baht 1 each) at offering price of Baht 5.20. This is resulting to incoming funding of Baht 1,040 million net off with IPO related expenses of Baht 31.22 million, resulting to Baht 200 million as paid-up share capital and Baht 814.94 million of share premium. Other than that, the equity is also increased according to net comprehensive income of Baht 66.62 million for 2016 operation results.

4. Capital Structure

The Company has debt to equity ratio at 1.37 times as at 31 December 2016 that is decreased from 6.48 times of 2015. The significant decreasing is from the followings.

- 1) The offering and selling of the Company's share capital as mentioned in topic 3, resulting to increase in equity by Baht 1,014.94 million.
- 2) Repayment of loans from parent company by Baht 850 million by using fund from IPO, resulting to decrease in total liabilities.

In addition, the Company has to comply to 2 conditions of debt covenant as follows.

- 1) Loans from financial institution to equities and loans from related party must not be greater than 2 times and
- 2) DSCR must not be less than 1.2 times.

As at 31 December 2016, the Company has the above ratios at 1.37 times and 1.99 times, respectively.

General Information and Other Significant Information

General Information	
Issuing Company	: Interlink Telecom Public Company Limited
Securities Symbol	: ITEL (Industry : Technology)
Registered Number	: 0107558000211
Business Type	: Providing fiber optic network services, network installation services and provide data center space services
Registered Share Capital	: Baht 500,000,000, consists of 500,000,000 ordinary shares
Paid-up Share Capital	: Baht 500,000,000, consists of 500,000,000 ordinary shares
Head Office	: 48 Interlink Building, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok 10310 Telephone 02-693-1122 (Automatic) Fax 02-693-1398 (Automatic) E-mail info@interlinktelecom.co.th Website: http://www.interlinktelecom.co.th
Network Monitoring Center of Interlink Fiber Optic Network (NMC)	: 9/1 Soi 01 Kanjanaphisek 5/5, Kanjanaphisek Road, Tharaeng, Bangken, Bangkok 10220 Telephone 02-181-1188 (Hot line) Fax 02-105-4293 (Automatic) E-mail nmc@interlinktelecom.co.th
Interlink Data Center (NOC)	: 9/1 Soi 01 Kanjanaphisek 5/5, Kanjanaphisek Road, Tharaeng, Bangken, Bangkok 10220 Telephone 02-181-1188 (Hot line) Fax 02-181-1155 (Automatic) E-mail noc@interlinkdatacenter.co.th
Other references	
Securities Registrar	: Thailand Securities Depository Co., Ltd. 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone 02-009-9000 Fax 02-009-9991
External Auditor	: Miss Amornrut Puempoonwattanasuk Certified Public Accountant No. 4599 PricewaterhouseCoopers ABAS Ltd 179/74-80, 15th Floor, Bangkok City Tower, South Sathorn Road, Sathorn, Bangkok 10120 Telephone 02-344-1000 02-824-5000 Fax 02-286-5050

General information of related companies

Related companies	Business Type	Registered Shares (Million Shares)	Par Value (Baht)	Paid-Up Shares (Million Shares)	Shareholding (%)
Parent Company Interlink Communication PLC 48 Interlink Building, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok 10310 Telephone 02-693-1222 Fax 02-693-1399 E-mail: info@interlink.co.th Website: http://www.interlink.co.th	The largest cabling import and distribution company in Asian	362.48	1.00	362.42	-
Related Companies Interlink Power and Energy Limited 48 Interlink Building, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok 10310 Telephone 02-693-1222 Fax 02-693-1399 E-mail: power@interlink.co.th	Engineering specialist in Submarine Cable and Transmission line	30.00	100.00	30.00	-
Interlink Data Center Limited 48 Interlink Building, Ratchadaphisek Road, Samsennok, Huaykwang, Bangkok 10310 Telephone 02-693-1222 Fax 02-693-1399 E-mail: idc@interlink.co.th	Data center business	30.00	100.00	7.50	-
Joint Venture Company Genesis Data Center Limited 111/11-12, Moo 11, T.Bangchalong, Bangpli, Samuthprakarn 10540 Telephone 02-312-7546	Data center business	210.00	100.00	111.00	33.33

Additional information on the report of the independent certified public accountants

After the date of auditor's report, the auditor has read other information, which the Company prepared for the annual report, and considered whether the information is materially inconsistent with the financial statements or the auditor's knowledge obtained in the audit, or otherwise appears to be materially misstated.

The auditor did not find any material inconsistency therein which auditor has to report.



INTERLINK TELECOM PUBLIC COMPANY LIMITED

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