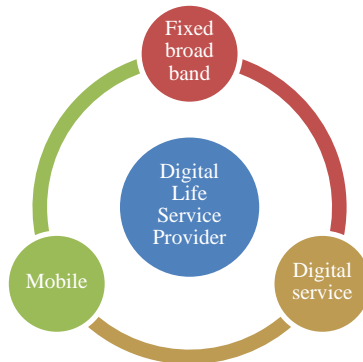


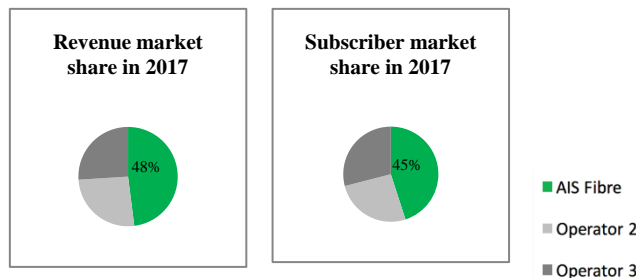
1. Business Overview

AIS: The Digital Life Service Provider



Advanced Info Service Public Company Limited (AIS) is the “Digital Life Service Provider”. Operating three core businesses in the telecom industry, AIS provides mobile, fixed broadband, and digital services, while also being one of the largest contributors to the development of Thailand’s telecom infrastructure. As Thailand’s Digital Life Service Provider, AIS also develops and delivers a range of products and services that support the changing lifestyles and usage trends of both retail and corporate customers in the digital era. In 2017, AIS had total assets of Baht 284,067 million and market capitalization of Baht 567,800 million, ranked number 5 in the Stock Exchange of Thailand.

Leader in mobile market

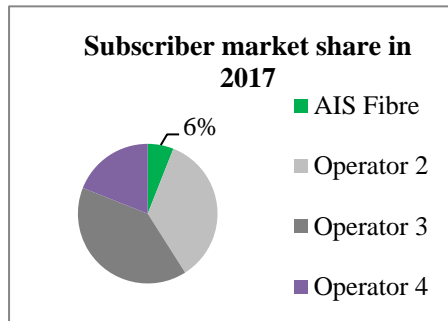


At the end of 2017, AIS confirmed our position as the leader in Thailand’s mobile market with revenue market share of 48% and a total of 40.1 million customers nationwide. Having provided mobile services for more than 27 years, AIS still generates 97% of our service revenue from this sector. In 2017, mobile revenue continued to grow 3.1% YoY. With the spectra AIS currently owns and operates, we provide quality 4G, 3G, and 2G networks nationwide to more than 98% of the population. AIS is also collaborating with vendors to conduct research and development with the aim of deploying advanced technology that can further improve network quality and effectively serve the growing demand for data consumption. This also provides a strong foundation in preparation for the coming 5G era. The mobile services provided by AIS include voice calls, mobile data, WiFi, international direct dialing (IDD), and international roaming.

Growing in the fixed broadband market

As an addition to our mobile business, AIS launched a fixed broadband service in 2015 under the brand name “AIS Fibre”. Since its launch, the service has grown continuously on the back of an increasing subscriber base and expanded coverage that now reaches 50 cities or 6 million households. AIS Fibre has successfully penetrated the market by drawing on our ability to provide FTTH

technology for connecting households to the internet and upgrading existing ADSL users to the fibre optic network which can deliver higher reliability and superior speed of up to 1 Gbps. As a result, fixed broadband revenue grew 264% YoY in 2017 and contributed around 3% of service revenue with total subscriber numbers of 521,200 or around 6% of the market. The goal is for AIS Fibre to become established as a significant player in the market by 2020.



Building upon existing businesses via digital services

The third business of AIS is digital services. Following the arrival of the digital era, AIS has achieved our objective of becoming Thailand's leading digital life service provider through a focus on the research and development of digital services for both retail and corporate customers. AIS believes in collaborating with digital service creators and providers to develop a digital ecosystem in which we grow together. Currently, AIS is focusing on four areas which are video, the Enterprise Cloud, mobile money, and the internet of things (IoT). One example of our successes in 2017 was the progress of our AIS PLAY and AIS PLAYBOX which provide customers with world-class entertainment content such as movies, TV series, and sports, both on the go and at home. This has helped differentiate the AIS brand in the market. AIS also leveraged our extensive nationwide fibre footprint to render the enterprise data service (EDS) for our corporate customers. We also announced our readiness for providing an end-to-end Enterprise Cloud service to help uplift the cost structure of Thai corporations to be on par with international standards.

Digital services are set to become an important propeller that will enable AIS to access a new source of revenue, on top of the current mobile internet charges. These services will also allow AIS to be an integrated player offering convergence products and services from our three core businesses.

Operating under licenses regulated by the NBTC

AIS is under the regulation of the NBTC. The NBTC is a regulator formed in accordance with the Frequency Allocation Act 2010. AIS's subsidiary has been granted three licenses at 2100 1800 and 900MHz from the NBTC after winning the spectrum license auctions. AIS also partners with TOT to utilize TOT's 2100MHz spectrum. This has resulted in AIS having 55MHz of frequency in total in 2017. The license fee, universal service obligation (USO) fee, and numbering fee that AIS is mandated to pay to the NBTC amounts to approximately 4-5% of service revenue each year.

1.2 Key Developments Towards Sustainable Growth

Business Strategy

- Announced the AIS vision on “Digital for Thais”, utilizing AIS’ s strength in digital technology and staff expertise to improve the living quality of Thai people in four aspects: agriculture, public health, education, and business startups.
- Announced “AIS Business Cloud 2017”, an AIS vision and policy to promote collaboration with partners in providing end- to- end cloud services for enterprise customers with international standard security. Counseling, co- planning, full- scale cloud system management and maintenance by professional AIS staff are also available.

Network Innovation

- Succeeded in developing and testing 4G Massive MIMO 32T 32R technology in FDD ready for 5G. Able to increase customers’ capacity by 5-8 times.
- Launched the first Narrow Band IoT Live (NB-IoT) in Thailand and Southeast Asia. This initiative aims to support the Thailand 4.0 policy and the Smart City in the future.
- Collaborated with Qualcomm Technologies, Inc. on developing LTE Advanced (LTE- A) technology and supporting equipment, enabling users to achieve high efficiency in communication technology. The initial test results showed a 30% increase in downlink connections and more than 50% increase in uplinks. This collaboration is aimed at strengthening the mobile ecosystem in Thailand and preparing for new technologies such as Downlink 3x carrier aggregation (DL-3xCA) and 4x4 MIMO.
- Became the first digital service provider to launch 4.5G. Utilizing 256QAM, 4x4 MIMO and Carrier Aggregation technology, AIS managed to maximize internet speed to as fast as 550 Mbps, and increase massive data transmission by 30% compared to the 4G service. These improvements help AIS pave the way for 1 Gbps speed.
- Launched “AIS NEXT G to meet customers’ demands for more data usage by combining the frequency efficiency of AIS 4G Advanced and AIS Super WiFi using Multipath TCP technology that enabling customers to experience internet speed as fast as 1 Gbps.

Products and Services to Meet Digital Lifestyle

- Joined Netflix, world’ s leader in streaming services, to offer exclusive marketing for Thai customer to access world- class movies and TV series on smartphones and tablets at affordable prices.
- Expanded collaboration in digital content with multiple partners, both domestic and international, to exceed 100 channels such as Workpoint, HBO, FOX and Warner TV. The content can be viewed in full HD quality on smartphones via AIS Play or via AIS Playbox for AIS Fibre customers.
- Created differentiation through innovative services, including, My AIS Application, which empowers customers to access all services available at AIS Shop and all AIS privileges via a mobile phone or tablet anywhere, anytime. This initiative will help reduce transportation costs and time while providing a more superior customer experience.
- Collaborated with Samsung Pay to develop Samsung pay platform that support cashless society by enabling AIS mPAY Mastercard user to purchase products and services by Samsung Pay for more convenient

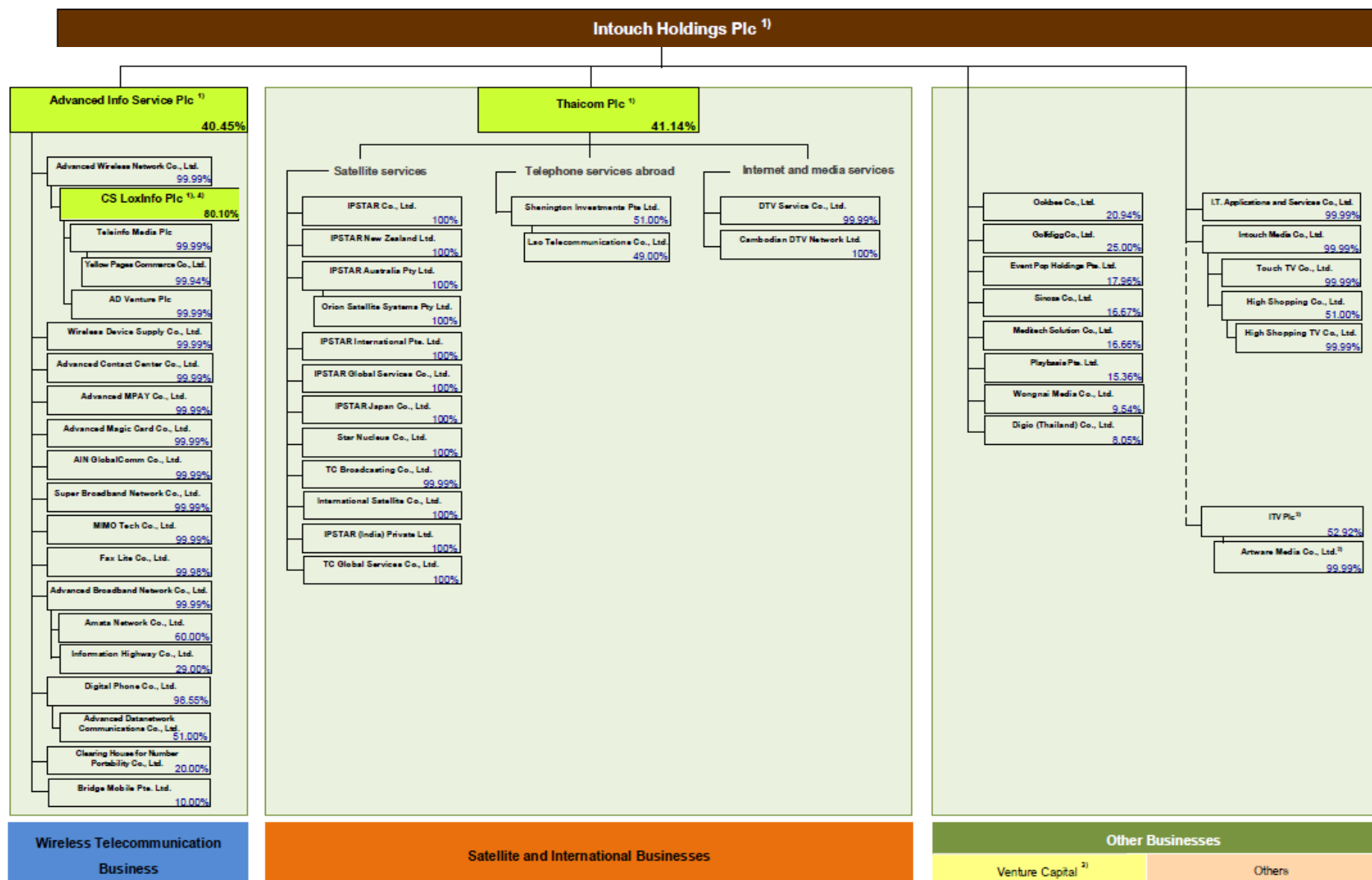
- Partnered with Microsoft Corporation to provide the most secure and reliable Microsoft Cloud Service on the AIS network for general and enterprise customers in Thailand. The partnership agreement includes infrastructure development, business development, and customer service management. Through this enhanced access infrastructure, enterprise customers who use Microsoft Azure, Office 365, Dynamic 365, and EMS through the Enterprise Data Service (EDS) can reduce the cost of operations that require international bandwidth for connecting to Microsoft's overseas data center. General customers using Microsoft cloud services on a mobile device with AIS's 3G, 4G, or WiFi service will see an improved usage experience with a more stable connection.
- AIS Fibre introduced Power 4, the first convergence package featuring high-speed fiber internet, a data SIM to enjoy world-class entertainment, and AIS Super Wifi. The package is expected to fulfill customers' demands for 24-hour internet connection and access to high-quality content.
- Introduced AIS mPay PromptPay, a new service that enables customers to transfer and receive money via the PromptPay service. PromptPay QR Code is also available for product and service purchases made from partners' shops, including QR codes issued by banks.

Expanding the business opportunity through social and environmental development

- Launched "AIS D.C.", a new knowledge center for the public, content developers and startups. AIS DC offers API (Application Programming Interface) to benefit application developers and startups in testing their applications, products and services before launching to the market. Knowledge sharing from gurus and experts in various fields of digital business is also provided.
- Opened the AIS Contact Center Development & Training Arena with an investment budget of Baht 1 billion to enhance the call center capacity by reserving 8-10 million customer lines a month as well as to improve the competency of all call center staff. The initial purpose of the Development & Training Arena is to support the young generation to return to work in their home provinces. In this respect, AIS provides more than 1,000 job opportunities in Nakhon Ratchasima and the Northeastern region.
- Granted the "TGO Guidance of the Carbon Footprint for Organizations" certification from the Thailand Greenhouse Gas Management Organization (a public organization) for the accuracy and efficiency in the greenhouse gas data (direct and indirect emission) collected from our business activities. The purpose of this program is to quantify and identify any significant sources of greenhouse gas emissions from our activities that could be mitigated.

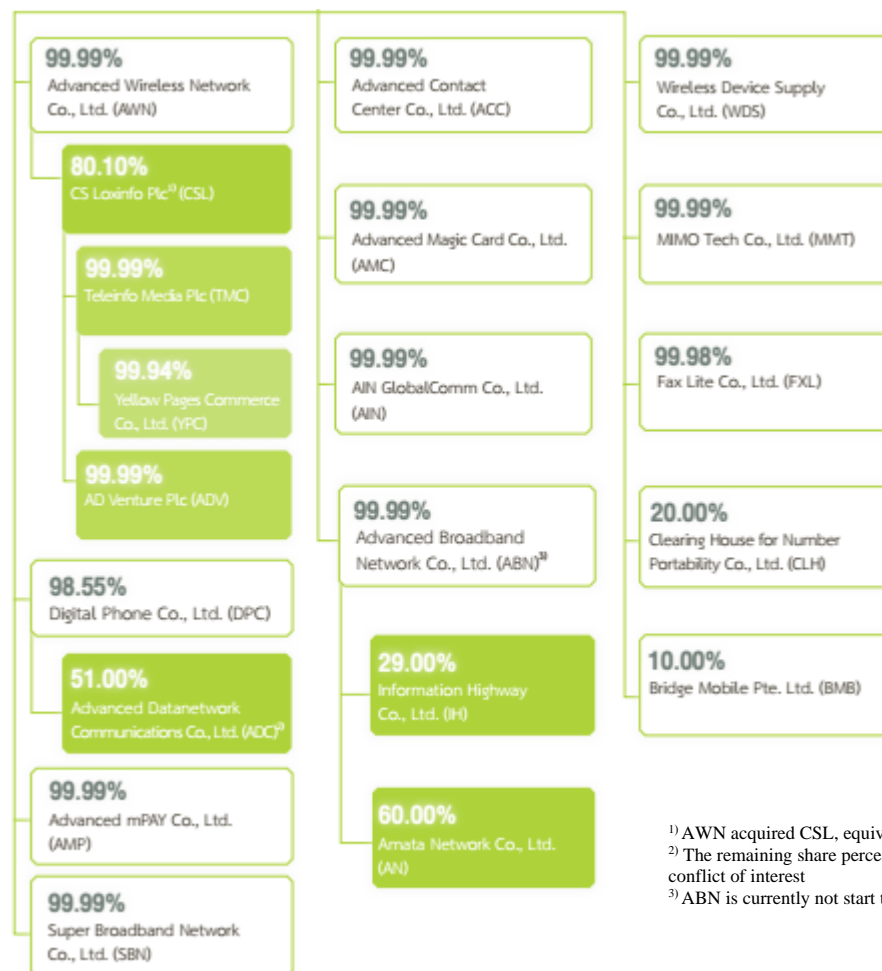
1.3 Investment Structure

INTOUCH Group's Investment Structure (as of 23 January 2018)



Investment Structure of AIS as of 23 January 2018

Registered capital Baht 4,997 Million, Paid-up capital Baht 2,973 Million



¹⁾ AWN acquired CSL, equivalent to 80.10% of the paid-up of capital, through a voluntary tender offer

²⁾ The remaining share percentage of ADC in the amount of 40% is held by other persons with no conflict of interest

³⁾ ABN is currently not start the operation

1.4 Awards and Recognition in 2017

Best Company

- **Super Brand 2016 award** (presented in 2017) for the 13th consecutive year based on the scores given by customers for the best quality brand which they believe in and trust the most, and which has achieved a high level of satisfaction in customer engagement.
- **Best Organization Management Award** from Drive Award 2017 organized by the MBA Alumni Association of the Faculty of Commerce and Accountancy, Chulalongkorn University. The award is given to companies which have demonstrated the highest level of organization management with sustainable and transparent business practices, clear strategic planning, good governance, and emphasis on initiating social projects.
- **Best Company 2017 award** for the 8th consecutive year from Money & Banking Awards 2017 for being a listed company in the Stock Exchange of Thailand which has demonstrated excellent performance in the past year.
- **Thailand Top Company Awards 2017** in the category of Information and Communications for the 2nd consecutive year. AIS was recognized as a company with excellent performance and outstanding management, and was seen as a good example. The event was organized by the University of the Thai Chamber of Commerce and Business+ Magazine of the ARIP Group.
- **Outstanding Investor Relations Award** for the 6th Consecutive Year in the Category of Companies with Market Capitalization of More Than Baht 100,000 baht. The award ceremony was held during the SET Awards 2016 and organized by the Stock Exchange of Thailand in partnership with Money & Banking magazine.
- **“Best in Sector: Telecommunications” organized by IR Magazine Awards - South East Asia 2017.** Awarded for the 2nd consecutive year in recognition of outstanding investor relations roles which investors and shareholders believe in and trust the most.
- **The Technology Stock Award** presented at the Popular Stock Awards for 2016. This honor recognized AIS as the most trusted and trustworthy organization in the technology industry in Thailand. The award was based on a compilation of the results of an assessment of the popularity of shares to investors from all the public companies listed on the Stock Exchange of Thailand.
- **Four Outstanding Awards for “Leadership”, “Marketing”, “Product and Service”, and “Human Resource Management”** from the Thailand Corporate Excellence Awards 2016 organized by the Thailand Management Association (TMA) in partnership with the Sasin Graduate Institute of Business Administration.

Best Brand

- **“The Most Powerful Brands of Thailand 2016”** organized by the Marketing Department, the Faculty of Commerce and Accountancy, Chulalongkorn University for strength in brand and popularity with the highest number of subscribers in the telecommunications industry.
- **“Hall of Fame Brand 2017”** from Thailand’s Most Admired Brand award for the 17th consecutive year. AIS was recognized as the most popular and trusted brand for having the largest market share in the telecommunications industry, constantly introducing innovative products and services to the market, and continuously recording growth in business performance.

- **“Thailand’s Top Corporate Brand Values Hall of Fame”** for maintaining the highest corporate brand value for the 5th consecutive year calculated by CBSV (Corporate Brand Success Valuation). The award was organized by the Faculty of Commerce and Accountancy at Chulalongkorn University.

Best Product and Service

- **“Thailand’s Fastest Mobile Network 2017”** awarded by Ookla, the global leader in internet testing and analysis. AIS maintained its leadership position in mobile network for the 2nd consecutive year based on a customer survey conducted during a testing period involving more than 9 million tests a day from July 2015-December 2016.
- **“Best Brand Performance on YouTube 2017”** at the Thailand Zocial Awards 2017. The award is given to companies which use social media most effectively through the continuous use of videos and customer engagement on YouTube as well as for their overall management of their YouTube channel.

Best Human Resource Management

- **“The Global HR Excellence Award 2017”** in the Managing Health at Work category from the World HRD Congress, which promotes innovation and practice in strategic human resource management worldwide.
- **“Promoting Health in the Workplace Award”** for the AIS Wellness program initiative to promote excellent holistic health care among employees. The award was presented at the Best Employer Brand Awards 2017.
- AIS and ACC received **“Best Employers Thailand Award 2017”** for their excellence initiative and continuity in human resource management based on a survey by Aon Hewitt (Thailand) in partnership with the Sasin Graduate Institute of Business Administration.
- **“The 2017 award for Most Admired Companies Thais Want to Work with”** organized by Jobs DB (Thailand) Limited Company, which surveyed job applicants by asking which company they most want to work with and why.
- **“Best Employers 2017”** organized by Forbes Magazine based on outstanding internal communication methods to achieve employee recognition in various aspects. Over 2,000 companies worldwide were evaluated.

Best Sustainability Management

- **The Winner of the WSIS Prizes 2017 under the E-Employment category** for the AorSorMor Online application with regard to digital innovation for sustainable development that improves processes in working, learning, and healthcare in 2017. WSIS Prizes 2017 was organized by the International Telecommunication Unions (ITU) and United Nations (UN).
- **The AorSorMor Online application won an Outstanding Award in Sustainable Business Project 2017** from the Thailand ICT Excellence Awards 2017 organized by the Thailand Management Association (TMA) in partnership with the Ministry of Digital Economy and Society.
- **The AorSorMor Online application received the second prize from the Thailand ICT Awards 2017** organized by the Association of Thai ICT Industry (ATCI) under the category of Inclusion & Community. AIS’s application was recognized for demonstrating the use of ICT to benefit society and reduce the digital divide.

- **Listed in MSCI Global Sustainability Indexes** for the 3rd consecutive year as a result of AIS's commitment to building a value-added organization to deliver long-term yield for stockholders while creating added value for society and the environment.
- **Listed in FTSE4Good Indexes** conducted by the FTSE Group, which designs indexes in collaboration with the Stock Exchanges in various countries in Europe and Asia. AIS has been selected for the 2nd consecutive year based on the Company's performance, financial strength, and business development towards sustainability in accordance with global standards.
- Listed as one of 65 companies by the Stock Exchange of Thailand (SET) in the category of "**Sustainable Stocks**" for two consecutive years, setting a good example in balancing environmental care, social contribution, good governance, and business performance.
- **Received ESG 100/2017** rating by Thaipat Institute for three consecutive years. ESG 100 accredits companies listed in Thailand's stock market for their outstanding performance in caring for the environment, contributing to society, and practicing good governance.
- "**Sustainability Report Award 2017**" from Thai Listed Companies Association for the 3rd consecutive year in recognition of sharing information transparently and completely, with clear policy in sustainability reporting.

2. Nature of Business

2.1 Revenue structure from providing service & sales income in AIS group to the third party within 3 years

Service/Product	Operation By	% Holding of shares as at 31 Dec 2017	2015		2016		2017	
			Million Baht	% Size	Million Baht	% Size	Million Baht	% Size
Mobile phone service								
- Mobile phone services & rental and call center services	AIS		7,467	4.81	414	0.27	30	0.02
	AWN	99.99	117,370	75.60	124,922	82.11	127,506	80.84
	DPC	98.55	4	-	-	-	-	-
	AIN	99.99	1,272	0.82	370	0.24	233	0.15
	AMP	99.99	224	0.14	190	0.12	183	0.12
	FXL	99.98	30	0.02	149	0.10	172	0.11
	ACC	99.99	4	-	1	-	-	-
- Construction income from the Agreements for operation	AIS		64	0.04	-	-	-	-
Sub-total			126,435	81.43	126,046	82.84	128,124	81.24
Mobile phone sales								
	AWN	99.99	23,736	15.29	23,197	15.25	24,353	15.44
	WDS	99.99	4,091	2.63	750	0.50	425	0.27
Sub-total			27,827	17.92	23,947	15.75	24,778	15.71

Service/Product	Operation By	% Holding of shares as at 31 Dec 2017	2015		2016		2017	
			Million Baht	% Size	Million Baht	% Size	Million Baht	% Size
Data network and broadband service	ADC	51.00	3	-	3	-	2	-
	SBN	99.99	884	0.57	596	0.39	352	0.22
	AWN	99.99	127	0.08	1,558	1.02	4,466	2.83
Sub-total			1,014	0.65	2,157	1.41	4,820	3.05
Grand Total			155,276	100.00	152,150	100.00	157,722	100.00

2.2 Revenue structure by service type

	2015		2016		2017	
	Million Baht	% Size	Million Baht	% Size	Million Baht	% Size
Voice	60,547	38.99	51,250	33.68	42,829	27.15
Non-voice	53,193	34.26	63,857	41.98	76,062	48.23
Fixed broadband	120	0.08	860	0.57	3,128	1.98
IR and Others	6,760	4.35	6,594	4.33	6,564	4.16
Service revenue excluding IC	120,620	77.68	122,561	80.56	128,583	81.52
Interconnection (IC)	6,794	4.38	5,665	3.72	4,364	2.77
SIM and Handset	27,798	17.90	23,924	15.72	24,775	15.71
Construction	64	0.04	-	-	-	-
Total Revenue	155,276	100.00	152,150	100.00	157,722	100.00

2.3 Products and Services

In 2017, AIS continued to consolidate our position as the leading provider of mobile services when we launched new packages aimed at better serving the current mobile data usage needs of our customers on the nationwide 4G network. Matching our customers' lifestyles, several attractive handset models were also selected and included in various campaigns. In addition, we continued to expand our fibre broadband coverage, currently available in 50 cities, as well as offer new digital services that respond to the specific needs of both consumer and corporate customers.

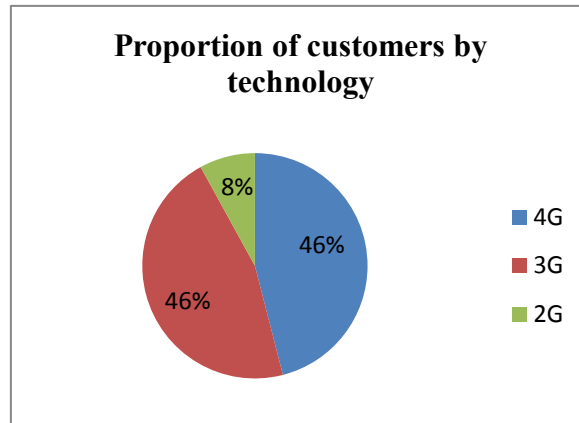
Today AIS is operating three core businesses, each with its own key products and services as shown below.

Mobile Business	Fixed Broadband Business	Digital Service Business
<ul style="list-style-type: none"> • Mobile network • Prepaid and postpaid services • Handset-bundled campaigns • International roaming and direct dialing 	<ul style="list-style-type: none"> • Fibre service for households • Convergence products • Fibre packages for SMEs 	<ul style="list-style-type: none"> • Video content • Enterprise cloud • Mobile money • Internet of Things

1. Mobile phone business

AIS operates 4G/3G/2G mobile services nationwide. As of 2017, AIS had a total of 40.1 million mobile numbers, 7.4 million of which were postpaid and 32.7 million prepaid. Our service is operated on the telecom licenses granted by the NBTC.

At the end of 2017, AIS had in total 55MHz of bandwidth consisting of two high bands on 2100 and 1800MHz, together accounting for 45MHz (under both the license scheme and a partnership with the TOT), and a low band on 900MHz, accounting for 10MHz (under the license scheme). All frequencies are managed to provide 4G, 3G, and 2G technologies depending on the customers' needs in each area. AIS's mobile network covers 98% of the population. AIS has also designed the network with due consideration for populated areas, including both far-away places, such as newly-developed communities and new tourist attractions, and high-traffic areas, such as city areas, main roads, tourist attractions, and high-rise buildings. AIS also provides more than 90,000 access points for AIS Super WiFi which can render a maximum speed of 650Mbps. AIS Super WiFi is mainly installed in places where customers tend to move less, such as in department stores, chain stores, coffee shops, and offices. The combination of the mobile network and AIS Super WiFi complement each other to give reliable connectivity which helps increase the customer's experience with AIS. Today more than 46% of customers use 4G to consume mobile data and content.



Packages and SIMs in 2017

Prepaid service

In 2017, AIS designed our prepaid offerings to better suit customer behavior. Overall, prepaid customers seek for package or plan that suits their affordability such as a daily plan and a weekly plan. Prepaid customers might not need maximum connectivity speed, but rather require smooth connectivity and speed for sufficiently accessing social media.



SIM Super Play

This SIM delivers full 4G speed and is suitable for consuming mobile entertainment such as videos and multi-media streaming. Customers can use the AIS PLAY application unlimitedly including 1 GB of YouTube and other popular music applications such as JOOX.



SIM Super Social

This SIM corresponds well with the increasing popularity of social media sites such as Facebook, LINE, Facebook Messenger, and WhatsApp. Customers can surf eight popular social media applications on their mobile device unlimitedly at a fixed speed of 1 Mbps as well as receiving 3 GB of AIS Super WiFi at the full speed of 650 Mbps.



SIM Sood Koom

This SIM aims to support modern trade channels such as Tesco Lotus, BIG C, and Family Mart. SIM Sood Koom is less expensive than other normal SIMS so as to appeal to and attract customers who visit convenience stores.



SIM Freedom Unlimited

This SIM allows customers to use the internet unlimitedly at a speed of 512 kbps, and is appropriate for accessing social media sites, such as LINE, Facebook, and Instagram. The SIM also gives unlimited AIS Super WiFi and free calls on the AIS network during 10pm–5pm. The customer pays only Baht 99 per week.

Postpaid service

Postpaid offerings has been focusing on increased data allowance to access the internet for a small increase in monthly fees. Postpaid services are suitable for customers who make calls or connect to the internet all the time and who do not want to worry about usage leakage. This includes privileges of, for example, being able to watch free data-charging movies, series, and world-class sports. Examples of postpaid packages are summarized below.

4G Max Speed Package

This package enhances customer usage by offering full speed 4G, suitable for watching movies in Full HD quality on a handset, listening to music, and accessing social media applications. This package comes in two types.

- Baht 299-999 per month: depending on which package the customer purchases, the customer can use between 1 GB and 20 GB of 4G per month, after which the customer can continue using the internet at a pre-determined speed.
- Baht 1,099-1,899 per month: the customer can use unlimited 4G without any speed drop. If the customer uses a compatible handset equipped with the Multipath TCP, he or she can experience the AIS NEXT G network with a maximum speed of 1 Gbps.

Subscribers of this package will be given privileges of being able to watch movies, series, and world-class sports free of data-charge on AIS's 4G network.



Package Buffet Net

The Buffet Net package is suitable for customers who look for unlimited internet at a desired speed to suit their own behavior. The speed provided is in a range of 512 kbps to 6 Mbps based on a relative price range of Baht 350 to Baht 600 per month. This package also comes with unlimited YouTube, Facebook, LINE, and other social media sites as well as a privilege of being able to watch movies and live TV on AIS PLAY free of data charge.

In addition to the normal prepaid and postpaid packages, customers can buy on-top packages to add more voice and data as they desire. In 2017, customer behavior has changed into buying more fixed-speed unlimited on-top packages, which come in the form of a per month basis or shorter. Customers can buy these on-top packages conveniently from several channels i.e. USSD code registration, online web-based eService, or applications such as myAIS and LINE.



Packages for the disabled

AIS places high importance on all customers including the disabled in order to give them equal and full access to telecom services, both prepaid and postpaid. An example of a prepaid service for the disabled is a 10% bonus on top of a normal top-up, whereby disabled customers can get a 10% discount on a normal postpaid monthly package. Investors can see more details of these offers at http://www.ais.co.th/one-2-call/promotion/hearing_impaired.html

AIS Hot Deal

Throughout 2017, AIS ran the AIS Hot Deal campaign in which we selected mid- to high-end smartphones from several brands for our customers to buy at attractive discounted prices. This applied to many subscribed formats focusing on postpaid customers such as new postpaid registrations (with some advanced payment for the package), new postpaid numbers, mobile number ports, as well as customers moving from prepaid to postpaid. Please see more information at www.ais.co.th/hotdeal.



International Roaming and International Direct Dialing

AIS provides international roaming services that allow our customers to make voice calls and use data on their mobile devices without the need to change their SIM or phone number when traveling abroad. Customers are able to use these services through the networks of our overseas partners, and AIS currently has such agreements with 479 international operators covering 232 countries in all continents. By partnering with 194 international operators in 111 countries, AIS offers the largest 4G roaming network coverage in Asia. We also provide international direct dialing (IDD) services for international calls made from Thailand to more than 240 foreign countries. In 2017, AIS expanded our retail roaming packages to cover more than 160 countries. These roaming packages provide AIS customers with a worry-free roaming experience for both voice and data services. Customers can roam onto our partners' 4G

networks and use full-speed of internet. After customers use up their data allowance, they can continue to access the internet at a pre-determined speed without changing their mobile number and with the assurance of no data leakage.

AIS SIM2FLY products offer super savings on roaming services as a prepaid SIM for Non-Stop internet roaming start from just Baht 399. Customers can make phone calls to Thailand or receive calls starting from only Baht 6 per minute. In 2017, AIS expanded SIM2Fly to cover more than 60 countries in all continents, providing customers with added convenience and increased value. SIM2FLY can be bought in Thailand before traveling and used upon arrival at destination.



2. Fixed Broadband Business

AIS has invested in around 150,000 km of fibre optic cables nationwide to connect all of our mobile base stations. This places AIS Fibre in the strong position of not having to invest in developing this infrastructure from scratch, allowing us to focus on investing in fibre wiring for connecting customers' premises to the infrastructure. Following the rising demand for and higher reliability of the fibre technology, AIS has invested promptly in this service which has expanded to cover 50 cities and reach a total of 521,200 subscribers in just three years.

AIS Fibre offers packages suitable for different needs including the recently launched price plans that offer AIS Fibre at the same prices as ADSL and VDSL technology in order to persuade customers to upgrade onto fibre. In addition, AIS Fibre offers high-speed packages ranging from 50 Mbps up to 1 Gbps to attract customers who need high-speed internet at home as well as those who have large-sized families. In the middle of 2017, AIS Fibre first launched a full convergence product which combines world-class content such as Hollywood movies and sports with our AIS PLAYBOX to create differentiation in the market. Examples of these highlight packages are as follows.

- HomeBROADBAND: A package that allows customers to use the full speed of the internet

Broadband Internet Value Package

HomeBROADBAND Package


Special!
for Extra
Upload

Max Speed Internet (Download/Upload)	Standard Price (Baht/Month) (Exclude VAT)	AIS Postpaid Customer (Baht/Month) (Exclude VAT)
30/10 Mbps	590	531
50/20 Mbps	777	699
75/30 Mbps	888	799
100/40 Mbps	999	899

- HomePLUS: A package that allows customers to use the full speed of the internet with AIS PLAYBOX

HomePLUS Package

Broadband Internet with AIS PLAYBOX

Max Speed Internet (Download/Upload)	Standard Price (Baht/Month) (Exclude Vat)	AIS Postpaid Customer (Baht/Month) (Exclude Vat)	AIS Serenade (Baht/Month) (Exclude Vat)	TV, movies, series, cartoons and news from world-class channel with AIS PLAYBOX
30/10 Mbps	690	631	-	Enjoy free 100 + TV channel with High Resolution.  Free 12 months
50/20 Mbps	877	799	699	
75/30 Mbps	988	899	-	
100/40 Mbps	1,099	999	899	

- HomePREMIUM: A package that allows customers to enjoy both AIS PLAYBOX and premium world-class content

PLATINUM FULL HD offers internet package with world-class entertainment
from 40 premium channels.

HomePREMIUM Package

Max Speed Internet (Download/Upload)	Standard Price (Baht/Month) (Exclude Vat)	AIS Postpaid Customer (Baht/Month) (Exclude Vat)	TV, movies, series, cartoons and news from world-class channel with AIS PLAYBOX
50/20 Mbps	1,444	1,299	 Free 12 months
75/30 Mbps	1,555	1,399	

339 Baht Off

- Power4 : Apart from high-speed household internet, AIS Fibre also aims to create higher value for customers by leveraging other AIS services to provide a four-in-one package named “Power4”. The first Fixed-Mobile Convergence, the package combines fixed broadband, content, mobile data allowance, and AIS Super WiFi.

AIS Fibre POWER4

AIS Fibre Power4 Package
Mobile Unlimited Data (Max Speed)

Price (Baht/Month) (Exclude Vat)	Max Speed Internet (Download/Upload)	The Ultimate world class entertainment with AIS PLAYBOX	Mobile Unlimited Data (Max Speed)	Wifi Unlimited
599	30/10 Mbps	-	Max Speed up to 1 Mbps	
Best Deal! 799	50/20 Mbps	PLATINUM HD free 3 months HOOQ free 12 months	Max Speed up to 4 Mbps	AIS WiFi
New! 1,099	100/30 Mbps	PLATINUM HD free 12 months HOOQ free 12 months	Max Speed up to 6 Mbps	
1,799	100/40 Mbps			
1,999	200/50 Mbps			

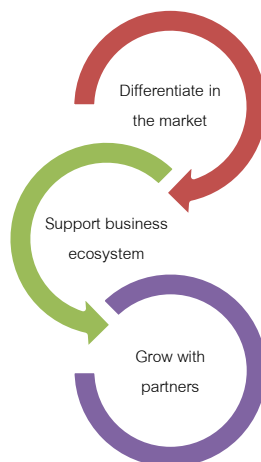
- PowerBOOST : The PowerBOOST package is suitable for SMEs that require the internet in the office at attractive prices. This comes with automatic speed uplift in the daytime and is equipped with a home line number. We believe this market has potential to grow in the future.

NEW PowerBOOST-Package

Speed Boost for both download and upload from 6:00 to 18:00

Max Speed Internet Unlimited Night Time (Download/Upload)	Max Speed Internet Speed Boost in Day Time (Download/Upload)	FREE ! Monthly service fee for AIS Fixed Line 100 Baht	Standard Price (Baht/Month) (Exclude Vat)
30/30 Mbps	100/100 Mbps	Free Call 50 Minutes*	790
50/50 Mbps	200/200 Mbps	Free Call 100 Minutes*	1,190
100/100 Mbps	300/300 Mbps		1,990

3. Digital Service Business



In 2017, AIS made a strong announcement of our position as the Digital Life Service Provider whereby we deliver digital services to support and strengthen both our mobile and fixed broadband businesses. AIS focuses on working with partners to create new digital services which enable AIS to own a variety of products while saving on investment costs. Our digital services are focused in four areas, namely video content, Enterprise Cloud, mobile money, and the Internet of Things (IoT). These products will create a new source of revenue on top of the regular voice call and mobile data usage revenue streams. Details of AIS's digital services are as follows.

3.1 Video Content

There has been a dramatic shift in customers' lifestyles over recent years. A large number of activities are conducted through smart devices. It is now easier than ever before to use smart devices to communicate with friends, engage in e-commerce, and watch TV and videos on the smaller screen of a handset. With this in mind, in January 2016 AIS launched new digital broadcasting and OTT (Over-the-top) businesses to provide music, karaoke, and games via our AIS PLAY application, available on both mobiles and tablets. Also, in April 2015, AIS launched internet television on AIS PLAYBOX via the AIS Fibre service.

AIS announced partnerships with content providers to launch a variety of OTT content, such as movies, Hollywood series, HOOQ, Netflix, ViU (Korean series), NBA (world-class basketball league) as well as free digital and satellite channels. This comes in the form of live content and video on demand, such as HBO GO, and can be accessed via both AIS PLAY and PLAYBOX.



3.2 Enterprise Cloud

“AIS Business Cloud” was launched during the year of 2017 to offer our Enterprise customers Cloud service, platform and infrastructure for business purpose which demand highest security and high performance. Enterprise customers are now transforming their investment of which a cloud service with the agility and scalability can answer to their business needs. Those demands drove the cloud market to achieve more than 20% YoY growth.

AIS has the ability to provide end-to-end cloud services that span colocation and infrastructure as a service (IaaS), including virtual machine, data storage, and disaster recovery as a service, which can support business continuity for enterprise customers when required. AIS also provides our enterprise customers with database as a service (DBaaS) as an effective management database which offers the advantage of cloud usage for both expense and performance management.

The cloud service from AIS comes with the best end-to-end security from network to cloud platform. Above that, AIS also provides Software as a service (SaaS) such as Office365, mForm, the Mobile Threat Prevention App, and Enterprise Storage Box, all of which are supplemented by consultancy services from AIS experts and supported by collaborations with key global partners. In addition, AIS colocations are housed in three tier-4 equivalent Datacenters in Bangkok and vicinity as well as Songkhla, which are ISO27001 certified. AIS Cloud business is designed to support the sustainable growth and digital transformation of enterprise customers by empowering them to compete in an environment of dynamic business competition. Investors can find more details at: <http://business.ais.co.th/th/product/enterprise-cloud>

3.3 Mobile Money

In 2017, the government supported the development of the national electronic payment infrastructure and platform (National e-Payment) with the aim of developing a cashless society. AIS's mobile payment platform, mPAY, has played a key role in advancing the national PromptPay system from the bank sector to the non-bank sector through the launch of "mPAY PromptPay". This has opened up opportunities for all members of society to use mobile banking, especially those who do not have a bank account but have a mobile number. The safe and convenient service is offered in the form of an e-Wallet, which is secured by a 15-digit ID and enables the user to not only make payments but also transfer and receive money via the mPAY application. We also developed a new payment dimension where customers can use mPAY to make payments at retailers with the PromptPay QR Code (including QR Codes issued by banks) without the need to carry cash. We also use the same security system as financial institutions and support the real digital payment platform in daily life, on top of the existing money payment/transfer/withdrawal services on mPAY.

3.4 Internet of Things (IoT)

The IoT (Internet of Things) is new opportunity that opens for new solution/applications developers to create new way of effective communication between devices and applications for various uses. With an aim to support the country towards Thailand 4.0 in accordance with government's policy to uplift the life quality of Thai people, we place IoT as one key strategic focus.

AIS has been preparing our network to embrace IoT technology and announced the launch of the latest NB-IoT (Narrow Band – IoT) in February 2017 to become the first company in the South East Asia region to introduce this technology. We aim to fulfill the needs of digital business by providing an international-level standard of technology that will enable developers, universities, start-ups and enterprises to come up with IoT solutions that are applicable not only to business or government entities but also to Thai people as end-users.

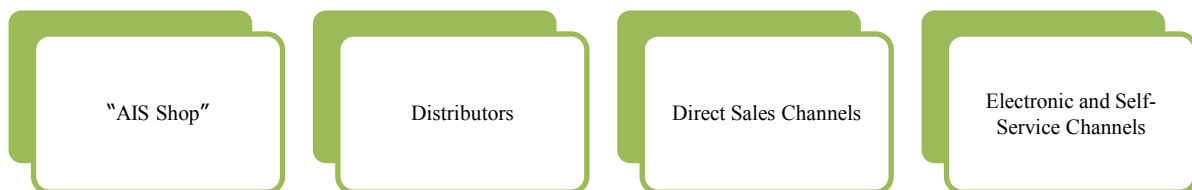
AIS also focuses on creating an ecosystem for IoT services. In 2017, we launched the "Mobike", an application used for renting and returning bicycles in university campuses. This has created additional opportunities for developing new services that respond to changing customer lifestyles. AIS also places emphasis on developing an IoT ecosystem in which we

welcome both local and international partners to provide service on AIS's networks, both wireless and wireline, in all industries through our Network and IoT Platform Enabler. This is the first step to making the Smart City concept a reality and marks tangible progress in Thailand's move into the digital era.



2.4 Distribution Channel Management

AIS distribution channels are divided into 4 main categories as follows:
Details of these channels are as follows:



1.1 "AIS Shop": These are service centers managed by AIS and selected distributors with high service potential. AIS Shops offer the most comprehensive range of products, services and after sales services when compared with other channels. They focus on distribution to customers in densely populated urban areas and are focused on creating and maintaining a positive image for AIS products and services. In the past year, AIS started to improve the image of this service centers in order to provide a digital experience for our customers. Through the opening of "AIS - The Digital Gallery", shops become virtual innovative technology centers for the digital world, and our product display format is changed to that of an art exhibition on intelligent display stands or "AIS Intelligent Units".

1.2 Distributors: AIS has cooperated with a variety of distributors in order to cover the needs of a wide range of customers throughout the country. For example, **"AIS Telewiz" partners** have strong potential in downtown city areas and provide AIS brand image-level service; **retail and wholesale distributors and "AIS Buddy"** provide access to district and sub-district areas; and **large retail stores and modern trade retailers** offer nationwide distribution and easy access for IT customers. These channels include Tesco Lotus and Big C, as well as IT retail outlets, such as Jaymart, TG Fone, and Bangkok Telecom. In this past year, AIS has also developed mobile and tablet applications to help enhance sales and services for these distributors.

1.3 Direct Sales by the AIS Direct Sales team, with an emphasis on postpaid customers. This channel increases distribution efficiency by offering products and services directly to customers, for example, via sales booths or through the organization of activities in target group areas. In 2017, AIS developed our capabilities and promoted sales by making improvements to the “AIS Easy App”, helping the direct sales team in selling, registering and providing services to customers more efficiently, conveniently, and speedily.

1.4 Online Distribution Channels: In today’s society, customers tend to carry out their own transactions online, whether by using applications, self-service channels, or other electronic channels. Therefore, AIS aims to expand our distribution platforms and services to reach 80% of Thai internet users within 4 years. Digital technology will also be used to better and more deeply understand customer needs and therefore provide products and services that meet individual needs as well as to build better brand engagement. In the long-term, we will transform our own online channels into platform provider that enables business partners in ecosystem to gain access to new sources of revenue.

Throughout the past year, AIS has developed our own platform to present products and services under the name “AIS Now”. This platform is connected to the Digital Brain system of AIS and will analyze the behavior and needs of customers. AIS Now is embedded in various popular websites in the country, so that when customers visit these sites, AIS Now will offer products and services that meet the needs of each individual customer via advertising banners on those websites.

AIS also provides top-up services through a variety of electronic channels. There are over 500,000 top-up points nationwide, including automatic top-up machines and ATMs, while customers can also pay via the mPAY and AIS Online Top-Up applications.

In order to support the growing popularity of wireless internet connectivity and smartphones, last year AIS launched the myAIS App, a smartphone application that allows customers to change their promotions, check mobile usage, or request assistance and advice 24 hours a day. Also, due to increased customer demand, along with the desire for more convenience-based and uncomplicated transaction processes, AIS developed a system for connecting data between online and offline channels to provide omni-channel services. This will help AIS to adapt both of these channels to meet the needs of even more customers by, for example, enabling customers to experience and test real products in AIS Shops before considering whether to purchase those items via online channels, with the products then being delivered directly to their homes.

An overview of online sales growth shows that our annual growth rate increases every year. In 2016, we experienced a growth rate of 11% when compared to 2016, and transaction value grew 6% higher than the target.

2.5 Industry Conditions and Competition in 2017 and Trends in 2018

Industry Conditions and Competition in 2017

Frequency Allocation Act (Edition 2) announced and regulatory fee reduced to 4% of service revenue

There were two important cases of regulatory change in the Thai Telecom industry in 2017. Firstly, in May the NBTC announced a reduction of the Universal Service Obligation (USO) fee from 3.75% of service revenue to 2.5%, resulting in a decline in the regulatory fee for license holders from 5.25% of service revenue down to 4%. Secondly, during the middle of 2017, the Frequency Allocation Act (Edition 2) 2560 BE was announced in the Royal Gazette and became effective on 23 June 2017. The Act entails regulations on the selection and appointment of the seven members of the NBTC commissions to replace the existing acting NBTC members whose terms expired in October 2017. The selection and appointment process started in December 2017 and will take approximately 150 days to complete. The NBTC is in charge of regulating the Telecom industry and ensuring service continuity including planning a new spectrum roadmap for frequency allocation and license auctions for the future.

Growth in 4G usage driven by increasing video content and smartphone popularity

The Thai telecom industry continued to grow in 2017, driven by the increasing usage of mobile data. Consumers continued to shift their internet usage behavior to mobile internet accessed via smartphones and tablets. This trend can be seen in the popularity of social media applications such as LINE and Facebook as well as in other mobile tools used for transferring money and for e-commerce. There was also an upward trend in mobile data usage from consumers watching linear, playback, and on-demand television shows, listening to music, and playing games on mobile devices. All of these activities were supported by the expansion of the quality 4G network by mobile operators aiming to improve the customer experience. Currently, around half of total users are 4G active users, while usage on 3G and 2G networks is gradually declining. The smartphone market also continued to grow on the back of the continuously-enhanced functionality of high-end models, while the low- to mid-end models focused on value for money to attract customer purchases. Overall, smartphone adoption has increased to stay around 70%.

Focusing on postpaid in response to customer behavior

In 2017, Thailand's mobile industry was comprised of 22% postpaid subscriptions and 78% prepaid, changing from 19%:81% in 2016. There was a focus on the postpaid market segment by all operators based on the fact that the ARPU is higher among postpaid customers (Baht 540) than among prepaid customers (Baht 150) as of 2017. Postpaid customers also showed higher brand loyalty to the operator. Therefore, operators launched initiatives to attract new postpaid customers, including attractive discounts when registering a new SIM and enabling mobile number portability when moving from prepaid to postpaid. A free handset was offered in some campaigns, while in other cases, operators offered a 10%-50% discount on the handset price of selected smartphones or the monthly fee for customers subscribing to a certain package. Conversely, there was no growth in the prepaid segment due to the postpaid conversion trend and an overall reduction in promotional campaigns for this segment. In

addition, industry handset subsidies declined in 2017 as operators tried to control costs and maximize their invested capital.

Convergence packages gradually becoming popular

With attractive offerings on mobile data having become a key factor for customers when choosing a carrier, operators have been utilizing product convergence to provide integrated packages that combine voice calls, limited and non-stop data, as well as video content at various levels of pricing that are cheaper than buying the individual services separately. For operators offering only mobile products, it became necessary to base their marketing on cheaper pricing in certain segments in an effort to attract price-sensitive customers. Overall, packages were promoted upon the strength of the 4G-speed network. Meanwhile, unlimited data packages continued to be popular in Thailand, including packages with unlimited but speed-capped data at, for instance, 1 Mbps, which were well received in the market. Nevertheless, operators continued to face a challenge in terms of monetizing customers' desire to consume video content or new formats of social media. In the early stage, operators have provided customers with a free trial period to get them accustomed to consuming the content when subscribing to selected packages.

Fixed broadband market moving to fibre technology to keep up with expanding demand

The fixed broadband market continued to grow in 2017 following ongoing urbanization and the demand for wired connectivity at home in Thailand. The overall market grew from 7.2 million connected households in 2016 to around 8 million in 2017, with customers given more choices to select from. Although more than 60% of all connected households still used ADSL technology, FTTH has become one of the first choices in customers' minds due to being available at a similar price to ADSL but with higher quality. Moreover, customers subscribing to high-end fibre packages can enjoy a speed of at least 50 Mbps, which is beyond the limits of ADSL technology. Therefore, fixed broadband operators have attempted to expand their fibre coverage and have been offering existing ADSL customers an upgrade to fibre at the same price in an effort to retain their subscriber base. As seen in the mobile market, convergence operators are able to provide higher value in each package by combining a fibre service with a mobile SIM and video content to create more attractive choices for customers.

Industry Trends in 2018

Continuing prepaid-to-postpaid migration to drive industry revenue growth

In 2018, it is expected that the Thai Telecom industry will continue to expand, driven by the continuing shift in customer behavior to consuming more data and video content on smartphones after becoming more familiar and incentivized to do so through attractive packages. This will result in a continuation of postpaid growth, especially from prepaid migration. Also, as Thailand has around 130% mobile number penetration with increasing stickiness to use existing numbers as evidence of transactions, it is expected that total mobile numbers will either grow slightly or not at all. However, ARPU is expected to increase due to the higher proportion of postpaid customers and the new abovementioned services. Market competition will continue because the industry is still transforming from concession to license. The result of upcoming auctions, potentially held next year, will play an important role in

determining the market direction. Nevertheless, all operators are attempting to control expenses in order to generate a healthy return for shareholders, which should result in stabilized or slightly declining heightened market competition.

Mobile payments and services on Internet of Things supported

The consumption of products and services through cashless transactions will continue to be supported by the government and other industries which have the potential to offer their products online. New services based on connected equipment will become more prevalent following the growing trend of the Internet of Things (IoT), especially the Narrow-band IoT (NB-IoT) technology deployed to connect a number of devices with only a low volume of frequency. This technology can offer new services in addition to the normal data consumption on mobile devices, such as the deployment of Smart Parking and other services whose commercial ecosystems are approaching readiness and reinforced by partnerships among operators, vendors, universities and government agencies.

Raising fixed broadband standard to 50–100 Mbps

The fixed broadband market will continue to grow on the back of increasing demand to use the internet at home as well as a drive by operators to expand fibre coverage. Packages with a speed of at least 50Mbps will be more popular, while 100 Mbps packages will be easier to access. The ARPU level in the industry is expected to remain in the range of Baht 600–700 per month. Moreover, the trend of consuming television and video content via IPTV will continue due to faster connectivity and increased signal reliability. 4K content, which cannot be broadcast on the current digital television platform, will be another important factor influencing customers' decisions to subscribe to a broadband package and watch content on IPTV. It is also expected that convergence packages will gradually become more popular underpinned by service variety and value for money.

2.6 Business Direction over the next 3-5 years

Evolving digital technologies and more sophisticated customer needs are emerging and taking a major role in the structural change for telecom operators. The wider ability of technologies not only has altered customer behavior to access more comprehensive services but also provide an opportunity to mobile operators to access into broader marketplaces. In the light of these trends, AIS has redefined aspect of ourselves from a traditional mobile operator to a “Digital Life Service Providers”, delivering convergence products and services, which includes mobile, fixed broadband, and contents bundling services to enrich people’s daily life, business capabilities, and the competitive edge of the country. Toward these, we have geared toward digital transformation to take advantage of technologies to expand our capabilities, efficiency and to capture the growth in the digital era.

Building future network for superior experience and operational efficiency

Along with the rapid growth of smartphone adoption and faster connections through 4G networks, AIS witnessed an abundant growth of mobile internet usage beyond a simple need for connectivity. Digital platforms have empowered the way people live and work and become necessity for many users. We have continuously strengthened our market leadership position with a focus on quality of networks and services while stay ahead of the technology upgrade. AIS has started to deploy the NB-IOT (Narrowband Internet of Thing) in limited scope to test and try and be ready for the future-proof 5G ready network. In the foreseeable future, our telecommunication infrastructure will be developed to be nimble, flexible and cost effective by enabling software-based approach. Digital technologies will be adapted to streamline operation including consolidating overlapping capability and automated core process. For example, transformation of IT systems to cloud friendly architecture and Network Functions Virtualization (NFV), which mainly needs significantly less hardware. Our future network will not only allow the superior experience, which suits the needs in digital era but also enhance operational efficiency and cost optimization to the company.

Bringing in fibre technology to capture underserve demand in broadband market

With technology advancement, future digital services are deemed to require higher network specification. For example, the high resolution contents such as 4K and 8K contents are designated clearer and sharper pictures on a television screen but require higher speed for internet connection than the currently widely used full high-definition (Full HD) streaming. Those requirements can be fulfilled through fibre technology, which provides faster and more reliable connection than ADSL technology. We see the potential growth in this market and target to become one of the significant players in residential broadband market within the next 2020. By utilizing the nationwide fibre optic from its mobile networks, AIS Fibre will continue to tap into the new urban areas and reach out to those underserve demand from those who has limited access to the internet and those who use obsolete ADSL technology. The coverage expansion of fiber optic technology will allow AIS to deliver the services to capture the growth opportunities according to the future trends with economy of scales.

Building new growth area through enhancing digital ecosystem

The growing digitization of consumers and businesses has brought new opportunities for mobile operators to create value to products and service with integration on Internet of Things (IoT) and digital services. AIS continued to leverage its core strengths, including telecommunication infrastructure, large customer base in mobile segment, and strong branding position to create products and services beyond connectivity with an integration of digital technology and IoT in relevant to the future demand. Our strategy is to fully integrate the digital ecosystem by working alongside leading technology partners both local and international in different fields ranging from start-ups, content providers, Over-The-Top (OTT) players to equipment manufacturers. By combining specialty and experience of each parties with AIS' platform, we are enabled to serve emerging customers and business's needs. We are committed to create a win-win scenario and sustainable growth to all stakeholders. These will complement our convergence strategy to provide relevant digital services through seamless integration of our network, platform and partner's solutions. It will not only enrich customer's lifestyle but also bring in both differentiation and customer stickiness to AIS. In 2017, AIS launched the first convergence package combining mobile, fixed broadband and digital contents to the market. In the future, the company will shift its focus from offering mobile service for an individual to convergences services for family members in each household.

Empowering enterprise segment with end-to-end ICT services

As the business world goes digital, cloud and ICT solution are they key enabling digital transformation and are underway to create compelling value to every enterprise, ranging from SMEs to large organization. To support the growing needs, AIS stepped further into the enterprise segment by partnering with leading providers in ICT spaces while expanding IDC footprint to the new location. With extensive mobile network, the company aims to capture growth potential by providing comprehensive end-to-end services e.g. Managed services, ICT solutions, IDC, and Business Cloud to the enterprise segment. These services will enhance business capability, ensure system security and optimize operational cost and capital expenditure for enterprise customers. as well as serves enhance to the country's economic development and competitiveness in the fast changing environment.

Transforming to digital organization and leveraging technologies to improve sales and operational efficiency

As we are gearing toward digital transformation, our ambition is to create the capability of fully leveraging the new technologies both digital operation process and customer services. Above all, we believe that our employees are one of the key to our long term success. They will be equipped with relevant skills, knowledge, and powerful tools. To start with, in 2017, AIS set the foot on this by allocating the budget of Bt100mn and introducing AIS Innovation Centre and learning platform to build staff competency and encourage the growth mind-set to be ready for the disruptive innovation. In the near future, predictive analytics tools will be embedded, supporting staff to develop effective cross selling offers to a micro segment, serving individual needs. Customer value management will evolve into the next step with analytical based to improve customer retention. Customer services will converge to full digitization customer journey. Machine learning and Artificial Intelligence (AI) will be embedded in our service and operation innovations, resulting in improved sales and efficiency. For example, AI will

empower customers to access and interact with self-service platform 24-7 via their fingertips. This digital transformation will not only enhance customers' digital experience but also improve cost and operational efficiencies as well as enhance revenue generation.

2.7 Procurement of Products and Services

Spectrum

AIS provides mobile network service using spectrum licenses granted by the NBTC through the auction method. Through a 99.99% subsidiaries, Advanced Wireless Network Co.Ltd. or Awn was granted three spectrum licenses as detail in the table.

Spectra under licenses

Spectrum	Bandwidth		Technology	Duration
2.1GHz	15 x 2	1950-1965MHz paired with 2140-2155MHz	3G/4G	7 Dec 2012 - 6 Dec 2027
900MHz	10 x 2	895-905MHz paired with 940-900MHz	4G/3G/2G	1 Jul 2016 - 30 June 2031
1800MHz	15 x 2	1725-1740MHz paired with 1820-1835MHz	4G	25 Nov 2015 - 15 Sep 2033

Moreover, in January 2018, Awn has signed a partnership contract with the TOT to utilize the 2.1GHz frequency of which the TOT is licensed with the following detail.

Spectrum	Bandwidth		Technology	Contract Duration
2.1GHz	15 x 2	1965-1780MHz paired with 2155-2170MHz	3G/4G	1 Mar - 3 Aug 2025

Network equipment

AIS has “Multi- vendor policy” to avoid relying solely on one supplier. Equipment manufacturers and AIS can align plans for equipment and service development for the optimum solutions and mitigate risks in procurement and delivery of equipment within timeline.

In selecting suppliers, AIS appoints committees to evaluate and find the most suitable options. Many factors are taken in to account, such as price, technical factor and manufacturers' development plan, to make sure that AIS can operate sustainably.

We selected key network equipment from the leading international vendors including Nokia, Huawei and ZTE. Other parts in networks are supplied by CISCO, Juniper and etc.

Handset

For handset trading, AIS also joins hands the world's leading manufacturers e.g. Apple, Samsung, Sony, Huawei, Oppo, Vivo, LAVA to ensure the availability and variety of handsets in Thai market. Currently, 4G technology has become more popular so AIS has to seek for more 4G phones to serve customers.

In addition, we also cooperate with LAVA, a device manufacturer to produce co-brand handsets that are cost effective to attract mass market segment. The co-branded phones are customized in design, functions and equipped with pre-load AIS applications. The phones are packaged with AIS service offering, AIS Super Combo LAVA, and are well received among mass consumers.

2.8 Work under progress

-None-

2.9 Innovation Management in The Organization

The Importance of Innovation to AIS's Business

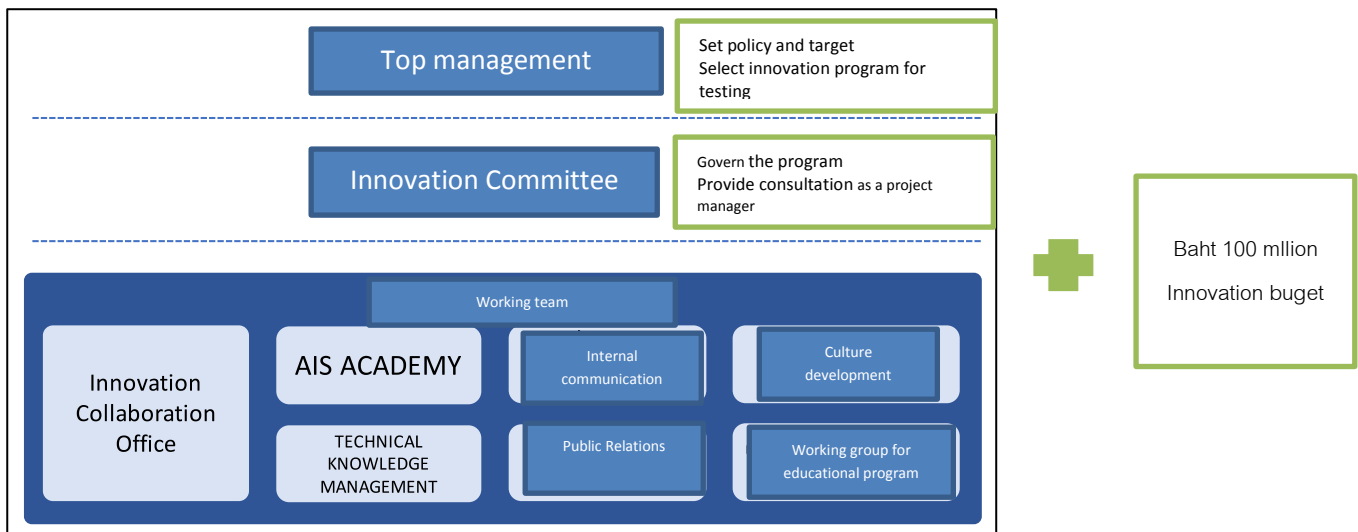
Even though AIS is the number one mobile operator in Thailand and in a strong position, the biggest present challenge is that the competition is no longer limited to other mobile operators or broadband internet providers. The fast development of technology, the increasing importance to business of digital technology such as social media, the rise of artificial intelligence, and the growth of virtual reality technology have all changed the way that companies today do business. These advancements have had a significant impact to the way that existing operators make a new source of revenue, while providing more options for the customers. In particular, the entrance of new players who possess global platforms and applications, the so-called Over The Top (OTT) players, such as Line, Google, Amazon and Facebook, which do not have their own telecommunications networks. While these changes in customers' lifestyles have benefited the OTT players due to the high demand for data usage, voice call usage has been declining continually. Such challenges have motivated AIS to transform itself from a telecommunications service provider to a digital life service provider, and this requires adopting the innovations to strengthen and reshape the company culture from its old one to a "Find U" culture. The letter "I" in "Find U" reflects the innovation of AIS's people to create new products and services that meet customers' future needs by collaborating with partners to create differentiation through process, product and service innovation.

Overview of strategic direction and goal

The innovation development strategy of AIS has been to adopt the concept of the incremental innovation approach by leveraging the Company's expertise in digital technology to create new ideas and connect this process with digital technology to initiate better and more valuable assets. This strategic direction aims to create new source of revenue and a new S curve. In doing this, AIS focuses on 4 types of innovation:

1. **Product and service innovation:** a new tools to enhance the development of personalized products and services that meet the needs of both retail and corporate customers.
2. **Process innovation:** starting from optimizing the working processes within the Organization to create a competitive advantage, reduce unnecessary operating costs, and develop new products and services for the corporate customer segment.
3. **Social Innovation:** a tool to enhance the national economy and living standards of all Thais. In this regard, AIS announced AIS Vision 2017, Digital for Thais to uplift the social well-being standard of Thai people and support the implementation of Thailand 4.0 through digital technology and innovation. This vision focuses on 4 dimensions: public health, agriculture, education and startups.
4. **Innovation for the environment:** AIS will support the use of environmentally friendly technologies as well as digital technology to develop responsible products and services for customers, society and the environment in order to help customers live more while creating a positive impact on society and the environment.

Governance structure to promote an innovative organization



Innovation Framework

Promote internal drive from “AIS InnoJump” program



Collaboration with knowledgeable external partners



1. Promote internal drive from the “AIS InnoJump” program

The culture of creating innovation and experimenting is defined as one of the indicators and goals associated with the corporate balance scorecard. For promoting the process of driving innovation, AIS has set the following methodology;

1. At strategic level: The Board of Directors approved the innovation strategy and incorporated it as one of the KPI on the corporate balance scorecard (Corporate KPI)
2. At operational level:
 - An Innovation Strategy Development Committee was appointed, comprising top regional and central management. The committee is responsible for the development of an efficient innovation framework, risk mitigation procedures related to innovation, and guidelines on how employee can incorporate the innovation concept into their daily work.
 - The Innovation Collaboration Office (ICO) will be a hub for innovation within the organization using a collaborative approach with various departments. The ICO will focus on creating mechanisms to facilitate and promote innovation in the organization. The ICO is under the supervision of the Innovation Competitive Development Steering Committee in accordance with the target set by top management.

In July 2017, The ICO launched the “AIS InnoJump” program, which aims to set the pace of innovation in the Organization. With InnoJump, employees will not only be given the opportunity to innovate processes for use in the Organization but will also be able to take part in creating new business opportunities with the Company. In this first year of implementation, the target is set for 30 innovation projects, including process innovation, products and service innovation, and working innovation. At minimum of 2 projects should be launched in 2018.

The AIS InnoJump program consists of 3 main components;

- 1.1 Supporting New Knowledge Building and Inspiration.** To support the creation of knowledge and transform it into innovation development, in 2017, AIS provided the following courses and activities to 1,700 staff:

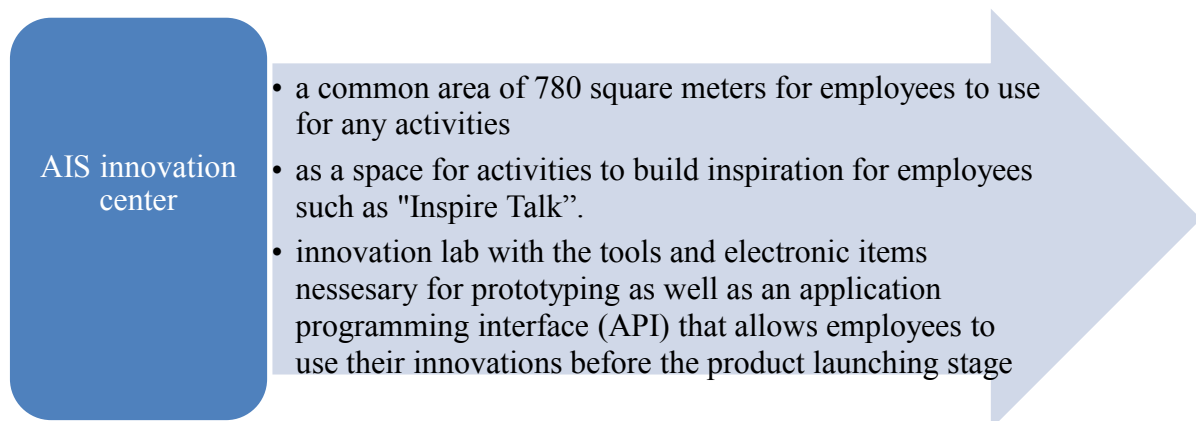
For general employees	For employees who have started innovative projects	Inspire Talk activity
<ul style="list-style-type: none"> • The Design Thinking Program, which is a course to help employees understand the process of innovation with target groups or a customer-centric approach in order to create the real innovation • Internal communication of innovation from other successful companies via social intranet and e-mail. 	The Business Model canvas which provides knowledge on business development to give employees a better business view of their projects.	A monthly event aimed at creating inspiration, featuring invited speakers from within and outside the organization and opportunities to exchange ideas and share experiences of innovation in order to inspire employees to spark their creativity and discover how to engage in innovation for the organization

1.2 Top Management Support. There are processes in place that allow employees to submit their ideas for projects directly to top management.



In this regard, AIS has developed the Jump Workshop to provide candidates with knowledge on the innovation thinking and development process, pitching ideas as well as conducting market research which helps candidate explore the real market.

1.3 Support with the budget and tools for the research and development of innovation. In the year 2017, the Board of Directors approved a budget of Baht 100 million to support the development of an innovation lab and tools as well as to support the program under AIS Innojump.



2. Collaborate with knowledgeable external partners

2.1 Through collaboration with business partners AIS provides opportunities for business partners to share knowhow and resources with AIS under the concept of creating a strong business ecosystem in which AIS and its partners will grow together sustainably.

Collaboration objective: The aim of collaboration is focused on innovation for the next generation of telecommunications products and services and to reduce the disparity in technology limitations that prevent some Thai people from having access to reliable and effective telecommunications technology.

Example of program: The "Joint Innovation Center" (JIC) was launched 5 years ago in collaboration with Huawei, the leading telecommunication service provider

Benefit to AIS	Benefit to partners
Access to human capital, researchers and the new technology of partners	Access to the real market environment and AIS's customers
Reduce operating cost	Access to the digital technology expertise of AIS
Enhance the quality of original products and services	Possess a patent for collaborated research or innovation
Able to provide new products and services to customers	Able to expand to other customers of partners

2.2 Collaboration with universities and research institutes to exchange knowledge, especially in industries related to telecommunications and other industries beyond which has no aptitude.

Collaboration objective: to enhance competency and human resources for the creation of digital innovation and to become a testing hub of possibility in technical aspects and in real-life situations.

Example of program: AIS introduced the NB-IoT service (Narrow Band IoT) in 2017 with the ability to support IoT equipment for use in future services in the live network. This has attracted attention from many universities which require the NB-IoT to support the testing of their projects. AIS then expanded the NB-IoT to those universities that have collaboration agreements with AIS to support their experiments. AIS believes it will be of mutual benefit to AIS and its collaboration partners to study and develop a business model relevant to the Internet Of Things. Examples of collaboration projects include the Smart Parking Project carried out in collaboration with the Engineering Faculty of Chulalongkorn University. Users can easily reserve a parking lane via the Smart Parking application on their mobile or tablet devices. The application interface will show all parking lanes with a color coding system - green for available, yellow for reserved, and red for unavailable. Smart Parking also includes a navigation feature.

2.3 AIS The StartUp

Collaboration objective: AIS wants to extend its partnership with Thai startups that create digital products or services aimed at the needs of the new generation, including leading companies in the same industry in other regions. Through this collaboration, AIS offers suitable startups an opportunity to access AIS's extensive resources. In return, AIS will be able to provide new products and services to the market and target customers.

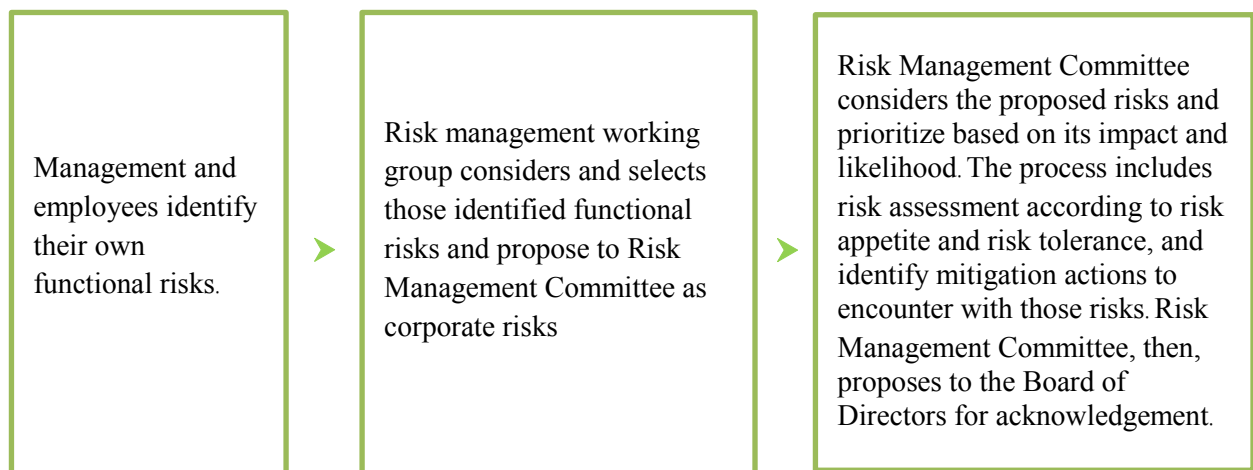
Progress of the program: AIS The StartUp was first launched in 2011 and has been continuing every year in the format of a competition to select new startups to become business partners with AIS. In 2017, the model was changed from an annual competition to an unlimited-access concept, called "AIS The StartUp Connect". This format is open to any startup, allowing them to present their business model or idea 24 hours a day through a dedicated online channel at: www.ais.co.th/thestartup. Any business models that are in line with AIS's strategy and business directions will be selected and the startups which developed the idea will have an opportunity to become AIS's partners as well as receiving AIS's support in attracting other business angels. Currently, there are 44 startups which qualified and more than 50% of these have already begun collaboration with AIS.

3. Risk factors

To identify the risk that might have potential impact to AIS's business objectives, goals as well as business opportunities, AIS has considered the following factors:

1. Internal and external factors such as human resources, changing of technology and regulations, customers behaviors as well as business environment
2. Potential adverse events such as flood, fire or other natural disasters or ongoing conditions that result in inefficient work practices or business competitiveness
3. Past events, current exposures and future trends
4. Significant movement of economy, society and environment
5. Causes of events
6. New initiatives or new products and services that AIS is seeking to develop
7. Opportunities to identify new value adding activities.

3.1 Risk identification process



3.2 Significant risk factors

3.2.1 Risks from Regulatory and Government Policies

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
1.1 Risk from changes in government policies, rules, regulations and orders of regulators	AIS operates under the supervision of NBTC, the organization regulating the telecommunications business who has legal authority in issuing rules, regulations and orders to regulate the licensees. The rules, regulations, and orders issued in the future, such as fixing tariff structure and service fees, or issuing rules and measures for consumer protection, might affect to business operations, reduce the Company's ability to generate profit and/or might increase the cost services.	<ol style="list-style-type: none"> 1. Business operations 2. Revenue and cost 3. Company's reputations 	<p>AIS has the unit responsible for a work related with NBTC directly. Which it is responsible for regularly monitoring the issuance and change of regulations for report to management and coordinate with relevant departments to be informed promptly and ready to respond. Including performed as intermediate to coordinate with NBTC for the NBTC will have been given information of the business impact of regulations.</p> <p>The Company would have the opportunity to raise our concerns or make comments, suggestions and/or oppositions if the enactment of the laws, rules, regulations and/or orders is deemed to have seriously affected the Company's operations, or has been unlawfully conducted. Furthermore, the Company, as a telecommunications service provider which is a direct stakeholder, would be invited to provide opinion and comment on the drafts of laws, rules, regulations and/or orders which will be issued for enforcement in the future.</p>	-
1.2 Disputes over revenue sharing relating to excise tax	(1) Case between AIS and TOT submitted a dispute to AIS demanding that the Company pay an additional share of revenue of Baht 31,463 million. Currently, TOT has appealed this judgment to the Supreme Administrative Court. (Further details, please see "Legal Dispute" Dispute on page 54-68)	<ol style="list-style-type: none"> 1. Financial status 2. Company's reputation 	On 13 July 2017, the Central Administrative Court has announced an order of the Supreme Administrative Court where the court has rejected an appeal against the order of the Central Administrative Court submitted by TOT. Since this case was forbidden to appeal, as a result, the case has become final, in this regard the Company has no obligation to pay an additional benefit as requested by TOT	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
	(2) Case between DPC and CAT submitted a dispute to DPC, demanding that DPC pay an additional share of revenue under the Digital PCN (Personal Communication Network) Agreement, plus a penalty totaling Baht 3,410 million. (Further details, please see “Legal Dispute” on page 54-68)	1. Financial status 2. Company’s reputation	This case is in considering of the Supreme Administrative Court. If the Supreme Administrative Court revokes such Arbitrator’s Decision, DPC may be obliged to pay CAT as demanded. However, the management of AIS firmly believes that this case shall reach a positive conclusion since the share of revenue demanded by CAT is equal to the amount of excise tax which has already been paid by the Company according to the unanimous resolution of the Arbitral Tribunal, which dismissed the dispute.	-
1.3 Dispute over revenue sharing from interconnection charges	TOT has demanding that the AIS pay the share of revenue from the interconnection charges of the concession in the defined amount plus interest by did not allow AIS deducted the interconnection fee charged from other operators. (Further details, please see “Legal Dispute” on page 54-68)	1. Financial status 2. Company’s reputation	At present, the case is pending consideration of the Arbitral Tribunal and may take several years to conclude. If AIS loses the case, it may be obliged to pay TOT as demanded. However, the management of AIS firmly believes that the resolution of the Arbitral Tribunal will reach a positive conclusion for the Company since it has fully complied with the law.	-
1.4 Dispute DPC and regarding the reduction of roaming charges between DPC and the Company	DPC submitted a dispute requesting CAT to revoke the allegations that DPC was in breach of the Roaming Service Agreement due to the agreement between AIS and DPC and DPC demanded that CAT pay compensation. While, CAT submitted a dispute to the Arbitration Institute demanding that DPC pay additional remuneration for concession years incurred due to the reduction of the roaming charge rate between DPC and AIS. (Further details, please see “Legal Dispute” Dispute on page 54-68)	1. Financial status 2. Company’s reputation	At present, such disputes are pending consideration of the Arbitral Tribunal. If DPC loses the case, DPC may be obliged to pay CAT as demanded. However, the management of AIS believes that the ruling of the Arbitration Panel of this case shall decide in favor of DPC as DPC had informed CAT that it was applying a roaming rate in July 2006. CAT had then given its written approval of this rate. In addition, CAT had never sent any refusal or objection to DPC during the disputed periods. The roaming rate is also in conformity with market conditions as approved by the NTC.	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
1.5 Dispute DPC and CAT on tower and power supply ownership	CAT submitted a dispute demanding that DPC deliver and transfer ownership of 3,343 Towers including 2,653 units of Power Supply equipment under the terms and conditions of the Digital PCN (Personal Communication Network) Agreement. After DPC failed to do so, CAT demanded that DPC pay Baht 2,230 million to CAT as compensation. (Further details, please see “Legal Dispute” on page 54-68)	<ol style="list-style-type: none"> 1. Property used in business operations 2. Financial status 3. Company’s reputation 	on 12 June 2017, DPC has received the notice from the Central Administrative Court regarding the order to allow CAT renounce its request to revoke the decision of the Arbitral Tribunal, and order to dispose the case from the directory. However, there is a possibility for CAT to submit this dispute to the Arbitration Institute again.	-
1.6 Dispute AIS and TOT on 900 MHz subscribers migration to 3G 2100MHz.	TOT submitted a dispute demanding AIS to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by Awn, which considered as a breach of the Concession Agreement for operation between TOT and the Company for the migration occurred during a period of May 2013 to June 2014.	<ol style="list-style-type: none"> 1. Financial status 2. Company’s reputation 	Currently, the case is in the Arbitration process. If AIS loses the case, AIS may have to pay compensation plus interest as demanded by TOT. However, the management of AIS believes that the result of the dispute should be settled favorably due to the migration was done following the desire of subscribers, as a result, the Company is not considered as a breach of the contract as claimed by TOT.	-
1.7 Dispute Case regarding Companies not collecting all information from prepaid subscribers under NBTC Notification regarding Prepaid Identification.	According to NBTC order that requiring AIS and the other 2 major mobile phone operators in this telecommunication industry to pay an administrative fine in the amount of Baht 80,000 per day until such time as the operators fully comply with the order that mobile phone operators must collect and record all required information of all prepaid subscribers within the specified time.	<ol style="list-style-type: none"> 1. Financial status 2. Company’s reputation 	At present, the case is pending the consideration of the Supreme Administrative Court. If AIS loses the case, AIS may have to pay an administrative fine of Baht 80,000 per day, from 6 July 2012 until the date that AIS can comply with the said order of the NBTC. However, the management of AIS believes that this dispute will be resolved in a positive way due to the fact that NBTC and all mobile operators had a concerted effort to record all prepaid subscriber information to facilitate the compliance of the telecommunication business with such order. The effort includes a joint development of an application called “2 Snap Shot” to facilitate a simpler and quicker registration of prepaid subscriber of which the information can be directly submitted to the system	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
			of mobile operators. The application is deployed throughout various distribution channels as an additional method to filling out the registration form and recording a copy of the identity card. Recently, several Biometric identification methods such as fingerprint and face recognition are used as one of the registration methods in order to record subscribers' information more efficient and accurate.	
1.8 Dispute regarding revenue share for providing National Roaming Service	Subject to the 7th Amendment of the Concession Agreement under which TOT provided consent to AIS to use the telecommunication network to offer to other operators in support of National Roaming Services for which AIS agreed to pay a share of revenue to TOT at the rate specified under Section 30 of the Concession Agreement; AIS has entered into a National Roaming Agreement with Awn and requested the fees for such usage in accordance with the National Roaming Service Agreement. Having received the fees from Awn, AIS calculated the revenue share payment to be made to TOT at the rate specified under the Concession Agreement. Subsequently, TOT issued a letter to AIS notifying it that since July 2013, AIS has not paid TOT the full share of revenue owed from the National Roaming Service. TOT has requested AIS to pay TOT an additional share of revenue from the National Roaming Service in the amount of Baht 13,341 million. (Further details, please see "Legal Dispute" on page 54-68)	<ol style="list-style-type: none"> 1. Financial status 2. Company's reputation 	In this case, should TOT bring this issue to the arbitration process, the management of AIS believes that this issue can be opposed because AIS has done everything correctly subject to the Concession Agreement. Moreover, the supervision and control of service fees are regulated by NBTC.	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
1.9 Dispute between AIS and TOT regarding the titles of towers	AIS requested the arbitral tribunal to find that the Company's signaling towers are not equipment and assets to be transferred to TOT and that AIS owns the signaling towers; and to request TOT to return the associated revenue which it had already been paid by AIS. (Further details, please see "Legal Dispute" on page 54-68)	<ol style="list-style-type: none"> 1. Property used in business operations 2. Financial status 3. Company's reputation 	Presently the dispute is under the arbitration process. The management of AIS believes that the dispute will end favorably because AIS and TOT are currently negotiating to become business partners.	-
1.10 Dispute regarding the request from TOT to AIS to transfer additional equipment used for the operation of the 900MHz Cellular Telephone System	TOT requested that AIS transfer additional assets used in the operation of the 900MHz Cellular Telephone System to TOT. TOT considers that such assets are equipment and tools which the Company provides for the operation of the 900 MHz Cellular Telephone System and, as such, is obligated to transfer the assets to TOT as defined in the Concession Agreement. The equipment in dispute is the Billing System, Intelligence Network (IN) System, Value Added Service System, Customer Relation Management System, Systems Application and Product (SAP) System, Payment System, Equipment and Tools, Production and Usage Control of Cash Card System, Customer Service and Billing Statement System, Management of Telewiz and Dealer System. (Further details, please see "Legal Dispute" on page 54-68)	<ol style="list-style-type: none"> 1. Property used in business operations 2. Financial status 3. Company's reputation 	Should TOT bring this dispute to the arbitration process, the management of AIS believes that the dispute can be settled via negotiation since currently AIS and TOT are currently negotiating to become business partners.	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
1.11 Dispute regarding Claim for additional revenue from the 6th and 7th Amendments to the Concession Agreement	TOT requested AIS for the payment of additional revenue in the amount of Baht 62,773 million. TOT claimed such additional payment based on the ground that the 6th and 7th Amendments were of significant amendment which caused TOT to receive lower revenue than the rate as specified in the Concession Agreement.	1. Financial status 2. Company's reputation	At present, the dispute is under the consideration of the arbitrators. The management of AIS believes that twice of the Concession Agreement are binding and effective until the expiration of the Concession Agreement on 30 September 2015, and AIS has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Concession Agreement between TOT and AIS that the amendment process of the Concession Agreement which is the administrative contract can be separated from such amendment attached hereto, the amendments have still been in effect as long as it is not revoked or terminated by time, or otherwise. Furthermore, the twice Amendments had never been revised or revoked until the 30th September 2015, which is the ending date of the Concession Agreements. Therefore, the outcome of the said dispute should be settled favorably and have no considerable impact.	-
1.12 Dispute between DPC and CAT on the claim for the sage/revenue arising from the use of telecommunication equipment and telecommunication network during the temporary customer protection period after the Concession ended.	CAT filed a lawsuit against DPC to the Central Administrative Court to pay for the fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT during the temporary customer protection period announced by NBTC following the Expiration of the Agreement for operations or Telecommunication Service Agreement.	1. Financial status 2. Company's reputation	Currently, the dispute has been considered by the Central Administrative Court. However, if DPC loses the case, DPC may have to pay the usage fee and revenue, plus interest from the usage of telecommunication equipment and telecommunication network to CAT. Therefore, the management of AIS believes that the DPC has no obligation to pay for the usage fees and revenue from the use of telecommunication equipment and telecommunication network as claimed by CAT due to the service provided to the subscriber according to NBTC' regulation, DPC did not rent such telecommunication equipment and telecommunication network from CAT. Namely, CAT and DPC have served together in providing services to subscribers. Therefore, the outcome of the case would be resolved positively.	-

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
1.13 Dispute between DPC and NBTC on the claim to the Central Administrative Court for revocation of the NTC order regarding to revenue incurred from the temporary service (1800 MHz) for customer protection period after the Concession end	NTC has demanded DPC and AIS to deliver revenue at remedy period starting after end of concession agreement including interest.. (Further details, please see “Legal Dispute” on page 54-68)	1. Financial status 2. Company’s reputation	Presently, the said case is in the process of the Central Administrative Court. If DPC and AIS loses the case, DPC and AIS may have to submit the revenue sharing plus interest to NBTC. However, the management of AIS considered that the DPC and AIS has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement 2012, that requires DPC and AIS to submit the revenue after deducting any expense to NBTC but DPC and AIS has the expenses more than the revenue incurred from the service. Therefore, DPC and AIS has no revenue remain in order to submit to NBTC as stipulated in the announcement.	-
1.14 Dispute between AIS against NBTC regarding the revenue payment to NBTC according to the remedy period of the subscriber in 900 MHz	The notice of NBTC and the conclusion of NTC about the temporary service for customer protection period after the Concession end no. 2 which enforce the mobile phone operators to pay the revenue occurred during the remedy period to NBTC after expense deduction but the amount of this revenue must not be less than the percentage of revenue sharing being used to pay in the Concession Agreement as of the last day prior to the Concession end. . (Further details, please see “Legal Dispute” on page 54-68)	1. Financial status 2. Company’s reputation	Presently the said case is in the process of the Central Administrative Court. The management of AIS believes that this notification is discriminate among the Operator which the Concession had ended prior to this Notification (no. 2) be effective. This notification is also undue burden to AIS either concession agreement was ended which is not the purpose of this notification issuance to protect the customer during the remedy period. In this case, if AIS loses the case, AIS shall have to pay the revenue plus interest as claimed by the NBTC.	-

3.2.2 Operational risks

Risk issues	Description of risk	Potential impact	Mitigation plan/progress	Risk movement from 2016
2.1 Risk to information security and threat from cyber-attack	<p>The Company has rapidly developed a variety of products and services to serve customer's needs and increase convenience. The technology is necessity to develop and improve the services. The advanced technology may also come with a risk of information technology. Such risks comprised by the complexity of the technology itself, gaps in the skill and knowledge levels of the Company's employees, the potential deficiency of the Company's own system and external threats or any cyber-attack.</p> <p>- If information security system is insufficient or incomplete, it will cause to get seriously impact to the company especially significant data.</p> <p>- Threat from cyber-attack e.g. DDoS Attack, Website phishing, Malware/Virus etc. which may cause to business disruption.</p>	<ol style="list-style-type: none"> 1. Financial revenue 2. Business or IT systems disruption 3. Company's Reputation 	<ol style="list-style-type: none"> 1. Information security regulations 2. Apply an international standards e.g. PCI-DSS, ISO 27001:2013 Information Security Management System etc. 3. Extend and expand security appliance tools to cover all significant systems 4. Enhance information security measures e.g. a revision of the access control procedure, a closed working environment etc. Build IT Awareness to all entire the company 	▼

Risk issues	Description of risk	Potential Impact	Mitigation plan/progress	Risk movement from 2016
2.2 Risk from major network failure or interruption to important systems	In case of uncontrollable disaster, natural disaster or any crisis event affect to the company which may lead to primary operating system and business disruption	<ol style="list-style-type: none"> 1. Financial revenue 2. Business or IT systems disruption 3. Company's asset 4. Employee 5. Company's reputation 	<ol style="list-style-type: none"> 1. Business Continuity Management Policy (BCM Policy) 2. Business Continuity Plan (BCP) both enterprise and departmental level 3. Annual review and exercise of Business Continuity Plan 4. ISO 22301: Business Continuity Management System (BCMS) certification 	▼
2.3 Reputation risk due to community's lack of understanding on health issue arising from radio waves	Problem of understanding of the concerned communities on health issues arising from radio waves nearby the Company's base stations, which may lead to resistance to the construction and/or appeals to related parties. The company cannot expand the installation of transmission equipment or build new base stations.	<ol style="list-style-type: none"> 1. Company's reputation 2. Unachieved operations 	<ol style="list-style-type: none"> 1. Setting up specific teams to communicate to the relevant communities before construction, in line with NBTC's regulations. 2. Analyze the relationship between the company and community for reduce a resistance and plan to make understanding to encourage their confidence if they still have concerned on safety issues. 3. The company will prepare construction blueprints of the base stations have been certified by professional civil engineers to meet the standards of the Engineering Institute of Thailand strictly. 	▼
2.4 Risk arising from the Company's failure to respond in a timely manner to customers' needs/issues via various social media platforms	In response to customers' behaviors of connecting with various social media platforms, the sharing of product and service information, the handling of enquiries and the resolution of complaints must be performed in a prompt manner with the accurate information. This is to prevent the spread out misleading information, which may have a negative impact on the Company's corporate image	<ol style="list-style-type: none"> 1. Company's reputation 2. Confidence of customer, partner and stakeholder 	<ol style="list-style-type: none"> 1. Implement tools to monitor related information in various social media 2. Appoint specialized team to monitor and respond to customer needs specifically via online channels. 	▼

Risk issues	Description of risk	Potential Impact	Mitigation plan/progress	Risk movement from 2016
2.5 Risk from intensive competition in the market	The entering of new players such as OTT (Over the Top Players) who possess their own global platforms and lower cost of operation i.e. LINE has significantly change the competition environment in Thailand's telecommunication market in various areas e.g. maintain existing customer base and new customer acquisition strategies, after sales service etc.	<ol style="list-style-type: none"> 1. Financial revenue 2. Market share 3. Company's reputation 	<ol style="list-style-type: none"> 1. Enhances the quality of after sales service to maintain customer base and attract new customers especially Serenade privileges program. The company has defined strategies to develop benefits of Serenade in many areas e.g. expand Serenade Club, focus on Serenade device offering, expand privileges in the Top-Trend partners such as dining, traveling experience, entertainments etc. 2. Develops strategies for maintain customer base and offer products and services to meet the needs of customers by use Advanced Analytics Tools 	New and emerging risk 2017
2.6 Risk from changing in customers' behavior and technology advancement	The change and advancement of technologies especially digital technology in currently which it make new product launch by incumbent provider with new business model. It's also changes the customers' behavior in the use of products and services because customers have extensive choices for new services in the digital world. Therefore, causes to the company has to adapt and develop their business plans to accommodate the changing of technologies and new innovations to maintain existing customer bases, make revenue from new channel and keep long-term sustainability.	<ol style="list-style-type: none"> 1. Financial revenue 2. Market share 3. Company's reputation 	<ol style="list-style-type: none"> 1. Defines key strategies both in short-term and long-term to respond with changing of customers' behavior and technologies, 2. Enhances full digital customer services system e.g. produce engagement with customer via fully online, building AI/Chatbot capability, implement Robotic Process Automation for customer services. 3. Bundling product and service offerings of mobile, fixed broadband and digital content in new model which provides value added to reduce complexity and cost savings for customers. And also adds benefits to attract new customers. 4. Building capability to gain customer insights with Data Analytics to manage products and services offering to customer according to their needs at the right value 5. Develops network infrastructure, customer services systems and support systems as new technology mandatory. 6. Growing corporate business and content business e.g. expand IoT business, create and drive complete Cloud Business Ecosystem 	New and emerging risk 2017

Risk issues	Description of risk	Potential Impact	Mitigation plan/progress	Risk movement from 2016
			7. Organizational structure transformation and develop competency of employees to support key strategies of the company	
2.7 Risk from talent acquisition for digital transformations	According to the rapidly change of technology and customers' behaviors. The telecommunication providers need to improve their service capabilities to quickly respond to customer needs. If the company cannot develop skills or capabilities in a timely, it will impact to the Company's business advantage in currently businesses and new businesses in the future.	<ol style="list-style-type: none"> 1. Company's reputation 2. Market share 	<ol style="list-style-type: none"> 1. Recruits employees with new ability that meet the needs of the company including offer scholarship to potential employees for talent development applied with new business in the future. 2. Collaborates with world-class expertise institutions to build a foundation, develop knowledge and prepare for digital business of employees including implement succession plan and culture transformation to be ready for digital era. 	New and emerging risk 2017

4. Assets used in operations

To operate the business as Digital Life Service Provider, the total assets used for providing service can be divided into 2 main groups:

- 1) Fixed assets such as network equipment, service shops, office building, and land
- 2) License to operate telecommunication service: such as spectrum license and other licensed to operate telecommunication business.

The details of significant licenses are as at 31 December 2017 follow;

4.1 Fixed assets of AIS and subsidiaries

	Estimated Useful Life(years)	Unit: Million Baht
Land	-	526.36
Data center and improvements	5 and 20	419.65
Office furniture and equipment	2 - 5	1,305.37
Service shop improvements	5 and 10	1,819.30
Vehicles	5	191.69
Tools and equipment for providing telecommunication network and fixed broadband services	2 - 20	179,552.77
Computer Software	5-10	9,605.49
Network under construction and installation for rendering telecommunication and fixed broadband services	-	6,166.04
Router for rental of ADC's internet services	not exceed 3 years	7.48
<i>Total</i>		199,594.15
<i>Less</i> accumulate depreciation/ amortization		(67,014.89)
<i>Net Book value</i>		132,579.26

The total value of the core fixed assets of AIS and its subsidiaries include the financial leases in furniture, fixtures and office equipment, tools, equipment and vehicles is Baht 290.29 million.

Beside the fixed assets above, AIS and its subsidiaries have an agreement on office rental which can be summarized as follows:

Type of assets	Ownership	Monthly rental rate (Baht million)	Obligation
9 offices space rental in Bangkok and space rental of service shops in 28 provinces*	1-3 years lease agreement	Approximately 70 million	None

Note: * Chiang Mai, Surat Thani, Nakhon Sawan, Nakhon Ratchasima, Nakhon Pathom, Phitsanulok, Songkla, Chon Buri, Ayutthaya, Rayong, Phuket, Udon Thani, Khon Kaen, Ubonratchathani, Samut prakan, Chachoengsao, Chiang Rai, Lampang, Phrae, Tak, Surin, Roi Ed, Mahasarakham, Mukdahan, Prajuabkirkhan, Prachin Buri, Saraburi and Bangkok

4.2 License to operate telecommunication service

AIS and its subsidiaries has operated 2G, 3G, and 4G services and other telecommunication services under the spectrum license and other licensed granted from the NBTC and other parties including other agreement . The details of significant licenses are as follow.

The telecommunication service license

1. License of AWN

License	Grantor	Significant terms and condition	Benefit	Grant Period	Expiration
Telecommunications Business License Type 3	NBTC	The right to provide telecommunication network services with its own network for fixed line, WiFi internet, Public Broadband Multimedia Service, integrated digital network service, as well as fixed and wireless telecommunication network service.	Paying for the license within the time period as specified by the NBTC.	25 years	15 Sep 2036
Spectrum License for Telecommunications Service 2.1GHz	NBTC	The right to use spectrum license for telecommunications service 2.1GHz under condition required 1. providing the service by itself . 2. providing telecommunication network for rendering services covering at least 50% of population within 2 years from the date of obtaining license and at least 80% of population within 4 years from the date of obtaining license	Paying for the license within the time period as specified by the NBTC	15 years	6 Dec 2027
Spectrum License for Telecommunications Service 1800 MHz	NBTC	The right to use spectrum license for telecommunications service 1800 MHz under condition required 1. providing the service by itself 2. providing telecommunication network for rendering services covering at least 40% of population within 4 years from the date of obtaining license and at least 50% of population within 8 years from the date of obtaining license	Paying for the license within the time period as specified by the NBTC.	18 years	15 Sep 2033
Spectrum License for Telecommunications Service 900MHz	NBTC	The right to use spectrum license for telecommunications service 900 MHz under condition required 1. providing the service by itself 2. providing telecommunication network for rendering services covering at least 50% of population within 4 years from the date of obtaining license and at least 80% of population within 8 years from the date of obtaining license.	Paying for the license within the time period as specified by the NBTC.	15 years	30 Jun 2031
Internet Service Provider Type 1	NBTC	The right to provide internet or relevant service, without its own network	Paying for the license within the time period as specified by the NBTC.	10 years	17 Oct 2019

License	Grantor	Significant terms and condition	Benefit	Grant Period	Expiration
International Internet Gateway and Internet Exchange License Type 2 with its own network	NBTC	The right to provide international internet gateway (IIG) and National Internet Exchange (NIX)	Paying for the license within the time period as specified by the NBTC.	5 years	29 Oct 2019
Telecommunication Business License Type 1	NBTC	The right to provide value-added vessel monitoring information using location coordinates and direction of the vessels	Paying for the license within the time period as specified by the NBTC.	5 years	22 Dec 2020

2. License of SBN

License	Grantor	Significant terms and condition	Benefit	Grant Period	Expiration
Telecommunications Business License Type 3	NBTC	The right to provide telecommunication network services with its own network for fixed line, IDSN, Public Broadband Multimedia Service, and additional service.	Paying for the license within the time period as specified by the NBTC	20 years	15 Aug 2027
Telecommunications business License Type 2	NBTC	The right to provide limited telecommunication service to a group of people, with its own telecom network for fixed line	Paying for the license within the time period as specified by the NBTC	15 years	19 Feb 2023
Internet Service Provider License Type 1	NBTC	The right to provide internet or relevant services without its own network	Paying for the license within the time period as specified by the NBTC	5 years	9 Oct 2029
International Internet Gateway License Type 2 and Telecommunications Business License Type 2	NBTC	The right to provide the internet exchange service in order to connecting with international internet data for ISPs internet services	Paying for the license within the time period as specified by the NBTC	5 years	14 Oct 2022
Radio and Television Broadcasting License without spectrum	NBTC	The right to provide IPTV service at National level with full coverage	Paying for the license within the time period as specified by the NBTC	15 years	19 Mar 2032
Radio and Television Broadcasting License without spectrum	NBTC	The right to provide channel program services according to conditions specified in the license (42 channel programs)	Paying for the license within the time period as specified by the NBTC	1 year	19 Mar.2018

3. License of AIN

License	Grant or	Significant terms and condition	Benefit	Grant Period	Expiration
Telecommunications Business License Type 3	NBTC	The right to provide international telephone services, value added services to international telephone service, and other related services to international telephone service and international telephone network services.	Paying for the license within the time period as specified by the NBTC	20 years	25 Jul 2026

4. License of AMP

License	Grantor	Significant terms and condition	Benefit	Grant Period	Expiration
Electronic Card Business License	MOF	The right to operate electronic money cards for goods or services payments instead of cash payments	-	since 24 Jun 2005	-
License for Electronics Payment Service	ETC	Granted the right to provide electronic payment services	-	10 years	12 May 2019

5. License of AMC

License	Grantor	Significant terms and condition	Benefit	Grant Period	Expiration
License for Electronics Payment Service	ETC	Granted the right to provide electronic payment services	-	10 years	12 May 2019

The telecommunications service agreement

1. Agreement of ADC

Agreement	Party	Significant terms and condition	Benefit	Agreement Period	Expiration
The Data Communication Service Agreement (Data kit Virtual Circuit Switch)	TOT	1. Granted the right to operate data communication service using Frame Relay and Data kit Virtual Circuit Switch and/or other data communication system. 2. The right to upgrade its data communication service by using ADSL and ATM Switch in addition to its existing systems.. 3. The right to provide digital contents by asking for TOT permission in advance.	ADC provided the new ordinary share of Baht 107.52 million which is 23.5% of registered capital to TOT without TOT's payment for shares	25 years	24 Sep 2022

4.3 Commercial Agreement with TOT

1. Agreement of AWN

Agreement	Party	Significant terms and condition	Benefit	Agreement Period	Expiration
Roaming Agreement	TOT	Providing roaming service on TOT's 2100 MHz spectrum to AWN with terms and conditions as specified in the agreement.	Paying the monthly roaming fee to TOT at the rate per subscriber as specified in the agreement	7 years 5 months	3 Aug 2025

2. Agreement of SBN

Agreement	Party	Significant terms and condition	Benefit	Agreement Period	Expiration
Telecommunication Equipment Rental Agreement	TOT	Providing equipment rental to TOT, which allows TOT to provide mobile service on TOT's 2100 MHz spectrum	Receive rental revenue from TOT which is subjected to the rate and usage as specified in the agreement	7 years 5 months	3 Aug 2025

4.4 Policy to invest in subsidiaries and associate companies

AIS currently focuses on telecom service business only. We thereby invest in subsidiaries and other companies for the purpose of supporting our main business or operating other related services which is beneficial to our business. AIS has appointed directors and executives as our representative in those companies for the purpose of shareholder's benefit and value maximization. The meeting of board of directors of those companies is scheduled to convene at least on quarterly basis. The shareholders' meeting is scheduled on annual basis.

5. Legal Disputes

In the past, AIS is mobile phone operator in 900MHz system in accordance with the Concession Agreement for Cellular Mobile Phone Operation (“Concession Agreement 900”) with TOT for the period of 25 years from the beginning of operation (1 October 1990 to 30 September 2015), while DPC which is AIS’ subsidiary was the mobile phone operator within 1800MHz system subject to the Digital PCN (Personal Communication Network) 1800 Agreement (“PCN Agreement 1800”) with CAT from 19 November 1996 to 15 September 2013. Throughout the period those 2 agreements, AIS and DPC had the obligations to invest and provide tools and equipment used for the provision of service and such tools and equipment shall be transferred to CAT and DPC had to pay interest to CAT in the specified percentage of revenue.

After the establishment of National Telecommunication Commission of Thailand (“NTC”) subject to the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E.2543 and the National Broadcasting and Telecommunication Commission (“NBTC”) subject to the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E.2553 (“the Act on Organization to Assign Radio Frequency”) , the mobile telecommunication service and other telecommunication service by AIS and Affiliate were regulated by NTC and NBTC respectively.

AIS and DPC, then, have the important legal disputes subject to Concession Agreement 900, PCN Agreement 1800 and the Act on Organization to Assign Radio Frequency as follows:

5.1 Legal Disputes under Concession Agreement 900

Litigant	AIS and TOT
Submitted Date Tribunal	1. 22 January 2008 : Thai Arbitration Institute 2. 22 September 2011: The Central Administrative Court
Dispute topic	TOT submitted the dispute to the Thai Arbitration Institute to demand payment in the amount of Baht 31,463 million from AIS regarding the additional remuneration due under the Concession Agreement (from January 2003 until September 2007). The requested amount is equal to the amount of excise tax which AIS had paid to the Excise Department and thus deducted from the revenue sharing pursuant to the cabinet resolution dated 11 February 2003.
Result of case	On 20 May 2011, the Arbitral Tribunal dismissed all disputes on the ground that the Company had lawfully paid the full amount owed under the revenue sharing agreement. Therefore, AIS has not committed a breach of the Concession Agreement.
Status of case	<ul style="list-style-type: none"> On 22 September 2011, TOT submitted a request to the Central Administrative Court to revoke the award of the Arbitral Tribunal. On August 11, 2016, the Central Administrative Court dismissed TOT’s request. The Central Administrative Court provided the reason that the arbitration award which decided that AIS was not in breach of contract was under the jurisdiction of the arbitral tribunal. Further, there was no indication

Litigant	AIS and TOT
	<ul style="list-style-type: none"> before the court that such acceptance or enforcement of the arbitral award in the case was against peace or public morality. As a result, there is no reason for the court to pass judgment or to order the cancelation of the award
	<ul style="list-style-type: none"> according to the request from TOT. However TOT has the right to appeal to the Supreme Administrative Court within 30 days from the judgment date. On July 13, 2017, the Central Administrative Court read the decision from the Supreme Administrative Court to dismiss TOT's appeal of the decision by the Central Administrative Court, based on the reason that such appeal was forbidden. Therefore, such case was considered final and AIS did not have to pay for any additional payment as requested by TOT.

Litigant	AIS and TOT
Submitted date Tribunal	9 March 2011: Thai Arbitration Institute
Dispute Topic	<p><u>AIS</u></p> <ul style="list-style-type: none"> On 26 January 2011, AIS submitted a dispute to the Thai Arbitration Institute claiming that TOT has no right to demand that AIS pay any interconnection charges under the Concession Agreement of the 17th - 20th concession year. AIS claimed that TOT has no right to demand that AIS not deduct the interconnection charges which AIS has to pay to other operators before sharing the revenue to TOT. The disputed amount equals Baht 17,803 million plus interest at the rate of 1.25 percent per month. On 23 August, 2016, AIS submitted a dispute to arbitration claiming that TOT has no right to claim for compensation from income from interconnection charges during the 23th to 25th year, amounting in total to Baht 8,367.90 million with interest at the rate of 1.25 percent per month. <p><u>TOT</u></p> <ul style="list-style-type: none"> On 29 July 2014, TOT raised a dispute demanding that AIS make an additional payment for the 21st - 22nd concession year of Baht 9,984 million plus interest at the rate of 1.25 percent per month.
Result of case	-
Status of Case	The case is pending the consideration of the Thai Arbitration Institute.

Litigant	TOT
Submitted date Tribunal	1. 11 May 2011: Thai Arbitration Institute 2. 19 May 2014: The Central Administrative Court
Dispute Topic	AIS submitted a case demanding TOT to return the letter of guarantee for remuneration from the 17 th - 21 st concession years. In this case, AIS also demanded that TOT be prohibited from claiming any money from the bank and that it be obligated to pay the bank commission for the letter of guarantee including the

Litigant	TOT
	damage to AIS's reputation and financial credit in the amount of Baht 30 million and also Baht 20 million for the letter of guarantee of the 21 st concession year.
Result of case	On 10 February 2014, the Arbitral Tribunal awarded that TOT surrender the letter of guarantee and pay Baht 6,653,016 plus penalty at the rate of 7.5 percent per annum calculated from the date that the Company paid such amount to the bank.
Status of Case	On 19 May 2014, the Company requested the Central Administrative Court to recognize and enforce the award. TOT also requested the Central Administrative Court to revoke the award. Therefore, the Central Administrative Court has ordered the Company and TOT to be tried together as one and the same case.

Litigant	AIS and TOT
Submitted date Tribunal	1. 16 January 2013: Thai Arbitration Institute 2. 17 July 2017: The Central Administrative Court
Dispute Topic	AIS submitted a dispute to the Thai Arbitration Institute requesting that TOT pay revenue sharing of for international direct dial service according to the Amendment No.. 3 and 4, including interest, of the Concession Agreement between AIS and TOT. AIS claims that TOT has been in default of payment for the period of November 2008 - September 2012 and owes the total amount of Baht 1,528 million plus interest as stipulated in the Concession Agreement.
Result of case	On May 1, 2017, the Thai Arbitration Center decided that TOT should pay the revenue sharing from international direct dial service during November 2008 – September 2012 in the total amount of Baht 1,354 million including interest at the rate of 7.5 percent per annum, should the payment is delayed more than 60 days from the date of the decision. And TOT should pay the revenue sharing from October 2012 onwards until the end of obligation in accordance with the Concession Agreement. On July 17, 2017 TOT submitted the petition to the Central Administrative Court for the revocation of such decision.
Status of Case	The case is pending the consideration of the Central Administrative Court.

Litigant	AIS and TOT
Submitted date Tribunal	30 September 2015: The Thai Arbitration Institute
Dispute Topic	AIS submitted a dispute to the Thai Arbitration Institute regarding the 6th and 7th amendments to the Concession Agreement. AIS claimed that the said amendments bind AIS and TOT. AIS also claims that AIS has no obligation to pay for the additional remuneration in the amount of Baht 72,036 million, in line with TOT's claim that such Amendments has been caused TOT to receive lower remuneration than the rate as specified in the Concession Agreement.

Litigant	AIS and TOT
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Result of case	-
Status of Case	On 30 November 2015, TOT submitted a dispute on the same issue, demanding AIS to pay compensation of Baht 62,774 million, after the arbitration committee ordered the two disputes to be combined into one case. The case is pending on the consideration of the Thai Arbitration Institute.

Litigant	AIS and TOT
Submitted date Tribunal	30 September 2015: The Thai Arbitration Institute
Dispute Topic	TOT submitted a dispute to the Thai Arbitration Institute to order AIS to rent 11,883 base stations, which are used for the installation of towers and telecommunication equipment to provide telecommunication services under the Concession Agreement for an additional 2 years after the expiration of the Concession Agreement. TOT requests that, in the event that AIS fails to comply such rental, AIS shall be required to pay the said rental and all relevant expenses during 2 years, amounting to Baht 1,911 million, or the same amount should be paid to the court.
Result of case	-
Status of Case	The case is pending the consideration of the Thai Arbitration Institute.

5.2 Legal Disputes under PCN Agreement 1800

Litigant	DPC and CAT
Submitted date Tribunal	1. 9 January 2008: The Thai Arbitration Institute 2. 3 June 2011: The Central Administrative Court 3. 3 September 2015: The Supreme Administrative Court
Dispute Topic	CAT demanded DPC to pay additional remuneration of Baht 2,449 million of excise taxes under the Digital 1800 Agreement plus penalty at the rate of 1.25 percent per month of the unpaid amount of each year, calculated from the default date until full payment is made, totaling Baht 3,949 million. However, DPC claimed that the requested amount is equal to the amount of excise tax which DPC paid during 16 September 2003 - 15 September 2007, and also deducted from revenue sharing pursuant to the Cabinet Resolution dated 11 February 2003.
Result of case	<ul style="list-style-type: none"> On 1 March 2011, the Arbitral Tribunal dismissed the dispute as the original debt had completely been paid and extinguished. DPC then has not committed any breach of the Digital 1800 Agreement. On 3 June 2011, CAT submitted a request to the Central Administrative Court to revoke the award of the Arbitral Tribunal. On 28 July 2015, the Central Administrative Court dismissed the request of CAT by giving the reason that CAT was the one who sent the letter declaring its intention to change the criteria of revenue share payment of excise taxes

Litigant	DPC and CAT
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	<ul style="list-style-type: none"> according to cabinet resolution and had accepted the revenue share amount after deducting the excise and returned the letter of guarantee to DPC without raising any objections. The award of the Arbitral Tribunal was, therefore, in compliance with the provisions of the law and the provisions of the Digital 1800 Agreement.
Status of Case	On 3 September 2015, CAT submitted the appeal to the Supreme Administrative Court which is presently pending consideration of the Supreme Administrative Court.

Litigant	DPC and CAT
Submitted date Tribunal	<ol style="list-style-type: none"> 29 July 2008: The Thai Arbitration Institute 25 June 2011: The Central Administrative Court 15 October 2014: The Supreme Administrative Court
Dispute Topic	<p>CAT demanded that DPC pay the Access Charge which DPC had deducted and has not yet delivered to CAT as follows:</p> <ul style="list-style-type: none"> Additional charge of 7th-10th concession years of Baht 165 million including VAT plus penalty at the rate of 1.25 percent per month, calculated on 31 July 2008, totaling Baht 222 million. Additional charge of 11th concession year of Baht 23 million including VAT plus penalty at the rate of 1.25 percent per month, calculated on 15 October 2009, totaling Baht 26 million. <p>The total claimed amount of both cases is Baht 248 million.</p>
Result of case	<ul style="list-style-type: none"> On 23 March 2012, the Arbitral Tribunal dismissed all disputes on the ground that CAT has not yet paid the interconnection charge for the part of which DPC has to pay to TOT as stipulated in the Interconnection Agreement. Therefore, CAT has no right to claim those charge from DPC. In attestation, it is not admissible that the consideration paid by DPC in each year is regarded as a breach of the Digital 1800 Agreement. On 25 June 2012, CAT submitted a request to the Central Administrative Court to revoke the award of the Arbitral Tribunal. On 16 September 2014, Central Administrative Court dismissed the request of CAT.
Status of Case	On 15 October 2014, CAT submitted the appeal to the Supreme Administrative Court which is presently pending on the consideration of the Supreme Administrative Court

Litigant	DPC and CAT
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Submitted date Tribunal	1. 3 February 2009: Thai Arbitration Institute 2. 25 October 2012: Central Administrative Court
Dispute Topic	CAT demanded DPC to deliver and transfer ownership of 3,343 towers and 2,653 items of power supply equipment under the Digital PCN (Personal Communication Network) Agreement. CAT also demanded that DPC reimburse Baht 2,230 million to CAT if DPC failed to return the towers and equipment. However, DPC rebutted that all disputed assets are not the property as stipulated in clause 2.1 of the Digital 1800 Agreement which DPC is obligated to deliver and transfer ownership of to CAT.
Result of case	On 18 July 2012, the Arbitral Tribunal dismissed all disputes of CAT by referring to Clause 12 of the Digital 1800 Agreement. Under such Agreement, CAT can demand that DPC deliver all of the objects after 60 days from the termination date of the Digital 1800 Agreement. Therefore, the submission of a dispute is regarded as a premature exercise of the right under the Digital 1800 Agreement. On October 25, 2017, CAT submitted the petition to revoke such decision to the Central Administrative Court
Status of Case	On June 9, 2017, the Central Administrative Court dismissed the case subject to CAT's petition.

Litigant	DPC and CAT
Submitted date Tribunal	7 April 2010: The Thai Arbitration Institute
Dispute Topic	<ul style="list-style-type: none"> DPC submitted a dispute to the Arbitration Tribunal requesting that CAT be ordered to revoke its allegation that DPC breached the Digital 1800 Agreement by having entered into an agreement with AIS for the use of the DPC network without receiving the consent of CAT. DPC also demanded that CAT pay for damages in the amount of Baht 50 million. On 15 July 2010, CAT requested DPC to pay additional remuneration for the 10th - 12th concession year incurred due to DPC having reduced the roaming charge rate between DPC - AIS from Baht 2.10 to Baht 1.10 during the period of 1 April 2007 - 31 December 2008 without the approval of CAT. The requested damages are in the amount of Baht 1,640 million plus penalty calculated up to March 2010 in the amount of Baht 365 million totaling Baht 2,000 million. In addition, a penalty is also applied at the rate of 1.25 percent per month calculated from April 2010. -

Litigant	DPC and CAT
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	On 12 September 2011, CAT submitted an additional demand for remuneration for the 12 th concession year covering the period of 1 April 2009 - 15 June 2009 in the amount of Baht 113 million.
Result of case	
Status of Case	The Arbitration Institute ordered all 3 disputes to be tried together as one and the same case and such disputes are presently pending consideration of the Thai Arbitration Institute.

Litigant	DPC and CAT
Submitted date Tribunal	1. 8 April 2011: The Thai Arbitration Institute 2. 6 September 2013: The Central Administrative Court
Dispute Topic	CAT demanded that DPC pay remuneration in the amount of Baht 33 million including interest at the rate of 15 percent per annum, calculated at Baht 35 million in total. CAT claimed that DPC had committed a breach of the Digital PCN Agreement in the form of fraudulent use of documents/signatures of subscribers during the year 1997 - 2003 covering a total of 1,209 numbers. Such fraudulent action was claimed to have caused damage to CAT since CAT could not collect the fees for international call services when the fraudulent numbers had used the international call service of CAT.

Litigant	DPC and CAT
Result of case	On 28 May 2013, the Arbitral Tribunal dismissed all disputes of CAT by giving the reason which can be summarized as follows. Such disputes are the act of tort, and DPC has not committed any breach of the Digital 1800 Agreement. Therefore, the dispute of this case is not within the jurisdiction of the Arbitral Tribunal.
Status of Case	On 6 September 2013, CAT submitted a request to the Central Administrative Court to revoke the award of the Arbitral Tribunal which is presently pending on the consideration of the Central Administrative Court.

Litigant	DPC and TOT
Submitted date Tribunal	9 May 2011: The Central Administrative Court
Dispute Topic	TOT filed a lawsuit at the Central Administrative Court demanding that CAT and DPC jointly pay the Access Charge under the Interconnection Agreement of DPC dated 8 September 1997, as follows: <ul style="list-style-type: none"> TOT has requested that the demanded Access Charge calculated on the amount of the mobile number which DPC had rendered the service in each month at the of Baht 200 per number, in the amount of Baht 1,289 million;

Litigant	DPC and CAT
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	<ul style="list-style-type: none"> The Access Charge, which CAT has to pay to TOT calculated on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million; and The Access Charge, which CAT did not fully pay to TOT due to the deduction of the Access Charge at the rate of Baht 22 / number / month, in the amount of Baht 222 million. <p>The total amount of the claim is Baht 5,454 million plus interest.</p>
Result of case	-
Status of Case	The case is pending on the consideration of the Central Administrative Court.

Litigant	DPC and CAT
Submitted date	24 August 2012: The Thai Arbitration Institute
Tribunal	
Dispute Topic	CAT submitted a dispute to the Thai Arbitration Institute demanding DPC to pay additional remuneration for the 10 th -14 th concession years in addition to the interconnection charge received (gross income) before deduction of the interconnection charge paid in the amount of Baht 183 million plus penalty at the rate of 1.25 percent per month. CAT has also demanded that DPC pay additional remuneration for the 15 th concession year in the amount of Baht 141 million plus penalty at the rate of 1.25 per month. The total claimed amount is Baht 324 million.
Result of case	-
Status of Case	The case is pending on the consideration of the Thai Arbitration Institute.

Litigant	DPC and CAT
Submitted date	1. 8 October 2012 : The Thai Arbitration Institute
Tribunal	2. 15 September 2015: The Central Administrative Court
Dispute Topic	DPC demanded that CAT surrender the letter of guarantee for the remuneration of the 10 th -14 th concession years and that CAT be prohibited from claiming any money from the bank against this letter of guarantee. DPC also demanded that CAT pay the bank commission for the letter of guarantee including the damage to DPC's reputation and financial credit in the amount of Baht 109 million.
Result of case	On 28 May 2015, the Thai Arbitration Institute awarded an order that CAT return the letter of guarantee and pay the bank commission for the letter of guarantee to DPC.
Status of Case	On 15 September 2015, CAT submitted a request to the Central Administrative Court to revoke the award of the Thai Arbitration Institute which is presently pending the consideration of the Central Administrative Court

Litigant	DPC and CAT
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Submitted date Tribunal	1. 28 August 2013: The Thai Arbitration Institute 2. December 2017: The Central Administrative Court
Dispute Topic	CAT submitted a dispute to the Thai Arbitration Institute demanding that DPC return the letter of guarantee for the revenue sharing agreement of the 15 th –16 th concession years, claiming that the present letter of guarantee submitted by DPC contained faulted clauses and does not comply with the Digital 1800 Agreement.
Result of case	On August 30, 2017, the arbitration committee decided to dismiss CAT's dispute.
Status of Case	On December 2017, CAT submitted the petition to dismiss such decision to the Central Administrative court. The case is pending on the consideration of the Central Administrative Court.

Litigant	DPC and CAT
Submitted date Tribunal	20 May 2015: The Central Administrative Court
Dispute Topic	<ul style="list-style-type: none"> CAT submitted a lawsuit to the Central Administrative Court demanding NBTC Office, NTC, NBTC, True Move and DPC to pay usage fees and revenue from the usage of the telecommunication equipment and telecommunication network of CAT. The usage in question occurred during the temporary customer protection period, subject to the NBTC Re: the Temporary Customer Protection Plan Following the Expiration of the Concession Agreement or Telecommunication Service Agreement, calculated from 16 September 2013 to 15 September 2014. The total amounts collectively demanded from NBTC Office, NTC and NBTC, True Move and DPC is Baht 6,083 million including interest at the rate of 7.5 per annum. On 11 September 2015, CAT submitted a request to the Central Administrative Court claiming for the additional usage fees and revenue from

Litigant	DPC and CAT
	<p>the usage of CAT's telecommunication equipment and telecommunication network calculated from 16 September 2014 to 17 July 2015. The total amount demanded collectively from DPC, NBTC Office, NTC and NBTC is Baht 1,635 million including interest at the rate of 7.5 per annum.</p> <ul style="list-style-type: none"> On 30 June 2016, CAT submitted a request to the Central Administrative Court claiming for the additional usage fees and revenue from the usage of CAT's telecommunication equipment and telecommunication network calculated from 18 July 2015 to 25 November 2015. The total amount demanded collectively from DPC, NBTC Office, NTC and NBTC is Baht 673 million including interest at the rate of 7.5 percent per annum.
Result of case	-
Status of Case	The case is pending the consideration of the Central Administrative Court.

Litigant	AIS and CAT
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Submitted date Tribunal	29 April 2015: The Central Administrative Court
Dispute Topic	CAT filed a lawsuit to the Central Administrative Court demanding AIS to pay for damages resulting from the installation of telecommunications equipment within the base stations which previously belonged to DPC but for which the ownership has been transferred to CAT under the Digital 1800 Agreement. The claim relates to 95 sites in which the equipment was installed without the consent of CAT during the period of January 2012 to April 2016. The total amount of damages claimed is Baht 125.52 million and the compensation from the filing date is Baht 2.83 million per month until the dismantling of such equipment.
Result of case	-
Status of Case	The case is pending on the consideration of the Central Administrative Court

Litigant	AWN and CAT
Submitted date	30 June 2016
Tribunal	Central Administrative Court
Dispute Topic	CAT filed a request at the Central Administrative Court demanding that AWN pay compensation for damages arising from the installation of its own telecommunication equipment within DPC's base stations, the ownership of which were transferred to CAT subject to the Concession Agreement to operate and provide services on the cellular network (Digital PCN (Personal Communication Network) 1800 without permission from CAT. In total, 67 sites are affected under this dispute with the alleged discretions taking place during the period from January 2013 to June 2016. The total amount demanded by CAT is Baht 62.736 million plus damages from the date of submission of the complaint in the amount of Baht 2 million per month until the date that such telecommunication equipment is dismantled.
Result of case	-
Status of Case	The case is under the consideration of the Central Administrative Court .

Litigant	DPC and CAT
Submitted date Tribunal	30 June 2016: The Thai Arbitration Institute
Dispute Topic	CAT submitted a dispute to an arbitration committee ordering DPC to dismantle the telecommunications equipment owned by the Company and also the equipment owned by AWN, an AIS affiliate. Such equipment has been installed and implemented on DPC's network, the ownership of which was transferred to CAT subject to the Concession Agreement to operate and provide services on the cellular network (Digital PCN (Personal Communication Network) 1800 without permission from CAT. In total, this dispute relates to 97 sites with the alleged

Litigant	DPC and CAT
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	discretions taking place during the period from January 2013 to June 2016 in the total amount of Baht 175.19 Million demanded by CATs.
Result of case	-
Status of Case	The case is under the consideration of the Thai Arbitration Institute.

5.3 Legal Disputes under the Act on Organization to Assign Radio Frequency

Litigant	AIS and NTC and the Secretary General of NTC
Submitted date Tribunal	1. 27 May 2011: The Central Administrative Court 2. 9 December 2016: The Supreme Central Administrative Court
Dispute Topic	AIS filed a lawsuit to the Central Administrative Court seeking to revoke the order of NTC ordering the Company to amend the drafted Pre-Paid Mobile Service Agreement which prohibited the condition concerning the validity term.
Result of case	On 10 November 2016, the Central Administrative Court dismissed the case filed by AIS for the reason that such case was filed after the available prescription. Moreover, the delayed case was not subject to reasonable cause and the case was not filed on behalf of public interest, but for the benefit of AIS as the plaintiffs themselves. As for the order issued by NTC following such announcement, the Central Admin Court passed the judgment that since the announcement has remained in force and has not been revoked, the order issued subject to such announcement is then legitimate.
Status of Case	On 9 December 2016, The company then appealed to the Supreme Administrative Court and the case is in the consideration process.

Litigant	AIS and NBTC Office, NBTC and NTC
Submitted date Tribunal	1 May 2017: The Central Administrative Court
Dispute Topic	AIS filed a lawsuit against NBTC Office, NBTC and NTC to the Central Administrative Court to revoke the order from NBTC Office and resolution from NTC which ordered AIS to pay the revenue during the subscriber protection period after the expiration of Concession Agreement from October 1, 2015 – June 30, 2016 in accordance with the NBTC Re: the Temporary Customer Protection Plan in the amount of Baht 7,221 Million. Because AIS had expense more than revenue during the protection period of subscriber on 900 MHz frequency. Therefore, there was no remaining revenue to be paid to the NBTC Office.
Result of case	-
Status of Case	The case is pending on the consideration of the Central Administrative Court.

Litigant	AIS and NBTC and the Secretary General of NBTC
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Submitted date Tribunal	1. 2 July 2012: The Central Administrative Court 2. 21 April 2017: The Supreme Administrative Court
Dispute Topic	AIS filed a lawsuit to the Central Administrative Court seeking to revoke the order of NBTC Re: Maximum Rate of Service Fee for Domestic Mobile Phone Voice Services B.E. 2555. The order issued by NBTC required the collection of domestic voice service fees at the rate not exceeding Baht 0.99 /minute, enforceable only on the significant market dominance because AIS is of the opinion that it is the wrongful order and unfair treatment.
Result of case	On March 24, 2017, the Central Administrative Court dismissed the case and AIS appealed to the Supreme Administrative Court on April 21, 2017.
Status of Case	The case is pending the consideration of the Supreme Administrative Court.

Litigant	AIS and NBTC and Secretary General of NBTC
Submitted date Tribunal	1. 13 September 2011: The Central Administrative Court 2. 18 December 2015: The Supreme Central Administrative Court
Dispute Topic	AIS filed a lawsuit to the Central Administrative Court requesting to revoke the resolution and order of NBTC to collect the information from existing subscribers using Pre-Paid Mobile Service prior to the announcement date of the Notification of NBTC Re: The Criteria for the Allocation of Numbers B.E. 2551 coming into force on 24 October 2008, within 180 days from the effective date of this NBTC Notification. Under this lawsuit, AIS particularly requested revocation of the order requiring AIS to pay administrative fines of 80,000 Baht per day commencing on 6 July 2012 until the Company has completely performed all requested obligations.
Result of case	On 19 November 2015, the Central Administrative Court reached its judgment which was to revoke the resolution and overturn the administrative fines on the grounds that: <ul style="list-style-type: none"> • such order enforced the operators to retrospectively store subscriber data which includes the personal information that the subscribers are required to disclose, without any measure for enforcement by service suspension or termination. • there are a large number of subscribers. It is difficult to perform the requested actions without cooperation from the subscribers. In this regard, NBTC's resolution and order are unlawful because NBTC used power and discretion beyond the scope of regulatory duties, which created a huge burden impact on the operators.
Status of Case	On 18 December 2015, NBTC submitted an appeal to the Supreme Administrative Court which is currently pending consideration of the Supreme Administrative Court.

Litigant	AIS and TOT
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Submitted date Tribunal	25 September 2014: The Thai Arbitration Institute
Dispute Topic	TOT submitted a dispute to the Thai Arbitration Institute demanding that AIS discontinue the number portability method whereby its subscribers press *988* because it breached the Concession Agreement. TOT has also demanded that AIS pay damages in the amount of Baht 9,126 million (From May 2013 to June 2014) plus interest at the rate of 7.5 percent per annum.
Result of case	-
Status of Case	On March 25, 2016, TOT filed a petition to amend the amount of damages requested. The revised amount was calculated from May 2013 until the expiration of the concession agreement (30 September 2015) and totaled Baht 32,813 million. The case is pending on the consideration of the Thai Arbitration Institute.

Litigant	AIS and NBTC Office, NTC, and NBTC
Submitted date Tribunal	16 November 2015: The Central Administrative Court
Dispute Topic	DPC submitted a lawsuit to the Central Administrative Court requesting the revocation of the resolution and order of NBTC to pay the revenue arising from the mobile service charges within the temporary customer protection period. The period in question follows the announcement of the NBTC Re: the Temporary Customer Protection Plan B.E.2013 and covers from 16 September 2013 to 17 July 2014 (First Period). The amount requested is Baht 628 million and all interest accrued therefrom.
Result of case	-
Status of Case	On September 16, 2016 NBTC and the Secretary General of NBTC filed a lawsuit to the Central Administrative Court requesting that DPC pay a share of revenue generated during the remedy period. Such period commenced from the coming into effect of the Subscribers Protection Period subject to the NBTC's announcement regarding the Temporary Customer Protection Plan B.E.2013 and lasted until the date of the order issued by the National Council for Peace and Order (NCPO). This period covers September 16, 2013 to July 17, 2014. The requested amount is Baht 679 million including interest. The case is pending on the consideration of the Central Administrative Court.

Litigant	AIS and NBTC
Submitted date Tribunal	18 December 2015: The Central Administrative Court
Dispute Topic	AIS filed a lawsuit to the Central Administrative Court requesting the revocation of the announcement of NBTC Re: Temporary Subscribers' Protection (2 nd Issue)

Litigant	AIS and NBTC
	After the Expiration of the Concession period, The new announcement specified additional conditions for paying revenue during the remedy period to be not less than the share incurred subject to the Concession Agreement based on the fact that such new announcement was unfair and enforced selectively compared with the previous announcement which did not specify such condition.
Result of case	-
Status of Case	The case is pending on the consideration of the Central Administrative Court

Other legal disputes

Litigant	Revenue Department
Submitted date Tribunal	1. 22 July 2015: The Central Tax Court 2. 28 June 2016: The Supreme Court
Dispute topic	DPC filed a lawsuit to the Central Tax Court requesting the revocation of the assessment of the authority and the decision of appeal by the Appeal Committee ordering DPC to make additional payment in the total amount of Baht 5,596,595.48 as a result of wrongful deduction and payment of withholding taxes from the share paid to CAT by subtracting the excise taxes before making payment in accordance with the decision from the Cabinet. In addition, DPC also requested a decrease in the amount demanded or the complete annulment of the additional payments.
Result of case	On April 29, 2016, the Central Tax Court dismissed the case filed by DPC for the reason that the excise taxes should be deemed as the part of the revenue share agreement which the plaintiff is required to pay to CAT subject to the Concession Agreement. Therefore, it is DPC's liability to deduct the withholding taxes and pay such amount to the Revenue Department of Thailand. Failure to do so results in the liability of DPC to make additional payments at the rate of 1.5% per month, in the total amount of Baht 5.59 million.
Status of case	DPC submitted the petition of this case to the Supreme Court on 28 June 2016 and presently this case is under the consideration of the Supreme Court.

Litigant	Revenue Department
Submitted date Tribunal	10 November 2016: The Central Tax Court
Dispute Topic	
	AIS filed a lawsuit at the Central Tax Court requesting revocation of the assessment of the authority and the decision of appeal by the Appeal Committee as well as a decrease or cessation of additional payment arising from the case in which the assessment authority ordered AIS to make additional payment in the total amount of Baht 128,215,149.73. The additional payment was applied as a result of the wrongful deduction and payment of withholding taxes from the share

Litigant	Revenue Department
	paid to TOT by AIS and calculated by subtracting the excise taxes before making payment in accordance with the decision from the Cabinet.
Result of case	On September 29, 2017, the Central Tax Court dismissed the case.
Status of Case	AIS is preparing petition to submit to the Supreme Court.

6. General information of AIS and its affiliates and other significant information

General information of the Company

The Company name	: Advanced Info Service Public Company Limited
Symbol for trading	: ADVANC
Registered date on the SET	: 5 November 1991
Market capitalization	: Baht 567,861.21 million (as of 29 December 2017)
Registered capital	: Baht 4,997,459,800
Paid-up capital	: Baht 2,973,095,330
Total shareholders	: 43,871 persons (as of 10 August 2017, the latest book closing date for the rights to receive dividend)
Free float	: 36.22%
Type of business	: Operate telecommunication business including mobile network service, fixed broadband service, and digital services.
Head office	: 414, AIS Tower Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Registered No.	: 0107535000265
Corporate website	: http://www.ais.co.th
IR website	: http://investor.ais.co.th/
Telephone	: (66) 2029 5000
Facsimile	: (66) 2029 5165

American Depositary Receipt

ADR ticker symbol	: AVIFY
Exchange	: Over The Counter (OTC)
Depository	: The Bank of New York Mellon
ADR to ORD share ratio	: 1:1
ADR CUSIP number	: 00753G103

General information of AIS's affiliates

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Advanced Wireless Network Co.,Ltd. (AWN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Telecommunication service provider of 2.1GHz, 900MHz and 1800MHz frequencies, distributor of handsets, international telephone service, network operator, telecom service operator and national broadcasting network services without frequency usage.	13.5	100	1,350	99.99
2	Advanced Datanetwork Communications Co.,Ltd. (ADC) (an indirect subsidiary via DPC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.adc.co.th	Service provider of online data communication service via telephone landlines and optical fiber	95.75	10	957.52	51.00 ¹⁾
3	Digital Phone Co.,Ltd. (DPC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Service provider of digital mobile phone network	91.39 ²⁾	10	913.86 ²⁾	98.55
4	Advanced mPAY Co.,Ltd. (AMP) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Service provider of payment business via mobile phone	30	10	300	99.99
5	Super Broadband Network Co.,Ltd. (SBN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.sbn.co.th	Network operator and telecom service operator i.e. internet service (ISP), Dedicated Leased Line , IPLC & IP VPN, Voice Over IP, IP Television	3	100	300	99.99
6	Advanced Contact Center Co.,Ltd. (ACC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Call center service	27.2	10	272	99.99
7	Advanced Magic Card Co.,Ltd. (AMC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Distributor of cash card business	25	10	250	99.99

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
8	Teleinfo Media Public Company Limited (TMC) ³⁾ (an indirect subsidiary via CSL) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8899 Website : www.csloxinfo.com	Provide advertising online platform through Website, PC, Mobile and Laptop for business and individual user	15.65	10	156.54	99.99
9	CS LoxInfo Public Company Limited (CSL) ³⁾ (an indirect subsidiary via AWN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2263 8000 Fax : (66) 2263 8132 Website : www.csloxinfo.com	Provide our corporate customers with solutions for brand range of internet-based services	594.51	0.25	148.63	80.10
10	AIN GlobalComm Co.,Ltd. (AIN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019 Website : www.ain.co.th	International telephone service gateway	2	100	100	99.99
11	Advanced Broadband Network Co.,Ltd. (ABN) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Currently not start the operation	0.75	100	75	99.99
12	Wireless Device Supply Co.,Ltd. (WDS) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Importer and distributor of handsets and accessories	0.5	100	50	99.99
13	MIMO Tech Co.,Ltd. (MMT) 1291/1 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Develop IT system, engaging in content aggregator business and provide collection of revenue service from customers	0.5	100	50	99.99
14	AD Venture Public Company Limited (ADV) ³⁾ (an indirect subsidiary via CSL) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8877 Website : www.shinee.com	Content provider through mobile phone, community portal services, and application on smart phone via ISO and android systems	1.07	10	10.75	99.99
15	Fax Lite Co.,Ltd. (FXL) 1291/1 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel : (66) 2029 5000 Fax : (66) 2029 5019	Operate in acquiring and/or lease building, and related facilities for telecommunications business	0.01	100	1	99.98

No	Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
16	Yellow Pages Commerce Company Limited (YPC) ³⁾ (an indirect subsidiary via TMC) 1126/2 Vanit Bldg.2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok Tel : (66) 2262 8888 Fax : (66) 2262 8823	To engage in business concerning advertising and publishing of business and activities to individuals, non- juristic bodies of persons, juristic persons and government sectors by using every type of advertising and operate the business in distribution, supplying , agent for every public relation task.	0.01	10	0.1	99.94

Notes:

¹⁾ The remaining share percentage of ADC in the amount of 49% is held by other persons with no conflict of interest.

²⁾ On 5 June 2017, DPC increased its share capital from Baht 3,655.47 million to Baht 913.86 million.

³⁾ AWN acquired ordinary shares in CSL, equivalent to 80.10% of the paid-up capital, through a voluntary tender offer. (The information as of 23 January 2018). As a result, TMC, ADV and YPC are an indirect subsidiaries via CSL.

No	Associated Company	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Information Highway Co.,Ltd. (IH) 52/1 Moo 5 Bang Kruai-Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi Tel : (66) 2029 5055 Fax : (66) 2029 5019	Transmission network provider	5	100	500	29.00

No	Joint Venture	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Amata Network Co., Ltd. (AN) ⁴⁾ 2126 New Petchaburi Road, Bang-kapi, Huay Kwang, Bangkok Tel : (66) 2029 5055 Fax : (66) 2029 5019	Provide fiber optic network infrastructure in Amata industrial estate.	1	100	100	60.00

Notes:

⁴⁾ AN is a joint-venture between ABN and Amata Corporation Plc.

No	Other investments	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
1	Bridge Mobile Pte. Ltd. (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel : (65) 6424 6270 Fax : (65) 6745 9453	Jointly invested, provide international roaming service within Asia Pacific Region	9	USD 1	USD 9 Million	10.00
2	Clearing House for Number Portability Co.,Ltd. (CLH) 98 Q House Ploenchit Building, 6 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel : (66) 2646 2523 Fax : (66) 2168 7744	Jointly invested, operate the information system and the centralized database for the mobile number portability service (MNP)	0.02	100	2	20.00

Other significant information

Ordinary Share Registrar

Thailand Securities Depository Company Limited
The Stock Exchange Thailand Building,
93, Ratchadapisek Road,
Dindang, Dindang, Bangkok 10400
Tel : (66) 2009 9383
Fax : (66) 2009 9476

Auditor

Dr. Suphamit Techamontrikul
Certified Public Accountant Registration Number 3356
Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd.
AIA Sathorn Tower, 23rd -27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok
10120
Tel : (66) 2034 0000
Fax : (66) 2034 0100