

2014 Management Outlook

Revenue from sales and rendering of services	➤ Expect to increase 5-7%
Share of profit of associates	➤ 40.45% of the AIS results
Venture capital CAPEX	➤ Not more than 200 million baht a year
Dividend payout	➤ Expect to maintain pass-through dividend

Revenue from sales and rendering of services: Based on the accounting standards, INTOUCH must consolidate the financial statements of entities that have direct or indirect controlled over their financial and operating policies. Thus, the consolidated revenue from sales and rendering of services included the revenue from THAICOM, Matchbox and ITAS. In the satellite business, demand for bandwidth remains strong, mainly from telecom and broadcasting businesses in Thailand and the region, as well as Africa. Currently, THAICOM has two conventional satellites in orbit (Thaicom 5 & 6) and one broadband satellite (Thaicom 4 - IPSTAR). Thaicom 7, another conventional satellite, is expected to be launched in 3Q14 so the combined capacity of the three conventional satellites will be 87 transponders by the end of the year. Even though the satellite business remains strong, revenue from the advertising business, Matchbox, is expected to decline from last year due to lower billing of the lower margin in the media business. Matchbox will focus on its strong area, creative work, which could improve its efficiency and enhance the overall margin.

Share of the net results from associates: According to the accounting standards, the entities that INTOUCH has significant influence over their financial and operating policies are associates and must be accounted for equity method by recognized the operational result through its proportion of shareholding. The major contribution of the share of the net results was from AIS Group. In 1H14, due to the fast network rollout, AIS 3G-2.1MHz users hit 80%. As a result, we expect to reach 85% by the end of this year. With rising 3G-2.1GHz subscription and the adoption of new mobile devices, the regulatory cost is trending down (5.25% of revenue compared to 20-30% on the original 2G-900MHz contract). In 2014, the service margin is expected to improve by 300bps, although the regulatory cost savings will be partially offset by higher marketing expenses and other 3G-related costs. Even though the zero-handset margin strategy will put pressure on the consolidated EBITDA margin, we expect it can be improved by 100bps compared to 2013.

Venture capital: Since the inception of InVent, the venture capital project, INTOUCH has invested in companies for a shareholding of 25-30% in each one. Contributions from these companies are still relatively small. The investment budget is not exceeding 200 million baht a year and the target companies are related to telecom, media, IT, and digital content.

The Company's standalone performance: As INTOUCH is a holding company; the major revenue is dividend income from associate and subsidiaries. To support our new business opportunities, the administrative expenses in 2014 are estimated to be around 400-450 million baht.

Dividend payout: INTOUCH pays dividend from the Company's net profit after tax. During the past few years, dividends received from associate and subsidiaries have been passed through to the shareholders after the deduction of operating expenses, as the Company has not made any major investments. In 2014, we expect to continue this practice.

Possible key and influential factors affecting the Company's future operations or financial position

The Company conducts business as a holding company that has investment in other companies. Thus, it is possible that the material impact of financial position or operational result of the investments will have affect to the Company.

The aforesaid investments are disclosed in the 1H14 Management Discussion and Analysis of Financial Results of AIS and THCOM.

Overview

The consolidated financial statements for the three-month period ended 30 June 2014 (2Q14) had revenue of 6,115 million baht and for the six-month period ended the same period (1H14) was 12,742 million baht based on the consolidated profit attributable to owners of the Company of 3,504 million baht and 7,330 million baht, respectively. The consolidated net profit depends primarily on the share of the net profit of AIS Group, an associate company and the primary focus of our local wireless communications business. We account for AIS Group using the equity method.

The share of the net profit from AIS Group for 2Q14 was 3,422 million baht, which contributed 56% of total consolidated revenue and 98% of consolidated net profit attributable to owners of the Company. While in 1H14, there was 7,245 million baht, 57% of total consolidated revenue and 99% of consolidated net profit attributable to owners of the Company.

The consolidated revenue decreased 8% QoQ, which was mainly due to the share of the net results. But slight increased from the three-month period ended 30 June 2013 (2Q13) and from the six-month period ended 30 June 2013 (1H13) due to sales and service revenue of the satellite and international businesses, but this was offset with the decrease from share of the net results and the media & advertising business.

The consolidated profits attributable to owners of the Company dropped QoQ, YoY and from 1H13 due to the decay of the share of the net results, while the profit from the satellite and international businesses rose.

Significant Events

Change of the Company's name

The Annual General Meeting of Shareholders for 2014 held on 28 March 2014 passed a resolution to change the name from Shin Corporation Public Company Limited to Intouch Holdings Public Company Limited (the Company or INTOUCH). The Company registered its new name and seal with the Department of Business Development, Ministry of Commerce, on 31 March 2014.

Thaicom

At the beginning of 2014, THAICOM successfully launched the Thaicom 6 satellite into orbit and commenced broadcasting services on 1 February 2014. Two new satellites are planned to be launched to extend its target geography and be a host of yet-to-be-announced new industry partnerships and acquisitions. The Thaicom 7 satellite was planned to be launched into the 120 degrees East in 3Q14. The Thaicom 8 satellite was scheduled to be launched into the 78.5 degrees East at around mid-2016.

The investment in InVent Project

Ookbee Company Limited (OOKBEE), the first associate company under Venture Capital Project has entered into an investment agreement with transcosmos inc. (transcosmos), a Japanese company. transcosmos purchased 16,674 newly-issued shares from OOKBEE, equivalent to 11.11% of the paid-up capital, in the amount of 5 million USD (approximately 161.6 million baht). The Company's investment portion was changed from 25.03% to 22.26%. OOKBEE registered the newly-issued share capital with the Ministry of Commerce on 8 May 2014. The Company had an unrealized gain on dilution approximately 34.7 million baht.

This investment has been made to contribute value and benefit to OOKBEE by utilizing membership data, bringing in additional knowledge and systems, including digital marketing, advertising, data analysis and customer support, and sourcing Japanese content via the transcosmos network for developing OOKBEE's future business potential.

Dividend payments

The Board of Director Meeting held on 13 August 2014 passed resolutions to pay interim dividend from operating results for the period 28 March – 12 August 2014 at 2.23 baht per share, totally 7,150 million baht. The Company scheduled to pay this dividend on 10 September 2014.

Financial Operational Summary

Share of profit (loss) by business segment														
(in million baht)	2Q13		1Q14		2Q14		%YoY		%QoQ	1H13		1H14		%YoY
The Company	(49)	-1%	7,031	184%	(66)	-2%	35%	-101%		6,077	79%	6,964	95%	15%
Local wireless telecommunication business	3,688	100%	3,823	100%	3,422	98%	-7%	-10%		7,708	100%	7,245	99%	-6%
Satellite & International Businesses	78	2%	165	4%	204	6%	162%	24%		213	3%	369	5%	73%
Other Businesses	(42)	-1%	(74)	-2%	(56)	-2%	33%	-24%		(104)	-1%	(128)	-2%	23%
Consolidation eliminations *	0	0%	(7,118)	-186%	0	0%	n/a	-100%		(6,194)	-80%	(7,119)	-97%	15%
Net Profit	3,675	100%	3,827	100%	3,504	100%	-5%	-8%		7,700	100%	7,331	100%	-5%

* Mainly is the elimination of intercompany dividends

Net profit dropped QoQ, YoY and 1H13, mainly due to local wireless telecommunication business, but offset with the rise of profit from satellite and international businesses.

Key operational results

The Company (in million baht)	2Q13	1Q14	2Q14	%YoY	%QoQ	1H13	1H14	%YoY
Dividend income	-	7,118	-	n/a	-100%	6,194	7,118	15%
SG&A	(68)	(102)	(83)	22%	-19%	(152)	(186)	22%
Net Profit	(49)	7,031	(66)	35%	-101%	6,077	6,964	15%

Dividend income dropped QoQ but in line with YoY as there was no dividend income during 2Q14 and 2Q13. While in 1Q14, there was a dividend income from AIS at 5.75 baht per share or in total of 6,915 million baht and from THAICOM at 0.45 baht per share or 203 million baht.

In 1H14, the dividend income from AIS and THAICOM were higher than what was in the six-month period last year. In 1H13, the dividend received from AIS was at 5 baht per share and from THAICOM was at 0.40 baht per share.

SG&A dropped 18% QoQ due to the decrease of staff costs, expense related to shareholder's meeting and consultant fees associated to seeking new business and investment. When compare to 2Q13, SG&A rose 24% and 22% from 1H13 as a result of staff costs and consultant fees associated to seeking new business and investment.

Share of the net result from local wireless telecommunication (in million baht)									
	2Q13	1Q14	2Q14	%YoY	%QoQ	1H13	1H14	%YoY	
Share of net result from investment in AIS Group at equity method	3,688	3,823	3,422	-7%	-10%	7,708	7,245	-6%	

The share of the net results from associates, mainly from the share of the net profit of AIS Group, dropped 10% QoQ and 7% YoY. The net profit of AIS Group as of 2Q14 was 8,475 million baht, dropped 11% QoQ from 9,481 million baht in 1Q14 and dropped 8% YoY from 9,195 million baht in 2Q13. These were mainly due to higher selling and administrative expenses.

For 1H14, the share of the net profit from AIS Group dropped 6% from 1H13. The net profit of AIS Group as of 1H14 was 17,956 million baht dropped 6% from 19,117 million baht in 1H13 as a result of higher selling and administrative expenses.

Revenue of AIS Group was stable QoQ but dropped slightly YoY mainly due to Interconnection Charge (IC).

- **IC** was stable QoQ, but dropped more than 50% YoY due to reduction rate following the NBTC's regulation.
- **Service revenue, excluding IC** increased slightly QoQ and YoY, mainly from non-voice service that rose following the demand of the mobile data. The demand for mobile data accelerated, underpinned by marketing campaigns such as AIS Super Combo and Maomao which drove the data users in mid-tier segment, despite of economy slowdown in the first half of the year. However, this was offset with the decline of voice revenue due to the saturated voice market.
- **SIM card & devices sale revenue** dropped 11% QoQ as consumers continue to wait for the new coming of smart phone. However, when compared to 2Q13, the revenue rose 19% as a result of the increasing demand of the smartphone and the attractive marketing campaigns such as AIS Lava and Super Deal. This was impacted to the sales margin to decline to 0% from 2% in 1Q14 and 7% in 2Q13.

1H14, the revenue of AIS Group decreased 3% mainly as a result of IC revenue.

- **IC revenue** declined more than 50% due to the reduction rate following the NBTC's regulation, but this was offset with
- **SIM card & devices sale revenue** rose 14% due to lower price handset promotions bundled with packages and growing smartphone popularity. Following AIS's price promotion on smart phone to push 3G device adoption, the sale margin declined to 0%-2% in 1H14.
- **Service revenue, excluding IC** was relatively stable when compared to 1H13. AIS Wi-Fi is the major contribution to other service revenue to grow 19%, while revenue from voice and data slight decreased.

Costs of AIS Group dropped slightly QoQ and 7% YoY, mainly as a result from lower regulatory fee.

- **Regulatory fee** dropped 3% QoQ and 24% YoY, as the service revenue from license (2.1GHz) rose, which carries lower regulatory cost than the BTO contract (900/1800MHz).
- **IC cost** was stable QoQ but decreased more than 50% YoY, following the IC revenue.
- **Amortization** rose 8% QoQ and 14% YoY due to the continuity in 3G-2.1GHz network expansion.
- **Network OPEX** rose 9% QoQ and 10% YoY, following the expansion of 3G-2.1GHz network which has current coverage of 97% of population with 19,300 base stations.
- **Cost of sales** dropped 8% QoQ but rose 29% YoY following SIM card & devices sale revenue.

1H14, costs dropped 9% from 1H13 due to regulatory fee, together with cost of IC. This was offset with the rise of network OPEX and cost of sales.

- **Regulatory fee** dropped 25% as the service revenue from license (2.1GHz) rose, which carries lower regulatory cost than the BTO contract (900/1800MHz).
- **IC cost** declined more than 50%, following the IC revenue.
- **Amortization** rose 12% due to 2.1GHz license amortization and the continuity in 3G-2.1GHz network expansion.
- **Network OPEX** rose 10%, following the expansion of 3G-2.1GHz network.
- **Cost of sales** rose 22% following to the rise of SIM & devices sale revenue.

SG&A increased 29% QoQ and 54% YoY, mainly, was marketing expense due to marketing campaigns to attract customers onto 2.1GHz continuously, causing higher costs on advertisement and promotion. Administrative expenses rose mainly from staff costs caused by higher number of staff recruited, the write-off obsolete equipment and the provision for bad debt.

1H14, SG&A rose 44% from 1H13 as a result from 3G-2.1GHz related expenses, partially, marketing expenses from promotion campaigns. Administrative expenses rose 28%, mainly from staff costs and the provision for bad debt.

Satellite & International Businesses																
(in million baht)	2Q13		1Q14		2Q14		%YoY		%QoQ		1H13		1H14		%YoY	
Sale and service revenue	1,794	100%	2,374	100%	2,450	137%	37%	3%	3,567	100%	4,824	100%	35%			
Construction revenue *	138	8%	168	7%	5	4%	-96%	-97%	248	7%	173	4%	-30%			
Sale and service costs	(1,030)	-57%	(1,249)	-53%	(1,108)	108%	8%	-11%	(2,102)	-59%	(2,357)	-49%	12%			
Construction cost *	(138)	-8%	(168)	-7%	(5)	4%	-96%	-97%	(248)	-7%	(173)	-4%	-30%			
SG&A	(353)	-20%	(440)	-19%	(441)	125%	25%	0%	(759)	-21%	(880)	-18%	16%			
Net Profit	190	11%	400	17%	497	262%	162%	24%	520	15%	897	19%	73%			
Contributed to INTOUCH Group	78	4%	165	7%	204	262%	162%	24%	213	6%	369	8%	73%			

* Interpretation of TFRIC 12 *Service Concession Arrangements*

Sale and service revenue rose 3% QoQ and 37% YoY mainly due to:

- **The conventional satellite: Revenue** rose 5% QoQ and 50% YoY from the launch of Thaicom 6 and has started to provide services since 1 February 2014, which resulted to the increase in revenue from transponder leasing service that rose following the growing demand of satellite broadcasting operators that have continued to expand together with value-added services. This was evidenced by the increasing number of TV channels that grew from 513 in 2Q13 and from 667 in 1Q14 to 677 in 2Q14.
- **The Thaicom 4 (IPSTAR): Revenue** was closed to 1Q14 and rose 29% YoY due to the growth of bandwidth usage in China, India and Indonesia. In addition, there was a rise of satellite communication services revenue generated by Orion Satellite Systems Pty Limited (OSS), an indirect subsidiary of THAICOM in Australia.
- **The telecommunications and internet in Laos: Revenue** grew 5% QoQ resulting from the increase of prepaid mobile phone service, CDMA fixed wireless service and internet access service. For YoY, the revenue grew 32 % from both postpaid and prepaid mobile phone services. The average revenue per subscriber (ARPU) rose, especially from prepaid mobile service. Also, CDMA fixed wireless and internet access service, especially HSPA, increased following the growth of subscribers. Together, there was a rise of revenue from interconnection charge, international telephone service charge, and the sale of fixed wireless handset, and SIM card.

1H14, the sale and service revenue rose 35% from 1H13 mainly due to:

- **The conventional satellite: Revenue** rose 47% following the growing demand of satellite broadcasting operators
- **The Thaicom 4 (IPSTAR): Revenue** rose 26% due to the rising bandwidth usage in China, Thailand, India, Indonesia, Malaysia, New Zealand and Australia. Nevertheless, the satellite communication services revenue from OSS has been recognised since 1Q14 and, in 1Q14, there was revenue from selling of equipment for installation of satellite application network to a telecommunications service provider in Japan, but this was offset with the decrease of user terminal (UT) sale.
- **The telecommunications and internet in Laos: Revenue** grew 28% resulting from the growth of both postpaid and prepaid subscribers and the rise of ARPU, especially from prepaid subscribers. Moreover, the incline of fixed wireless – CDMA and internet, especially HSPA, increased following the growth of user. Together, there was a rise of revenue from interconnection charge, international roaming, the fixed wireless handset, and SIM card.

Sale and service costs dropped 11% QoQ but rose 8% YoY mainly due to:

- **The conventional satellite: Costs** dropped 18% QoQ from transponder rental cost from acquiring an interim satellite to provide services at 78.5 degrees east orbital slot ahead of the launch of Thaicom 6 satellite. The service of Thaicom 6 has fully provided since 1 February 2014, thus such transponder rental cost was ceased since then. However, this was offset with the rise of the Thaicom 6's amortization which was recognised full quarter in 2Q14, while in 1Q14; it was booked at two months basis. In addition, there was a rise of operating agreement fee to be paid to the Ministry of Information Communication and Technology (MICT) following the revenue growth. For YoY, the costs rose 101% due to the amortization of Thaicom 6 and the operating agreement fee to be paid to the MICT, following its revenue.

- **The Thaicom 4 (IPSTAR): Costs** dropped 2% QoQ due to the decrease of equipment cost for installation of satellite application network in Japan, but this was offset with satellite communication service costs from OSS, following its revenue. For YoY, the cost rose 5% from operating agreement fee to be paid to the MICT, following the bandwidth revenue growth, also the satellite communication service costs from OSS, following its revenue.
- **The telecommunications and internet in Laos: Costs** was stable QoQ but rose 8% YoY from interconnection charge, following its revenue and cost of sale following the revenue growth of mobile and SIM.

1H14, the sale and service costs rose 12% from 1H13 due to:

- **The conventional satellite: Costs** rose 142% from the Thaicom 6's amortization, transponder rental cost from acquiring an interim satellite to provide services at 78.5 degrees east orbital slot ahead of the launch of Thaicom 6 satellite since August 2013 and operating agreement fee to be paid to the MICT following the revenue growth.
- **The Thaicom 4 (IPSTAR): Costs** rose 4% from operating agreement fee to be paid to the MICT, following the bandwidth revenue growth, the satellite communication service costs from OSS and the equipment cost for installation of satellite application network in Japan.
- **The telecommunications and internet in Laos: Costs** rose 10% from interconnection charge following its revenue and cost of sale following the revenue growth of mobile and SIM.

SG&A was stable QoQ but rose 25% YoY, mainly due to an increase in marketing expenses of the satellite business and the telephone business in Laos, provision for bad debt of the telephone business in Laos, and obsolete inventory of IRD box.

1H14, SG&A rose 16% from 1H13, mainly, as a result of marketing expenses of the satellite business and the telephone business in Laos, provision for bad debt of the telephone business in Laos, and obsolete inventory of IRD box. However, this was offset with the decrease of administrative expenses of telephone business in Laos.

Other Businesses (in million baht)	2Q13		1Q14		2Q14		%YoY		%QoQ		1H13		1H14		%YoY
Service revenue	384	100%	117	100%	150	100%	-61%	28%			676	100%	268	100%	-60%
Service costs	(342)	-89%	(106)	-91%	(125)	-83%	-63%	18%			(612)	-91%	(230)	-86%	-62%
Loss on provision for interest of unpaid operating agreement fee	(108)	-28%	(107)	-91%	(108)	-72%	0%	1%			(215)	-32%	(215)	-80%	0%
SG&A	(35)	-9%	(33)	-28%	(32)	-21%	-9%	-3%			(70)	-10%	(65)	-24%	-7%
Net Loss	(92)	-24%	(124)	-106%	(106)	-71%	15%	-15%			(203)	-30%	(228)	-85%	12%
Contributed to INTOUCH Group	(42)	-11%	(74)	-63%	(56)	-37%	33%	-24%			(104)	-15%	(128)	-48%	23%

Other businesses included media and advertising businesses, information technology business and businesses under InVent project.

Revenue rose 28% QoQ due to an increase in advertising production as a result from marketing activities by customers. But the revenue dropped 61% YoY and 60% from 1H13. This was because, in 2014, INTOUCH Group has focused on advertising production rather than media. The advertising production is a creative work and strength of INTOUCH Group, while the advertising media contributes small margin, accordingly the advertising media revenue dropped from last year.

Costs rose 18% QoQ but dropped 63% YoY and 62% from 1H13 following its advertising & media revenue.

Financial Position Summary

Key financial position data

Separated Financial Position	As at 31 Dec 2013		As at 30 June 2014		Changed
	million baht	%	million baht	%	%
Assets					
Cash & cash equivalents and current investment	2,097	15%	2,121	15%	1%
Investment in subsidiaries and associates	12,171	85%	12,193	85%	0%
Other assets	132	1%	89	1%	-33%
Total Assets	14,400	100%	14,403	100%	0%
Liabilities and Equity					
Other liabilities	154	1%	102	1%	-34%
Total Equity	14,246	99%	14,301	99%	0%
Total Liabilities and Equity	14,400	100%	14,403	100%	0%

Total assets showed a slight increase. Cash & cash equivalents and current investment increased due to greater remaining cash after payment of interim dividend, but this was offset with payment for SG&A during 1H14. An increase from investment in subsidiaries and associates was due to the additional investment in share capital of a subsidiary. Other assets dropped from the repayment of loan to a subsidiary.

Total liabilities and equity increased slightly. The equity attributable to owners of the Company increased as a result from the operational gain during the first six-month of 2014, but this was offset with a payment of an interim dividend at 2.16 baht per share in April 2014. Liabilities decreased due to the accrued expense.

Consolidated Financial Position	As at 31 Dec 2013		As at 30 June 2014		Changed
	million baht	%	million baht	%	%
Assets					
Cash & cash equivalents and current investment	6,856	13%	8,382	16%	22%
Other current assets	2,494	5%	2,262	4%	-9%
Investment in associates	19,762	39%	20,127	38%	2%
Property & equipment, net	3,261	6%	5,171	10%	59%
Intangible assets under operating agreements, net	15,042	30%	14,268	27%	-5%
Other non-current assets	3,395	7%	2,464	5%	-27%
Total Assets	50,810	100%	52,674	100%	4%
Liabilities and Equity					
Borrowings	8,374	16%	9,449	18%	13%
Other current liabilities	9,217	18%	9,318	18%	1%
Other liabilities	807	2%	875	2%	8%
Total Liabilities	18,398	36%	19,642	37%	7%
Total Equity	32,412	64%	33,032	63%	2%
Total Liabilities and Equity	50,810	100%	52,674	100%	4%

Total assets increased 4% from the end of 2013. Cash & cash equivalents and current investment rose from the operational result of 1H14, including the reclassification of long-term investment. Property & equipment increased was mainly from the construction in progress of Thaicom 8 and from the expansion of telecommunications and internet businesses in Laos, but this was offset with the depreciation during 1H14. The decrease of intangible assets under operating agreements was as a result of the amortization during 1H14. The decline of other non-current assets was mainly due to the reclassification from long-term investment to current investment.

Total liabilities and equity: total liability increased 7% from the end of 2013. The increase of borrowings was due to short-term loan from financial institute for Thaicom 8 project but this was offset with the long-term loan repayment for Thaicom 6. Equity rose 2% from the end of 2013 as a result from the operational profit of 1H14 but this was offset with the dividend paid by the Company.

Changes in Accounting Policies

From 1 January 2014, INTOUCH Group has adopted the issued and revised TFRS, which has resulted in changes in its accounting policies applied in the financial statements for the year ended 31 December 2013. The change that had material impact to the financial statements of INTOUCH Group was TFRIC 12 *Service Concession Arrangements*. INTOUCH Group has obtained agreements for operation from government agencies and entities regulated by government agencies, which the Group has to adopt TFRIC 12.

The adoption of TFRIC 12 was recognised retrospectively in the consolidated financial statements (no impact to the separate financial statements). In the consolidated statements of financial position, the property and equipment under operating agreements was restated to intangible assets under operating agreements. In the consolidated statements of income, the construction revenues and costs under operating agreements were recorded.

Opinion of Auditors

The auditor had concluded that nothing has come to the attention that causes the auditor to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. However, the auditor had emphasized on ITV's current liabilities as of 30 June 2014 that exceed its current assets by an amount of 4,953 million baht and there is a deficit in excess of the share capital of an amount of 4,953 million baht and ITV 's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement (Operating Agreement) was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister (PMO) as ITV did not pay the unpaid operating fee totaling 2,210 million baht and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of 97,760 million baht and adjust television programs fee which are still under dispute with PMO. Subsequently, ITV ceased its operations and delivered their assets under the operating agreement to PMO. ITV has filed statements of claim regarding the unpaid operating agreement totaling 2,210 million baht plus the interest and adjust television programs fee to the arbitration process. These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern.

Additional Financial Data and Key Ratios

Separate Statements of Income								
(in million baht)	2Q13	1Q14	2Q14	%YoY	%QoQ	1H13	1H14	%YoY
Dividends income	-	7,118	-	n/a	-100%	6,194	7,118	15%
Other income	19	16	18	-5%	13%	36	34	-6%
Total revenue	19	7,134	18	-5%	-100%	6,230	7,152	15%
Administrative expenses	(47)	(78)	(58)	23%	-26%	(109)	(137)	26%
Management benefit expenses	(21)	(24)	(25)	19%	4%	(43)	(49)	14%
Total expenses	(68)	(102)	(83)	22%	-19%	(152)	(186)	22%
Profit before finance costs	(49)	7,032	(65)	33%	-101%	6,078	6,966	15%
Finance costs	-	(1)	(1)	100%	0%	(1)	(2)	100%
Net Profit	(49)	7,031	(66)	35%	-101%	6,077	6,964	15%

Consolidated Statements of Income																
(in million baht)	2Q13		1Q14		2Q14		%YoY		%QoQ		1H13		1H14		%YoY	
Sale and service revenue	2,311	38%	2,654	40%	2,600	43%	13%	-2%	4,481	36%	5,254	41%	17%			
Other income	49	1%	64	1%	55	1%	12%	-14%	96	1%	118	1%	23%			
Net foreign exchange gain	-	0%	54	1%	-	0%	n/a	-100%	-	0%	40	0%	100%			
Share of the net result from associates	3,735	61%	3,869	58%	3,460	57%	-7%	-11%	7,817	63%	7,330	58%	-6%			
Total revenue	6,095	100%	6,641	100%	6,115	100%	0%	-8%	12,394	100%	12,742	100%	3%			
Sale and service costs	(1,321)	-22%	(1,523)	-23%	(1,238)	-20%	-6%	-19%	(2,589)	-21%	(2,760)	-22%	7%			
Operating agreement fee	(189)	-3%	(242)	-4%	(248)	-4%	31%	2%	(373)	-3%	(490)	-4%	31%			
Loss on provision for interest of unpaid																
operating agreement fee	(108)	-2%	(107)	-2%	(108)	-2%	0%	1%	(215)	-2%	(215)	-2%	0%			
Selling expenses	(36)	-1%	(73)	-1%	(62)	-1%	72%	-15%	(70)	-1%	(135)	-1%	93%			
Administrative expenses	(381)	-6%	(454)	-7%	(444)	-7%	17%	-2%	(780)	-6%	(898)	-7%	15%			
Net foreign exchange loss	(173)	-3%	-	0%	(13)	0%	-92%	100%	(53)	0%	-	0%	-100%			
Management benefit expenses	(34)	-1%	(43)	-1%	(44)	-1%	29%	2%	(70)	-1%	(87)	-1%	24%			
Total expenses	(2,242)	-37%	(2,442)	-37%	(2,157)	-35%	-4%	-12%	(4,150)	-33%	(4,585)	-36%	10%			
Profit before finance costs																
& income tax expenses	3,853	63%	4,199	63%	3,958	65%	3%	-6%	8,244	67%	8,157	64%	-1%			
Finance costs	(66)	-1%	(88)	-1%	(97)	-2%	47%	10%	(134)	-1%	(185)	-1%	38%			
Profit before income tax expenses	3,787	62%	4,111	62%	3,861	63%	2%	-6%	8,110	65%	7,972	63%	-2%			
Income tax expenses	(50)	-1%	(99)	-1%	(114)	-2%	128%	15%	(151)	-1%	(213)	-2%	41%			
Profit for the period - continued operations	3,737	61%	4,012	60%	3,747	61%	0%	-7%	7,959	64%	7,759	61%	-3%			
Loss from discontinued operation - net	-	0%	-	0%	-	0%	n/a	n/a	(51)	0%	-	0%	-100%			
Profit for the period - continued operations	3,737	61%	4,012	60%	3,747	61%	0%	-7%	7,908	64%	7,759	61%	-2%			
Attributable to:																
Owners of the Parent																
Profit for the period																
- continued operations	3,675	60%	3,827	58%	3,504	57%	-5%	-8%	7,722	62%	7,331	58%	-5%			
Loss for the period																
- discontinued operation	-	0%	-	0%	-	0%	n/a	n/a	(21)	0%	-	0%	-100%			
Non-controlling interests																
Profit for the period																
- continued operations	62	1%	185	3%	243	4%	292%	31%	237	2%	428	3%	81%			
Loss for the period																
- discontinued operation	-	0%	-	0%	-	0%	n/a	n/a	(30)	0%	-	0%	-100%			
Profit for the period - continued operations	3,737	61%	4,012	60%	3,747	61%	0%	-7%	7,908	64%	7,759	61%	-2%			



Consolidated source and use of Cash Flows ¹⁾		million baht	
Source of fund		Use of fund	
Dividends received	7,003	Dividend paid	7,204
Operating CF before changing in working capital	2,295	Repayments of borrowings	331
Proceeds from short-term borrowings	1,456	Purchase of CAPEX & Fixed assets	2,070
Net cash received from disposal of equipments	6	Acquisition of subsidiaries	172
Changes in working capital	35	Interest paid	176
		Decreased in loans and advances to related parties	1
		Cash increased ^{2), 3)}	841
Total	10,795		10,795

- 1) Consolidated cash consisted of cash and cash equivalents, and current investment
- 2) Excluded re-presentation from long-term investment to current investment in the amount of 664 million baht
- 3) Excluded net change in fair value of current investment

Material financial ratios	2Q13	1Q14	2Q14	ΔYoY	ΔQoQ	1H13	1H14	ΔYoY
Net profit margin	60.3 %	57.6 %	57.3 %	(3.0) %	(0.3) %	62.1 %	57.5 %	(4.6) %
Return on equity attributed to owners of the parent	15.7 %	17.2 %	14.6 %	(1.1) %	(2.6) %	32.9 %	30.5 %	(2.4) %
Return on assets	7.6 %	7.3 %	6.8 %	(0.8) %	(0.5) %	15.9 %	14.2 %	(1.7) %
Debt to equity attributed to owners of the parent (times)	0.7	1.2	0.8	0.1	(0.4)	0.7	0.8	0.1
Basic earnings per share (baht)	1.15	1.19	1.09	(0.06)	(0.10)	2.40	2.29	(0.11)
Book value per share (baht)	7.56	6.46	7.57	0.01	1.11	7.56	7.57	0.01
Dividend per share (baht)	-	2.16	-	-	(2.16)	1.88	2.16	0.28

Disclaimer

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.