



2019 Management Outlook and Guidance

Revenue from satellite and

international businesses

- Softened from 2018

Share of profit of associates

- 40.45% of AIS's operational results

Share of profit of joint ventures

- Investment portion in LTC and High Shopping

CAPEX for Venture Capital investments

- Up to 200 million baht per year

Dividend payout policy

- Pass-through dividends received from associates and subsidiaries after the deduction of operating expenses

1H19 INTOUCH reported a net profit of 5,845 million baht, a decrease of 16% YoY, mainly due to recording the gain on sale of CSL in 1H18. Excluding that gain, the normalized net profit dropped by 10% YoY as a result of the lower profit contribution from AIS (a drop of 7% to 6,084 million baht) and a loss contribution from THAICOM (69 million baht) after a profit contribution last year. The financial results of AIS and THAICOM are described below.

AIS reported 1H19 net profit of 15,340 million baht (excluding the impact from TFRS15), a decrease of 4.4% YoY. The core service revenue grew by 4.1% YoY, as a result of discontinuing the sale of fixed-speed unlimited plans and upgrading the pricing plan to match both prepaid and postpaid customers' usage, which improved ARPU. In addition, in 1H19, FBB revenue rose 27%, following an increase in the number of subscribers, although ARPU was under pressure from intense competition. Other service revenue continued to grow, driven by improving sales in both telecom and ICT, along with the consolidation of CSL's revenue since February 2018. Costs continued to increase from 4G network expansion, marketing expenses, and an increase in the provision for severance pay under the new rate in *the Labor Protection Act (No. 7), B.E. 2562* ("the Labor Protection Act"). AIS contributes net profit to INTOUCH pro rata to the current shareholding of 40.45%.

THAICOM reported a net loss of 168 million baht in 1H19 after reporting a profit last year. This was mainly due to a drop of 16% in total sales and service revenue, as expected. The contributing factors were lower pricing for local transponder leasing, customer loss arising from regulatory uncertainty over the satellites under operating agreements, a big drop in overseas customers, foreign exchange loss, deferred tax assets that were written off, and an increase in the provision for severance pay under the new rate. However, the 1H19 EBITDA margin remained strong at 40%. As for the share of profit (loss) from investment in joint ventures, THAICOM recorded a net loss in 1H19 after a net profit last year, due to the high competition among mobile operations in Lao PDR.

The Company's guidance in 2019 is unchanged as described below.

Share of profit of associates: The major contribution of the share of net profit is currently from AIS Group. AIS's guidance in 2019 is as follows:

- **Core service revenue to increase by a mid-single digit from 2018.** AIS will continue to strengthen its mobile business, as well as enhance its fixed-broadband and enterprise businesses with new digital services. In 1H19, AIS reported a growth of 4.1% in core service revenue, in line with the full-year target, mainly due to discontinuing the sale of fixed-speed unlimited plans.
- **CAPEX is expected to be 20-25 billion baht (excluding spectrum payments).** Nearly all of this will be spent on improving 4G network quality, with 4 to 5 billion baht on expanding the fixed-broadband network. CAPEX in 1H19 was 13,265 million baht.
- **EBITDA margin is expected to remain stable at 43.4%.** The margin in 1H19 was 43%, slightly lower than expected due to an increase in the provision for severance pay under the new rate.



- **The dividend payout policy will remain at a minimum of 70% of net profit** to preserve cash flow and ensure financial flexibility in order to pursue future growth prospects. Two dividends are expected for the year 2019, paid from the operating results in 1H19 and 2H19.

Revenue from satellite and international businesses, operated by THAICOM, is expected to soften from last year as the market becomes more competitive due to the continuing slowdown in the transponder leasing and TV broadcasting industries. Moreover, there has been a drop in new sales, due to the regulatory uncertainty over whether several satellites will have to discontinue operations when their operating agreements expire in 2021. THAICOM is now focused on pricing in order to retain its existing customers, as well as attract new ones. To compensate for the lower revenue, THAICOM has been seeking new business opportunities, such as satellite consultancy and maritime internet connectivity.

- **Conventional satellites:** the utilization rate is expected to remain stable. THAICOM continues to seek new customers in Africa, the Greater Mekong sub-region and South Asia.
- **Broadband satellite:** the utilization rate is expected to increase as THAICOM is planning to find additional customers in Australia, New Zealand and China.

The operational results of the other companies are described below.

Share of profit of joint ventures: This contribution is from LTC and High Shopping pro rata to the Company's investment portion.

- **LTC**, an indirect joint venture of THAICOM, reported mobile subscriber market share of 56.5% at the end of 2Q19, maintaining its leading position in the market.
- **High Shopping** reported 1H19 total revenue of 461 million baht, or average daily sales of 2.5 million baht, an increase of 34% YoY. This was driven by a higher number of customers and around twice the number of orders, following the implementation of the multi-channel strategy on a satellite TV platform and the partnership model. High Shopping will continue these strategies in 2H19, as well as seek new broadcasting opportunities on other platforms to expand its viewer base, improve content and offer more high-margin product. The revenue target for 2019 is still approximately one billion baht.

InVent Project:

In 2Q19, INTOUCH sold all its shares in Digio (Thailand) Co.,Ltd. for a return of 30% (capital gain) or IRR of 13.5% on an investment made two years before. On the other hand, INTOUCH made a new investment in Peer Power Co., Ltd. (Peer Power) through an 8 million baht loan. Peer Power creates online platforms for debt crowdfunding and peer-to-peer lending. INTOUCH foresees the growth of this business as the Bank of Thailand and the Securities and Exchange Commission have allowed licenses to be granted to the non-banking sector to operate it.

Since the share disposal and new investment, the total value of the InVent portfolio has risen to 908 million baht (excluding investments that have been monetized or written off), a significant increase from 728 million baht at the end of 2018.

In 2H19, the Company will continue exploring emerging technologies and the deep tech sector, as well as looking for new businesses that can support 5G services in the future, such as Artificial Intelligence (AI), Internet of Things (IoT), Blockchain and Data Analytics, with a budget of up to 200 million baht a year. In addition to new investment opportunities, the management will continue to consider whether or not to monetize current investments that could reap significant returns.

The Company's standalone performance: In 1H19, INTOUCH had a share of the net result from subsidiaries and associates of 5,841 million baht, a decrease of 16% from 1H18 due to a lower share of the net results of both AIS and THAICOM. Total administrative expenses were 177 million baht, 4% higher than 1H18, due to an additional provision of 17 million baht for severance pay at the new rate. The budget for administrative expenses in 2019 is still 400 million baht, part of which will be spent on staff costs and exploring new investment opportunities.

Dividend payout: INTOUCH has a policy of paying dividends based on the separate financial statements. These are mainly dividends passed through from associates and subsidiaries after the deduction of operating expenses, assuming there are no extraordinary circumstances or items of concern in which the payment of a dividend would have a material impact on the Company's operations.

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

INTOUCH conducts its business as a holding company that has investments in other companies. Therefore, the financial position or operational results of these companies could have a material impact on INTOUCH.

The performance of these investments has been disclosed in the Management Discussion & Analysis of Financial Results for AIS (ADVANC) and THAIKOM (THCOM).

Significant events

Change in accounting policy

On 1 January 2019, INTOUCH Group adopted TFRS 15: *Revenue from Contracts with Customers*. This has had an impact on the accounting policy applied to the financial statements for the year ended 31 December 2018. INTOUCH Group chose to recognize the cumulative effect of initially applying this standard as an adjustment to the balance of retained earnings at the beginning of the reporting period. This change had an impact on the Company's consolidated and separate financial statements due to a change in accounting policy at AIS. (For more details, please see Note 3 to the financial statements for 2Q19.)

Local wireless telecommunication business

In the mobile business, the NBTC awarded licenses in June 2019 for the 700MHz frequency spectrum, of which AIS was allocated bandwidth of 2x10MHz. The license and the first payment for the spectrum will be made around October 2020. The strong characteristic of low-frequency bands, such as 700MHz, is wide coverage that can support 5G. In the short term, the 700MHz spectrum can also be deployed on the existing 4G network for more efficient usage. As a consequence of the 700MHz allocation, the payment period for the 900MHz license has been extended until 2025.

In 2Q19, the competition in the mobile market showed signs of improvement. Overall, the industry focused on reducing unlimited-data packages for new subscriptions to better monetize its 4G network, as well as gradually raising prices for existing subscribers. However, the prepaid segment remains highly dynamic, with attractive price plans being offered for large data packages, making it difficult to increase ARPU.

At the end of 2Q19, AIS had around 41.5 million mobile subscribers, flat QoQ, with data consumption rising by 300K to 11.5GB/month. The postpaid segment continued to grow robustly, underpinned by customer demand to convert from prepaid to postpaid and attractive handset campaigns. Postpaid ARPU improved, following the discontinuation of fixed-speed unlimited subscriptions. The prepaid segment saw a net loss after a drop in the number of subscribers, such as one-time tourists, although ARPU improved due to the price adjustment.

In the fixed-broadband and digital service businesses, the price competition was mainly triggered by a pure broadband player. As a result, a standard package of 600 baht now provides a speed of 100Mbps compared to 50Mbps a year ago. Half-price discounts remained to entice customers to switch operators, pressuring the industry ARPU. Convergence players have continued their focus on cross-selling to increase revenue per household. Moreover, new developments in the games industry, low latency and both upload and download speed boosts have been advertised, targeting the eSports segment.

Despite heightened price competition, the number of fixed broadband subscribers rose to 855,400. AIS Fibre has continued to focus on offering convergence packages, especially cross-selling to existing mobile customers. Currently, 29% of fixed-broadband users are subscribing to fixed-mobile-content convergence packages (FMC), generating ARPU of around 20% higher than the blended ARPU, which has declined following the competition.

Satellite business

The overall utilization rate of THAICOM's conventional satellites (Thaicom 5, 6, 7 & 8) was 53%, the same rate as at the end of 1Q19. The utilization rate of the broadband satellite (Thaicom 4) was 24%, down from 31% at the end of 1Q19, which was mainly due to a big drop in overseas customers. New sales have slowed due to regulatory uncertainty over whether satellites under operating agreements will continue operations. THAICOM still aims to engage in a constructive cooperation with the Thai Government to enhance national security by joining a public-private partnership (PPP), and is willing to discuss various forms of project collaboration.

With regard to adjacent new services, THAICOM has provided the NAVA platform for high-speed connectivity with value-added-services. NAVA services are currently available to the maritime sector, including the offshore oil and gas industry in the Gulf of Thailand and South China Sea. A total of 104 ships now use the NAVA platform or are waiting for it to be installed. In addition, THAICOM has initiated consultancy and satellite system design services for organizations in both the public and private sectors that want to establish a satellite business and related services. These services are currently being provided to the Government of Bangladesh and are expanding.

INTOUCH's dividends

The Board of Directors meeting held on 6 August 2019 passed a resolution to pay an interim dividend from the operating results for the six-month period ended 30 June 2019 at 1.35 baht per share. This dividend will be paid on 4 September 2019.

Overview of consolidated operational results

Share of profit (loss) by business segment (in million baht)	2Q18		1Q19		2Q19		%YoY		%QoQ		For the six-month period ended 30 June		
									2018	2019			
The Company	(74)	-2%	(70)	-2%	(86)	-3%	16%	23%	(151)	-2%	(156)	-3%	3%
Local Wireless Telecommunication Business	3,292	100%	2,996	103%	3,088	105%	-6%	3%	6,566	95%	6,084	104%	-7%
Satellite & International Businesses	103	3%	(12)	0%	(54)	-2%	-152%	350%	554	8%	(66)	-1%	-112%
Other Businesses	(22)	-1%	(10)	0%	(6)	0%	-73%	-40%	(31)	0%	(16)	0%	-48%
Elimination	(1)	0%	-	0%	(1)	0%	0%	100%	-	0%	(1)	0%	100%
Net Profit	3,298	100%	2,904	100%	2,941	100%	-11%	1%	6,938	100%	5,845	100%	-16%
Normalised Net Profit *	3,298	100%	2,904	100%	2,941	100%	-11%	1%	6,475	93%	5,845	100%	-10%

* Excluded gain on sale of investment in CSL after tax (INTOUCH's portion) in 1Q18.

The consolidated financial statements for 2Q19 showed a net profit of 2,941 million baht, remaining stable from 1Q19, but a decrease of 11% from 2Q18, mainly due to lower contributions from the local wireless telecommunications business, operated by AIS Group, and the satellite & international businesses, operated by THAICOM Group.

The net profit in 1H19 dropped 16% from 1H18, due to a lower profit contribution from the local wireless telecommunications business and the satellite & international businesses. However, the latter had recorded the gain on divestment of CSL Group in 1H18 so if this were excluded, the normalized net profit would only have dropped by 10%.

Key operational results

The Company (in million baht)	2Q18	1Q19	2Q19	%YoY	%QoQ	For the six-month period ended 30 June		
						2018	2019	%YoY
Expenses	(85)	(80)	(97)	14%	21%	(171)	(178)	4%
Others	11	10	11	0%	10%	20	22	10%
Net expenses	(74)	(70)	(86)	16%	23%	(151)	(156)	3%

Net expenses increased, mainly due to higher staff costs after the recognition of the additional provision for past service costs of employees who have worked with a company for more than 20 consecutive years. Under the new Labor Protection Act, employees must receive at least 400 days' compensation at their current pay rate. This law became effective in May 2019.

Local wireless telecommunications (in million baht)	2Q18	1Q19	2Q19	%YoY	%QoQ	For the six-month period ended 30 June		
						2018	2019	%YoY
Share of net result from investment in AIS Group using equity method	3,292	2,996	3,088	-6%	3%	6,566	6,084	-7%

The share of the net results from AIS Group in 2Q19 and 1H19 decreased 6-7% from the same periods of last year, mainly due to higher *sales and service costs* in network OPEX (as a result of the partnership with TOT), but if the cost of the partnership with TOT were excluded, network OPEX would have increased from higher 4G network expense and a rise in depreciation & amortization, following the expansion of both the mobile and fixed-broadband networks. *Distribution costs & administrative expenses* rose, mainly from more advertising to continue raising customer awareness as well as the low-base spending last year. Administrative expenses increased, mainly from the one-time recognition of past service costs under the new Labor Protection Act. However, these expenses were partially offset by an increase in *sales and service revenue*, mainly due to discontinuing the sale of fixed-speed unlimited plans in the mobile business, along with subscriptions geared toward volume-based plans. This resulted in an improvement in blended ARPU. Fixed-broadband revenue rose, due to a growing subscriber base, although ARPU declined following intense price competition.

QoQ, the share of the net results from AIS Group rose 3%, mainly due to the aforementioned higher *sales and service revenue* from the mobile and fixed-broadband businesses, although this was partially offset by the increase in *distribution costs & administrative expenses* after the one-time recognition of additional provision for past service costs of employees.

Satellite & International Businesses (in million baht)	2Q18	1Q19	2Q19	%YoY	%QoQ	For the six-month period ended 30 June		
						2018	2019	%YoY
Sales and service revenue	1,495	1,303	1,217	-19%	-7%	3,223	2,520	-22%
Sales and service costs	(808)	(773)	(750)	-7%	-3%	(1,722)	(1,523)	-12%
Operating agreement fees	(238)	(188)	(175)	-26%	-7%	(462)	(363)	-21%
Distribution costs & administrative expenses	(232)	(245)	(298)	28%	22%	(806)	(543)	-33%
Gain on sale of investment in CSL	-	-	-	n/a	n/a	1,950	-	-100%
Share of profit (loss) of investments in joint ventures	52	(5)	(13)	-125%	160%	84	(18)	-121%
Other income	46	52	110	139%	112%	93	162	74%
Net foreign exchange gain (loss)	74	(15)	(55)	-174%	-267%	50	(70)	-240%
Finance cost and tax	(138)	(160)	(170)	23%	6%	(279)	(330)	18%
Net Profit (Loss)	251	(31)	(134)	-153%	-332%	2,131	(165)	-108%
Contributed to INTOUCH Group	103	(12)	(54)	-152%	-350%	554	(66)	-112%
Normalized contributed to INTOUCH Group *	103	(12)	(54)	-152%	-350%	91	(66)	-173%

* Excluded gain on sale of investment in CSL after tax (INTOUCH's portion) in Q1'2018.

THAICOM's net losses in 2Q19 and 1H19 were 134 million baht and 165 million baht, respectively, compared to net profits of 251 million baht in 2Q18 and 2,131 million baht in 1H18, while the loss in 2Q19 was higher than 1Q19. However, if the gain on sale of investment in CSL of 1,950 million baht that was recorded in 1Q18 were excluded, the operational loss was mainly due to a drop in *sales and service revenue* from the conventional satellites, after THAICOM had provided a discount on an existing contract to a major customer in Thailand that had signed another long-term contract, along with a lower utilization rate of Thaicom 4 and foreign customer churn. *The share of loss of investment in joint ventures* increased from lower revenue, due to a price war involving both mobile and net SIM, coupled with the appreciation of the Thai baht.

Distribution costs & administrative expenses increased QoQ and YoY, arising from the new Labor Protection Act which became effective in May 2019. However, these expenses were less than 1H18, mainly due to lower provision for doubtful debts in the satellite business, along with lower staff costs and marketing expenses as a result of effective cost management. Furthermore, no more compensation paid for providing damaged satellite equipment in Australia after the court ruling in 1Q18.

In 2Q19 and 1H19, there were increases in foreign exchange loss and corporate income tax from deferred tax assets that were written off. However, *sales and service costs* of the conventional satellites dropped, following a decline in revenue, while there was lower amortization after the recognition of an impairment loss on intangible assets under the operating agreement.

As a result, the share of the net result from THAICOM was a loss contribution of 54 million baht in 2Q19, compared to the loss contribution of 12 million baht in 1Q19 and the profit contribution of 103 million baht in 2Q18. The loss contribution in 1H19 was 66 million baht, compared to the profit contribution of 554 million baht in 1H18. However, if the gain on sale of investment in CSL in 1Q18 were excluded, the normalized contribution in 1H18 would have been 91 million baht.

Other Businesses (in million baht)	2Q18	1Q19	2Q19	%YoY	%QoQ	For the six-month period ended 30 June		
						2018	2019	%YoY
Service revenue	35	34	38	9%	12%	75	72	-4%
Service costs	(30)	(31)	(37)	23%	19%	(62)	(68)	10%
Distribution costs & administrative expenses	(5)	(5)	(6)	20%	20%	(9)	(11)	22%
Share of loss of investments	(27)	(12)	(5)	-81%	-58%	(44)	(17)	-61%
Other income	9	6	7	-22%	17%	17	13	-24%
Finance cost and income tax expense	(1)	(1)	(1)	0%	0%	(3)	(2)	-33%
Net Loss	(19)	(9)	(4)	-79%	-56%	(26)	(13)	-50%
Contributed to INTOUCH Group	(22)	(10)	(6)	-73%	-40%	(31)	(16)	-48%

Other businesses include media & advertising, information technology, and investments under the InVent Project. The decrease in the net loss contributed to INTOUCH Group, in both 2Q19 and 1H19, was due to better operational results by High Shopping.

Summary of Financial Position

Key financial position data

Consolidated Financial Position	As at 31 December 2018		As at 30 June 2019		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	3,072	6%	3,509	7%	437	14%
Current investments	7,141	14%	7,396	14%	255	4%
Trade receivables	1,556	3%	1,704	3%	148	10%
Current portion of long-term loans to related parties	486	1%	575	1%	89	18%
Inventories	122	0%	131	0%	9	7%
Other current assets	524	1%	712	1%	188	36%
Long-term loans to related parties	1,457	3%	1,265	2%	(192)	-13%
Investment in associates and joint ventures	25,761	52%	28,297	54%	2,536	10%
Property, plant & equipment	4,876	10%	4,627	9%	(249)	-5%
Intangible assets under operating agreements	3,007	6%	2,405	5%	(602)	-20%
Other non-current assets	1,954	4%	1,735	3%	(219)	-11%
Non-current assets or disposal groups classified as held for sale	53	0%	-	0%	(53)	-100%
Total Assets	50,009	100%	52,356	100%	2,347	5%
Liabilities and Equity						
Current portion of long-term borrowings	2,652	5%	2,616	5%	(36)	-1%
Provision for unpaid operating fees and interest	2,890	6%	2,890	6%	-	0%
Other current liabilities	1,463	3%	1,617	3%	154	11%
Long-term borrowings	4,306	9%	4,000	8%	(306)	-7%
Other liabilities	757	2%	810	2%	53	7%
Total Liabilities	12,068	24%	11,933	23%	(135)	-1%
Total Equity	37,941	76%	40,423	77%	2,482	7%
Total Liabilities and Equity	50,009	100%	52,356	100%	2,347	5%

Total consolidated assets rose 5% from the end of 2018, mainly from the 1H19 operational results of associates and joint ventures.

Total consolidated liabilities and equity: Total liabilities decreased slightly from the end of 2018, due to the repayment of loans in the satellite business. Equity increased 7% from the end of 2018, as a result of better operational results in the group in 1H19.

Liquidity and cash flow: At the end of 2Q19, the current ratio was 2.0, compared to 2.4 at the end of 2Q18, mainly due to an increase in current liabilities from the first tranche of a long-term debenture issued by the satellite business that will mature in 4Q19. INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations as well as secure short-term credit facilities from various banks as financial backup.

The consolidated cash rose by 384 million baht from the end of 2018 (excluding the impact from foreign currency fluctuations and the reclassification of cash and cash equivalents of a liquidated subsidiary), mainly due to an increase in cash inflow from operating activities and dividends received. However, this was partially offset by the repayment of long-term loans plus interest in the satellite business along with dividend payments.

Accounts receivable: At the end of 2Q19, INTOUCH Group had accounts receivable equivalent to 3% of total assets, the same percentage as year-end 2018. The group has reserved an appropriate allowance for bad debt.

Inventory: At the end of 2Q19, INTOUCH Group's inventory had risen slightly from year-end 2018. The group assesses the allowance for obsolete inventories on a regular basis to ensure that it is appropriate. Inventories are reported at cost or their net realizable value, whichever is lower. The net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale.

Profitability ratio and return on equity: INTOUCH Group's net profit margin in 1H19 was 66%, higher than 1H18, while the return on equity was 18%, a decrease from last year due to recording the gain from the divestment of CSL in 1Q18.

Debt-to-equity ratio: At the end of 2Q19, the group had a debt-to-equity ratio of 0.4 times, the same as 2Q18. INTOUCH Group has the ability to repay both short- and long-term loans without violating the conditions of its loan agreements with respect to maintaining stipulated financial ratios.

The group's commitments, including those off the balance sheet, have been disclosed in the notes to the interim financial statements, namely *Commitments*, *Bank Guarantees*, *Significant Events*, and *Disputes & Litigation*.

The external auditor's report

The external auditor's report has concluded as follows:

"Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 *Interim Financial Reporting*".

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2018		As at 30 June 2019		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investments	1,913	6%	2,030	6%	117	6%
Investment in subsidiaries and associates	29,764	94%	32,250	94%	2,486	8%
Other assets	103	0%	110	0%	7	7%
Total Assets	31,780	100%	34,390	100%	2,610	8%
Liabilities and Equity						
Other liabilities	131	0%	123	0%	(8)	-6%
Total Equity	31,649	100%	34,267	100%	2,618	8%
Total Liabilities and Equity	31,780	100%	34,390	100%	2,610	8%



Separate Statements of Income (in million baht)	2018					For the six-month period ended 30 June		
	2Q18	1Q19	2Q19	%YoY	%QoQ	2018	2019	%YoY
Share of net results from investments in:-								
Subsidiaries	90	(17)	(65)	-172%	282%	537	(82)	-115%
Associates	3,279	2,989	3,090	-6%	3%	6,547	6,079	-7%
Other income	12	11	12	0%	9%	22	23	5%
Total revenue	3,381	2,983	3,037	-10%	2%	7,106	6,020	-15%
Administrative expenses	(70)	(63)	(81)	16%	29%	(141)	(144)	2%
Management benefit expenses	(15)	(17)	(16)	7%	-6%	(30)	(33)	10%
Total expenses	(85)	(80)	(97)	14%	21%	(171)	(177)	4%
Profit before finance costs	3,296	2,903	2,940	-11%	1%	6,935	5,843	-16%
Finance costs	(1)	(1)	(1)	0%	0%	(2)	(2)	0%
Net Profit	3,295	2,902	2,939	-11%	1%	6,933	5,841	-16%

Consolidated Statements of Income (in million baht)	2018					For the six-month period ended 30 June		
	2Q18	1Q19	2Q19	%YoY	%QoQ	2018	2019	%YoY
Sales and service revenue	1,528	1,335	1,253	-18%	-6%	3,294	2,588	-21%
Share of profit (loss) of investments in joint ventures	38	(10)	(20)	-153%	100%	59	(30)	-151%
Share of profit of investments in associates	3,279	2,989	3,090	-6%	3%	6,547	6,079	-7%
Gain on sale of an investment	-	-	-	n/a	n/a	1,635	-	-100%
Net foreign exchange gain	74	-	-	-100%	n/a	50	-	-100%
Other income	67	69	128	91%	86%	131	197	50%
Total revenue	4,986	4,383	4,451	-11%	2%	11,716	8,834	-25%
Sales and service costs	(838)	(804)	(787)	-6%	-2%	(1,784)	(1,591)	-11%
Operating agreement fee	(238)	(188)	(175)	-26%	-7%	(462)	(363)	-21%
Distribution costs	(28)	(15)	(15)	-46%	0%	(77)	(30)	-61%
Administrative expenses	(263)	(280)	(354)	35%	26%	(845)	(634)	-25%
Net foreign exchange loss	-	(15)	(55)	100%	267%	-	(70)	100%
Management benefit expenses	(30)	(33)	(30)	0%	-9%	(61)	(63)	3%
Total expenses	(1,397)	(1,335)	(1,416)	1%	6%	(3,229)	(2,751)	-15%
Profit before finance costs & income tax expense	3,589	3,048	3,035	-15%	0%	8,487	6,083	-28%
Finance costs	(87)	(84)	(83)	-5%	-1%	(168)	(167)	-1%
Profit before income tax expenses	3,502	2,964	2,952	-16%	0%	8,319	5,916	-29%
Tax income	(53)	(78)	(89)	68%	14%	(114)	(167)	46%
Net profit	3,449	2,886	2,863	-17%	-1%	8,205	5,749	-30%
Attributable to:								
Owners of the Parent	3,298	2,904	2,941	-11%	1%	6,938	5,845	-16%
Non-controlling interests	151	(18)	(78)	-152%	333%	1,267	(96)	-108%
Net profit	3,449	2,886	2,863	-17%	-1%	8,205	5,749	-30%



Consolidated source and use of Cash Flows *				
For the six-month period ended 30 June 2019			million baht	
Source of funds			Use of funds	
Dividends received	3,969		Dividend paid	3,751
Operating Cash Flow	942		Loan repayments	265
Disposal of Fixed assets	3		Increase in current investments	251
			Increase in loans and advances to related parties	57
			Invested in long-term investment	10
			Purchase of CAPEX & Fixed assets	27
			Interest paid	169
			Cash increased	384
Total	4,914			4,914

* Consolidated cash flows consisted of cash and cash equivalents before effects of exchange rate and reclassification on cash and cash equivalents.

Material financial ratios (based on consolidated financial statements)	For the six-month period ended 30 June		
	2018	2019	Changed
Net profit margin (%)	59.2	66.2	6.9
Current ratio (times)	2.4	2.0	(0.5)
Return on equity attributed to owners of the parent (%)	23.2	18.2	(5.0)
Return on assets (%)	13.5	11.4	(2.1)
Debt to equity attributed to owners of the parent (times)	0.4	0.4	(0.1)
Interest bearing debt to equity attributed to owners of the parent (times)	0.2	0.2	(0.0)
Basic earnings per share (baht)	2.16	1.82	(0.34)
Book value per share (baht)	9.61	10.42	0.81

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.