

THE FUTURE IS NOW



ANNUAL REPORT 2018 : LIVE • WORK • PLAY



THE FUTURE IS NOW

EMERGING TECHNOLOGY

EMERGING ORGANIZATIONAL CULTURE

EMERGING LIFESTYLE

EMERGING SOCIETY



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Vision

**WE ARE THE LEADING
AND SUSTAINABLE VALUE
CREATION ASSET MANAGEMENT
COMPANY IN TELECOM, MEDIA
AND TECHNOLOGY.**

Mission



We strive to deliver sustainable growth and long-term value to shareholders by actively managing our existing portfolio, as well as exploring and investing in new business opportunities in Telecom, Media and Technology.



We are committed to good corporate governance practices.



We are committed to being a good corporate citizen that improves the quality of life for all members of society and demonstrates environmental responsibility.



We promote our employees' well-being and encourage them to realize their full potential.



We uphold corporate core values that focus on integrity, teamwork, innovation, people excellence and social responsibility (I-TIES).

Value: ITIES



INTEGRITY

We uphold professional standards of reliability, ethics and trust.



TEAMWORK

We share a unique drive and work together to achieve our goals not only at INTOUCH, but in the entire INTOUCH Group.



INNOVATION

We believe that anyone can generate great ideas and we welcome changes and aim for continuous learning in order to realize our vision.



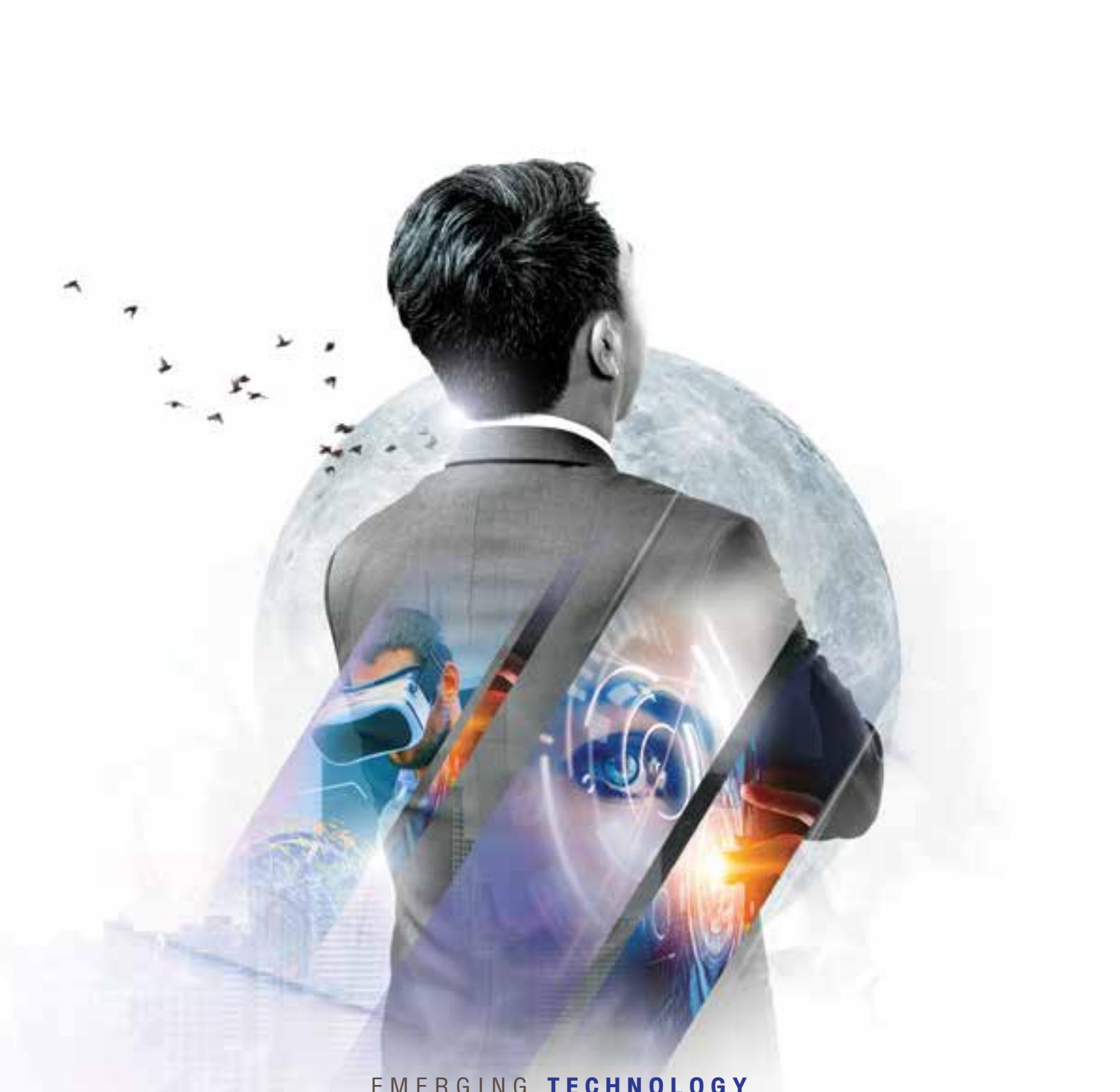
EXCELLENCE

We strive passionately to be the best in our professional capacities and are committed to delivering excellent results in everything we do.



SOCIAL RESPONSIBILITY

We have integrated social and environmental concerns into our business operations and are committed to creating sustainable value in society.



EMERGING TECHNOLOGY



The emergence of new innovations is a priority for INTOUCH.

We prudently explore, follow and analyze them before making investment decisions to further expand our products and accommodate our current business in a more efficient, up-to-date and diversified manner.

We focus on increasing productivity by using technologies with maximum efficiency.

A dynamic management model is implemented to maintain our leadership position continually.

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EMERGING ORGANIZATIONAL CULTURE



Organizational culture is the pillar for the ultimate organizational success.

We have consistently improved our organizational culture to enable employees to demonstrate their knowledge and skills at their full capacity, encouraged them to share ideas and engage in a variety of activities, promoted creativity to acquire new knowledge, efficient teamwork as well as practical implementation to drive the organization towards achieving mutual goals.



EMERGING LIFESTYLE



INTOUCH is one of the key contributors to the rise of today's new lifestyles to respond to the needs of people in a more diverse and rapidly changing society. We can tailor technologies to their own lifestyles in a perfectly flexible manner, whether the technology used in work, leisure, tourism or healthcare for their conveniences and fulfilling all their needs.

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EMERGING SOCIETY



Futuristic communication technologies have become part of the new society, which enables the capacity of people to connect everywhere in the world, the creation of a diverse society where knowledge and interest are shared and information can be accessed rapidly, and the formation of infinite networks to ensure steady growth and development of the society.

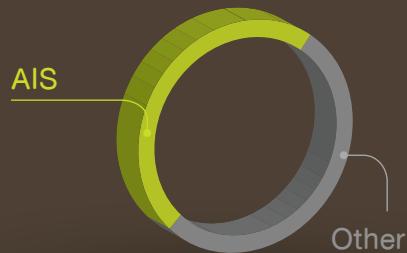


Investment in Telecommunications, Media, and Technology



Mobile market leader
in Thailand

Revenue market share
48%



The only satellite service
provider in Thailand

5 Satellites

Market Capitalization
153,107

Million Baht

INTOUCH is debt free company and
it has cash on hand approximately
2,000 million baht

2G 3G 4G mobile network service
covering **98%** of the population



Satellite Utilization Rate

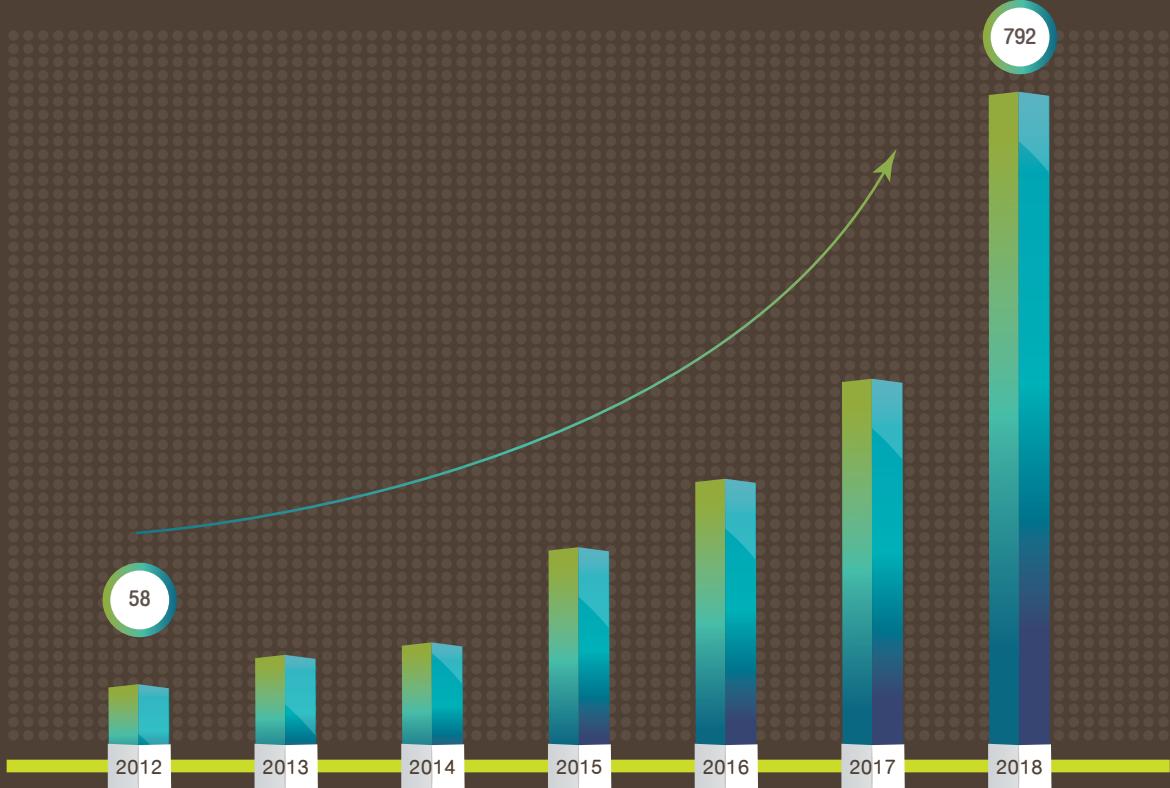


Broadband
Satellite



Conventional
Satellite

InVent Portfolio Value
6 Year Compound
Annual Growth Rate +**55%**



Investment by Sector





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FINANCIAL HIGHLIGHTS

Intouch Holdings Public Company Limited and its Subsidiaries

	2018	2017	2016	Baht Million
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OPERATING RESULTS AND FINANCIAL POSITIONS - CONSOLIDATED

Revenues from sales of goods and rendering of services	6,371	9,627	11,646
Share of profits of associates and joint ventures	12,094	12,281	12,634
Total revenues	20,404	22,543	24,741
Gross profit	1,891	2,482	4,177
Profit for the year attributed to owners of the Company	11,491	10,673	16,398
Total assets	50,009	50,960	54,607
Total liabilities	12,068	13,633	16,932
Total equity attributable to equity holders of the Company	30,768	28,915	27,157

FINANCIAL RATIOS - CONSOLIDATED

Net profit margin	56%	47%	66%
Return on equity	39%	38%	62%
Return on assets	23%	20%	29%
Debt-to-equity ratio (times)	0.39	0.47	0.62
Basic earning per share (Baht)	3.58	3.33	5.11
Book value per share (Baht)	9.60	9.02	8.47
Dividend per share (Baht)	2.71	2.52	3.74
Dividend payout ratio (calculated from the separate financial statements)	75.7%	75.7%	94.4%

Number of share (Million)	3,206.42	3,206.42	3,206.42
(at one Baht par value per share)			

**Message from the Chairman of the Board
and the Chief Executive Officer**



“ INTOUCH’s business plans always take into account long-term growth so every group of stakeholders is important, especially the employees because they are an integral part of the organization and help to drive it towards sustainable growth.”

To: All Shareholders of Intouch Holdings Plc.

INTOUCH Group faced many challenges in 2018. The emergence of new technologies and rapid changes in consumer behavior have prompted the Company to consider potential investments very carefully in order to create the greatest benefits for every group of stakeholders. Competition in the telecom and media industries, combined with the economic slowdown at home and abroad, has affected consumer confidence and spending in Thailand. In response to these changes, INTOUCH formulated a strategy that actually increased the net profit from 10,664 million baht in the previous year to 11,481 million in 2018. The Company also continued to pay dividends in line with its policy. The annual dividend in 2018, based on the results of the operating performance, was 2.71 baht per share. However, due to stock market volatility and investor uncertainty over the current economic environment, the total shareholder return (TSR) was -10.8%, which countered the growth in profit.

INTOUCH continues to adhere to its investment policy, which focuses on the Telecom, Media and Technology (TMT) sector. The Company has recognized the importance and usefulness of emerging technologies such as Artificial Intelligence (AI), Blockchain and robotic process automation. Therefore, it has studied these businesses, and sought investment opportunities that could be exploited through the InVent project,

joint ventures or other companies in the group, taking into account mutual growth strategies, in order to foster overall business growth and both short- and long-term sustainability.

The Company’s most valuable asset is AIS, which delivers the highest profit in INTOUCH Group. As a result of revenue growth and strong profitability, AIS paid an annual dividend of 7.08 baht per share in 2018. When AIS won the spectrum auction last year and received the 1800MHz license, it was able to offer new services with the highest quality available, and is now ready to adopt 5G technology for use in Thailand. The constant evolution of technology has necessitated continual new investments. Therefore, AIS continues to build good relationships with financial institutions and business partners, and carefully manages the companies in its group in order to increase overall profitability and deliver the best possible shareholder returns.

As for THAICOM, it has achieved better operating results by managing its costs, acquiring new customers, and maintaining revenue growth. THAICOM is also searching for new businesses so that it does not have to rely on its current core business of transponder rental. This is due to several reasons, namely intense competition from foreign satellite operators, a period of technological



transition, and the approaching expiry of the concession agreements and how the company will deal with this afterwards. Therefore, THAIMCOM has to develop new businesses, related to satellite usage or other areas, in order to create future growth.

INTOUCH's business plans always take into account long-term growth so every group of stakeholders is important, especially the employees because they are an integral part of the organization and help to drive it towards sustainable growth. Their aim is to provide the highest possible returns to the Company's shareholders, who provide continuous support to and believe in the Company's business. This has helped INTOUCH receive numerous awards, such as "Outstanding Company Performance Award" from the Stock Exchange of Thailand (SET) for the fourth consecutive year, "Best Public Company of the Year" in the categories of the Stock Exchange of Thailand and Technology Sector from *Money and Banking* magazine, and "Best Thai Corporate Brand" in the IT

and Telecom category from Chulalongkorn University for the second consecutive year.

In addition, INTOUCH continues to adhere to the principles of good corporate governance, and treats every group of stakeholders equitably by applying the principle of creating shared value based on a sustainability development framework. In this regard, the Company's sustainable business practices have been publically recognized as follows: "Thailand Sustainability Investment Award (THSI)" from the SET for the fourth consecutive year; a rating of "Excellent" from the Thai Institute of Directors Association (IOD) for the sixth consecutive year; "Top 70 ASEAN Corporate Governance Scorecard" from the ASEAN Capital Markets Forum; "Annual Sustainability Report Award 2018" in the recognition category from the Thai Listed Companies Association (TLCA); "ESG 100 Certificate" from Thaipat Institute for the fourth consecutive year; and "FTSE4Good Index" certification from FTSE Russell for the second consecutive year.

INTOUCH would like to thank all of its shareholders, business partners and other stakeholders, all of whom play an important part in helping to drive growth, for their continuing support and trust. All of the directors, executives and members of staff have shown great dedication and commitment. The Company pledges to continue following the principles of good corporate governance in order to maintain sustainable growth across the group and create long-term business success.

Dr. Virach Aphimeteetamrong
Chairman of the Board
6 February 2019

Mr. Anek Pana-Apichon
Chief Executive Officer
6 February 2019

Audit Committee Report



To: The Shareholders of Intouch Holdings Plc.

On behalf of the Audit Committee (“the Committee”), I am pleased to present its report for the year 2018. The purpose of this report is to explain how the Committee has carried out its responsibilities during the past year.

The Committee consists of three independent directors, namely Mr. Somchai Supphatada (the Chairman), Mr. Chalaluck Bunnag and Ms. Sopawadee Lertmanaschai, which meets the qualification set by the Stock Exchange of Thailand. The head of the Internal Audit department acts as the Secretary to the Committee. Under its charter approved by the Board of Directors (“the Board”), the primary responsibility of the Committee is to assist the Board in fulfilling its oversight with regard to the integrity of financial reporting and the effectiveness of the risk management and internal control systems. This includes the Company’s compliance with all the applicable legal and regulatory requirements, as well as the performance and independence of both the internal and external auditors.

During 2018, the Committee held a total of seven (7) meetings and reported to the Board on its activities every

quarter. These reports included recommendations for necessary actions to be taken by the Company. All the Committee members attended these meetings with the exception of Ms. Sopawadee Lertmanaschai, who was unable to attend on two occasions. The Committee also met with the internal and external auditors separately, without the presence of management, to discuss issues and concerns that had arisen whilst performing their duties. The Committee’s significant activities have been summarized below.

Financial Reporting

The Committee reviewed the Company’s interim and annual financial statements with the management and the external auditors, focusing particularly on changes to accounting policies, key estimates and judgments made by the management in the preparation of these reports, along with key audit matters highlighted in the external auditor’s report. The Committee also received regular updates from the external auditors on new accounting standards which will become effective in the years 2019 and 2020, and the anticipated impact of these on the financial statements.

The Committee believes that the Company's financial statements for the year 2018 were presented fairly, in all material respects, in accordance with *Thai Financial Reporting Standards*.

Risk Management and Internal Control Systems

The Committee reviewed the risk management reports prepared by the Risk Management Committee. These reports identify the strategic risks which could have a material impact on the ability of the Company to achieve its strategic business objectives, and describe the related mitigation plans and their status. Risks relating to litigation, cyber security, and bribery and corruption are also considered as part of this review.

The Committee reviewed the results of the evaluation of the Company's internal control systems in 2018, which had been conducted by the management. The evaluation was based on the guidelines from COSO - Internal Control Integrated Framework, and included a questionnaire developed by the Office of the Securities and Exchange Commission ("SEC"). Moreover, the Committee reviewed the effectiveness of the internal control systems, taking into account both the internal and external audit findings. The Committee believes that the Company's risk management and internal control systems are effective.

Regulatory Compliance

The Committee reviewed the Company's compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, and the laws pertaining to the Company's business operations with the legal, compliance and other relevant departments. Moreover, the external auditor did not report any suspicious circumstances in which a director, executive or other person responsible for the Company's operations might be suspected of committing an offense under Section 89/25 of the *Securities and Exchange Act, B.E. 2535* during the year. The Committee believes that the Company has conducted

all its business in accordance with related laws and regulations without material flaw.

Connected Party Transactions

The Company and its subsidiaries entered into a number of connected party transactions during the year 2018, which have been disclosed in the annual report. The Committee reviewed these transactions, as presented by the management, and believes that all of them were reasonable, made in the best interests of the Company and its subsidiaries, and complied with all the related laws and regulations.

Whistle-blowing

The Company has a Whistle-blowing Policy, under which employees and other stakeholders can, in confidentiality, raise any concerns they might have about improprieties in financial reports or other matters. The Committee received quarterly updates on issues raised through various channels and the actions taken to address them. The Committee believes that the Company has an effective whistle-blowing procedure in place, including appropriate safeguards to protect whistleblowers.

Anti-Bribery and Corruption

The Company has in place an Anti-Bribery and Corruption Policy to reflect its zero-tolerance approach to bribery and corruption of all kinds. The Committee continues to monitor the improvement of the Company's Anti-bribery and Corruption programme by applying the *Guidelines on Appropriate Internal Control Measures for Juristic Persons to Prevent Bribery of State Officials, Foreign Public Officials, and Agents of Public International Organizations* issued by the National Anti-Corruption Commission. This improvement will help the Company prevent any violation of the *Act Supplementing the Constitution Relating to the Prevention and Suppression of Corruption, B.E. 2561*.

External Auditors

The auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. ("Deloitte") have been the Company's external auditors since their appointment in 2016. The Committee recognizes the importance of maintaining the external auditors' independence, and has established a non-audit services policy that stipulates the types of service they are not allowed to provide. Moreover, all the external auditors have confirmed their compliance with the *Code of Ethics for Professional Accountants and the Accounting Profession Act, B.E. 2547*.

The Committee reviewed and agreed with the external audit plan for 2018 at the beginning of the year prior to the commencement of the audit, and received progress updates on a quarterly basis.

The Committee was satisfied with the performance and independence of the external auditors in 2018, along with the appropriateness of the audit fees, and therefore recommended that the Board propose the reappointment of Deloitte as the Company's external auditor for another year at the Annual General Meeting of Shareholders for 2019.

Internal Audit

The Company has a small Internal Audit department. Its purpose is to provide an independent and objective assessment of the effectiveness of the Company's governance, risk management and internal controls processes. The Committee reviewed and approved the internal audit plan for 2018, along with the staff requirements, organizational structure, budget and independence of the Internal Audit department. The Committee received quarterly updates on the progress of the audit plan, which included summaries of the key findings in each audit.

The Committee appointed a new head of Internal Audit after the previous incumbent was given additional duties at another company in the group, and evaluated his annual performance. The Committee was satisfied with the independence and effectiveness of the Internal Audit department.

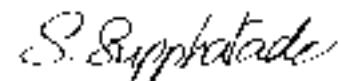
Corporate Governance

The Committee reviewed the Company's governance practices by applying the principles of the SEC's Corporate Governance Code, along with other best practice guidelines such as the Thai Institute of Directors' Corporate Governance Criteria and the ASEAN Corporate Governance Scorecard. The Committee also reviewed the Company's compliance with its Corporate Governance Policy. The Committee was satisfied with the Company's corporate governance practices in 2018.

Committee self-evaluation

The Committee conducted a self-evaluation of its activities in 2018 by using a questionnaire based on the SEC's Audit Committee Handbook, and concluded that its performance had been satisfactory.

In conclusion, the Committee believes that it has fulfilled all the responsibilities stipulated in its charter with the utmost care and independence. Lastly, all the members would like to extend their thanks to the management, along with the internal and external auditors, for all their assistance and support throughout the past year.



Mr. Somchai Suphatada
Chairman of the Audit Committee
4 February 2019

Nomination and Governance Committee Report



To: The Shareholders of Intouch Holdings Plc.

The Nomination and Governance Committee ("the Committee" or "NGC") currently comprises three directors, namely Mr. Prasert Bunsumpun (the Chairman), Mr. Kan Trakulhoon and Ms. Jeann Low Ngiap Jong. At least half of these are independent directors, including the Chairman. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2018, the Committee held a total of two (2) meetings to undertake the duties stipulated in its charter. The significant activities have been summarized below.

- The Committee reviewed the Company's Corporate Governance (CG) Policy, and endorsed amendments to ensure that the policy was aligned with the SEC's CG Code for 2017, ASEAN CG Scorecard and the IOD's CG criteria. The Committee also reviewed the Company's CG practices during 2018 to assess compliance. Overall, the Committee believes that the Company had complied with the CG Policy and applied all the principles in the SEC's CG Code,

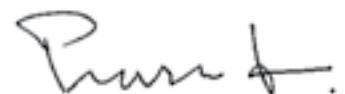
while the governance structure was suitable for the current business environment.

- The Committee reviewed a Board Skills Matrix to review the Company's and its subsidiaries' current boards and their committees' structure, composition and expertise. In addition, this matrix was used as supportive information in assessing the performance and expertise of each director who had to retire by rotation and stand for reappointment.
- The Committee recommended that the Annual General Meeting of Shareholders for 2018 approve the re-appointment of three retiring directors for another term of office, namely Dr. Virach Aphimeteetamrong (Chairman of the Board), Mr. Prasert Bunsumpun (independent director) and Ms. Jeann Low Ngiap Jong (director). Further to this, the Board of Directors approved an extension to the term of appointment for Mr. Somchai Supphatada and Mr. Chalaluck Bunnag as independent directors for one (1) more year.

- The Committee nominated the representative directors to sit on the boards of the Company's subsidiaries.
- The Committee continued to develop a succession plan for the Company's and its subsidiaries' directors to ensure that all the boards were run smoothly.
- The Committee facilitated continuous training and encouraged the other directors to participate. The board members took part in the "AIS Academy for Thais" seminar, held on 3 October 2018 at Impact Forum in Muangthong Thani, which discussed interesting topics such as "Private Sector in Thailand Digital Transformation Readiness" and "Building Agility with Digital Transformation".
- The Committee reviewed the results of a board and board-committee annual evaluation conducted

by the Company Secretary Office, along with a self-assessment by each director, and concluded that the Board of Directors had operated in an effective manner throughout the year 2018. Moreover, the overall score was higher than the previous year.

- The Committee provided an opportunity for all the Company's shareholders to propose agenda items for the Annual General Meeting of Shareholders for 2019 and nominate candidates for directorship. This was done to recognize the importance of treating all the shareholders equitably.
- The Committee conducted a self-assessment, and agreed that it had completely discharged its duties throughout the year as assigned by the Board of Directors, and was operating in an effective manner with a suitable structure and composition.



Mr. Prasert Bunsumpun
Chairman of the Nomination and
Governance Committee
2 January 2019

Leadership Development and Compensation Committee Report



To: The Shareholders of Intouch Holdings Plc.

The Leadership Development and Compensation Committee (“the Committee” or “the LDCC”), currently comprises three (3) directors, namely Mr. Kan Trakulhoon (the Chairman), Mr. Prasert Bunsumpun, and Ms. Jeann Low Ngiap Jong. At least half of these are independent directors, including the Chairman. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2018, the Committee held a total of eight meetings to undertake the duties stipulated in its charter. The Committee’s significant activities have been summarized below.

- The Committee considered the Board’s remuneration policy and recommended that the Board’s remuneration policy shall remain the same as it is appropriate and is in line with top 30 listed companies. The Committee recommended that the budget remain unchanged at not exceeding 42.5 million baht. For 2018, the total remuneration paid to directors were in the amount of 35,964,000 baht.
- The Committee considered succession plan of top executives which included new organizational structure and newly introduced Deputy-CEO (D-CEO) position and proposed the appointment of Mr. Anek Pana-apichon, acting CEO, as the new CEO and also appointed Mr. Kim Siritaweechai as the new CFO. For the D-CEO position, the Company is in the process of recruiting qualified candidates.
- The Committee considered the remuneration policy and reviewed long-term incentive program for the Company’s top executives to ensure that the interests of top executives and shareholders are aligned and the compensation is sufficient to attract, retain and

motivate talented employees including fostering a performance-based culture which reflects business life cycles and strategic priorities.

- The Committee considered and set the annual KPI targets for the Company and the CEO.
- The Committee considered the performance evaluation of the Company’s top executives in order to determine their annual bonuses and merit-based increase in salary.
- The Committee considered and approved the annual budget for the Company’s merit-based increase in salary and new remuneration framework for top executives.
- The Committee considered and monitored the progress of human resources development plan and recommended the management to review the organizational restructure and work force.
- The Committee conducted a self-assessment and agreed that it had completely discharged its duties throughout the year as assigned by the Board, and was operating in an effective and continuous manner with a suitable structure and composition.

A handwritten signature in black ink, appearing to read "Kan Trakulhoon".

Mr. Kan Trakulhoon
Chairman of the Leadership Development
and Compensation Committee
25 January 2019

CSR Committee for Sustainable Development Report



To: The Shareholders of Intouch Holdings Plc.

The Corporate Social Responsibility Committee for Sustainable Development ("the Committee") comprises three members, namely Mr. Chalaluck Bunnag (the Chairman), Mr. Kan Trakulhoon and Mr. Anek Pana-apichon. Mr. Wichai Kittiwittayakul, the Company Secretary, serves as the Secretary to the Committee.

In 2018, the Committee held two meetings to undertake the duties stipulated in its charter. The Committee's significant activities have been summarized below.

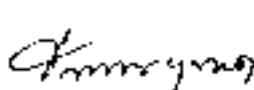
1. The Committee reviewed and agreed with the Company's Social Responsibility and Sustainable Development policies, strategies, operational plans and annual budgets, mainly for community life improvement and youth development. Moreover, Committee members attended CSR activities on a regular basis in order to act as role models for the employees and encourage them to participate. The Committee also stressed that project continuity will provide sustainable benefits to the communities in the program. The key activities in 2018 have been summarized below.

- Collaborated with the Office of the Deputy Prime Minister over projects to improve the quality of life for underprivileged schoolchildren for the third consecutive year. In 2018, projects were implemented at two schools in Roi-Et province, namely Ban Nong Maung and Wang Yao Charoen Mit. The objectives were to improve the fundamental infrastructure and provide a solar-powered water purification system. This has created a better environment and quality of life for those students and their communities. The Company also engaged experts to find solutions to a perennial flooding problem and provide proper irrigation.
- Expanded the results of the Healthy Rice Growing Project by INTOUCH through a collaboration between the community enterprises in six provinces, namely Chai Nat, Khon Kaen, Nakorn Si Thammarat, Surin, Kanchanaburi and Phitsanulok. This involved disseminating new knowledge on how to increase productivity, generate continuous income, create market opportunities and cooperate with other agencies. This collaboration has strengthened these groups and increased their potential.

- Continued with the Life Quality Development for Forest Guardians Project at Huay Kha Khaeng Wildlife Sanctuary in Uthai Thani province for the third consecutive year. This project was extended to promote a good understanding between the rangers and their surrounding communities of how to jointly protect the forest. The Company arranged lectures for the young people in the area on the benefits of the forest and how to live in harmony with nature.
 - Continued the Educational Opportunity Creation Project for students, teachers and schools in remote areas for the fifth consecutive year. In 2018, the project was extended to Uthai Thani and Phetchaburi provinces with 370 awards granted, totaling almost 3 million baht.
 - Encouraged young people to read more and think creatively through the Thai Literature Conservation Project, which has now been running for twelve years. In 2018, the theme was "Happiness and Beauty in Thai Culture". Since this project began, over 2,000 stories have been read and portrayed as visual art. The entries have been exhibited for sale and the proceeds donated to the Princess Maha Chakri Sirindhorn Foundation to provide scholarships for underprivileged students.
 - 3. The Committee encouraged employees to participate in activities that benefit society, for example the Employees with a Volunteer Spirit for Community Development Project funded by the Company. The following projects were proposed and implemented during 2018: construction of a drinking water system and improvement of vocational skills at Ban Pak Muang School in Chiangmai; provision of classroom equipment for a Sunday school at Wat Don Kaew in Chiangmai along with workshops on household finances; improvement of toilets and wash basins at Ban Krabok Tia School in Chachoengsao; and improvement of classrooms and toilets at Wat Thammaprasit School in Samut Songkram.
 - 4. The Committee conducted a self-assessment and agreed that it had completely discharged its duties throughout the year as assigned by the Board, and was operating in an effective manner with a suitable structure and composition.
- On behalf of the Committee, I would like to thank all the directors, executives, employees and other stakeholders for their full cooperation. This has resulted in the Company's present success and recognition. We will continue to contribute to society in order to grow strong together, which will drive the economy and create long-term sustainable benefits for the country.

(All the details can be found on page 242)

2. The Committee endorsed the implementation of SD strategies under the approved framework, and assigned the SD working team to collaborate with the relevant parties to ensure that all the operations in the group were aligned.



Mr. Chalaluck Bunnag
Chairman of the CSR Committee
for Sustainable Development
25 January 2019

Strategic and Organizational Review Committee Report

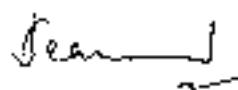


To: The Shareholders of Intouch Holdings Plc.

The Strategic and Organizational Review Committee ("the Committee" or "SORC") currently comprises seven directors, namely Ms. Jeann Low Ngiap Jong (the Chairperson), Ms. Sophawadee Lertmanaschai, Mr. Prasert Bunsumpun, Mr. Kan Trakulhoon, Mr. Kwek Buck Chye, Mr. Somprasong Boonyachai and Mr. Anek Pana-apichon. Mr. Wichai Kittiwittayakul, the Company Secretary, is the Secretary to the Committee.

During the year 2018, the Committee held a total of three (3) meetings to undertake the duties stipulated in its charter. The significant activities have been summarized below.

- The Committee reviewed and considered the Company's annual business plan, strategic objectives & direction and budget, before submitting these to the Board of Directors for approval.
- The Committee reviewed and considered the half-year performance results of the companies in the group, and monitored the performance of the Company's investment portfolio.
- The Committee reviewed and considered the investment policy for new businesses and venture capital, along with new investment opportunities proposed by the management.
- The Committee considered key decisions concerning the Company's investment portfolio.
- The Committee cooperated with the Leadership Development and Compensation Committee ("LDCC") in reviewing the Company's organizational structure and resource requirements.
- The Committee conducted a self-assessment, and agreed that it had completely discharged its duties throughout the year as assigned by the Board, and was operating in an effective manner with a suitable structure and composition.

A handwritten signature in black ink, appearing to read "Jeann".

Ms. Jeann Low Ngiap Jong
Chairperson of the Strategic
and Organizational Review Committee

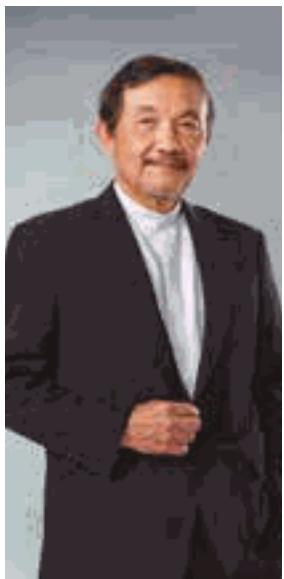
2 January 2019



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Board of Directors

01	DR. VIRACH APHIMETEETAMRONG	06	MR. KAN TRAKULHOON
02	MR. SOMCHAI SUPPHATADA	07	MS. JEANN LOW NGIAP JONG
03	MR. CHALALUCK BUNNAG	08	MR. KWEK BUCK CHYE
04	MS. SOPAWADEE LERTMANASCHAI	09	MR. SOMPRASONG BOONYACHAI
05	MR. PRASERT BUNSUMPUN	10	MR. ANEK PANA-APICHON



01



02



03



04

Management Team

- 01 MR. ANEK PANA-APICHON
- 02 MR. KIM SIRITAWEECHAI
- 03 MR. WICHAI KITTIWITTAYAKUL
- 04 MS. KANTIMA LERLERTYUTTITHAM

Details of Directors and Executives



DR. VIRACH APHIMETEETAMRONG

Age 75 / Thai



MR. SOMCHAI SUPPHATADA

Age 59 / Thai

Title

Chairman of the Board of Directors and Authorized Director

Appointment Date as the Director 7 November 2001

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Ph.D. Finance, University of Illinois, USA

Governance Training of IOD / others

DAP: Directors Accreditation Program Class 2/2003

Positions in Listed Companies in SET

- | | |
|----------------|---|
| 2007 - Present | <ul style="list-style-type: none"> • Chairman of the Board of Directors,
Intouch Holdings Plc |
| 2013 - Present | <ul style="list-style-type: none"> • Independent Director and Member of the Audit Committee, Thai Agro Energy Plc |
| 2004 - Present | <ul style="list-style-type: none"> • Independent Director and Chairman of the Audit Committee, Bangkok Chain Hospital Plc • Independent Director and Chairman of the Audit Committee, Asia Plus Group Holding Plc |
| 1995 - Present | <ul style="list-style-type: none"> • Independent Director and Member of the Audit Committee, Metro Systems Corporation Plc |
| 1993 - Present | <ul style="list-style-type: none"> • Director, Supalai Plc |

Positions in Other Companies/Organizations

- | | |
|----------------|---|
| 2003 - Present | <ul style="list-style-type: none"> • Director, TRIS Corporation Co., Ltd. |
| 1988 - Present | <ul style="list-style-type: none"> • Chairman, Dr. Virach and Associates Public Firm |

Past Experience

- | | |
|-------------|---|
| 2003 - 2016 | <ul style="list-style-type: none"> • Director, TRIS Rating Co., Ltd. |
| 2007 - 2011 | <ul style="list-style-type: none"> • Member of the Audit Committee, Thai Agro Energy Plc |
| 2001 - 2011 | <ul style="list-style-type: none"> • Independent Director, Intouch Holdings Plc |

Title

Independent Director and Chairman of the Audit Committee

Appointment Date as the Director 30 June 2006

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Master Degree in Professional Accounting, University of Texas at Austin, USA

Governance Training of IOD / others

High Performance Board 2015, IMD

DCP: Directors Certification Program Class 100/2008

DAP: Directors Accreditation Program Class 56/2006

Positions in Listed Companies in SET

- | | |
|----------------|--|
| 2007 - Present | <ul style="list-style-type: none"> • Independent Director and Chairman of the Audit Committee, Intouch Holdings Plc |
|----------------|--|

Positions in Other Companies/Organizations

- | | |
|----------------|---|
| 2018 - Present | <ul style="list-style-type: none"> • Chairman of the Working Group on Education and Curriculum Development for Prevention of Fraud, Money Laundering and Terrorism Support, Federation of Accounting Professions |
| 2014 - Present | <ul style="list-style-type: none"> • Chairman of the Audit Committee, Police Printing Bureau • Subcommittee on Monitoring of Accounting Standard, Federation of Accounting Professions |
| Present | <ul style="list-style-type: none"> • Asst. Prof., Department of Accounting, Faculty of Commerce and Accountancy, Thammasat University |

Past Experience

- | | |
|-------------|--|
| 2007 - 2018 | <ul style="list-style-type: none"> • Member of Accounting Standards Setting Committee, South-East Asia University |
| 2013 - 2016 | <ul style="list-style-type: none"> • Associate Dean for Finance and Planning, Faculty of Commerce and Accountancy, Thammasat University |
| 2010 - 2013 | <ul style="list-style-type: none"> • Head, Department of the Accounting, Faculty of the Commerce and Accountancy, Thammasat University |

**MR. CHALALUCK BUNNAG**

Age 71 / Thai

Title

Independent Director,
Member of the Audit Committee,
Chairman of the CSR Committee for Sustainable Development

Appointment Date as the Director 14 August 2007

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Master Degree in Industrial Administration, Carnegie-Mellon University, USA

Master Degree in Civil Engineering, Oklahoma State University, USA

Governance Training of IOD / others

DAP: Directors Accreditation Program Class 5/2003

Positions in Listed Companies in SET

- 2007 - Present • Independent Director and Member of the Audit Committee, Intouch Holdings Plc

Positions in Other Companies/Organizations

- 2011 - Present • Managing Director, Siam Sindhorn Co., Ltd.
2009 - Present • Advisor, Amata City Co., Ltd.
2005 - Present • Director, Siam Aisin Co., Ltd.
• Director, Thai Tokai Carbon Product Co., Ltd.

Past Experience

- 2005 - 2011 • Advisor, CPB Equity Co., Ltd.
• Chairman of the Board of Directors, Siam Lemmerz Co., Ltd.
2005 - 2010 • Advisor, The Siam Cement Plc
• Advisor, Siam Yamato Steel Co., Ltd.
• Director, Michelin Siam Group Co., Ltd.

**MS. SOPAWADEE LERTMANASCHAI**

Age 65 / Thai

Title

Independent Director, Member of the Audit Committee, Member of the Strategic and Organizational Review Committee

Appointment Date as the Director 28 March 2014

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Master of Science (Accounting), Thammasat University

Governance Training of IOD / others

SFE: Successful Formulation & Execution of Strategy Class 6/2010

ACP: Audit Committee Program Class 27/2009

DCP: Directors Certification Program Class 2/2000

Positions in Listed Companies in SET

- 2018 - Present • Independent Director and Member of the Audit Committee, Central Plaza Hotel Plc
2015 - Present • Independent Director and Member of the Audit Committee, Maybank Kim Eng Securities (Thailand) Plc
2014 - Present • Independent Director and Member of the Audit Committee, Intouch Holdings Plc
• Advisor to Chairman of the Board of Directors and Member of the Investment Committee, Dhipaya Insurance Plc

Positions in Other Companies/Organizations

- 2018 - Present • Chairman of the Board of Directors and Independent Director, KBST REIT Management Co., Ltd
2017 - Present • Director, General Hospital Products Plc
• Director, Orthopedia Co., Ltd.

Past Experience

- 2015 - 2018 • Director, National Savings Fund
• Director, Metropolitan Electricity Authority
2014 - 2018 • Director, Government Pharmaceutical Organization
2016 - 2017 • Chairman of the Board of Directors, Aisance Co., Ltd.
2015 - 2017 • Director, Eco Energy Group Corporation Co., Ltd.
2016 - 2016 • Director, Thai Herbal Products Co., Ltd.
2014 - 2016 • Director, Provincial Waterworks Authority
2013 - 2016 • Commissioner, Securities and Exchange Commission, Thailand
2014 - 2015 • Independent Director and Member of the Audit Committee, CIMB Thai Bank Plc
2011 - 2013 • Director and Member of Corporate Governance Committee, Dhipaya Insurance Plc
2010 - 2013 • Secretary General, Government Pension Fund
• Director, IRPC Plc
• Chairman, Royal Porcelain Plc
2000 - 2009 • Executive Vice President, The Stock Exchange of Thailand

**MR. PRASERT BUNSUMPUN****Age 66 / Thai****Title**

Independent Director,
Chairman of the Nomination and Governance Committee,
Member of the Leadership Development and
Compensation Committee,
Member of the Strategic and Organizational Review Committee

Appointment Date as the Director 26 December 2011

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Honorary Doctor of Engineering, Chulalongkorn University
Honorary Doctor of Management,
National Institute of Development Administration (NIDA)
Honorary Doctor of Management Science,
Petchaburi Rajabhat University
Honorary Doctor of Management, Mahasarakham University
Honorary Doctor of Public and Local Innovative Management,
Suan Sunandha Rajabhat University

Governance Training of IOD / others

RCP: Role of the Chairman Program Class 27/2012

DAP: Directors Accreditation Program Class 26/2004

Positions in Listed Companies in SET

2018 - Present • Chairman of the Board of Directors and
Independent Director,
Nok Airlines Plc
• Chairman of the Board of Directors,
Thaicom Plc

- | | |
|----------------|---|
| 2017 - Present | • Chairman of the Board of Directors and
Independent Director, SVI Plc |
| 2015 - Present | • Independent Director, Thaicom Plc |
| 2012 - Present | • Chairman of the Board of Directors and
Chairman of the Executive Committee,
Thoresen Thai Agencies Plc |
| 2011 - Present | • Independent Director, Intouch Holdings Plc
• Chairman of the Board of Director,
PTT Global Chemical Plc |

Positions in Other Companies/Organizations

- | | |
|----------------|--|
| 2014 - Present | • Member, The National Legislative Assembly |
| 2012 - Present | • Chairman of the Board of Directors and
Chairman of the Executive Committee,
Mermaid Maritime Plc |
| 2011 - Present | • Chairman,
Thailand Business Council for Sustainable
Development |

Past Experience

- | | |
|-------------|---|
| 2013 - 2017 | • Independent Director, PTT Plc |
| 2011 - 2015 | • Director and Chairman of the Executive
Committee,
Krung Thai Bank Plc |
| 2006 - 2013 | • Chairman of the Board of Directors,
Director and Chairman of the Executive
Committee,
IRPC Plc |

**MR. KAN TRAKULHOON****Age 63 / Thai****Title**

Director, Chairman of the Leadership Development and Compensation Committee,
Member of the Nomination and Governance Committee,
Member of the Strategic and Organizational Review Committee,
Member of the CSR Committee for Sustainable Development

Appointment Date as the Director 31 March 2017

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Honorary Doctor of Engineering, Chulalongkorn University
Honorary Doctor of Engineering in Manufacturing Engineering,
Mahasarakham University

Governance Training of IOD / others

DCP: Directors Certification Program Class 29/2003

Positions in Listed Companies in SET

- 2017 - Present • Director, Intouch Holdings Plc
 - Independent Director,
 - Bangkok Dusit Medical Services Plc
- 2016 - Present • Chairman of the Board of Directors,
Advanced Info Service Plc
 - Independent Director,
 - Siam Commercial Bank Plc
- 2015 - Present • Independent Director,
Advanced Info Service Plc

2006 - Present • Director, The Siam Cement Plc

Positions in Other Companies/Organizations

- 2016 - Present • Director, Advanced Wireless Network Co., Ltd
- 2015 - Present • Member of Advisory Board,
Nomira Holdings Inc.
- 2011 - Present • Global Advisor, Kubota Corporation (Japan)

Past Experience

- 2006 - 2015 • President, The Siam Cement Plc

**MS. JEANN LOW NGIAP JONG****Age 58 / Singaporean****Title**

Director, Chairman of the Strategic and Organizational Review Committee,
Member of the Nomination and Governance Committee,
Member of the Leadership Development and Compensation Committee

Appointment Date as the Director 30 November 2016

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Bachelor of Accountancy, National University of Singapore

Governance Training of IOD / others

-

Positions in Listed Companies in SET

- 2016 - Present • Director, Intouch Holdings Plc
- 2013 - Present • Director, Advanced Info Service Plc

Positions in Other Companies/Organizations

- 2017 - Present • Director, Advanced Wireless Network Co., Ltd.
• Director, Turn Inc.
- 2016 - Present • Director, Amobee Asia Pte. Ltd.
• Director, Amobee Ltd.
- 2015 - Present • Group Chief Corporate Officer,
Singapore Telecommunications Ltd.
• Director, Trustwave Holdings, Inc.
- 2014 - Present • Director, Amobee, Inc.
• Director, Kontera Technologies Ltd.
- 2013 - Present • Director,
Advanced Data Network Communications Ltd.
- 2012 - Present • Director, Singtel Digital Life Pte. Ltd.
• Director, Amobee Group Pte. Ltd. (formerly known as Singtel Mobile Marketing Pte. Ltd.)
• Director, GDL Lifestream Pte. Ltd.
- 2008 - Present • Director, Singtel Asian Investments Pte Ltd.
• Director, Singtel Strategic Investments Pte Ltd.
- 2007 - Present • Director, OPEL Networks Pty Limited
(in liquidation)
- 2006 - Present • Director, Singtel Optus Pty Limited

Past Experience

- 2008 - 2015 • Group Chief Financial Officer,
Singapore Telecommunications Ltd.

**MR. KWEK BUCK CHYE****Age 65 / Singaporean****Title**

Director, Member of the Strategic and Organizational Review Committee, and Authorized Director

Appointment Date as the Director 28 January 2015

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Advanced Management Program, Harvard University
Bachelor of Accountancy, University of Singapore

Governance Training of IOD / others

High Performance Board 2015, IMD

DCP: Directors Certification Program Class 214/2015

Positions in Listed Companies in SET

- 2015 - Present • Director, Intouch Holdings Plc
• Director and Member of the Executive Committee, Thaicom Plc

Positions in Other Companies/Organizations

- 2017 - Present • Director and Member of Audit Committee, Accuron Technologies Ltd.

- 2016 - Present • Director and Chairman of Audit Committee, Trailblazer Foundation Ltd.

- 2013 - Present • Self-employed financial consultant

Past Experience

- 1992 - 2013 • Chief Financial Officer, StarHub Ltd.
2000 - 2002 • Chief Financial Officer, ST Telemedia Pte Ltd.
1999 - 2000 • Chief Financial Officer, Vickers Capital Ltd. & Group
1992 - 1999 • Group Director Finance, Chief Financial Officer, Singapore Technologies Pte Ltd. & Subsidiaries

**MR. SOMPRASONG BOONYACHAI****Age 63 / Thai****Title**

Director, Member of the Strategic and Organizational Review Committee

Appointment Date as the Director 25 April 2007

Shareholding^{1/} 0.0057%

Relationship with Directors and Management None

Highest Education

Master Degree in Engineering, Asian Institute of Technology (AIT)

Governance Training of IOD / others

High Performance Board 2015, IMD

RCP: Role of the Chairman Program Class 21/2009

DCP: Directors Certification Program Class 65/2005

DAP: Directors Accreditation Program Class 30/2004

Positions in Listed Companies in SET

- 2017 - Present • Director, BEC World Plc
• Director, Dusit Thani Plc
- 2016 - Present • Vice-Chairman of the Board of Director, Osotspa Plc.
- 2007 - Present • Director, Intouch Holdings Plc
- 2008 - Present • Vice Chairman of the Board of Director, Advanced Info Service Plc
- 2006 - Present • Director, Thaicom Plc
- 2002 - Present • Independent Director and Member of the Audit Committee, Power Line Engineering Plc

Positions in Other Companies/Organizations

- 2017 - Present • Director, National Strategy Committee for the Development and Capacity Building of Human Resources and Human Resources of 2017

- 2016 - Present • Director, Advanced Wireless Network Co., Ltd.

Past Experience

- 2017 - 2018 • Chairman of Executive Board, BEC World Plc
- 2016 - 2017 • Advisor to the Chief Executive Officer, Intouch Holdings Plc
• Independent Director, Pruksa Real Estate Plc
- Jan - Dec 2016 • Independent Director, Pruksa Holding Plc
- 2004 - 2016 • Director, Praram 9 Hospital Co., Ltd.
- 2008 - 2016 • Chairman of the Executive Committee, Intouch Holdings Plc
- 2008 - 2015 • Chief Executive Officer, Intouch Holdings Plc
- 2009 - 2011 • Chairman of the Executive Committee, Thaicom Plc
- 2000 - 2008 • Member of the Executive Committee, Shin Satellite Plc
- 1999 - 2008 • Chairman of the Executive Committee, Advanced Info Service Plc
- 1994 - 2008 • Director, Advanced Info Service Plc



10. MR. ANEK PANA-APICHON² Age 53 / Thai

Title

Director, Chief Executive Officer,
Member of the Strategic and Organizational Review Committee,
Member of the CSR Committee for Sustainable Development,
and Authorized Director

Appointment Date as the Director 1 July 2017

Shareholding^{1/} 0.0022%

Relationship with Directors and Management None

Highest Education

Master Degree in Business Administration, Chulalongkorn University

Governance Training of IOD / others

DCP: Directors Certification Program Class 111/2008

Advanced Management Program: The Wharton School of the University of Pennsylvania, USA

Harvard Leadership Development Program: Harvard Business Publishing

Positions in Listed Companies in SET

- | | |
|----------------|---|
| 2019 - Present | <ul style="list-style-type: none"> • CEO, Intouch Holdings Plc • Member of the Executive Committee, Advanced Info Service Plc |
| 2018 - Present | <ul style="list-style-type: none"> • Chairman of the Executive Committee, Thaicom Plc |
| 2017 - Present | <ul style="list-style-type: none"> • Director, Authorized Director, Intouch Holdings Plc • Director, Authorized Director, Thaicom Plc |

Positions in Other Companies/Organizations

- | | |
|----------------|---|
| 2018 - Present | <ul style="list-style-type: none"> • Director and Member of the Executive Committee, CS Loxinfo Plc |
| 2017 - Present | <ul style="list-style-type: none"> • Chairman of the Board of Directors, High Shopping Co., Ltd • Director, Intouch Media Co., Ltd • Director, Touch TV Co., Ltd |
| 2015 - Present | <ul style="list-style-type: none"> • Director, High Shopping TV Co., Ltd. • Director, I.T. Applications and Services Co., Ltd. |

Past Experience

- | | |
|----------------|---|
| 2010 - 2018 | <ul style="list-style-type: none"> • Member of the Executive Committee, Thaicom Plc • Executive Vice President - Finance & Accounting, Intouch Holdings Plc |
| 2017 - 2018 | <ul style="list-style-type: none"> • Acting Chief Executive Officer, Intouch Holdings Plc |
| 2015 - 2017 | <ul style="list-style-type: none"> • Director, High Shopping Co., Ltd. |
| 2010 - 2015 | <ul style="list-style-type: none"> • Director, Thaicom Plc |
| Feb - Sep 2011 | <ul style="list-style-type: none"> • Acting Chief Finance Officer, Thaicom Plc |
| 2004 - 2010 | <ul style="list-style-type: none"> • Vice President - Finance & Accounting, Intouch Holdings Plc |



MR. KIM SIRITAWEECHAI^{3/} Age 50 / Thai

Title

Chief Financial Officer

Appointment Date as the Director 1 April 2014

Shareholding^{1/} 0.0003%

Relationship with Directors and Management None

Highest Education

Master of Business Administration, Thammasat University

Governance Training of IOD / others

DCP: Directors Certification Program Class 116/2009

Positions in Listed Companies in SET

- 2019 - Present • Chief Financial Officer

Positions in Other Companies/Organizations

- | | |
|----------------|--|
| 2018 - Present | <ul style="list-style-type: none"> • Director, Wongnai Media Co., Ltd. • Director, Shenington Investments Pte Ltd. |
| 2017 - Present | <ul style="list-style-type: none"> • Director, High Shopping Co., Ltd. • Director, Little Shelter Co., Ltd. |
| 2015 - Present | <ul style="list-style-type: none"> • Director, High Shopping TV Co., Ltd. |
| 2014 - Present | <ul style="list-style-type: none"> • Director, I.T. Applications and Services Co., Ltd. |
| 2013 - Present | <ul style="list-style-type: none"> • Director, Intouch Media Co., Ltd. • Director, Touch TV Co., Ltd. |
| 2012 - Present | <ul style="list-style-type: none"> • Director, Ookbee Co., Ltd. |

Past Experience

- | | |
|-------------|---|
| 2014 - 2018 | <ul style="list-style-type: none"> • Executive Vice President - Portfolio Management, Intouch Holdings Plc |
| 2010 - 2016 | <ul style="list-style-type: none"> • Member of the Executive Committee, Advanced Info Service Plc |
| 2011 - 2014 | <ul style="list-style-type: none"> • Senior Vice President - Portfolio Management, Intouch Holdings Plc |
| 2008 - 2011 | <ul style="list-style-type: none"> • Vice President - Portfolio Management, Intouch Holdings Plc |
| 2007 - 2008 | <ul style="list-style-type: none"> • Assistant Vice President - Portfolio Management, Intouch Holdings Plc |

**MR. WICHAI KITTIWITTAYAKUL****Age 57 / Thai****Title**

Company Secretary and Executive Vice President - Governance, Risk and Compliance

Appointment Date as the Director 1 July 2007

Shareholding^{1/} 0.0000%

Relationship with Directors and Management None

Highest Education

Master Degree in Accounting, Thammasat University

Governance Training of IOD / others

High Performance Board 2015, IMD

DCP: Directors Certification Program Class 104/2008

Company Secretary Program - 2005

Board & CEO Assessment Program - 2003

Effective Audit Committee Program - 2002

Board Practices Program - 2002

Board Composition and Relations Program - 2002

Board Policy Program - 2002

Harvard Leadership Development Program: Harvard Business Publishing - 2017-2018

Positions in Listed Companies in SET

- 2018 - Present • Executive Vice President - Governance, Risk and Compliance, Intouch Holdings Plc
- Chief Audit Executive, Thaicom Plc

- 2008 - Present • Company Secretary, Intouch Holdings Plc

Positions in Other Companies/Organizations

- None -

Past Experience

- 2011 - 2013 • Senior Vice President - Company Secretary and Internal Audit, Intouch Holdings Plc
- 2004 - 2011 • Vice President - Company Secretary and Internal Audit, Intouch Holdings Plc
- 2007 - 2009 • Chairman of the Board, The Institute of Internal Auditors of Thailand (IIA)
- 2003 - 2008 • Secretary to the Board of Directors, Intouch Holdings Plc

**MS. KANTIMA LERLERTYUTTITHAM****Age 48 / Thai****Title**

Group Chief Human Resources Officer

Appointment Date as the Director 25 August 2016

Shareholding^{1/} None

Relationship with Directors and Management None

Highest Education

Master of Psychology Counseling Service, Rider University, USA

Governance Training of IOD / others

DCP: Directors Certification Program Class 244/2017

Positions in Listed Companies in SET

- 2016 - Present • Group Chief Human Resources Officer, Intouch Holdings Plc
- 2015 - Present • Chief Human Resources Officer, Advanced Info Service Plc

Positions in Other Companies/Organizations

- None -

Past Experience

- 2013 - 2015 • Deputy Chief Operation Officer, MC Group Plc
- 2011 - 2013 • Chief Human Resources Officer, Prudential Life Insurance (Thailand) Plc
- 2007 - 2011 • Human Resources Director, Central Watson (Thailand) Co., Ltd.
- 2004 - 2007 • Human Resources Director, Microsoft (Thailand) Ltd.

Remark: 1) As at 31 December 2018, the number of ordinary shares includes holding by spouse and children under sui juris.
 2) Mr. Anek Pana-apichon has been appointed as the Company's Chief Executive Officer, effective 1 January 2019.
 3) Mr. Kim Siritaweechai has been appointed as the Company's Chief Financial Officer, effective 1 January 2019.

Awards and Recognition

01

Thailand Sustainability Investment Awards for the 4th consecutive year in the SET Sustainability Awards 2018 organized by the Stock Exchange of Thailand. These awards are presented to listed companies with sustainable stocks and outstanding performance in terms of the Environmental, Social and Governance (ESG) aspects.



02



Outstanding Company Performance Awards for the 4th consecutive year in the SET Awards 2018, organized by the Stock Exchange of Thailand, in the category of market capitalization of more than 100,000 million baht.



03

Thailand's Top Corporate Brand Value 2018 for the 2nd consecutive year in the IT and Telecom category from Chulalongkorn University.



04

Best Public Company of the Year in the Stock Exchange of Thailand and Technology Industry categories organized by Money and Banking magazine.

05

Sustainability Report Award 2018 in the Recognition Awards of the Thai Listed Companies Association.



06

CG rating of “Excellent” for the 6th consecutive year in the **Corporate Governance Report of Thai Listed Companies 2018**, compiled by the Thai Institute of Directors Association (IOD).



08

FTSE4Good Index Certification in 2018 for the 2nd consecutive year from FTSE Russell, the global index provider, for outstanding corporate performance in terms of the Environmental, Social and Governance aspects.



07

ESG 100 Certificate from Thaipat Institute for the 4th consecutive year, recognizing outstanding Environmental, Social and Governance performance.



09

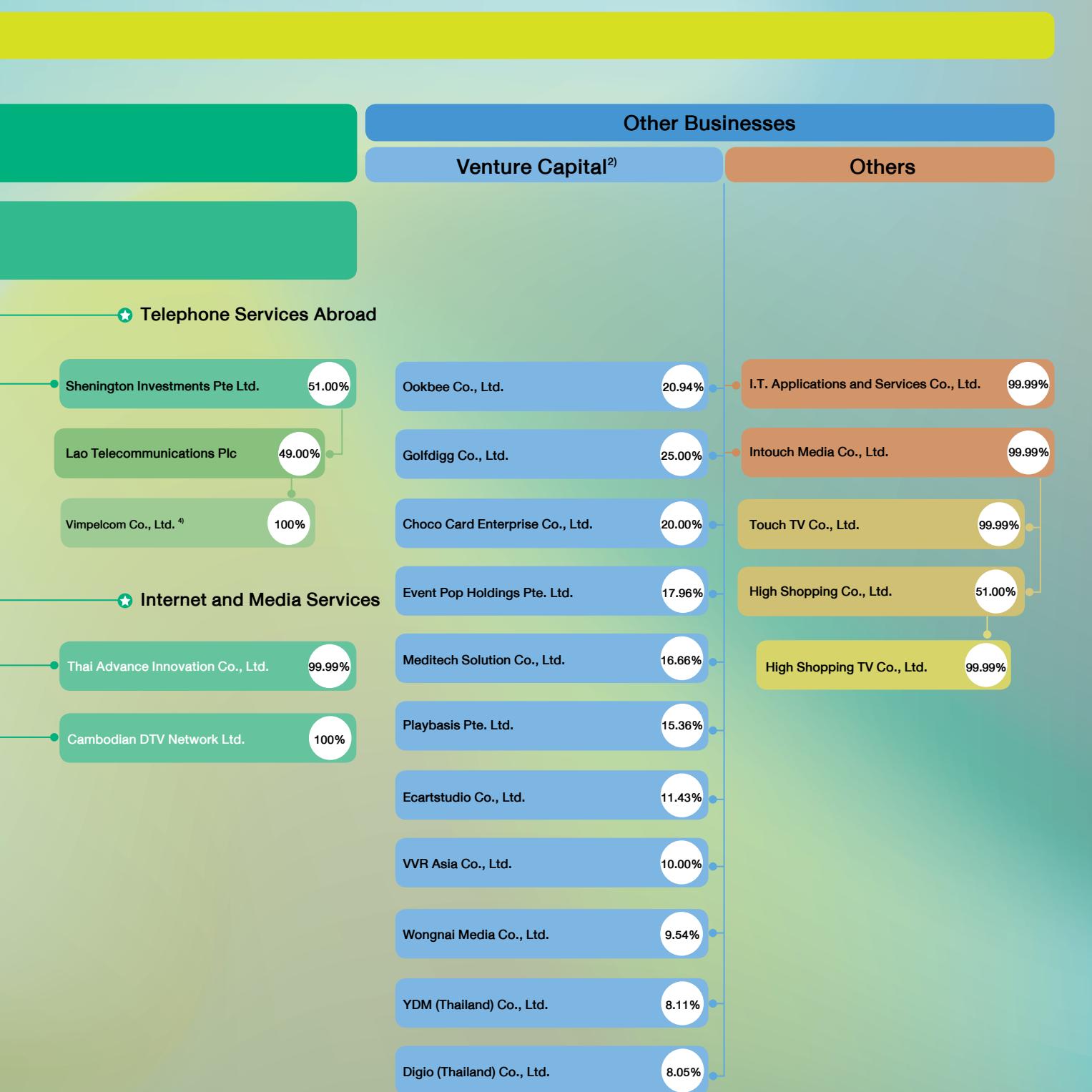
ASEAN Corporate Governance Scorecard for 2018 – included in the top 70 public listed companies in South East Asia. This scorecard was initiated by the ASEAN Capital Markets Forum to recognize the commitment of listed companies that have continuously applied good corporate governance principles to their business practices.



INTOUCH Group's Investment Structure



as of 31 December 2018



Remark :

- 1) Listed Company on the Stock Exchange of Thailand
- 2) Excluded investment in debt security
- 3) INTUCH has a stake of 52.92% in ITV, which ceased operations, and there are ongoing disputes with the Permanent Secretary of the Office of the Prime Minister
- 4) Lao Telecommunications Public Company entered into Sale and Purchase Agreement to acquire Vimpelcom Company Limited from the Government of Lao PDR in January 2019.

Summary of Operating Results

The consolidated net operational results by business segment for the previous 3 years are as follows:

Business Segment	Operated by	Operation interest as at 31-Dec-18	2018		2017		2016	
			Baht Million	%	Baht Million	%	Baht Million	%
Local wireless telecommunications	AIS and its subsidiaries	40.45	12,043	104.80	12,126	113.62	12,548	76.52
Satellite and international businesses								
- Profit from operation	THAICOM and its subsidiaries	41.13	59	0.51	8	0.08	664	4.05
- Gain from sale of investment			463 ^{/2}	4.03	-	-	-	-
- Loss from assets impairment			(741) ^{/3}	(6.45)	(1,098) ^{/4}	(10.30)	-	-
Other businesses:								
- Loss from normal operation	Operated by Intouch Holdings Plc, subsidiaries and associates ^{/1}		(333)	(2.89)	(363)	(3.40)	(505)	(3.07)
- Reversal of provision for interest of unpaid operating agreement fee of ITV			-	-	-	-	3,691 ^{/5}	22.50
Net profit to owners of the company			11,491	100.00	10,673	100.00	16,398	100.00

Remark:

^{/1} Comprised of ITAS Co., Ltd., Intouch Media Co., Ltd., which hold investment in High Shopping Co., Ltd. (a joint venture which operates home shopping in Thailand), Matchbox Co., Ltd. (MB ceased its operation and is in liquidation process), ITV PLC. (ITV ceased operations on 7 March 2007 and had recognized a loss on provision for interest of unpaid operating agreement fee until the 1st quarter of 2016) and business under Venture Capital Project.

^{/2} During 2018, Thai Advance Innovation Co., Ltd. ("Thai AI") (formerly DTV), a subsidiary of THAICOM, sold all ordinary shares in CSL to AWN, a subsidiary of AIS. The Company recognized the share of these gain at 463 million baht (net of non-controlling interest and tax).

^{/3} THAICOM had booked impairment loss of satellites' assets due to the slowdown of satellite industry from the change in customer behavior, together with fierce competition, which causes the revenue to drop. The Company recognized the share of these impairment losses at 741 million baht (net of non-controlling interest and tax).

^{/4} THAICOM had booked impairment loss of intangible assets under operating agreements due to considerable decrease of revenue in addition with goodwill and intangible assets of an indirect subsidiary of THAICOM, as a result from the recession of Australia's economic contributed to slow down the growth of such business. The Company recognized the share of these impairment losses at 1,098 million baht (net of non-controlling interest and tax).

^{/5} ITV had adjusted provision for unpaid operating agreement fee and interest at 3,691 million baht (net of non-controlling interest) in the 2nd quarter of 2016. According to the Arbitration award and independent legal opinion, ITV had reconsidered that the best estimation for ITV to recognize such provision would be 2,890 million baht.



THE
FUTURE

I S N O W

Milestones

2018

- High Shopping's revenue continued to grow as the company focused on offering a wider range of products, such as fashion, jewelry, and seasonal items. High Shopping increased its live broadcasting to improve sales, and continued its partnerships with satellite TV operators, in order to raise its profile and reach more viewers.
- INTOUCH invested in three more start-up companies, namely YDM (Thailand) Co., Ltd., Choco Card Enterprise Co., Ltd. and Ecartstudio Co., Ltd. In addition, the Company completed a share swap with WR Asia Co., Ltd., exchanging its stakes in Infinity Levels Studio Pte. Ltd. and Sinoze Co., Ltd. for preferred shares in VVR Asia. Consequently, there are currently thirteen companies in the InVent portfolio.
- On 5 January, AWN and SBN (a subsidiary of AIS) entered into commercial agreements with TOT Public Company Limited to strengthen network quality and efficiently serve over 40 million subscribers as data consumption grows. These commercial agreements will end in August 2025.
- On 5 March, AMP (a subsidiary of AIS) signed a joint venture agreement with Rabbit Pay System Company Limited and Line Pay Corporation (Japan) to invest in Rabbit-Line Pay Company Limited ("RLP") with a stake of 33.33% each. The purpose of this investment was to expand into the e-money and e-payment business in response to consumer demand in the digital age.
- On 12 July, AWN reported the results of a tender offer for CSL shares. After the tender offer was executed,

AWN's shareholding increased from 81.47% to 98.96% and CSL was delisted from the Stock Exchange of Thailand.

- On 19 August, AWN was granted an 1800MHz spectrum license for the 1740-1745MHz frequency band (paired with the 1835-1840MHz band) by the National Broadcasting and Telecommunications Commission ("NBTC"). This will align the voice and data services with the 4G standard and improve the user experience.
- THAICOM adjusted its strategy for becoming the leading Asian satellite and digital platform operator by focusing on three areas, namely the core satellite business, new adjacent business, and business prototyping.
- THAICOM launched its new flagship mobility service in the satellite broadband business ("Nava maritime service platform") to provide maritime connectivity. This will increase the operational efficiency on board ocean-going vessels, and connect their crews and passengers to high-speed internet anywhere and at any time.
- THAICOM and Bangladesh Communication Satellite Company Limited (BCSCL), a satellite operator owned by the government of Bangladesh, signed a multi-year consulting services agreement. Under this agreement, THAICOM will provide comprehensive business and market development services to BCSCL for Bangabandhu Satellite-1, Bangladesh's first geostationary satellite, which was successfully launched on 11 May 2018.

2017

- High Shopping transformed itself in the digital era by collaborating with Lazada and Shopee, the most popular e-commerce websites in Thailand, in order to increase the number of sales channels and reach more consumers.
- INTOUCH invested in three more start-up companies, namely Digio (Thailand) Co., Ltd., Event Pop Holdings Pte. Ltd. and Ecommerce Enablers Pte. Ltd. (Shopback). At this point, there were eleven companies under venture capital management through the InVent project.
- On 14 December, AWN (a subsidiary of AIS) acquired a 56.21% stake in CSL from THAICOM and Singtel through a Voluntary Tender Offer at 7.80 baht per share.
- AIS launched AIS NEXT G, a new network to serve high-data users by merging AIS 4G ADVANCED and AIS SUPER WIFI. This network offered a maximum transfer rate of one gigabit per second.
- THAICOM signed a memorandum of understanding with Huawei Technologies (Thailand) Co., Ltd. and Starcor Media Technologies Limited to develop the next generation Over-the-Top (OTT) platform in Thailand. The objective of this collaboration was to create value-added services for the business, education, government and telecom sectors in Thailand.



2016

- On 6 January, High Shopping started its home shopping business through broadcasting on a satellite television platform. After that, in August, the company also offered products through its website www.highshopping.com and the mobile application "HIGH SHOPPING".
- INTOUCH invested in two more start-up companies, namely Wongnai Media Co., Ltd. and Social Nation, Inc., through the InVent project, and monetized Computerlogy Co., Ltd. and ShopSpot Mobility Pte. Ltd.
- On 30 June, AWN was granted a 900MHz spectrum license for the 895-905MHz frequency band (paired with the 940-950MHz band) by the NBTC. By the end of the year, AWN had rolled out its network with 42,100 4G base stations nationwide.
- AIS expanded "AIS Fibre", a high-speed broadband home internet service using the latest FTTx technology. At year-end, the broadband network covered 5.2 million home passes in 28 provinces with 301,500 subscribers.
- Thaicom 8 was successfully launched in May, and reached the 78.5 degrees East orbital slot, which increased the fleet to five operational satellites.



Business Direction



The Company has focused on investing and creating a good return on investment in the TMT sector and related businesses that have the potential to grow. In addition, the Company strives to expand its investment and manages its assets professionally to ensure adding value and creating sustainable growth to the group in the future as well as creating mutual benefit for all the stakeholders and maximizing shareholder value which is the ultimate goal of the Company.

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Nature of Business

INTOUCH operates its business by investing in the Telecom, Media and Technology (TMT) sector, which provides the infrastructure for instant communication and access to information anywhere and at any time, in line with Thailand's economic development plan. The investments are divided into the two categories described below.

1. Major investments in other companies in which INTOUCH participates in the management, policy-setting and business direction. These currently comprise Advanced Info Service Plc. (AIS), an associated company that operates a wireless telecommunication business, Thaicom Plc. (THAICOM), a subsidiary that operates satellite and international businesses, High Shopping Co., Ltd. (High Shopping), a joint-venture home shopping business, and I.T. Applications and Services Co., Ltd. (ITAS), a subsidiary that provides IT-related services.
2. Minor investments in start-up companies, under the InVent project, in which INTOUCH is not regularly involved in managing. The Company has set a budget of 200 million baht a year, and does not limit these investments to Thailand but also considers opportunities in other countries. By the end of 2018, there were 13 companies in the InVent portfolio.

INTOUCH operates its business professionally, focusing on asset management to create sustainable benefits for all the stakeholders and maximize shareholder return, which are the Company's ultimate goals. INTOUCH has divided its business into three segments, namely 1) Wireless Telecommunications Business operated by AIS, 2) Satellite and International Business operated by THAICOM, and 3) Other Businesses. The major profit contribution currently

comes from AIS, which generates the highest revenue and had a market value representing 98% of the Company's net asset value at the end of 2018.

Wireless Telecommunications Business operated by AIS

INTOUCH's biggest investment is in AIS, which contributes most of the net profit. AIS pays semi-annual dividends, and INTOUCH continues to pass these through to its shareholders after the deducting of operating expenses.

AIS is the leading digital life service provider in Thailand, operating in three key business areas: mobile (a major contributed to AIS's total revenue or approximately 73%), fixed-broadband, and digital services. AIS is also one of the largest telecom infrastructure providers in the country, and plays an important role in promoting a technology ecosystem that can benefit both consumers and the companies that serve them.

Mobile Business

At the end of 2018, AIS was still the market leader in terms of revenue and customer market share at 48% and 45%, respectively. The mobile business is operated under licenses granted by the NBTC and an agreement with TOT Plc. (TOT). It has a total of 2 x 60MHz of bandwidth in the 2.1GHz, 1.8GHz & 900MHz frequency spectrums, covering 98% of the population nationwide. AIS has been collaborating with its business partners on network development in order to expand its capacity for growing demand and prepare for the upcoming introduction of 5G technology. The current service, "AIS Super WiFi" (or "AIS Next G"), merges 4G technology with WiFi to offer a maximum mobile loading speed of 1Gbps at more than 90,000 hotspots around the country.

Fixed Broadband Business

The fixed-broadband business (“AIS Fibre”) is growing continually and now covers 57 provinces and more than 7 million households in Thailand. Its key strength is a pure fibre-optic connection known as Fibre-to-the-Home (FTTH), offering the highest internet speed currently available (1Gbps). Fibre technology provides better quality than ADSL and VDSL, while the pricing is attractive for customers in each segment, such as the family plan with a download speed of 100Mbps. AIS also bundles international content such as Hollywood movies and global sport through AIS PLAYBOX in order to offer a convergence service combining fixed-broadband, digital content, mobile data allowance and unlimited AIS Super WiFi. At the end of 2018, AIS Fibre had 730,500 subscribers, and expects to be one of the major players by the year 2020.

Digital Service Business

AIS has been researching and developing digital services for retail customers and companies in Thailand. The company continues to collaborate with professional service providers in order to create a technology ecosystem community and generate a new source of revenue. AIS is committed to providing a full range of digital life services by focusing on the four areas below.

- 1) A *video platform* through the AIS PLAY application on smartphones, tablets and AIS PLAYBOX through collaboration with content partners, such as HOOQ, Netflix, ViU and NBA, as well as satellite and digital communication service providers.



- 2) *The corporate cloud computing business*, which has been expanded by the full acquisition of CS LoxInfo Plc. AIS predicts that Thai companies will soon implement more digital solutions and come to rely on these, as the cost is low and no major investment is required.
- 3) A *mobile payment service* provided by “mPay” for corporate customers and “Rabbit LINE Pay” for retail customers to support the government’s policy of creating a cashless society. AIS also collaborated with Singtel to launch a mobile payment platform called “VIA” in Singapore, which Rabbit LINE Pay users can also access.



- 4) *The Internet of Things (IoT)*, a machine-to-machine connectivity technology. Recent examples of solutions provided by AIS include a smart bicycle called “Mobike”, “Smart City Solution” for Property Perfect Plc. and AMATA industrial estate, a tracking system for natural gas pipelines owned by PTT Plc., and a flood protection system for Boonrawd Brewery Co., Ltd.

Digital services are an important driver that will enable AIS to access new sources of revenue to supplement the current mobile internet charges. They will also allow the company to become an integrated operator by converging the products and services from its three core businesses.

Industry Conditions and Competition in 2018

The telecommunications industry in Thailand has finally completed its transition from concession agreements to a licensing system, and has entered into business

partnerships with state enterprises to fully utilize spectrum bandwidth, telecommunications towers and other network equipment in order to support the growing demand for 4G.

By the end of 2018, subscribers using 4G technology amounted to approximately 59% of the total market, an increase of below 50% from the end of 2017, while the increase in data usage was around 10GB a month per subscriber. The prepaid to postpaid migration continued, and the latter accounted for 26% of the total numbers by the end of the year, an increase of 22% from the previous year.

However, mobile revenue growth in the industry slowed down in 2018 due to a penetration rate of over 130%. Therefore, all the operators focused on offering unlimited data usage packages with a fixed internet speed (Fixed-speed Unlimited), which put further pressure on the overall service revenue growth. These packages were later replaced with ones that had a choice of data usage limits at the maximum speed available and appropriate pricing. The overall handset subsidies tended to decline from 2017 as the operators focused more on area-based marketing, reflecting tighter control of campaign spending and overall cost effectiveness.

The revenue from the fixed-broadband internet market has continued to grow. In 2018, it increased 11% from the previous year, following higher demand for internet connectivity in residential areas, where the penetration rate reached approximately 43%. The service providers continued to focus on expanding the fibre-optic network, along with attractive pricing strategies that actually resulted in a decline in the industry ARPU from 2017. However, they also offered convergence packages that add more value than a single service and are currently more popular among their customers.

Industry Outlook and Competition in 2019

The mobile service industry is expected to continue expanding throughout 2019, following 4G usage for video streaming and social media. Moreover, a reduction in fixed-speed unlimited data packages will relieve service revenue pressure. Nevertheless, mobile competition will continue to be intense as service providers focus on acquiring high-usage customers and improving their 4G network quality, as well as brand image and privileges, which are key factors that influence consumer choice. Data analytics will also be adopted to study customer behavior in order to offer better services to each segment of the market.

The current spectrum available for each operator is sufficient as customers have efficiently switched from 3G to 4G networks. However, the conditions and price of licenses in the upcoming spectrum auction may not be attractive for providing additional services. Over the next two to three years, use cases for 5G technology will become clearer, whereby collaboration between the government and the private sector will raise awareness among the population about the related benefits, and new business models will be found to maximize these. Moreover, an appropriate frequency allocation will encourage the operators to invest in 5G technology effectively, which will enhance the country's growth in a wide variety of industries. The readiness of operators for 5G technology will be supported by their collaboration with business partners, as well as communication with the NBTC regarding opportunities to start testing 5G in some locations before proceeding with actual investment and commercial usage. The operators regularly update the NBTC on the current industry conditions and the financial constraints placed on their businesses.

The fixed-broadband market is expected to grow at the same pace as last year. The service providers will continue to focus on expanding their fibre-optic networks and accelerating the rate of customer upgrades. At the same time, package value and attractiveness, including effective after-sales services, will become increasingly important in the customer decision-making process. Service providers that offer convergence packages are expected to create a competitive advantage and attract more subscribers than those only offering a single one.



Business Direction over the next three to five years

The emergence of new digital technologies and more sophisticated customer needs has led to structural changes in the nature of the telecom business. In the light of these trends, AIS has redefined itself from a traditional mobile operator to a digital life service provider, delivering convergence products and services to enhance people's daily lives, improve business capabilities, and sharpen the competitive edge of the country. AIS has geared itself towards digital transformation in order to exploit new technologies, expand its capabilities, increase efficiency, and capture growth in the digital era. The company has set four major objectives, as explained below.

Building network quality to deliver superior user experience

AIS expects that mobile internet usage will continue to increase, while digital platforms will become more widely used. AIS will continue to focus on improving the quality of its network, both in terms of coverage and capacity.

In addition, 5G technology standards will become clearer over the next two to three years, which will allow AIS to provide services such as NB-IoT (Narrow-Band Internet of Things) to various industries. The bandwidth frequencies that can be utilized, the supporting devices, digital

applications and new revenue-generating models will be key factors in determining appropriate levels of long-term investment.

Matching user demand with high-speed internet through a fibre-optic network

The quality of future digital services is likely to develop beyond the current level; for example, higher resolution Ultra-High Definition (UHD) content, which will require a faster download speed than the High Definition (HD) streaming currently available. These requirements can be met by using fibre technology. AIS can foresee growth in the fibre-optic market, and has set a target of becoming one of the major service providers by the year 2020. AIS Fibre will continue to tap into new urban areas and increase its presence in underserved ones, with a focus on providing a variety of services through the Fixed-Mobile Convergence (FMC) model.

Creating new revenue streams from digital services and strengthening business capability with end-to-end ICT solutions

Digital platforms accessed by smart devices have become the main communication channels in daily life. Since AIS expects this trend to continue, it has focused on developing its platforms for video content (AIS PLAY) and mobile payments (Rabbit LINE Pay) in order to serve customer needs. By leveraging its subscriber base, AIS can create new business models and sources of revenue.

Cloud systems and ICT solutions also play a major role in creating compelling value for enterprises. AIS is expanding its end-to-end IDC services, supported by nationwide mobile network coverage, which will improve the efficiency of business processes and reduce costs for corporate customers.

Staff development for the digital age and leveraging technology to improve operational efficiency

AIS truly believes that its employees are a key factor in achieving sustainable success. Therefore, the company focuses on integrating the latest technology with its

internal operations in order to facilitate the employees' daily tasks and enhance their skill sets. In addition, AIS has established an Innovation Centre to promote a culture of creativity in the organization.

In the very near future, Predictive Analytics Tools and Customer Value Management (CVM) will be integrated with Machine Learning (ML) and Artificial Intelligence (AI) in order to customize products and services to meet individual needs.

Satellite and International Business operated by THAICOM

THAICOM's main businesses comprise Satellite and Related Services, Internet and Media Services, and Telephone Business Abroad. The company focuses on long-term investment, and considers the fundamentals of each business and its potential returns. Most of the current revenue is generated by the Satellite and Related Services business (97% of total revenue) and the majority of revenue is generated in Thailand (54%) since THAICOM is the only satellite service provider in the country.

Satellite and Related Services

THAICOM conducts its business under the Operating Agreement on Domestic Communication Satellites with the Ministry of Information and Communication Technology (now the Ministry of Digital Economy and Society), which expires in 2021, and a satellite network license from the NBTC, which expires in 2032. THAICOM operates two types of satellite, conventional ones (Thaicom 5, 6, 7 & 8) and a broadband one (Thaicom 4).

The conventional satellites provide end-to-end services, such as video contribution and distribution, along with Direct-To-Home (DTH) broadcasting in Standard Definition, HD and UHD formats, to terrestrial and satellite TV operators, content providers and pay-TV broadcasters.

The broadband satellite is primarily designed to provide broadband internet access (point-to-point). It delivers

services to groups of residents and small businesses in remote areas, while mobile operators can use it for backhauling internet traffic to accommodate higher loads, or to cover a wide geographical area quickly and economically. The broadband satellite allows small businesses, which require dependable connectivity, to run their operations smoothly and safeguard them against network failure. THAICOM also provides broadband services to government agencies to extend their reach nationwide, and has enabled universal access to broadband internet. This has helped the government during natural disasters, especially with emergency communications in crisis-affected areas, and provides distance-learning for schools, community broadband internet, and reliable Virtual Private Networks (VPN) for e-Government and other services.

In addition, THAICOM provides mobile connectivity services to support its customers anywhere and at any time. Two examples of these are In-Flight Connectivity (IFC) and Maritime Service.

In 2018, THAICOM started to provide consultancy services, which include satellite system design and marketing, to targeted companies and government agencies that want their own satellites. THAICOM is confident that these services will be successful, and the clients will gain an insight into the satellite business in order to operate it professionally and efficiently.

Industry Conditions and Competition in 2018

Conventional satellites remain the primary method of global broadcasting. The demand in the Asia-Pacific region is expected to grow steadily, due to the increasing number of channels and the ongoing transition to HD technology, along with more DTH service providers.

In Thailand, satellite TV operators are required to apply for broadcasting licenses from the NBTC. This regulation encourages them to improve their content quality, and creates a level playing field, which promotes sustainable growth and progress in the Thai broadcasting industry.



While the market remains competitive, THAICOM believes that its long-term reputation, good customer relationships and selective neighborhood channels will minimize the impact from new satellite operators. Approximately 62% of the population of Thailand currently receive satellite and cable TV programs through THAICOM's services, and it is still the leading provider in the Greater Mekong Sub-region and one of the major satellite operators in South Asia.

Satellite services have the potential for growth in Africa due to the increasing number of service and content providers, as well as the difficulty of expanding terrestrial infrastructure over the rough terrain. Moreover, the demand for video contribution and distribution channels will see consistent growth, while the transition to HD technology will also increase demand.

Many satellite operators have expressed an interest in Africa as they have seen opportunities to expand their services. Therefore, competition will arise and put pressure on the market price. However, as the second-

largest continent in the world, with a high population density in some areas but a low penetration rate for telecommunications technology, Africa has a lot of potential demand. THAICOM has focused on broadcasting and telecommunications services, and is currently building strategic partnerships in order to meet the precise demands of prospective customers.

The global demand for broadband services is expected to increase exponentially. The Asia-Pacific region has the second-highest demand, after North America. The broadband satellite industry has become more competitive as additional players, including major global operators and Australia's National Broadband Network, have entered the market. In addition, operators such as O3B, which owns a Medium Earth Orbit High Throughput Satellite constellation, have added unique services to the market. However, these operators serve different market segments and require technical testing so Thaicom 4 will maintain its competitiveness as the first mover in the Asia-Pacific region, with the authorized landing rights and a presence of over ten years.

Strategies in 2019

THAICOM will continue to support its "Hot Bird" position and strengthen the broadcasting platform at 78.5 degrees East, where Thaicom 5, 6 & 8 are located, by offering state-of-the-art solutions for the HD & UHD formats, along with value-added services to enhance the capabilities of satellite TV operators. Moreover, the company plans to expand its broadcasting services in emerging markets, especially in the Greater Mekong Sub-region and South Asia, focusing on high-quality and high-power DTH broadcasting. As of 31 December 2018, the number of satellite TV channels had increased to 1,039 (of which 132 are HD channels) from 1,003 at the same point in the previous year.

In the African market, THAICOM has focused on service differentiation with specified targets. The company is utilizing its expertise and experience to build strategic partnerships with regional operators in order to provide

broadcasting and telecommunications services such as mobile backhaul, VSAT and full/back-up IP trunking. Moreover, the company has entered a partnership with a European teleport to bring more European channels onto the Africa platform.

THAICOM considers bandwidth efficiency to be very important, on both Thaicom 4 and business partners' platforms, especially in Thailand, India and China. The company is also diversifying its broadband business into new areas where it has competitive advantages.

With regard to adjacent new services, THAICOM continues to develop mobility platforms, focusing on maritime and Over-The-Top (OTT) services in order to deliver video content and other media via the Internet anywhere and at any time.

As for the long-term plan, THAICOM and several potential business partners are currently conducting a feasibility study on a Very High Throughput Satellite to provide the next generation of broadband services at low unit cost.



Internet and Media Services

THAICOM provides internet and media services through three companies as follows: 1) Thai Advance Innovation Co., Ltd. (formally DTV Service Co., Ltd.), which sells direct TV equipment and provides a system integration consultancy service for broadband networks in Thailand; 2) Cambodian DTV Network Limited, which sells direct television equipment in Cambodia; and 3) Lao Telecommunications Public Company (LTC), which provides internet services in Lao PDR.



Telephone Business Abroad

This service is provided through LTC, a joint venture with the Government of Lao PDR, under a concession agreement that expires in 2046. LTC provides mobile & fixed wireless, mobile broadband, international roaming and value-added services. LTC is the leading telecom company in Lao PDR, with approximately 1.5 million subscribers at the end of 2018.

Other Businesses

The Home Shopping Business operated by High Shopping has various sales channels, namely satellite, cable and terrestrial television, and e-commerce. The majority of revenue is generated through satellite television. In 2018 High Shopping's revenue was 861 million baht, an increase of 33% from the previous year. The company focused on offering a wider range of products, such as fashionwear, jewelry and seasonal items. High Shopping increased its live broadcasting to improve sales, and continued its partnerships with satellite TV operators, in order to raise its profile and reach more viewers.

The home shopping sector in Thailand is still small compared to the traditional retail industry. However, this business has the potential to grow and provide opportunities to newcomers. Although the figure for 2018 has not yet been released, the overall home shopping sector was expected to have grown by 20% from the previous year, due to a higher number of digital TV channels providing more opportunities for the program

content providers to advertise products to a wider range of customer groups. As a result of the technological development of new sales platforms and e-payment systems, shopping from home has become much easier and more convenient, which is changing consumer behavior.



In 2019, High Shopping is expected to generate revenue of over one billion baht, driven by its sales channel strategy and business partnerships. The company has developed internal processes to support this growth, such

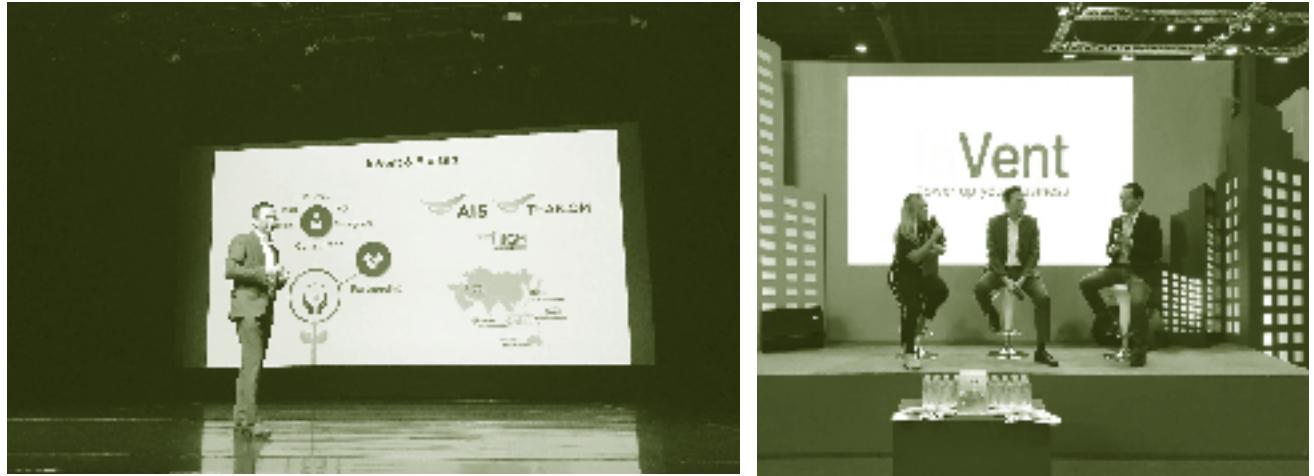
as a call center and related software programs. It will also offer a wider range of items with a higher profit margin, such as fashionwear and health & beauty products, with an attractive marketing strategy.

All of High Shopping's products can be viewed on the satellite television platforms PSI, DTV and BIG4, the online channel at www.highshopping.com, and the mobile application "HIGHSHOPPING".

IT business operated by ITAS: This business provides computer and SAP systems to all the companies in INTOUCH Group, as well as external clients, and continues to pay consistent dividends.

Corporate venture capital under the InVent project is a separate investment arm of INTOUCH that searches for opportunities in emerging technology in order to generate new growth and supplement the existing business units. The Company continues to follow its policy of investing in the TMT sector, with a budget of up to 200 million baht a year. The territory is not limited to Thailand, and the Company currently has investments in Singapore and the United States as well. Under the InVent investment policy, the maximum shareholding in any company is 30% so INTOUCH uses the equity method of accounting for these investments.

INTOUCH strives to support and strengthen the start-up community by helping to fund new companies with innovative ideas, and standardizing their internal processes such as accounting and legal compliance. In addition, INTOUCH promotes entrepreneurship through various activities, which include coaching, helping to judge local competitions, advising incubator units in both the public and private sectors, participating in start-up communities and the equity market, and joining related associations. These activities are an opportunity for knowledge sharing, and allow the Company's staff to build good relationships with the new generation of innovators.

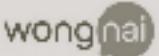


In 2018, INTOUCH invested a total of 110 million baht in three more companies, and gained a stake in another one through a share swap, as described below.

 <p>YDM Thailand, the leading digital marketing group in the country, provides full services related to digital marketing consultation, solutions, media, and advertising platforms. The YDM Thailand group comprises ADYIM, Gottimize, ALT, AdPocket, DOER, AVG Thailand and NAWIN Consultant. INTOUCH invested 30 million baht in this company to expand its business.</p>	 <p>Choco Card Enterprise Co., Ltd. is a leading CRM and POS digital platform services provider that develops systems for businesses in the SME sector. INTOUCH invested 40 million baht in this company to expand its platform and hire more staff in order to support business growth and penetrate SMEs and corporates across the country. Choco Card currently provides systems to food and beverage outlets, beauty salons and car washes in Bangkok and major provincial cities such as Chonburi, Chiangmai and Phuket.</p>	 <p>Ecartstudio Co., Ltd. is highly specialized in designing, developing and providing consultation on digital map systems and location-based technology for both mobile and web-based applications in the business sector and among the general public. INTOUCH invested 40 million baht in this company for business expansion.</p>	 <p>VVR Asia is a leading provider of premium Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality (MR) solutions on mobile devices. These solutions have been used in the medical profession, telecom sector, entertainment industry and educational organizations. INTOUCH completed a share swap with WR Asia Co., Ltd., exchanging its stakes in Infinity Levels Studio Pte. Ltd. and Sinoze Co., Ltd. for preferred shares in VVR Asia equivalent to a stake of 10%.</p>
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There are now 13 companies under the InVent project (excluding two that were monetized). Another nine companies are listed in the table below.

	Nature of Business	Key Highlights in 2018
2012  Ookbee Co., Ltd.	<p>Nature of Business</p> <ul style="list-style-type: none"> A leading digital publishing platform in Thailand, which has expanded its business to User Generated Content (UGC). 	<p>Key Highlights in 2018</p> <ul style="list-style-type: none"> Established Six Network Pte. Ltd. for issuing a digital currency called "SIX". This coin will primarily be used to pay the authors whose work is published by Ookbee U. Expanded Joylada, a UGC platform of Ookbee U, to Indonesia. Established a partnership with Line TV in order to launch four Thai serials. Developed a new digital platform for BNK48.
2013  Meditech Solution Co., Ltd.	<p>Nature of Business</p> <ul style="list-style-type: none"> A manufacturer and distributor of eye-tracking communication devices for paralytics and other disabled people, which allows them to communicate with medical staff and relatives clearly and more conveniently. 	<p>Key Highlights in 2018</p> <ul style="list-style-type: none"> Developed some games for patients. Collaborated with Rama Hospital on a related project. Expanded the business into Qatar.
2015  Playbasis Pte. Ltd.	<p>Nature of Business</p> <ul style="list-style-type: none"> A gamification platform for websites and mobile applications, providing innovative digital marketing to connect consumers to brands. 	<p>Key Highlights in 2018</p> <ul style="list-style-type: none"> Established partnerships with international banking and energy organizations.
 Golfdigg Co., Ltd.	<p>Nature of Business</p> <ul style="list-style-type: none"> The developer of an online golf-course reservation and payment application, along with golf course websites. 	<p>Key Highlights in 2018</p> <ul style="list-style-type: none"> Focused on Business to Business to Consumer (B2B2C) by partnerships with banks, travel agencies, and international golf-course reservation providers. Was the sole promoter of and ticket distributor for Honda LPGA Thailand.

	Nature of Business	Key Highlights in 2018
2016  Wongnai Media Co., Ltd.	<ul style="list-style-type: none"> An online food and lifestyle review portal for restaurants, beauty salons, travel destinations, etc., along with related services such as meal deliveries through a partnership with LINE MAN. A news website through a company called Brand Inside. An IT content creator and job platform through a company called Blognone. 	<ul style="list-style-type: none"> Acquired a stake in Living Mobile Co., Ltd., which operates a service called "Food Story", in order to expand the point-of-sale (POS) business. Initiated a travel category under the name "Wongnai Travel".
 Social Nation, Inc.	<ul style="list-style-type: none"> A developer of 360-degree VR advertising under the OmniVirt brand in the United States. 	<ul style="list-style-type: none"> Developed 3D and AR advertising.
2017  Digio (Thailand) Co., Ltd.	<ul style="list-style-type: none"> A developer and provider of mobile point-of-sale (mPOS) systems for financial institutions whose customers want to use credit cards or QR Codes. 	<ul style="list-style-type: none"> Developed the payment devices Smart EDC and Mini EDC. Developed payment systems for financial institutions and shopping malls.
 Event Pop Holdings Pte. Ltd.	<ul style="list-style-type: none"> A developer of an end-to-end event management platform that includes customer relationship management. 	<ul style="list-style-type: none"> Introduced new features that personalize content based on users. Introduced new devices that provide a more convenient service. Arranged big events such as BNK48 and Joox.
 Ecommerce Enablers Pte. Ltd.	<ul style="list-style-type: none"> An integrated e-commerce platform called "Shopback" that now operates in seven countries, namely Singapore, Taiwan, Malaysia, Indonesia, the Philippines, Thailand and Australia. 	<ul style="list-style-type: none"> Launched the platform in Australia. Took two key merchants on board, namely Shopee and LINE MAN.

INTOUCH has been committed to the InVent project since it began in 2012, and provided funding, knowledge sharing and mentoring, as well as crafted a business strategy and created synergy among the group. INTOUCH can foresee that venture capital investments increase the opportunities for business growth by exploiting new innovations that will generate more profit. Moreover, with these new proficiencies, the Company will be able to educate people about the latest technology that can improve their quality of life and add economic value to the country.

INTOUCH is aware that the adoption of the latest technology must be appropriate, and tries to choose the best options available to help the communities under its corporate social responsibility program, such as the Healthy Rice Growing Project by INTOUCH, in order to increase productivity and add more value for the people in those communities.

Risk Management and Risk Factors

Risk Management

INTOUCH Holdings Plc. ("the Company") recognizes risk management as an essential element of sound corporate governance in pursuit of the Company's business objectives. Effective risk management helps the Company to improve its decision-making in terms of governance, strategy, objective-setting, and day-to-day operations.

The Company has established a risk management framework, which includes risk culture, risk appetite and risk governance along with a policy and processes to enhance its overall risk management. This framework supports the identification, measurement, treatment, monitoring and reporting of all the major risks which may jeopardize the Company's ability to achieve its strategic objectives.



Risk Culture

Risk culture is a key element of the Company's risk management framework. The Company seeks to promote a strong risk culture throughout the organization, and expects employees to be aware of the risks inherent in their day-to-day business activities and take responsibility for managing them properly.

Moreover, every employee is encouraged to have the right attitude and behavior towards risk management in order to create a sound risk culture, which is underpinned by the following practices:

- Communicating a distinct and consistent tone from the Board and senior management in respect of risk taking and avoidance.
- Incorporating risk assessments into business decisions by considering the balance of risk and reward.
- Embedding risk management into human resource processes, such as promotions, performance evaluations, compensation and leadership development.
- Encouraging and providing opportunities for employees at all levels to identify and report potential risks in order to assign risk owners and develop treatment plans that will help to minimize losses, including actively seeking to learn from mistakes and improve operations.
- Designating risk management responsibility to employees at all levels, while executives act as role models in promoting the Company's risk management culture.
- Including risk management in the ongoing training curriculum for all executives in order to strengthen their knowledge and understanding.

Risk Appetite

The Board has approved the Company's risk appetite statement, which defines the amount of risk in qualitative and quantitative measures that the Board is willing to accept in pursuit of the Company's business objectives. The Board will review the risk appetite statement on an annual basis, or in the event of unexpected changes in the business environment, in order to ensure that it is consistent with the Company's strategic direction, related laws and regulations, and all the stakeholders' requirements.

Risk appetite is an integral part of an effective risk management system. It links the Company's risk management process to its business objectives, providing employees at all levels with a consistent view of how to respond to risks.

Risk Governance

Risk governance and accountability are embedded throughout the Company in order to ensure appropriate oversight of and accountability for the effective management of risks, as detailed below.

- The Board of Directors ("the Board") is ultimately responsible for overseeing the Company's risk management, which is an integral part of conducting business. The Board has delegated responsibility for reviewing the risk management process to the Audit Committee to ensure it is both appropriate and effective.
- The Chief Executive Officer ("the CEO") is responsible for implementing the risk management policy and monitoring its ongoing application through the Risk Management Committee. This committee is comprised of key department heads and chaired by the CEO.
- The Risk Management Committee is responsible for formulating risk management policy, strategy, risk appetites and criteria for the Board to consider and approve. The committee also reviews the Company's key risks and their mitigation measures, as evaluated by the risk owners, and recommends improvements.
- The Company's executives are responsible for the ongoing assessment and monitoring of risks, along with the day-to-day risk mitigation.

Risk Management Policy and Process

The Company has established a risk management policy which defines the framework and process for managing its risks. The Company has adopted the COSO *Enterprise Risk Management framework* and the ISO 31000 of International Organization for Standardization for identifying and evaluating risks in all the business activities it undertakes, and developing treatment plans to manage them.

Risk Factors

The Company is a holding company with investments in the following areas: wireless telecommunications; satellite & international business; and other businesses. The

Company is exposed to various risks which could adversely affect its business, results of operations and financial condition.

The following risks are presently considered to be key risks. However, there may be other risks of which the Company is currently unaware or has deemed immaterial to its operations.

1. The Company is a holding company with investments in other businesses

Risk: The Company's major investments are in Advanced Info Service Plc. (AIS) and Thaicom Plc. (THAIMCOM), both of which are under license, subject to specific laws, and regulated by government agencies.

As a holding company, the Company's cash flow and performance are dependent on the receipt of dividends from its subsidiaries and associated companies, of which 94.95% are paid by AIS. These subsidiaries and associated companies face their own business risks, along with regulatory risk if there are changes in the law or regulations governing the telecommunications industry, which might have an adverse impact on their financial position and result in lower-than-expected dividends. This would subsequently have the same impact on the Company's ability to pay dividends.

In addition, the ability of these subsidiaries and associated companies to pay dividends to their shareholders, including the Company, is subject to applicable laws and any restrictions or covenants contained in each company's debt instruments and credit agreements.

(Investors should study the risk factors for AIS and THAIMCOM in each company's annual report.)

Risk treatment: To mitigate the risks involved, each business unit is required to draw up an annual business plan before the beginning of every year, determine its strategic direction and prepare a budget. Each plan must be reviewed and approved by the respective business unit's executive committee and board of directors prior to implementation. The Company's risk management committee closely monitors and reviews the risks faced

by each business unit. In general, the Company's management committee meetings are held on a monthly basis to consider and review the business plans of each business unit, and evaluate their business performance, financial management and marketing strategies in order to ensure that the appropriate risk mitigation measures are implemented on a timely basis.

2. New Business

Risk: The Company plans to continue investing in new business ventures in order to drive growth and/or complement the competitiveness of its current subsidiaries. There is a risk that the anticipated revenue and profit may not be achieved due to adverse economic conditions, rapid changes in technology, or new legal restrictions. There is also no assurance that a new business will successfully achieve its planned objectives, which may require new expertise or management, synergy from the Company's subsidiaries, significant integration of processes or systems, or changes in organizational and cultural mindset. Because of the inherent risk in new business ventures, there could be an adverse impact on the Company's financial condition and operating results.

Risk treatment: The Company has a policy to manage the strategic risk in new business expansion by only investing in areas in the Telecom, Media and Technology ("TMT") sector that have the potential for high growth and in which the Company has expertise.

In addition, the strengths and resources of INTOUCH Group are always taken into consideration when new investment opportunities are explored in order to manage and minimize business risks. The Company also tracks and manages the risks in the TMT sector proactively and thoroughly in order to discover new trends, changes in technology and business models, as well as keep up to date with the related laws and regulations.

The Company continually updates its organizational structure, talent management and employee development, and regularly reviews its policies and processes so that it can invest in new technologies to meet changing needs.

3. Business Expansion

Risk: The Company's subsidiaries and associated companies continue to expand their businesses. Should these companies be unable to obtain the necessary investment capital by themselves, the Company, as the major shareholder, would incur the risk of having to inject more capital or secure the necessary funding, which may have an impact on its future ability to pay dividends.

Risk treatment: The Company has a strong financial status and sustainable cash inflow from dividend income, which should maintain its liquidity. The Company also places a strong emphasis on preserving good relationships with its investors and the financial community, both local and foreign, in order to facilitate future financing requirements.

4. Loss of Key Personnel

Risk: The Company realizes that its human capital is the key to business success. Loss of key employees from retirement, sickness, accident or headhunting by competitors will have an impact on the efficiency and effectiveness of the Company's operations, and could result in a loss of expertise as well as incur additional costs for recruiting and training replacements.

Risk treatment: The Company has drawn up a HR Policy which supports the engagement and retention of valuable people in the organization under current business strategy and both short- and long-term goals. The Company is an equal opportunities employer and has implemented a fair compensation management system. Regular compensation and benefit surveys are conducted to benchmark the Company against the market, while the cost-of-living index is taken into account to ensure that remuneration packages are fair and competitive.

The Company continuously supports many of its employees' projects to strengthen engagement, and also invests in continuous employee development in the areas of Managerial Knowledge and Skills, Leadership, Professional/Functional Knowledge & Skills, and Perspective Development.

Most of all, the Company has implemented a systematic talent management and succession plan, and has appointed the Leadership Development and Compensation Committee to oversee this plan in order to ensure that it is effective and transparent, providing career advancement on both the professional and management tracks. This plan covers all senior management and other key positions across INTOUCH Group. The assessment criteria and leadership competencies are identified, then individual development plans are drawn up and the successors regularly monitored to ensure their readiness. The talent management and succession planning aims to mitigate the inherent risk associated with business continuity, as well as retain and foster leaders within the organization in order to ensure long-term growth and success.

5. Foreign Exchange and Interest Rates

Risk: Because investment in telecommunication business involves foreign currency, both in terms of trade and funding, INTOUCH Group is, by necessity, exposed to the risks related to foreign exchange and interest rates due to the rising trend of global interest rates. On 31 December 2018, the Company and its subsidiaries had outstanding foreign currency assets and liabilities totaling 3,918 million baht and 3,200 million baht, respectively, after entering into foreign currency forward contracts, cross-currency interest rate swaps, and foreign currency options. (The details are shown in note 33 to the financial statements).

Risk treatment: INTOUCH Group has consistently been very conservative in foreign exchange management, which is based on the net foreign-currency-dominated transactions, revenue and cash-flow structures. The Company closely monitors different factors that influence foreign exchange and interest rates, and implements appropriate risk mitigation measures and hedging instruments that correspond to different situations, in accordance with the hedging policy approved by the Board, such as foreign exchange forward and swap contracts, and interest rate swap agreements (from a floating rate to a fixed one).

6. Uncertainties in the monetary and fiscal policies of major countries

Risk: During 2018, the Thai economy continued to gain traction on the back of increasing domestic demand, although external demand dropped slightly. The global financial markets remain highly uncertain in the period ahead due to unpredictable factors such as the outlook for U.S. monetary policy, trade protectionism measures between the U.S. and China, and uncertainties pertaining to a no-deal Brexit. There are also political issues in the euro area and geopolitical risks that could intensify and affect the global economy and liquidity, along with cross-border capital flows.

Risk treatment: INTOUCH Group has prudently managed its own liquidity by maintaining excess cash on hand, diversifying its source of funding in the form of short-term working capital from many banks, signing loan agreements in advance for the planned investment projects in the coming year, and using appropriate foreign exchange and interest rate hedging instruments in accordance with the policy approved by the Board.

7. Possible non-compliance with the Agreement for the Operation of Domestic Communication Satellites

Risk: The operation to comply with the *Agreement for the Operation of Domestic Communication Satellites* ("the Agreement"), dated 11 September 1991, between the Ministry of Transport and Shinawatra Computer and Communications Plc. (now Intouch Holdings Plc.), currently under the governance of the Ministry of Digital Economy and Society ("the Ministry"), faces the following risks arising from two issues that have not yet been resolved: 1) providing a back-up satellite for Thaicom 3; and 2) increasing the Company's shareholding in THAICOM to be not less than 51 percent. In 2014, a committee under Section 72 of the *Permission for the Private Sector to Jointly Undertake Work or Operate the Work of State Enterprises Act, B.E. 2556. (PPS Act)* was appointed to reconsider these matters.

Risk treatment: With regard to the back-up satellite, the Company and THAICOM both replied to the Ministry and stated clearly that the matter had been handled under the provision of the agreement. All of the Company's and THAICOM's actions pertaining to this issue had been approved by the Ministry, and the Company had provided the necessary facts and background information to find a solution that was mutually beneficial. Therefore, this matter should be resolved under the relevant clauses in the agreement. However, there has been no progress to date.

As for the reduction in the Company's shareholding in THAICOM permitted by Amendment No. 5, the Company replied that the agreement had been amended lawfully under the related provisions. Each procedure had been approved by the relevant state agencies and officials. Therefore, the amendment was legally binding. The agreement can be amended or even revoked by mutual consent, subject to the approval of the Cabinet. This matter has been considered by the committee under Section 72 of the *PPS Act* but has not yet been concluded for the Ministry to take appropriate action.

8. Thaicom 7 & 8 may become subject to the Agreement for the Operation of Domestic Communication Satellites

Risk: In 2012, THAICOM obtained licenses for the Thaicom 7 & 8 satellites from the National Broadcasting and Telecommunications Commission ("NBTC"), in accordance with the *Telecommunication Business Act, B.E. 2544 and the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services, B.E. 2553*. The Ministry of Information and Communications Technology (now the Ministry of Digital Economy and Society) (the "Ministry") had notified the NBTC that permission to use the designated orbital slots had been granted for the two satellites, to which the NBTC referred in the Type 3 license granted to THAICOM.

However, in 2017 the Ministry informed THAICOM and INTOUCH, as a contract party to the *Agreement for the Operation of Domestic Communication Satellites* ("the Agreement"), that Thaicom 7 & 8 were subject to the Agreement due to those were transmitted during the concession agreement is effective. The Ministry requested compliance with the terms and conditions of the Agreement, namely transfer of ownership, delivery of assets, preparation of backup satellites, and payment of concession fees and property insurance.

Risk treatment: INTOUCH and THAICOM have carefully considered this issue together, in consultation with external legal experts, and concluded that neither of these satellites are subject to the Agreement since their operations fall within the license framework granted by the NBTC. Moreover, both INTOUCH and THAICOM have fully complied with all the terms and conditions in the Agreement, even though the Ministry views this matter from a different perspective.

Therefore, both INTOUCH and THAICOM notified the Ministry in writing of their conclusion, and submitted this dispute to the Arbitration Institute, which accepted it on 25 October 2017 as Black Case No. 97/2560. The arbitration proceedings will commence in February 2019, and it could take from one to two years for the arbitral award to be rendered. Either party will be entitled to appeal against the ruling at the Central Administrative Court.

9. Cyber Security Risk

Risk: As the Company relies on information technology systems to undertake its business, it is exposed to both internal and external threats, such as security breaches or cyber-attacks. These could result in business disruption, loss of data, or leakage of sensitive and/or confidential information, which may adversely affect the Company's performance and/or reputation. There is no guarantee that the Company can successfully protect itself from these threats.

Risk treatment: The Company has established a Cybersecurity Framework and implemented processes and tools, such as a penetration test and APT protection, to evaluate the security of the system and detect threats. Moreover, the IT department continuously informs the employees of security-related matters, and conducts regular training sessions and cyber security drills to raise their awareness of information security and improve their ability to respond to threats.

10. Social and Environmental Risks

Risk: As a holding company, the Company's daily business activities do not have a material exposure to social and environmental risk. However, this risk may arise from the Company's investment in a business that creates a negative impact on society or the environment.

Risk treatment: The Company integrates social and environmental concerns into its strategy. In the investment process, these risks will be evaluated before a decision is made to invest in a particular business.

As part of society, the Company is aware that it has social responsibilities, and has implemented activities that encourage young people and local communities to become self-dependent and build a sustainable future.

Moreover, the Company emphasizes environmental management and strives to mitigate the impact from its operations on the environment. The Company has a policy to conserve energy and the other utilities it uses, reduce waste by reusing or recycling items where possible, and support activities that protect the environment and save energy in order to optimize the utilization of resources.

Corporate Governance Report

Introduction

The Board of Directors ("the Board") is committed to maintaining good corporate governance and ethical business practices in all the Company's activities, demonstrating responsibility to society, the environment and every group of stakeholders. The Board believes that good corporate governance is essential for the Company to uphold probity, maintain credibility, improve transparency and accountability, and create sustainable value. Moreover, it enables the Company to compete ethically in a changing business environment, maximize shareholder returns, and make a long-term beneficial contribution to society.

The Board has adopted and continues to develop the Company's Corporate Governance (CG) Policy to assist it in discharging its duties in a proper manner. This policy is reviewed periodically to align it with amendments to the SEC's *Corporate Governance Code for Listed Companies*, and ensure that the Board's corporate governance practices are effective. Any changes to the policy are communicated to all the directors, executives and employees. The last revision was undertaken on 8 March 2018.

This section of the annual report describes how the Board directs and controls the Company, and summarizes the corporate governance activity that has taken place throughout the year 2018.

 The Corporate Governance Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

The Company's Corporate Governance in 2018

The Board annually reviews the Company's corporate governance practices, and monitors those of other leading organizations, both domestic and international, in order to analyze improvements and apply them to its own business activities. The Company's CG practices which deviate from the recommended standards are

submitted to the Nomination and Governance Committee every year for review. In 2018, INTOUCH made the following improvements:

- Reviewed the Company's CG Policy to align it with the SEC's *Corporate Governance Code for Listed Companies*.
- Required directors who are offered outside board memberships to consult the Chairman of the Board and the Chairman of the Nomination and Governance Committee before accepting any position.
- Expanded the role of the Audit Committee to cover the review of the Company's Anti-Bribery and Corruption Policy and related program to ensure legal compliance.
- Reviewed and amended the Company's Securities Trading Policy to align it with the new provisions in Section 59 of the Securities and Exchange Act and the related notification issued by the SEC, as well as required directors, senior executives and designated persons to notify the Board at least one day in advance before trading INTOUCH Group's securities.

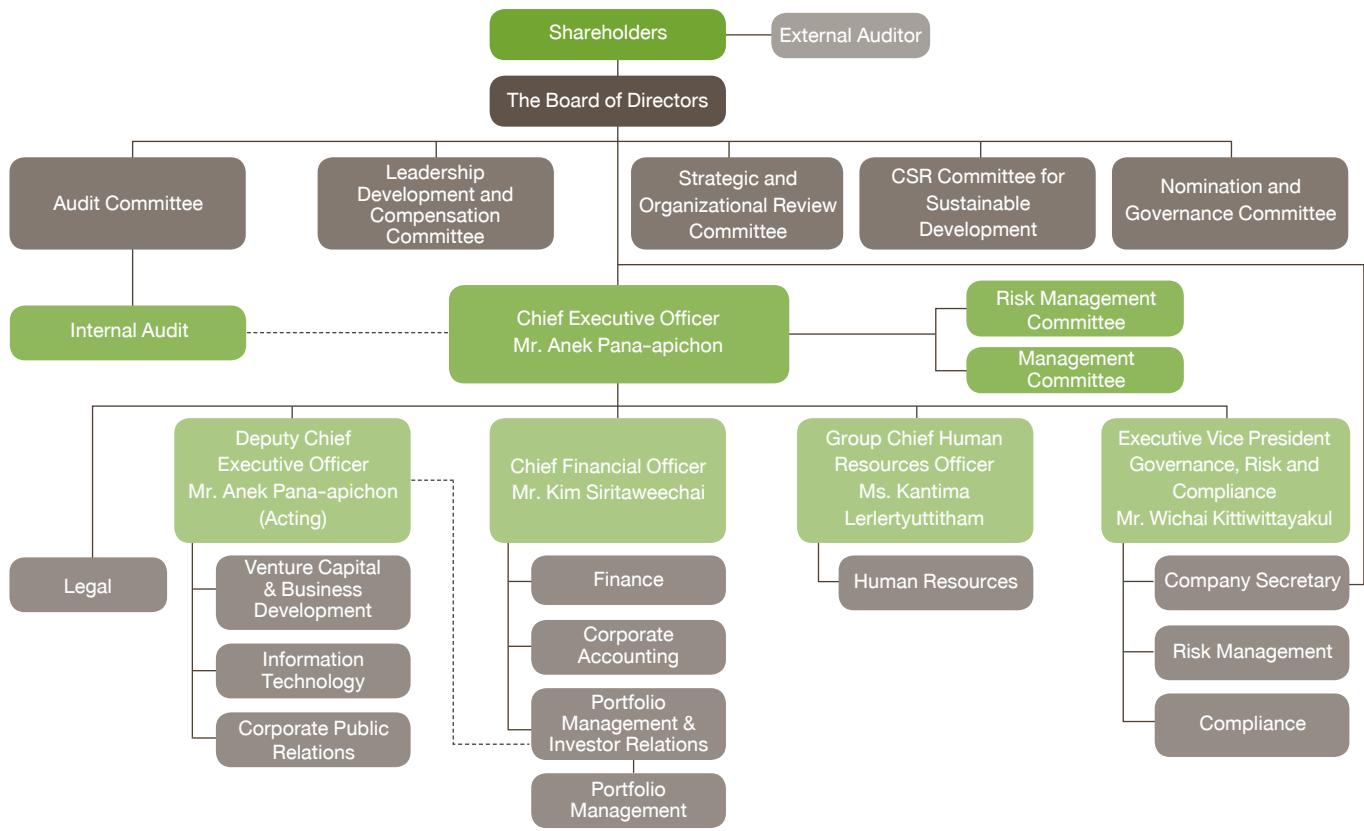
The Corporate Governance Code for listed Companies

The Securities and Exchange Commission (SEC) developed the *Corporate Governance Code for Listed Companies* (the "CG Code") as principles for boards of directors to apply to their governance practices as deemed suitable in their business contexts. A board of directors may select different practices it considers appropriate, but those practices must achieve the same objectives as the recommendations in the SEC's CG Code (the "Apply or Explain" principle).

In 2018, the Board assessed its application of the principles stipulated in the SEC's CG Code, and concluded that it had applied all of these. However, there were some guidelines that the Company decided not to follow. The Board reviewed these deviations, as listed below, and approved them in meeting resolutions.

Guidelines in the SEC's CG Code	The Company's Explanation
1. The chairman of the board should be an independent director.	Dr. Virach Aphimeteetamrong, the Chairman of the Board, was appointed as an authorized director, and consequently disqualified from being an independent director. However, taking his other qualifications into account, the Board considers that he is able to exercise his judgment independently.
2. The board should set a limit of five directorships in listed companies an individual director can hold simultaneously.	Under the Company's Corporate Governance Policy, an individual director should not serve on more than six other boards of listed companies unless the Board grants specific approval. The Board has found that all of its members are able to allocate sufficient time to prepare for and attend Board and board committee meetings.
3. The board should set a limit of nine consecutive years as the term of office for independent directors.	The Company's Corporate Governance Policy states that an independent director may not be considered to remain "independent" after he or she has completed three consecutive terms or a total of nine years. However, the Board may still approve extensions for a period of one year each time. The Board determined that the Company's independent directors are still fully qualified and able to exercise independent judgment, even though they have served for nine years or more.

Governance Structure (as of 1 January 2019)



■ Executives as defined by Capital Market Supervisory Board

The diagram above shows the Company's governance structure. Shareholders exercise their decision-making rights through the shareholders' meetings. The Board represents all the shareholders and is responsible for governing the operations of the Company. The Board has delegated responsibility for managing the Company's day-to-day business and operations to the management through the Chief Executive Officer ("CEO"). The Company's external auditor is appointed by the Annual General Meeting of Shareholders.

Shareholders

Capital Structure and Major Shareholders

The Company's registered capital was 5,000,000,000 baht, consisting of 5,000,000,000 ordinary shares with a par value of one (1) baht each. The paid-up capital of 3,206,420,305 baht consists of 3,206,420,305 ordinary shares.

As of 17 August 2018, there were three shareholders that held more than 5% each of the Company's total issued share capital, as shown in the table below.

	No. of shares	%
SINGTEL GLOBAL INVESTMENT PTE LTD	673,348,264	21.00
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	509,766,840	15.90
THAI NVDR COMPANY LIMITED	381,063,676	11.88

Voting Rights

The Company has only one class of share, namely ordinary shares which carry a right to one vote per share. Voting rights may be exercised only after a shareholder has been recorded in the Company's share registration book.

Dividend Policy

The Company pays dividends based on its separate financial statements. The Company's policy is to pass through dividends received from its associates and subsidiaries after the deduction of operating expenses, subject to its financial needs or unless the payment of a dividend would materially affect its operations.

Shareholder Rights

The Company respects the rights of all its shareholders, whether they are retail, foreign, institutional or major shareholders, and provides them with appropriate information and facilities to exercise those rights effectively. Every shareholder receives equitable treatment and is entitled to the following rights, as stipulated in the relevant laws and the Company's Articles of Association:

- The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policies on a timely basis.
- The right to receive an equitable dividend.
- The right to sell shares back to the Company, should the shareholder disagree with the resolutions of a shareholders' meeting to amend the Company's Articles of Association concerning voting rights or dividend entitlement, on the grounds that they consider themselves to be treated unfairly.
- The right to elect directors.
- The right to call extraordinary general meetings of shareholders as stipulated in Section 100 of the Public Limited Companies Act.

In addition, every shareholder is entitled to the following:

- The right to participate in shareholders' meetings, vote and make recommendations on decisions concerning major corporate actions such as amendments to the Articles of Association, appointment of new directors and the Company's external auditors, and the issuance of new share capital.
- The right to be furnished with information concerning connected transactions and the acquisition or disposal of significant assets.

- The right to propose agenda items for the annual shareholders' meeting.
- The right to nominate candidates for directorship.
- The right to use the established channels listed on page 84 to contact the Board.
- The right to discuss business-related matters with members of the Investor Relations department while attending the Company's events, as stipulated on page 84 of "Communication with Shareholders and Potential Investors".

Agenda Proposal

Shareholders may propose agenda items for the annual shareholders' meeting and nominate candidates for directorship between 1 October and 30 December of the preceding year. All proposals and nominations must be submitted to the Company Secretary.

Shareholders Meetings

Shareholders' meetings are an important part of communication with the shareholders. The annual general meeting is held within four months of the end of the financial year. In practice, it will be held as soon as possible after the approval of the annual financial statements so that the shareholders may receive the latest information about the Company, such as dividend payments (if any). Extraordinary meetings may be held if warranted by particular circumstances that could affect the shareholders' benefits or are required by law.

The Company encourages its shareholders, including institutional ones, to attend and participate in all shareholders' meetings. In order to encourage the shareholders to attend, the Company selects a venue that is convenient and easy to access. At each meeting, the Company appoints at least one independent director to act as a proxy and vote on behalf of shareholders who are unable to attend. The details and documents required are stipulated in the notice of the meeting.

The notice of the meeting and related documents are published on the Company's website at least 30 days before the meeting and sent to all the shareholders at least

21 days before. Shareholders are encouraged to submit questions in advance.

The Chairman of the Board, board committee members, the CEO and other executives, and the external auditor attend each meeting to provide explanations and answer questions about items on the agenda. Before each meeting begins, the shareholders are informed of the rules, the meeting and voting procedures, and their rights under the Company's Articles of Association, including their right to ask questions about, and express opinions on, the items to be discussed. The Chairman of the meeting allots sufficient time to encourage the shareholders to express their opinions and ask questions.

The minutes of each shareholders' meeting are published within fourteen (14) days of the meeting, and also posted on the Company's website for the benefit of absent shareholders.

Meeting Resolutions

For most items, the shareholders' meeting passes resolutions and elects directors with the absolute majority of the votes represented at the meeting. However, under the Company's Articles of Association, the following resolutions must be passed by not less than three-fourths of the total number of eligible votes represented at the meeting:

- The sale or transfer of whole or essential parts of the Company's business to other entities.
- The purchase or acceptance of transfer of another company's business or a private company to the Company.
- Entering into, amending or terminating a contract relating to the leasing out of the Company's business in whole or in essential parts; the assignment to other entities to manage the businesses of the Company or the amalgamation of those businesses with other entities with the objective of sharing profit and loss.
- Any amendment to the Memorandum of Association or Articles of Association.
- An increase or reduction in the Company's capital or the issuance of debentures.
- The amalgamation or liquidation of the Company.

Annual General Meeting of Shareholders for 2018

In order to encourage the shareholders to attend, the Company holds its annual shareholders' meetings at a venue in a convenient location. The Annual General Meeting of Shareholders for 2018 was held at Centara Grand Central Plaza Ladprao in Bangkok on 30 March 2018.

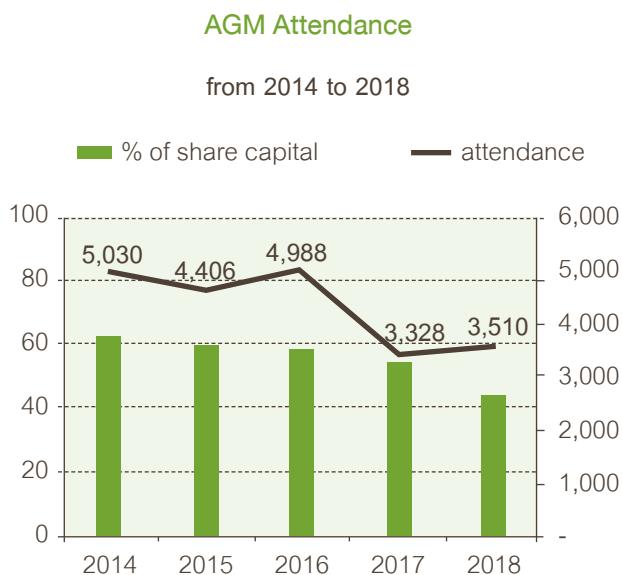
The invitation letter, along with the agenda and related documents, was sent to every shareholder prior to the meeting so they had enough time to consider each item. A proxy form was included for shareholders who were unable to attend the meeting in person. These shareholders could choose their own proxies, or one of the Company's five independent directors, to vote on their behalf.

At the Annual General Meeting of Shareholders for 2018, there were 3,510 shareholders present in person, along with proxies acting for absent shareholders, representing 43.61% of the Company's issued share capital. All of the Company's directors and executives attended, along with the external auditor.

Before the meeting started, the shareholders were informed of the rules, the meeting and voting procedures, and their rights under the Company's Articles of Association. The meeting proceeded without any change to the sequence of the agenda items listed in the notice, and no other items were added. The Chairman of the meeting allowed the shareholders to freely express their opinions and ask questions about every item on the agenda.

The meeting passed the following resolutions:

- Approved the financial statements for the year ended 31 December 2017.
 - Approved the appropriation of the net profit in 2017 as the annual dividend of 1.27 baht per share.
 - Approved the appropriation of the net profit in the period 1 to 31 January 2018 as an interim dividend of 0.19 baht per share.
 - Appointed the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the Company's external auditors, and fixed the audit fees for 2018 at an amount not exceeding 2.04 million baht.
 - Re-appointed Dr. Virach Aphimeteetamrong, Mr. Prasert Bunsumpun and Ms. Jeann Low Ngiap Jong to the Board for another term of office.
 - Approved the remuneration for the Board and its committees in 2018 at not more than 42.5 million baht.
-  The minutes of the shareholders' meeting can be found in the "Investor Relations" section of our website at www.intouchcompany.com.



Number of Shares Held

As at 17 August 2018	Number of registered shareholders	Registered share capital (%)
1-1,000	28,268	0.46
1,001-10,000	32,682	4.21
10,001-100,000	10,550	9.85
100,001-1,000,000	1,235	10.14
1,000,001-5,000,000	130	8.35
Over 5,000,000	34	66.99
Total	72,899	100.00

The Board of Directors

1. Role of the Board and Management

The Board represents all the shareholders and is responsible for governing the Company's operations in accordance with the provisions of the law, Articles of Association, and resolutions of shareholder meetings. The key roles of the Board are to set the Company's strategic direction, provide the necessary leadership and oversight to build long-term shareholder value, set the right tone from the top, lead by example, and ensure that good standards of behavior permeate all levels of the organization. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders. Directors must also, when appropriate, take into consideration the interests of other stakeholders.

The Board has delegated responsibility for managing the Company's day-to-day business and operations to the management through the CEO, within the limits set out in the delegation of authority it has approved while reserving key matters for itself.

The roles and responsibilities of the Board are as follows:

- Provide leadership and set strategic objectives for the Company that promote sustainable value creation, responsible business and good corporate citizenship.
- Review and approve the Company's vision and mission statements, organizational culture, core values and ethical standards.
- Review and approve the Company's strategic direction, business plan, budget and key performance indicators (KPIs), ensure the business plan is implemented accordingly, and monitor the performance against budget and set targets.
- Consider and approve major transactions such as new business investments, acquisition or disposal of assets, major capital expenditure, and any other transactions as prescribed by law.
- Approve and/or agree to all major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand (the SET).
- Appoint the CEO and other senior executives, assess their performance, determine appropriate remuneration, and replace them if deemed necessary.

- Approve the Company's Remuneration Policy and Framework.
- Oversee the Company's process for making timely and balanced disclosure of all material information.
- Ensure that the Company has appropriate and effective risk management and internal control frameworks, which include a proper IT governance framework, competent IT management and cyber security measures, as well as set the Company's risk appetite and monitor IT risk assessments.
- Oversee the integrity of the Company's accounting and reporting systems, including external audits.
- Ensure avoidance of conflicts of interest amongst the Company's stakeholders.
- Annually review the Company's CG Policy, and assess its effectiveness along with due compliance.
- Ensure that the CG Policy is extended to, and accepted by, all the Company's subsidiaries, associates and joint ventures.
- Prepare a report titled "The Board of Directors' Responsibility for Financial Reporting", to be disclosed in the annual report along with the audited financial statements. This report covers key issues as defined under the SET's *Code of Best Practices for Directors of a Listed Company*.

Key matters reserved for the Board's approval:

- Strategic direction, business plan, key performance indicators and budget
- Capital expenditure and expenses exceeding certain material limits
- Strategic investments in new businesses, and any divestments
- Organizational structure and the appointment of the CEO and senior executives
- Significant business policies
- Senior executive succession plan
- Senior executive compensation
- Material contracts
- Material litigation
- Loan commitments and lines of credit from banks and other financial institutions
- Dividend policy, declaration of interim dividends, and proposal of final dividends at the annual general meeting of shareholders

Tasks undertaken by the Board in 2018

- Approved the Company's business plan, KPI targets and budget for the year 2018
- Reviewed the Company's Corporate Governance Policy
- Reviewed the operating results for the year 2017 and approved the financial statements
- Reviewed the Company's risk management report and internal control evaluation results
- Considered the annual and interim dividend payments
- Reviewed the Board's structure and composition
- Considered the selection and appointment of directors
- Considered the Board's remuneration policy and budget for the year 2018
- Nominated representative directors at the Company's subsidiaries
- Considered the appointment of the Company's external auditors and fixed the audit fees for 2018
- Approved the Report on the Board of Directors' Responsibility for Financial Reporting
- Approved the disclosure of information in SEC Forms 56-1 and 56-2
- Called the Annual General Meeting of Shareholders for 2018
- Considered how to vote at each annual shareholders' meeting held by the Company's subsidiaries
- Approved amendments to the Company's policies
- Considered an amendment to Article 30 of the Company's Articles of Association regarding the calling of an extraordinary meeting of shareholders
- Monitored the pending litigation and regulatory issues at the companies in the group
- Monitored the performance of the VC portfolio
- Nominated the Company's representative on a subsidiary's executive committee
- Approved an amendment to the Company's Approval Authority
- Monitored the progress of the CEO succession plan

Q1

- Reviewed the operating results for the first quarter of the year and approved the financial statements
- Monitored the pending litigation and regulatory issues at the companies in the group
- Monitored the performance of the VC portfolio
- Considered a new investment proposal
- Monitored the progress of the CEO succession plan

Q2

- Approved the interim dividend payment
- Reviewed the Company's risk management report
- Reviewed the operating results for the second quarter of the year and approved the financial statements
- Reviewed the Company's second-half strategic direction in 2018
- Monitored the pending litigation and regulatory issues at the companies in the group
- Monitored the performance of the VC portfolio
- Approved an adjustment to the Company's organizational structure
- Monitored the progress of the CEO succession plan

Q3

- Reviewed and approved the Company's vision and mission statements, along with the strategic direction and objectives for the year 2019
- Reviewed the vision and mission statements of the Company's major subsidiary and associate, along with their strategic directions
- Reviewed the operating results for the third quarter of the year and approved the financial statements
- Monitored the pending litigation and regulatory issues at the companies in the group
- Monitored the performance of the VC portfolio
- Considered new investment proposal
- Approved amendments to the Company's policies
- Considered the succession plan for the Company's CEO
- Participated in a CSR activity arranged by the Company

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2. Authorized Signatories

Dr. Virach Aphimeteetamrong, Mr. Anek Pana-apichon and Mr. Kwek Buck Chye have been designated as the Company's authorized signatories. Validation of all documents requires the signatures of any two of these three directors along with the Company's seal.

3. Chairman of the Board and Chief Executive Officer

The roles of Chairman of the Board and the Chief Executive Officer ("CEO") are separate and clearly defined, which ensures a balance of power and authority at the highest level of the Company. The Chairman, Dr. Virach Aphimeteetamrong, is responsible for leading the Board and ensuring that it effectively fulfills its role in every aspect. The CEO, Mr. Anek Pana-apichon, is responsible for the day-to-day management of the business, in line with the strategic direction and long-term objectives approved by the Board.

The Chairman of the Board

- Chairs board, shareholders' and non-executive meetings.
- Sets the agenda for board meetings in conjunction with the CEO and the Company Secretary.
- Ensures that all directors receive timely information needed to deliberate on agenda items.
- Encourages all board members to debate issues vigorously during meetings, ask questions and express opinions.
- Ensures that decisions made by the Board are executed.
- Ensures appropriate delegation of authority from the Board to the management.
- Acts as the link between the Board and the management, and particularly between the Board and the CEO, in order to build strong and respectful working relationships.
- Acts as an advisor to and sounding board for the CEO.
- In conjunction with the CEO, builds strong communication with the major shareholder in order to enhance mutual understanding of the Company's and its major shareholder's priorities.

The Chief Executive Officer

- Establishes and prepares the Company's vision & mission statements, strategic direction, business plan, budget and key performance indicators for the Board's approval; monitors progress against business plan and budget, and reports this regularly to the Board.
- Manages and controls all aspects of the Company's business according to the approved policies and plans.
- Identifies business opportunities which are consistent with the Company's vision and strategic direction.
- Builds and maintains an effective top management team capable of achieving the Company's objectives, and identifies and recruits new talent to ensure effective succession to top management positions.
- Acts as a link between the management and the Board.
- Promotes the highest standards of integrity, ethics and corporate social responsibility throughout the organization.

4. Board Composition

All the Company's directors have a broad knowledge and experience of business. As at 31 December 2018, the Board comprised ten (10) members as listed below. (All the directors' biographies are shown in the Annual Report for 2018, pp. 26-34.)

Name of Director	Nationality	Position	Date First Appointed
1. Dr. Virach Aphimeteetamrong	Thai	Chairman of the Board	7 November 2001
2. Mr. Somchai Supphatada	Thai	Independent Director	30 June 2006
3. Mr. Chalaluck Bunnag	Thai	Independent Director	14 August 2007
4. Ms. Sopawadee Lertmanaschai	Thai	Independent Director	28 March 2014
5. Mr. Prasert Bunsumpun	Thai	Independent Director	26 December 2011
6. Mr. Kan Trakulhoon	Thai	Independent Director	31 March 2017
7. Ms. Jeann Low Ngiap Jong	Singaporean	Non-Executive Director	30 November 2016
8. Mr. Kwek Buck Chye	Singaporean	Non-Executive Director	28 January 2015
9. Mr. Somprasong Boonyachai	Thai	Non-Executive Director	25 April 2007
10. Mr. Anek Pana-apichon	Thai	Executive Director	1 July 2017

The Board annually reviews its size, composition and expertise to align it with the Company's business direction and strategy, as recommended by the Nomination and Governance Committee. This ensures that the Board performs its duties effectively with careful decision-making in the best interests of the Company.

The Board firmly believes that its current size and composition enable effective and efficient supervision and monitoring of the Company's business operations and performance.

5. Term of Office

In accordance with the Company's Articles of Association, one-third of the board members, namely the directors who have served the longest, shall retire at each annual general meeting of shareholders. If the total number of board members is not a multiple of three, the number of persons nearest to one-third shall retire.

If a vacancy arises on the Board for reasons other than the expiration of a director's term of office, the Board will select a replacement, choosing a person with the appropriate qualifications in accordance with Sections 68 & 75 of the *Public Limited Companies Act B.E. 2535* and related laws at the next scheduled meeting, unless the remaining term of that director is less than (2) months. The replacement must be approved by a vote of not less than three-quarters of the remaining directors, and will hold the position only until the departed director's term of office expires.



The Articles of Association can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

6. Age Limit

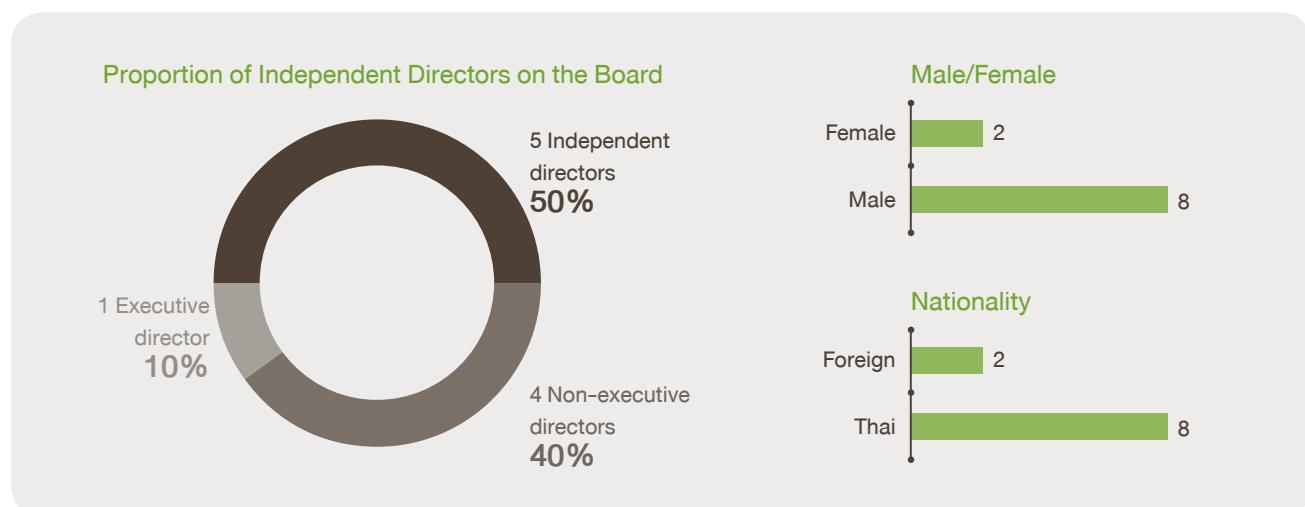
Under the Company's Corporate Governance Policy, an individual who will be 72 years of age or older at the time of appointment shall not be nominated as a director. When this policy became effective on 16 March 2015, directors who were 72 years of age or older could still hold their positions for their remaining terms of office. Moreover, the Board may approve the nomination for re-appointment of directors who will be 72 years of age or older at the time of appointment for one more term.

7. Board Diversity

The Board recognizes the benefits of diversity and considers it an important element in effective decision-making and management. Board diversity has been considered from a number of aspects, including, but not limited to, gender, ethnicity, age, cultural and educational background, professional experience, skills, knowledge and attitude.

The search for board candidates is conducted by using objective selection criteria and with due regard for the benefits of diversity. All appointments are based on suitability and merit.

In 2018, the Nomination and Governance Committee reviewed the skills and characteristics required of directors, and proposed that the Board's age diversity be enhanced. The candidates for the position of an independent director in 2019 will be young entrepreneurs with experience in investment banking or M&A. Under the Company's CG Policy, if all the shortlisted candidates for a directorship possess the same or similar qualifications, female candidates will be given priority. The committee will submit this proposal to the Board for approval.





8. Independent Directors

Under the Company's Corporate Governance Policy, at least one-third of the board members (and not less than three persons) must be independent directors who are capable of exercising independent judgment and will act in the best interests of the Company and its shareholders. These directors must meet all the qualifications stipulated by the Capital Market Supervisory Board, along with the following requirements:

- 1) Not hold shares exceeding one-half (0.5) percent of the total number of voting shares of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, including shares held by related persons of the independent director.
- 2) Not be nor have been an executive director, officer, employee, controlling person or advisor who receives a salary, of the Company, its parent company, subsidiary, same-level subsidiary, affiliate, major shareholder or controlling person, unless the foregoing status ended not less than two (2) years prior to the date of appointment. This restriction shall not apply to an independent director who has been a government officer or an advisor to a government authority that is a major shareholder or controlling person of the Company.
- 3) Not be a person related by blood or registration under law, such as a father, mother, spouse, sibling

or child, including spouses of children, executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.

- 4) Not have nor have had a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being nor having been a substantial shareholder or controlling person of any entity having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person who may have a conflict of interest, unless the foregoing status ended not less than two (2) years prior to the date of appointment.

The term "business relationship" mentioned above includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Company or twenty (20) million baht or more, whichever is lower. The amount of such indebtedness

shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board *Re: Rules on Connected Transactions mutatis mutandis*. The combination of such indebtedness shall include indebtedness occurring during the course of one (1) year prior to the date on which the business relationship with the person commences.

- 5) Neither be nor have been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, nor be a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- 6) Neither be nor have been any kind of professional advisor, including a legal advisor or financial advisor who receives an annual service fee exceeding two (2) million baht from the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person, and neither be nor have been a substantial shareholder, controlling person or partner of the professional advisor, unless the foregoing relationship ended not less than two (2) years from the date of appointment.
- 7) Not be appointed as a representative of the Company's directors, the major shareholder or any other shareholder who is a related person to the major shareholder.
- 8) Not conduct any business which is of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor be a substantial partner, shareholder holding more than one (1) percent of the voting shares, director (having a management role), employee, officer or advisor (obtaining a regular salary) of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and is in competition with them in any material respect.
- 9) Not have any characteristics which make him or her incapable of expressing independent opinions with regard to the Company's business affairs.

Having been appointed under the criteria listed in 1 to 9 above, an independent director may be assigned by the Board to take part in the business decisions of the Company, its parent company, subsidiary, affiliate,

same-level subsidiary or legal entity in which he or she may have a conflict of interest, on condition that these decisions must be collective ones.

It is the Board's policy that an independent director may not be considered to remain "independent" after he or she has completed three (3) consecutive terms or a total of nine (9) years. However, the Board may still approve extensions for a period of one (1) year each time.

9. Board Membership Criteria

All directors must satisfy the following minimum requirements:

- Demonstrate capability, display the utmost integrity, and uphold ethical business practices.
- Devote sufficient time to the Company in order to perform their duties professionally.
- Possess the necessary qualifications for their positions, and not be disqualified in any way under the *Public Limited Companies, Act B.E. 2535* or other related laws.

10. Board Selection and Appointment

The Nomination and Governance Committee is responsible for reviewing, on an annual basis, the skills and characteristics required of directors in the light of the Board's composition, along with the Company's current and future business and strategic directions. The nomination process is shown below.

10.1 Selection and Appointment of New Directors

When the Board decides to appoint a new director, the Nomination and Governance Committee will proceed as follows:

- 1) The committee develops a skills matrix to identify gaps in the Board's current profile. In conducting this review, the committee will also consider diversity in terms of skills, experience, knowledge, independence, age, gender, and other characteristics.
- 2) The committee identifies potential candidates who would best meet the selection criteria from the sources below:
 - a. Recommendations from current Board members.
 - b. Proposals by the Company's shareholders who hold voting rights, as individuals or a group, equivalent to not less than five (5) percent of the total.

- c. Professional search firms.
 - d. The IOD director pool.
- 3) The committee conducts an initial assessment of candidates' qualifications, and then interviews people it has short-listed.
- 4) The committee submits nominations to the Board, which will propose these at the shareholders' meeting or approve a temporary replacement if a director resigns during his or her term of office.

In 2018, the Board did not nominate or appoint any new directors. One of the ten current board members, Ms. Sopawadee Lertmanaschai, was recommended by an external search firm.

10.2 Re-appointment of Directors

In deliberations on the re-appointment of existing directors, the Nomination and Governance Committee will consider relevant factors such as performance, continuity, attendance at and participation in meetings, and other contributions to the activities undertaken by the Board.

This procedure was followed in 2018 when Dr. Virach Aphimeteetamrong, Mr. Prasert Bunsumpun and Ms. Jeann Low Ngiap Jong were re-appointed as directors.

11. Board Orientation and Continuous Development

11.1 Orientation

All new directors must attend the Company's director orientation program for one to two days prior to assuming their responsibilities. The intention of this program is to enable new directors to gain a thorough understanding of the Company's management, business and governance practices, through a series of detailed briefings by the Company Secretary and the Company's executives. These cover the following aspects of the different businesses in the group and their support functions.

Topics	Responsible department
INTOUCH Group's investment structure	Company Secretary
Board and sub-committee matters	Company Secretary
Corporate governance and the Company's other policies	Company Secretary
Strategic direction and the Company's KPIs	Portfolio Management
Overview of the businesses in the group	Portfolio Management
New business investment	Business Development
Relevant regulatory issues and pending litigation	Legal
Risk management	Risk Management
Financing and accounting methods	Finance & Corporate Accounting
Social responsibility programs and corporate image	Corporate Public Relations
Human resource management and development	Human Resources

11.2 Continuous Training and Development Program

A continuous training and development program, paid for by the Company, is provided to all directors to ensure they are adequately prepared to discharge their duties and govern the Company efficiently. The Company Secretary discusses this matter with each director in order to create an individual program suitable for his or her needs. This program may take a variety of forms such as internal and external courses, site visits and overseas trips.

Details of the training and development program during 2018 are shown below.

Name	Training / Seminars / Exhibitions							Board Seminars			
	IOD ¹	SCB ²	Temasek Roundtable 2018 ³	Trade and Development Regional Forum 2018 ⁴	AISIN Advisory Committee ⁵	SID Director Conference 2018 ⁶	SID CG Roundup 2018 ⁷	Overseas trips ⁸	2018 Thailand Leadership Forum ⁹	Academy for Thai ¹⁰	Internal Control Measures for Legal Entities to Prevent the Risk of Bribery ¹¹
1. Dr. Virach Aphimeteetamrong	✓ (see 1A, 1B and 1C)								✓	✓	
2. Mr. Somchai Supphatada										✓	✓
3. Mr. Chalaluck Bunnag					✓			✓ (see 8A)			
4. Ms. Sopawadee Lertmanaschai									✓	✓	
5. Mr. Prasert Bunsumpun										✓	
6. Mr. Kan Trakulhoon	✓ (see 1C)	✓						✓ (see 8B)	✓	✓	
7. Ms. Jeann Low Ngiap Jong								✓ (see 8B)		✓	
8. Mr. Kwek Buck Chye			✓			✓	✓				
9. Mr. Somprasong Boonyachai								✓ (see 8B)		✓	
10. Mr. Anek Pana-apichon				✓					✓	✓	

Remarks:

1. A.) AGM & Dinner Talk on "Social Responsibility: Partnership in Education" presented by Dr. Mechai Viravaidya at Renaissance Bangkok Ratchaprasong Hotel on 24 May 2018.
- B.) Inaugural Corporate Governance Conference 2018: "Building Trust in Transforming the Economy" at Grand Hyatt Erawan Bangkok on 19 September 2018.
- C.) Chairman Forum 2018: "Digital Transformation - A Must for all Companies" at Grand Hyatt Erawan Bangkok on 6 November 2018.
2. A seminar on blockchain technology, crypto currencies and initial coin offerings held by SCB on 13 March 2018.
3. A seminar on corporate governance and anti-corruption ethics, held in Singapore on 27 April 2018.
4. Trade and Development Regional Forum 2018: "Transformation towards Innovative Trade and Development Agenda for Regional Integration", held by the International Institute for Trade and Development at Shangri-La Hotel Bangkok on 2-3 July 2018.
5. AISIN Advisory Committee, held in Japan on 13 July 2018.
6. SID Director Conference 2018: "Rebooting Globalization and Governance in an Era of Disruption", held in Singapore on 7 September 2018.
7. SID CG Roundup 2018, held in Singapore on 20 November 2018.
8. A.) Overseas business trip to Germany and France from 30 April to 7 May 2018.
B.) Overseas trips to South Korea and the USA to study innovative ideas and new technological developments.
9. 2018 Thailand Leadership Forum: "Human Robot Partnership" at C-ASEAN, Cyber World Tower, on 9 February 2018.
10. An academic seminar on new technology in the digital era, along with innovative learning methods, presented by local and international experts. This event was held at Impact Forum, Muang Thong Thani, on 3 October 2018.
11. Guest speakers from the Office of the National Anti-Corruption Commission at AIS Tower 1 on 12 October 2018.

12. Board Meetings

12.1 Number of Meetings and Schedules

The Board schedules meetings in every quarter, at least eight (8) meetings a year, and meets at other times as necessary. The schedule for the year's meetings is drawn up before the end of the previous year and sent to all the board members in advance so they are able to attend each meeting in order to act in the best interests of the Company.

12.2 Quorum and Meetings

The Company's Articles of Association define the quorum as at least half of the total directors. However, in practice, the Board follows the quorum stipulated in the Company's CG Policy and will only pass resolutions if a minimum of two-thirds of its members are present (excluding those with conflicts of interest). Each meeting generally lasts two to three hours. The Chairman of the Board allocates sufficient time for the management to present the necessary information and the members to discuss each item on the agenda in order to ensure that the shareholders' best interests are represented fairly. All board members have a right to express their opinions.

12.3 Agendas

The Chairman of the Board, in consultation with the CEO and the Company Secretary, will set the agenda for each

meeting. Any director may propose agenda items and raise other matters to be discussed.

12.4 Distribution of Meeting Notices and Supporting Documents

The Company Secretary is responsible for distributing the meeting notice and supporting documents at least seven (7) days before the date of each meeting. However, in urgent matters, there may not be time to distribute some documents in advance. Supporting documents will include a summary of the matters to be considered.

Moreover, a Board Portal system has been developed for all the directors to access board-related documents via computers and mobile devices (such as iPads) anywhere and at any time. This system, which meets the information security standards SSAE16, SOC2 & ISO27001, allows the directors to perform their duties more conveniently.

12.5 Meeting Attendance

All of the Company's directors have devoted sufficient time to attend board and board committee meetings, and were present at the Annual General Meeting of Shareholders for 2018.

The meeting attendance in 2018 is recorded in the table below.

Name	2018 Annual General Meeting	Board	Audit Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	CSR Committee for Sustainable Development	Strategic and Organizational Review Committee
1. Dr. Virach Aphimeteetamrong	Yes	8/8					
2. Mr. Somchai Supphatada	Yes	8/8	7/7				
3. Mr. Chalaluck Bunnag	Yes	7/8	7/7			2/2	
4. Ms. Sopawadee Lertmanaschai	Yes	7/8	5/7				2/3
5. Mr. Prasert Bunsumpun	Yes	8/8		2/2	8/8		3/3
6. Mr. Kan Trakulhoon	Yes	8/8		2/2	8/8	2/2	3/3
7. Ms. Jeann Low Ngiap Jong	Yes	8/8		2/2	8/8		3/3
8. Mr. Kwek Buck Chye	Yes	8/8					3/3
9. Mr. Somprasong Boonyachai	Yes	8/8					3/3
10. Mr. Anek Pana-apichon	Yes	8/8				2/2	3/3

12.6 Board Minutes

The Company Secretary must record the minutes of each meeting, submit them to the Chairman of the Board for review, and then circulate them to each board member within seven (7) days of the meeting. The minutes must contain all the meeting resolutions along with sufficient background information, and be prepared in accordance with relevant laws.

12.7 Executive Sessions for Non-executive Directors

Under the Company's CG Policy, non-executive directors shall hold regular meetings to discuss matters related to the Company's business, or issues of common interest, without the presence of executive directors. Four meetings were held during 2018 (on 24 January, 11 May, 3 August, and 2 November) to discuss the progress made on the succession plan for senior executives, along with the leadership development program and the employees' compensation structure.

13. Access to Management and Independent Advisors

Every director has independent access to the management and the Company Secretary at any time if he or she needs additional information concerning the Company's performance or other information that is not provided at board meetings. The Board and its sub-committees may engage independent advisors at the Company's expense, should they deem this necessary to discharge their responsibilities.

14. Conflicts of Interest

The Board has established rules and procedures for reporting of directors' and executives' interests in the Company and its affiliated companies to ensure that the Company complies with the *Securities and Exchange Act, B.E. 2535* and other relevant laws.

Directors and executives are required to disclose any potential conflicts of interest with the Company. If one arises during a business decision or transaction involving the

Company, he or she is prohibited from participating in or approving that matter.

15. Outside Board Memberships

Under the Company's Corporate Governance Policy, an individual director should not serve on more than six (6) other boards of listed companies, unless the Board grants specific approval, in order to ensure that all directors allocate sufficient time to prepare for and attend board and board committee meetings.

Furthermore, the CEO shall not serve on the boards of any other public listed companies (excluding the Company's subsidiaries or associates) unless the Board grants specific approval.

In 2018, the Company's CG Policy was amended. Any director who is offered an outside board membership is now required to consult the Chairman of the Board and the Chairman of the Nomination and Governance Committee before accepting the position. The latter reported that all of the directors, including the CEO, had complied with this policy during the year.

(The details of outside board memberships held by each director and the CEO can be found in the Annual Report for 2018, pp. 26-34.)

16. Board Evaluations

The effectiveness of the Board is vital to the success of the Company so it is current policy to conduct an evaluation every year, and consider an independent evaluation by an external consultant every three years. These evaluations review the performance of the Board as a whole, its individual members and each board committee, with the objective of improving overall effectiveness.

Scope of board evaluations:

1. Evaluation of the Board as a whole
2. Evaluation of the board committees
3. Self-evaluation by individual directors

The Company engaged Aon Hewitt to conduct the board evaluation for 2016/2017. This covered the Board as a whole, the board committees and individual directors (both self-evaluations and peer reviews). The evaluation concluded that the Board and all its sub-committees had operated thoroughly and effectively throughout the years. The overall performance of the Board was in the 75th percentile of leading Southeast Asian companies in the same industry.

In 2018, the board evaluation was conducted internally and covered the following assessment areas:

The Board

- Board Composition & Independence
- Board Processes/Roles & Functions
- Information Management
- Monitoring of Company Performance
- Management of Risks & Adversity
- Management of CEO Performance & Succession Planning
- Representation of Shareholders & Corporate Social Responsibility
- Director Development & Remuneration

Board Committees

- Fulfillment of responsibilities
- Compliance with regulatory requirements
- Effective communication & decisions
- Frequency of meetings and time management
- Suitable mix of capabilities, experience and skills
- Accessibility to other directors

Individual Members

- Contribution
- Knowledge and Abilities
- Teamwork
- Integrity

The Nomination and Governance Committee began the process by reviewing the assessment areas and revising the related questions. The questionnaires for the Board as a whole and for individual members were then distributed, and the completed forms sent to the Company Secretary to compile a report on the results. This report was considered by the Nomination and Governance Committee, which drew up a development plan that was submitted to the Board for consideration.

In addition, each board committee conducted a self-evaluation against its charter and concluded that it had completely and effectively discharged its duties during the year 2018. Moreover, the Audit Committee also conducted an additional self-evaluation using a checklist prepared by the Securities and Exchange Commission.

In 2018, the evaluation revealed that the Board and its sub-committees were operating in an effective manner. The detailed scores are shown in the table below.

Board/Board Committee	Type of assessment	Results
Board of Directors	The whole Board	4.12 out of 5
	Self-assessment	4.12 out of 5
Audit Committee	The whole committee	4.22 out of 5
	Self-assessment	3.82 out of 5
Nomination and Governance Committee	The whole committee	4.42 out of 5
	Self-assessment	4.19 out of 5
Leadership Development and Compensation Committee	The whole committee	4.42 out of 5
	Self-assessment	4.19 out of 5
CSR Committee for Sustainable Development	The whole committee	4.11 out of 5
	Self-assessment	3.80 out of 5
Strategic and Organizational Review Committee	The whole committee	4.29 out of 5
	Self-assessment	3.99 out of 5

17. Board Committees

The Board has established five (5) standing board committees to assist it in discharging its responsibilities. Each committee performs its duties in accordance with a written charter approved by the Board. These committees provide advice and recommendations to the Board in relation to their areas of expertise, and make decisions on specific matters that have been delegated to them by the Board.

The composition of each committee and its roles and responsibilities are shown below.

Board committees and members as at 31 December 2018	Key roles and responsibilities
Audit Committee Mr. Somchai Supphatada* (Chairman) Mr. Chalaluck Bunnag Ms. Sopawadee Lertmanaschai* <small>* Has an accounting background and related financial management expertise, with the competence to review the reliability of financial statements</small>	This committee assists the Board in fulfilling its responsibility with respect to the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the effectiveness of risk management and internal controls, and the performance of both the internal and external auditors, including the qualifications and independence of the latter along with recommendations on their appointment, termination and remuneration.
Nomination and Governance Committee Mr. Prasert Bunsumpun (Chairman) Ms. Jeann Low Ngiap Jong Mr. Kan Trakulhoon	This committee assists the Board in ensuring that the nomination and governance processes are properly implemented with respect to director nomination, board composition & succession plan, board assessment & training, and the Company's compliance with corporate governance standards and best practices.

Board committees and members as at 31 December 2018	Key roles and responsibilities
<p>Leadership Development and Compensation Committee</p> <p>Mr. Kan Trakulhoon (Chairman)</p> <p>Mr. Prasert Bunsumpun</p> <p>Ms. Jeann Low Ngiap Jong</p>	<p>This committee assists the Board in determining the compensation of directors and executives, along with cultivating a strong and internationally competitive management team. The committee, together with the CEO, assesses and determines the succession plan for the Company's and its subsidiaries' CEOs and the persons who report directly to them, as well as evaluates the performance of the CEO and senior executives. The committee also ensures that the compensation packages for the directors and executives are commensurate with their roles and responsibilities in order to attract and retain high-quality leaders.</p>
<p>CSR Committee for Sustainable Development</p> <p>Mr. Chalaluck Bunnag (Chairman)</p> <p>Mr. Kan Trakulhoon</p> <p>Mr. Anek Pana-apichon</p>	<p>This committee assists the Board in reviewing and approving the Sustainable Development Policy and the Sustainability Report. The committee also monitors the Company's compliance with this policy, oversees the CSR programs (which includes reviewing the related strategy and budget), and ensures that the Company's business operations follow the principles of sustainable development.</p>
<p>Strategic and Organizational Review Committee</p> <p>Ms. Jeann Low Ngiap Jong (Chairperson)</p> <p>Ms. Sopawadee Lertmanaschai</p> <p>Mr. Prasert Bunsumpun</p> <p>Mr. Kan Trakulhoon</p> <p>Mr. Kwek Buck Chye</p> <p>Mr. Somprasong Boonyachai</p> <p>Mr. Anek Pana-apichon</p>	<p>This committee assists the Board in the strategic positioning of INTOUCH Group in order to achieve business success and sustainable growth. The committee's main responsibilities are reviewing the strategic direction, organizational structure and half-year performance of companies in the group, along with studying strategic moves. The committee also evaluates new business opportunities, and approves investments within the prescribed limits.</p>

 All the board committee charters can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

18. Company Secretary

The Company Secretary acts as secretary to the Board and is accountable directly to the Board, through the Chairman, on all matters relating to governance and board effectiveness. All the directors have immediate access to the Company Secretary, and his or her appointment or removal is a matter for the Board as a whole.

The Company Secretary has the following duties and responsibilities:

- Organize and facilitate board and board committee meetings.
- Organize the annual general meeting of shareholders, and record and publish the related minutes.
- File all documents and related records.
- Ensure that the Board is in compliance with all related laws and regulations.

- Handle corporate governance issues and provide advice on these to the Board.
- Assist in matters related to the Board, members of management and shareholders.
- Follow up on all resolutions passed and instructions given by the Board and shareholders' meetings.
- Undertake any other actions specified in the Securities and Exchange Act, B.E. 2535 or related laws and regulations, including notifications issued by the Capital Market Supervisory Board.

The incumbent Company Secretary is Mr. Wichai Kittiwittayakul, who is 57 years old and holds a Master's Degree in Accountancy from Thammasat University. Prior to becoming the Company Secretary, he was the Secretary to the Board and the Audit Committee. He is an expert in corporate governance, compliance, internal control, internal audit and risk management, and previously worked as a compliance manager. In addition, he is a former director of the Thai Company Secretary Club and held the position of Chairman of the Institute of Internal Auditors of Thailand.

In 2018, Mr. Wichai Kittiwittayakul attended the following events and seminars:

- "Harvard Leadership and Development Program" held by Harvard Business Publishing.
- "Management Cyber Readiness" held by Singtel Cyber Security Institute
- The Anti-Corruption Day 2018 held by the Anti-Corruption Organization of Thailand at Bangkok International Trade and Exhibition Centre on 6 September 2018.
- Inaugural Corporate Governance Conference 2018: "Building Trust in Transforming Economy" at Grand Hyatt Erawan Bangkok on 19 September 2018.
- "Academy for Thais" - An academic seminar on new technology in the digital era, along with innovative learning methods, presented by local and international experts. This event was held at Impact Forum, Muang Thong Thani, on 3 October 2018.

- "Internal Control Measures for Legal Entities to Prevent the Risk of Bribery", with guest speakers from the National Anti-Corruption Commission, held at AIS Tower 1 on 12 October 2018.
- Audit Committee Forum: "Learn, Unlearn and Relearn - Audit Committees in the Age of Disruption", held at InterContinental Hotel on 12 November 2018.

The Management

The CEO

The CEO is appointed by the Board, and is responsible for the day-to-day management of the Company in accordance with the business plan, strategy and long-term objectives approved by the Board. In addition, the Board approves the CEO's short-term and long-term performance indicators, and considers the CEO's annual performance in order to approve his or her remuneration.

The Board has authorized the Leadership Development and Compensation Committee to determine the CEO's KPIs, and evaluate the results of his or her performance before these are considered by the Board. The CEO's KPIs cover key dimensions, in accordance with the balanced scorecard system, such as financial performance, investment, customers, internal process, and human resource development. In addition, there are long-term indicators that focus on Total Shareholder Return (TSR) and the Company's Economic Value (EV).

Management Committee

The Management Committee is responsible for assisting the CEO in managing the Company's day-to-day operations, implementing the approved strategies and policies in order to achieve the planned objectives and targets, making investment decisions under the authority delegated by the Board, monitoring the financial and operating results of all the companies in INTOUCH Group, and ensuring that all pertinent information is reported to the Board in a timely manner.

The Management Committee is chaired by the CEO and meets at least once a month. Twenty-two meetings were held in 2018. The Management Committee consists of the following senior executives (whose biographies are shown in the Annual Report for 2018, pp. 34-35).

Name	Position
1. Mr. Anek Pana-apichon ¹	Chief Executive Officer
2. Mr. Kim Siritaweechai ²	Chief Financial Officer
3. Mr. Wichai Kittiwittayakul	Executive Vice President - Governance, Risk and Compliance
4. Ms. Kantima Lerlertyuttitham	Group Chief Human Resources Officer

Remarks: 1. Mr. Anek Pana-apichon was appointed Chief Executive Officer on 1 January 2019.
 2. Mr. Kim Siritaweechai was appointed Chief Financial Officer on 1 January 2019.

Succession Plan for the CEO and Top Management

The Board recognizes the importance of the succession planning for top management, especially for the CEO, and has assigned the LDCC, together with the CEO, to develop a succession plan for the CEO (N), the persons who report directly to him or her (N-1), and executive positions at the level below (N-2). Moreover, an external consultant is engaged to assess this plan and help develop it.

In addition, the Company has also developed a succession plan for the lower management level (AVP) by identifying existing personnel. For positions with no potential successors, a development program has been established to train suitable candidates, while external candidates will also be considered. The aim of this program is to guarantee a smooth transition without any impact on the Company's operations in order to maintain stakeholder confidence.

The Company draws up individual development plans (IDPs) for all the designated successors at every level to improve their readiness. If an internal successor is not ready to take up a vacant position, external candidates will be recruited. The succession plan and the IDPs are included in the Company's KPIs.

In 2018, 86% of the approved IDPs were successfully completed.

Role to Stakeholders

The Company respects the rights of every group of stakeholders and has set guidelines within the Code of Conduct, Human Resources Policy and Corporate Social Responsibility for Sustainable Development Policy to ensure that appropriate priorities are maintained for all

shareholders, executives, employees, customers, business partners, creditors, and the public and community at large. The Company facilitates cooperation among the various groups of stakeholders according to their roles and duties in order to create a fair and stable business environment that runs smoothly for the benefit of all parties concerned.

Shareholders

The Board represents all of the Company's shareholders by overseeing every aspect of the business in order to create long-term growth and maximize shareholder value, as well as ensure transparency and the timely disclosure of accurate information. The Board ensures that the Company treats all of its shareholders equally and respects their rights, by applying the related principles and guidelines for good corporate governance. The Company has provided communication channels such as ir-intouch@intouchcompany.com and companysecretary@intouchcompany.com.

Employees

The workforce is a valuable asset and a critical success factor, so the Company places strong emphasis on developing and promoting a good culture and working atmosphere, teamwork, courtesy, and respect for individuality. All decisions about the hiring, promotion and transfer of employees are based on ethical standards and unlocking employee potential for the benefit of the Company.

The Company is responsible for implementing and maintaining a safe working environment in order to protect the lives and property of all its employees. Moreover, the Company strictly adheres to all the labour laws and regulations in Thailand.

Customers

Customer satisfaction and consumer confidence are very important to the Company. The Company aims to provide high quality goods and services at reasonable prices, and maintain a good relationship with its customers. The Company has thus determined the following guidelines:

- Products and Services: The Company shall provide high quality products and services, and continuously strive to improve these. The Company shall also provide complete and accurate disclosure of all information pertaining to its products and services without any misrepresentation.
- Confidentiality of Customers' Information: Directors, management, and staff members at all levels shall not disclose any information about customers without prior permission from those customers or authorized personnel of any company in the group. The only exception to this is information requested by law enforcement officers acting in accordance with the law.

Competitors

The Company has a policy of free and fair competition and will not try to monopolize the industry. The Company does not force its business partners to distribute only the Company's products. The Company does not acquire information on its competitors by any illegal or unethical methods.

Society

The Company is aware that, as a Thai company, it has a responsibility to Thailand and Thai society. Therefore, the Company is committed to making social contributions by supporting activities of public interest, and cooperating with the communities in which those activities occur. Information on the Company's CSR program is provided on page 242.

The Environment

The Company has a policy not to invest in any business that destroys or harms the environment. The Company encourages all the companies in the group to produce goods and render services that are environmentally friendly, make the best use of natural resources, and comply with all related environmental laws. The Company supports activities that protect the environment and save energy. In addition, the Company conducts an annual

environmental awareness session for all the employees, and has a policy to purchase and promote the use of products that are environmentally friendly.

Business Partners

The Company's dealings with its business partners are conducted in a manner that upholds the reputation of the Company and all relevant laws. All employees are made aware of the common interests that the Company has with its business partners in order to treat them equitably. The selection of business partners is both fair and transparent, and the Company considers them to be the key factor in jointly creating value for its customers.

The Company has drawn up and implemented a Supplier Code of Conduct, which has been communicated to all its business partners in order to emphasize transparency in every business relationship.

Intellectual Property

The Company respects the intellectual property of others and will only utilize it after obtaining permission to do so. Any infringement of intellectual property rights is against the Company's policy.

The Company purchases all the licensed software necessary for employees to perform their functions adequately. Employees are not permitted to install any unlicensed software onto the Company's computers or devices.

Creditors

The Company honors all its commitments, safeguards all guaranteed assets, and complies with all the terms and conditions agreed with its creditors for the repayment of principal and interest. To ensure compliance with loan covenants, the Company will:

- Maintain healthy financial ratios.
- Monitor its relevant financial ratios (such as interest-bearing debt to equity).
- Provide key information in a timely manner, even though it may have a negative impact on the Company's business.

If the Company finds that it is unable to comply with any obligation in a loan agreement, it will notify its creditors as soon as possible in order to seek a mutually agreed solution.

Contacting the Board

Any stakeholder who wishes to offer suggestions or report unfair treatment, illegal acts or any infringement of the Company's code of conduct, or any matter that may cause damage to the Company, can contact the Board or the Audit Committee through the channels below.

Mail to:

Intouch Holdings Plc.
Company Secretary Office
349 SJ Infinite One Business Complex,
30th Floor, Vibhavadi-Rangsit Road,
Chompol, Chatuchak, Bangkok, 10900

E-mail at:

AuditCommittee@intouchcompany.com
(to contact the Audit Committee)
companysecretary@intouchcompany.com
(to contact the Audit Committee)

All suggestions, complaints or reports will be forwarded to the relevant parties and all actions taken reported to the Audit Committee and the Board.

approval. Significant announcements are made promptly and directly to the SET, then immediately posted on the Company's website.

☞ The Market Disclosure Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

Communication with Shareholders and Potential Investors

Communication Strategy

Organize activities for shareholders and potential investors in order to understand their expectations and address any concerns.

Cooperate with analysts and securities firms in order to obtain information and expand the investor base.

INTOUCH reviews and updates its disclosure policy regularly in order to ensure that it is appropriate for the current circumstances. The Company also utilizes the latest technology for effective and efficient communication with all of its stakeholders. Information is disseminated through various channels, especially digital ones such as websites, in order to provide equal access to everyone. Moreover, the Company has promoted a paperless society by encouraging the shareholders and potential investors to download electronic documents from its website or by scanning QR codes for digital storage.

All shareholders and potential investors can submit enquiries through the Company's website under "Request for more information" and expect a quick response. These enquires enable the Company to discern stakeholder interests and concerns. Every year, the Investor Relations department asks the shareholders, investment community and analysts for feedback on the Company's operations so that it can develop a communication strategy to help them understand the business better and address any concerns.

In 2018, INTOUCH published its annual newsletter with details of the half-year performance, disseminated information regularly by email, answered telephone inquiries, held 19 private on-site meetings with analysts and investors, arranged two public meetings for analysts

Disclosure of Information and Transparency

Disclosure of Material Information

The Company is committed to providing its shareholders and potential investors with accurate, adequate, timely and equal access to information, in accordance with legal and regulatory requirements in order to promote investor confidence in the Company's integrity.

The Board has adopted a Market Disclosure Policy to assist it in fulfilling the reporting obligations required by the Stock Exchange of Thailand (SET), and provide investors with information which may affect the price or value of its securities and influence decisions to buy or sell them.

Under this policy, the CFO and Head of Compliance have the primary responsibility of determining whether information must be disclosed to the SET; if so, an appropriate announcement will be prepared for the CEO's

and fund managers, and held 13 local and international non-deal roadshows (attended by a total of 114 fund managers). The Company was also represented at the SET Opportunity Day held every quarter. All the Investor Relations activities in 2018 have been summarized below.

February

- 2018 INTOUCH Group Analyst Meeting
- Local fund non-deal roadshow arranged by Kasikorn Securities Public Company Limited
- Non-deal roadshows in Singapore arranged by CGS-CIMB Securities (Thailand) Company Limited
- 1Q18 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public

March

- Participated in Daiwa Investment Conference Tokyo 2018 organized by Thanachart Securities Public Company Limited and Daiwa Securities Group Inc.
- Participated in Thailand Corporate Day in Hong Kong organized by UBS Securities (Thailand) Limited
- Participated in The 21st Asian Investment Conference in Hong Kong organized by Credit Suisse Group

April

- Local fund non-deal roadshow arranged by KGI Securities (Thailand) Public Company Limited

May

- Participated in dbAccess Asia Conference 2018 in Singapore organized by TISCO Securities Company Limited
- 2Q18 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public

June

- Participated in Invest Asia in Dublin and London organized by Maybank Kim Eng Securities (Thailand) Public Company Limited

August

- 2018 INTOUCH Group Half Year Analyst Meeting
- 3Q18 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public
- Participated in Thailand Corporate Day in Hong Kong organized by Maybank Kim Eng Securities (Thailand) Public Company Limited
- Participated in Thailand Corporate Day in Singapore organized by SCB Securities Company Limited
- Local fund non-deal roadshow arranged by Krungsri Securities Public Company Limited
- Participated in Thailand Focus 2018 organized by the Stock Exchange of Thailand

September

- Participated in Thailand Corporate Day in Kuala Lumpur and Singapore organized by Maybank Kim Eng Securities (Thailand) Public Company Limited

November

- 4Q18 Opportunity Day arranged by the Stock Exchange of Thailand, attended by analysts, the media and members of the general public
- Non-deal roadshows in Taipei arranged by Maybank Kim Eng Securities (Thailand) Public Company Limited

The Investor Relations department arranged engagement activities to help analysts and investors, both local and foreign, discuss the Company's performance and strategic direction with the Chief Executive Officer, Chief Financial Officer and Senior Vice President of Portfolio Management & Investor Relations, along with corporate governance policy and risk mitigation. The Company observes a 30-day silent period prior to its scheduled earnings announcements in order to ensure fairness and prevent the improper disclosure of information that might affect its share price while the financial statements are being prepared.

Frequently asked questions in 2018

INTOUCH	AIS	THAIMCOM
<ul style="list-style-type: none"> The reason for the widening gap in discount to net asset value Dividend policy and ability to increase dividend payout ratio Performance of High Shopping Return on investment in InVent projects and profit-taking from investment in these companies Plan for new business investment Potential investment in emerging technologies 	<ul style="list-style-type: none"> Competitive landscape Revenue growth drivers Post-acquisition of CSL strategy The upcoming license auction and related roadmap 5G service business plan and spectrum to be used Probability of increase in dividend payout 	<ul style="list-style-type: none"> Revenue growth drivers Existing business strategy and plan for new business investment Probability of recording significant bad debt provision Probability of recording impairment losses on satellites

For more information about the Company and its activities, please contact Ms. Tomyantee Kongpoolsilpa in the Investor Relations department through one of the following channels: Tel: (66) 2118 6909 or Email: ir-intouch@intouchcompany.com or the Company's website at www.intouchcompany.com

Company Website

The Company's website (www.intouchcompany.com) is available in both Thai and English. It is regularly updated in order to maintain effective communication with the shareholders and other stakeholders.

Risk Management and Internal Controls

The Board recognizes that sound risk management and internal controls are essential elements of good corporate governance. The Board has assumed the overall responsibility for establishing and maintaining effective risk management and internal control systems in pursuit of the Company's business objectives, with the aim of creating sustainable value for the shareholders.

Risk Management

The Company has a risk management framework in place that has provided a foundation for managing the risks in all its business activities, based on the *COSO Enterprise Risk Management Framework and ISO 31000:2009*.

Under this framework, the Board has defined the Company's risk appetite, and overseen the establishment and maintenance of risk management policy and processes. Risk management has been integrated into all areas of the Company's activities, including strategy formulation and decision-making. All the significant risks faced by the Company are identified, evaluated, managed, and reported to the Board through the Audit Committee on a quarterly basis.

The risk management framework and risk factors are detailed in the Annual Report for 2018, pp. 56-61.

Internal Controls

The Company has adopted the Internal Control-Integrated Framework (2013) established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) for designing and implementing its internal control system as described below.

1) Control Environment

The control environment is the set of standards, processes, and structures that provide the basis for implementing internal controls across the Company. The Board has established the tone at the top regarding the importance of internal controls and expected standards of conduct. The main elements of the Company's control environment are as follows:

- The Board acts independently from management and demonstrates relevant skills and expertise in carrying out its oversight responsibilities. The Board has clearly defined its retained authority and the authority delegated to the CEO and other executives.
- The Board and management at all levels demonstrate through their directives, actions and behavior the importance of integrity and ethical values to support the functioning of the internal control system. Codes of conduct have also been drawn up as guidelines for all the directors, executives and employees.
- Clear reporting lines and levels of management authority and responsibility have been established in the Company's organizational structure.
- The processes are in place for attracting, developing and retaining competent employees, measuring their performance and determining incentives.
- The CEO and other executives have designed and implemented the organizational structure, delegated approval authority and defined managerial responsibilities, all of which are required in order to establish accountability for internal controls at every level of the organization. These are periodically reviewed to ensure that they are appropriate.

2) Risk Assessment

The Company conducts all its business within its defined risk appetite in order to achieve set business objectives. The risks that may affect the achievement of these have been identified and assessed across the organization, along with the potential for fraud and changes in both the

external and internal environments, in order to determine the appropriate mitigation measures.

All the Company's executives and many of the staff are risk owners who are responsible for identifying and assessing the risks in their business areas as part of the annual strategic and business plans, day-to-day management and decision-making, and the project management process.

3) Control Activities

The Control activities are the actions established through the Company's policies and procedures to help ensure that managerial directives to mitigate risks that may affect the achievement of set objectives are carried out. The Company's control activities are performed at all levels of the organization, at various stages within business processes, and across the technology environment. These include authorization and approval, verification, reconciliation, segregation of duties, and business performance reviews.

4) Information and Communication

The Company obtains or generates relevant and high-quality information from both internal and external sources to support the functioning of internal controls. This information, including the objectives of and responsibilities for internal control, is communicated across the organization and, in related matters, to outside parties.

A Whistle-blowing Policy has been implemented to provide secure and confidential channels for any stakeholder to make a complaint and report misconduct or fraud, or suspicions thereof, involving the Company. Whistle-blowing reports are periodically reviewed by the Audit Committee.

5) Monitoring Activities

The Company performs evaluations to ascertain whether the components of internal control are present and functioning. These are conducted by competent functional managers, who have sufficient knowledge to understand the purpose of and procedure for each evaluation, and are able to analyze the information they receive carefully.

The Company has an internal audit unit, which supports the Audit Committee in overseeing the control system. The main role of this unit is to independently ensure that internal controls are adequate and effective.

Any internal control deficiencies will be communicated to the relevant parties, including the responsible management, Audit Committee and the Board, in a timely manner so that prompt corrective action can be taken.

At Board Meeting No. 2/2019, held on 8 February 2019 with the Audit Committee present, the Board assessed the Company's internal controls, using guidelines from COSO's Internal Control-Integrated Framework and the Office of the Securities and Exchange Commission, and concluded that they were adequate and effective with no material deficiencies. Moreover, the monitoring system for safeguarding the Company's and its subsidiaries' assets from misappropriate use by the directors or management was also adequate and effective.

Ethical Standards

Code of Conduct

The Company is committed to the key principles of integrity, ethical business conduct and accountability in accordance with good corporate governance practices. The Board expects all executives and employees to act with honesty, integrity and impartiality.

The Board reviews and approves the Code of Conduct. The latest version covers the following areas:

1. Responsibility to shareholders
2. Responsibility to customers
3. Responsibility to business partners and creditors
4. Responsibility to society and the environment
5. Responsibility to staff
6. Human rights
7. Business competition
8. Anti-corruption

9. Compliance with laws, rules and regulations
10. Participation in political activities
11. Conflicts of interest
12. Safeguarding the Company's assets
13. Intellectual property
14. Use of inside information and trading of the group's securities
15. Distribution of information and interviews with the press or public
16. Related transactions within the group

A copy of the latest version is provided to all executives and employees, and is discussed during induction training. All executives and employees are required to sign a declaration of compliance every year. An annual test is conducted to assess each person's understanding of the Code of Conduct in different situations.

Any violation of the Code of Conduct is subject to a full range of disciplinary action, including dismissal. In addition, managers and supervisors at all levels must monitor the business activities of their subordinates, and encourage them to abide by the code and always behave as model citizens.

The Ethics Committee monitors compliance with the Code of Conduct and reports the results to the Audit Committee on an annual basis.

 The Code of Conduct can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

Whistle-blowing

The Board has adopted the Company's Whistle-blowing Policy to encourage all employees and other stakeholders to report any misconduct or fraud, or suspicions thereof, through secure and confidential channels, as shown on page 84. The Company will investigate all complaints independently and impartially in order to obtain sufficient

evidence to either substantiate or refute the allegations. The Company is committed to improving its business processes, and will take disciplinary action and/or legal proceedings against any wrongdoers.

The Company will provide protection for employees who make a complaint, report misconduct or fraud in good faith and/or assist in an investigation, and will not tolerate threats or intimidation of any kind. No executive or manager may terminate the employment of a subordinate who made a complaint or reported misconduct or fraud, or suspicions thereof, suspend that person from work, or punish that person in any way. Anyone violating this policy will be subject to disciplinary action.

In 2018, two complaints were made directly to INTOUCH about another company in the group. Both cases were processed in accordance with the Company's defined procedures, and neither case had a material impact on the Company's operations.

 The Whistle-blowing Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

Dealing in Securities

The Board has adopted a Securities Trading Policy to prohibit the Company's directors, executives and employees from trading INTOUCH Group's securities and other financial instruments if they possess inside information, as well as from passing on inside information to anyone else.

The Company's rules and guidelines for trading INTOUCH Group's securities are as follows:

- 1) Directors, senior executives and any employee who, because of their positions or responsibilities, have access to material non-public information about the Company ("designated persons") are prohibited from trading INTOUCH Group's securities for a period of thirty (30) days (the "black-out period") prior to the disclosure or publication of the quarterly

and annual financial statements, or any other period that the Company might specify from time to time.

- 2) Designated persons are required to report any changes in their holdings of INTOUCH Group's securities (including those held by their spouses/ cohabitantes and/or minor children, as well as any juristic person in which the aforementioned persons hold an aggregated amount of shares exceeding 30% of its total voting rights if this amount constitutes the largest proportion of the overall shareholding) to the Company Secretary within three (3) business days of the trading date. The Company Secretary submits copies of these reports to the Chairman of the Board, the Chairman of the Audit Committee and the CEO within seven (7) business days of receipt, and reports the details at the next board meeting.
- 3) Any designated person who intends to trade INTOUCH Group's securities must notify the Board at least one day in advance.

Moreover, all designated persons are encouraged to make long-term investments in INTOUCH Group's securities (rather than speculative or short-term trading) and should avoid the following transactions: short selling of INTOUCH Group's securities; trading derivatives (i.e. futures and options) in relation to INTOUCH Group's securities; and holding INTOUCH Group's securities in a margin account.

 The Securities Trading Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

Anti-Bribery and Corruption

The Company is committed to conducting its business in a transparent, ethical and lawful manner. As part of this commitment, the Company has a zero-tolerance policy towards bribery and corruption, and will not pay or accept bribes of any kind, either directly or indirectly.

In addition, the Company was certified as a member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC) in 2013, and re-certified in 2016. The Company has also participated in regular related activities with external parties, such as the Anti-Corruption Day 2018 held by the Anti-Corruption Organization of Thailand on 6 September 2018.

The Company has implemented the following program in order to maintain high ethical standards as well as uphold its position against any form of bribery or corruption.

- 1) **Tone from the Top:** The Board fosters a culture within the Company in which bribery and corruption are never acceptable. The Board has provided a clear statement of its commitment to conducting business fairly, honestly and transparently, which has been communicated to all of the Company's employees and business partners.



- 2) **Risk Assessment:** The Company regularly assesses the risks of bribery and corruption, and reviews the related mitigation measures to ensure that they are appropriate.
- 3) **Policy and Procedures:** A clear Anti-Bribery and Corruption Policy with detailed guidance and procedures has been drawn up, which covers the areas of political contributions, charitable contributions & sponsorships, facilitation payments, gifts & hospitality, and business relationships.
- 4) **Training and Communication:** A training program has been provided for employees to recognize situations in which bribery or corruption may occur so they can avoid them, while their understanding of this matter is tested from time to time. The Company held a seminar called "Internal Control Measures for Legal Entities to Prevent the Risk of Bribery" on 12 October 2018 for the directors, executives and relevant employees in INTOUCH Group, with guest speakers from the National Anti-Corruption Commission.
- 5) **Business Relations:** The Company has communicated its Anti-Bribery and Corruption Policy to all its subsidiaries and associated companies, along with suppliers, consultants and business partners who receive more than 500,000 baht a year from the Company in purchases or fees. The Company has also invited all of these to join the CAC in order to fight against corruption.
- 6) **Whistle-blowing:** Secure communication channels have been established for reporting any suspicion of bribery or corruption within the Company and its group.
- 7) **Monitoring and Review:** A monitoring system is in place to ensure that the procedures and related internal controls, which are reviewed regularly, are effective in countering bribery and corruption.



The Anti-Bribery and Corruption Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

IT Governance

An IT Governance Framework has been established to provide guidelines for developing, approving, implementing and reviewing an IT strategy that is aligned with the Company's business direction and objectives, along with all the related laws and regulations. This framework helps the Company improve its IT policy and procedures to ensure a stable and secure environment. The Board of Directors has delegated the responsibility for making key IT-related decisions to the management, such as the organizational structure of the IT department and the purchase of equipment and software deemed necessary.

As the primary focus for many years has been on cyber security, the management has developed and implemented a framework that comprises the following five key elements: Identification, Protection, Detection, Response and Recovery. An Information Security Policy has also been drawn up and applies to all the directors, executives and employees. In addition, the Company conducts regular IT risk assessments, along with IT audits when these are required.

External Auditor

The Appointment of the External Auditor

The appointment of the Company's external auditor must be approved by the annual general meeting of shareholders along with the audit fees. The Audit Committee will consider prospective auditors and the fees charged by their firms beforehand, and submit its recommendation to the Board for proposal to the shareholders. The Company has a policy to rotate the external auditor in accordance with a notification issued by the Capital Market Supervisory Board, and invites tenders from the leading international audit firms every time this occurs.

The selected audit firm and its auditors must be independent and have no conflicts of interest with the Company or its management, the major shareholders or any related person.

Audit Fees

The Company's financial statement for 2018 was audited by Mr. Suphamit Techamontrikul (CPA No. 3356) of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (DTTJ), who expressed his opinion. The details of the audit fees paid by the Company and its subsidiaries in the year 2018 are shown in the table below.

(Unit: million baht)

Company	The external auditor under DTTJ	The other auditors under DTTJ and its related firms
Intouch Holdings Plc.	2.04	-
Thaicom Plc. and its group	-	6.79
ITV Plc. and its group	0.50	-
Other subsidiaries	0.18	-
Total audit fees	2.72	6.79
Out-of-pocket expenses	0.07	0.16
Total audit fees and out-of-pocket expenses	2.79	6.95

Non-audit Services Policy

The Company has adopted a Non-audit Services Policy to ensure that the independence of the external auditor is not impaired.

This policy stipulates certain services that the external auditor cannot provide to the Company such as book-keeping, actuarial services, or other services related to the Company's accounting records and financial statements.

However, in engaging the external auditor to provide non-audit services which are not perceived to impair the auditor's independence, the management must obtain prior approval from the Audit Committee or follow the criteria defined in the policy.

 The Non-audit Services Policy can be found in the "Corporate Governance" section of our website at www.intouchcompany.com

Non-audit Service Fees

In 2018, one of the Company's subsidiaries engaged the external auditor to provide a non-audit service, namely auditing a revenue report and other related information. The non-audit service fees for 2018 are shown in the table below.

(Unit: million baht)

Company	DTTJ	DTTJ's related firms
Intouch Holdings Plc.	-	-
Other subsidiaries	0.18	-
Total	0.18	-

Internal Audit

The Board established the Internal Audit department (IA) to function as an independent unit that reports directly to the Audit Committee and administratively to the CEO. Its duties and responsibilities include monitoring and assessing the effectiveness of the Company's and its subsidiaries' internal control systems, risk management systems and corporate governance to ensure that these are adequate and effective.

Mr. Adisak Buakhom is currently the head of IA. He holds a Bachelor's Degree in Accountancy from Thammasat University and a Master's Degree in Business Administration from Kasetsart University, and is a Certified Internal Auditor (CIA) with over 20 years of work experience in this field. His areas of expertise include corporate governance, compliance, internal control, internal audit and risk management. The Audit Committee is satisfied that he has the appropriate qualifications and experience to perform this role.

IA adopts a Risk-Based Approach in formulating the annual audit plan, which focuses on key business risks that may have an adverse effect on the Company's performance and the achievement of strategic objectives. This plan is then reviewed and approved by the Audit Committee, which also reviews the audit results and progress reports on a quarterly basis.

The Internal Audit department conducts its activities by referring to the publication *International Standards for the Professional Practice of Internal Auditing* as a framework. All members of the department are provided with sufficient training and the necessary methodology to carry out operational, compliance, financial and information technology audits effectively.

Compliance Unit

The Company has established a Compliance Office, under the Governance, Risk and Compliance department, headed by Mrs. Parsopsook Chaiwongsurarat. She holds a Master's Degree in Business Administration from the National

Institute of Development Administration, and attends regular courses in her field. Her main responsibility is to ensure that the Company complies with the Securities & Exchange Act and all related regulations, and report the results of compliance tasks to the Audit Committee every year.

Corporate Governance of Subsidiaries and Affiliates

Corporate Governance Practices

As INTOUCH is a holding company, the Board protects the Company's interests by overseeing its subsidiaries and affiliates in the following ways:

- Encourages them to adopt good corporate governance principles.
- Appoints the Company's representatives to their boards or management teams in proportion to the Company's shareholding.
- Monitors business operations through the appointed representative directors, members of management and a group-wide policy.
- Considers key matters such as strategic direction, business plans, capital increases or decreases, divestment and significant policies.
- Monitors their operating results through its representative directors, the Company's management and the Management Committee.
- Monitors compliance with the rules and regulations regarding related-party transactions, acquisition or disposal of assets, and adequate and timely disclosure of information. This includes maintaining proper accounting records and preparing financial reports in accordance with all applicable laws and generally accepted accounting principles.
- Assigns the Internal Audit department to conduct external audits in order to ensure the adequacy and effectiveness of their internal control systems.

Shareholders' Agreement

In the Shareholders Agreement between the Company and Singtel Strategic Investments Pte Ltd., both parties stated that they did not have any mutual intention to act together, or exercise their voting rights, for the purpose of achieving a common control of the voting rights or the business of AIS.

However, this shareholders' agreement contains a provision for the resolution of any disputes between the shareholders. If they are unable to reach an agreement on significant corporate actions, either shareholder may serve notice requiring the other to purchase its interest in AIS. If the other shareholder declines, then it must sell its interest to the shareholder that served the notice. There has been no significant disagreement between the two parties to date.

Compensation for Directors and Executives

1. Compensation for the Company's Directors and Executives

1.1 Director's Compensation

It is the Company's policy to compensate its directors in a manner equitable with the market and listed companies of a similar size by benchmarking with the top 30 listed companies by market cap. The compensation is also commensurate with the Company's performance, and each director's responsibility and performance, in order to attract and retain qualified people.

The Annual General Meeting of Shareholders for 2018, held on 30 March 2018, approved total remuneration for the Company's directors of not more than 42.5 million baht.

The compensation consists of a monthly retainer, meeting fees, per diem and an annual retainer (bonus). The latter is based on the directors' performance and participation in meetings, and is not correlated with the Company's share price or performance, which may impair their ability to provide independent advice. (The annual retainer (bonus) is paid from the remaining amount of the approved directors' remuneration for that year after the other compensation has been deducted.) Executive directors do not receive any compensation as members of the Board.

The Company has not provided any other remuneration to its directors. However, all of them are covered by Directors & Officers Liability insurance as well as health and life insurance. Every director is provided with training courses, along with mobile devices to facilitate communication and access to the Board Portal system in order to ensure that they can discharge their duties effectively. In 2018, the Company began providing a car and driver for the Chairman of the Board to facilitate the performance of his duties. The Company is responsible for all work-related expenses, as set out in the relevant policies.

Details of Monthly Retainers & Meeting Fees

Unit: baht

	Monthly Retainer	Meeting Fee	Annual Retainer (Bonus)
The Board of Directors			
Chairman	300,000	-	✓
Member	75,000	25,000	✓
Audit Committee			
Chairman	25,000	25,000	✓
Member	-	25,000	✓
Other Board Committees			
Chairman	10,000	25,000	✓
Member	-	25,000	✓

During 2018, the total compensation paid to the Board and board committee members was 35,964,000 baht (including accrued annual retainer (bonus) of 21,084,000 baht paid in February 2019), a decrease of 1,075,000 baht, or 2.90%, from 37,039,000 baht in 2017. The payments to each individual are shown below.

Name	Position	Compensation for 2018 (baht)
1. Dr. Virach Aphimeteetamrong	> Chairman of the Board	5,280,000
2. Mr. Somchai Supphatada	> Director > Chairman of the Audit Committee	4,000,500
3. Mr. Chalaluck Bunnag	> Director > Chairman of the CSR Committee for Sustainable Development > Member of the Audit Committee	3,845,500
4. Ms. Sopawadee Lertmanaschai	> Director > Member of the Audit Committee > Member of the Strategic and Organizational Review Committee	3,675,500
5. Mr. Prasert Bunsumpun	> Director > Chairman of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee > Member of the Strategic and Organizational Review Committee	3,970,500
6. Mr. Kan Trakulhoon	> Director > Chairman of the Leadership Development and Compensation Committee > Member of the Nomination and Governance Committee > Member of the Strategic and Organizational Review Committee > Member of the CSR Committee for Sustainable Development	4,020,500

Name	Position	Compensation for 2018 (baht)
7. Ms. Jeann Low Ngiap Jong	> Director > Chairperson of the Strategic and Organizational Review Committee > Member of the Nomination and Governance Committee > Member of the Leadership Development and Compensation Committee	3,970,500
8. Mr. Kwek Buck Chye	> Director > Member of the Strategic and Organizational Review Committee	3,600,500
9. Mr. Somprasong Boonyachai	> Director > Member of the Strategic and Organizational Review Committee	3,600,500
Total		35,964,000

Note: The remuneration for Ms. Jeann Low Ngiap Jong was paid to Singtel Global Investment Pte. Ltd. in accordance with the Singtel Group Framework.

1.2 Executives' Compensation

1.2.1 Compensation Philosophy

The Company's compensation philosophy seeks to recognize and reward the executives' performance in implementing the approved business plans and policies. The Leadership Development and Compensation Committee, as delegated by the Board, annually reviews and approves the Executives' Compensation Policy, which incorporates the following key elements:

Pay for Performance

- Variable compensation is tied directly to the achievement of the Company's strategic targets.
- A KPI scorecard is used to measure performance, comprising both financial and non-financial metrics.

Shareholder Alignment

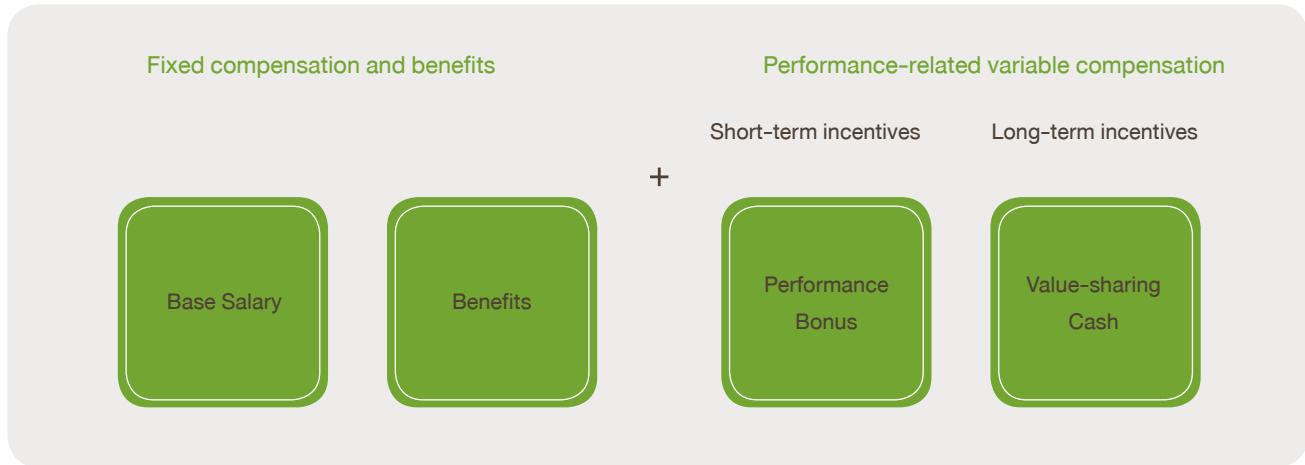
- Appropriate performance metrics are selected for short- and long-term incentive plans that will support business strategies and enhance shareholder value.
- Appropriate goals are set for threshold, target and stretch levels of performance.
- A sound compensation structure has been established to ensure affordability.

Competitive Compensation

- Compensation benchmarking helps the Company attract and retain highly experienced and talented individuals.
- A significant proportion of remuneration is linked to performance, both on an annual and long-term basis.

1.2.2 Compensation Structure

The compensation provided to the CEO and executives, as approved by the Board, consists of the following components:



Fixed Compensation and Benefits

Base Salary

The level of base compensation reflects the key responsibilities, job characteristics, experience and skill set of each individual, and is paid in cash monthly. Base compensation is reviewed annually, and any increase reflects merit-based performance, as well as market movements.

Benefits

The primary purpose of benefits is to establish a level of security for employees and their dependents with respect to age, health, disability and death. The provident fund, insurance plans, and other welfare provisions are in line with market practices and legislative requirements.

Performance-related Variable Compensation

Performance Bonus

Provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks. The performance bonus is tied to annual KPIs, which are weighted in proportion to various scorecard metrics, in order to evaluate overall company and individual performance and then determine rewards.

Value-sharing Cash

This incentive drives fundamental performance and encourages the executives to create growth and value for the shareholders. It is based on the Company's long-term performance and economic profit, with the aim of fostering sustainable growth and aligning the interests of the executives with those of the shareholders. Part of the reward is paid in cash, provided the amount is positive in the current year. The remaining balance will be carried forward into a cumulative bonus bank, although this is subject to performance-related claw-back and could be reduced in the event of underperformance over several years.

	CEO	Executives	All Employees	Description	Objectives & link to compensation principle
Base Salary	•	•	•	Cash	Attracts and retains high-quality employees, and is paid for ongoing discharge of duties (based on the roles and responsibilities of each position).
Benefits	•	•	•	Provident Fund, Life & Health Insurance	Establishes a level of security for employees.
Performance Bonus	•	•	•	Cash	Performance-based compensation that rewards employees annually for individual contributions.
Value-sharing Cash	•	•		Cash	Based on the Company's long-term performance and economic profit in order to drive fundamental performance, as well as create sustainable growth and value for shareholders.

In 2018, the total monetary compensation for the four (4) members of the management team (as defined by the Capital Market Supervisory Board) was 25.13 million baht, which comprised salaries, bonuses, provident fund contributions and other benefits.

In addition to the above compensation, warrants have been issued and offered to some of the executives to purchase the Company's ordinary shares under a Performance Share Plan for five consecutive years, from 2013 (Grant 1, which ended on 1 June 2018) to 2017 (Grant 5, which will end in 2022). Four executives have been offered these warrants and the details are shown in the table below.

2. Compensation for the Core Subsidiary's Directors and Executives

2.1 Compensation for THAICOM's Directors

During 2018, THAICOM paid its directors total compensation of 15,753,299 baht (including accrued annual retainer of 5,116,418 baht paid in February 2019 and other benefits), a decrease of 3,339,201 baht, or 17.49%, from 19,092,500 baht in 2017. The payments to each individual are shown below.

Name	Position	Compensation for 2018 (baht)
Current directors		
1. Mr. Prasert Bunsumpun ¹	> Chairman of the Board	3,666,806
2. Mrs. Patareeya Benjapolchai ²	> Director > Chairman of the Audit Committee > Member of the Governance and Nomination Committee	2,336,168
3. Prof. Samrieng Mekkriengkrai ³	> Director > Chairman of Governance and Nomination Committee > Member of the Audit Committee > Member of the Compensation Committee	2,166,290
4. Mrs. Charintorn Vongsootorn	> Director > Chairman of the Compensation Committee > Member of the Audit Committee	2,095,000
5. Mr. Kwek Buck Chye	> Director > Member of the Governance and Nomination Committee > Member of the Executive Committee	1,950,000
6. Mr. Somprasong Boonyachai	> Director	1,500,000
Directors who resigned from the Board in 2018		
1. Mr. Paron Isarasena Na Ayuddhaya ⁴	> Chairman of the Board	772,374
2. Prof. Hiran Radeesri ⁵	> Director > Chairman of the Audit Committee	584,158
3. Mrs. Arthidtaya Sutatam ⁶	> Director	682,503
	Total	15,753,299

Remarks:

1. Mr. Prasert Bunsumpun was appointed Chairman of the Board of Directors, replacing Mr. Paron Isarasena Na Ayuddhaya who resigned, by the resolution of the Board of Directors Meeting No. 3/2018 held on 19 March 2018, effective 24 March 2018.
2. Mrs. Patareeya Benjapolchai was appointed Chairperson of the Audit Committee, replacing Prof. Hiran Radeesri who retired by rotation at AGM 2018, by the resolution of the Board of Directors Meeting No. 4/2018 held on 28 March 2018, effective 28 March 2018.
3. Prof. Samrieng Mekkriengkrai was appointed Chairman of the Governance and Nomination Committee, replacing Mrs. Patareeya Benjapolchai, by the resolution of the Board of Directors Meeting No. 4/2018 held on 28 March 2018, effective 28 March 2018.
4. Mr. Paron Isarasena Na Ayuddhaya resigned from being Chairman of the Board of Directors and independent director, effective 28 March 2018.
5. Prof. Hiran Radeesri resigned by rotation at AGM 2018 on 28 March 2018.
6. Mrs. Arthidtaya Sutatam was appointed a director, by the resolution of the Board of Directors Meeting No. 1/2018 held on 31 January 2018, effective 31 January 2018. She resigned from her position, effective 20 December 2018.

2.2 Compensation for THAIMCOM's Executives

In 2018, the total monetary compensation for the seven (7) members of THAIMCOM's management team (as defined by the Capital Market Supervisory Board) was 34.41 million baht, which comprised salaries, bonuses and other benefits.

In addition, warrants have been issued and offered to THAIMCOM's executives (in accordance with the management structure as of 1 November 2018) to purchase THAIMCOM's ordinary shares under a Performance Share Plan, as detailed in the list below.

	Grant 2		Grant 3		Grant 4	
Exercise Price (per share)	38.265 baht		37.626 baht		25.918 baht	
Name	Units	%	Units	%	Units	%
1. Mr. Anant Kaewruamvongs ¹	-	-	-	-	-	-
2. Mr. Patompob Suwansiri	116,400	9.72	97,611	8.99	96,738	9.00
3. Mr. Anuwat Sanguansappayakorn ²	-	-	-	-	-	-
4. Mr. Wichai Kittiwittayakul ³	-	-	-	-	-	-
5. Dr. Sakon Kittivatcharapong	48,200	4.02	35,335	3.26	35,019	3.26
6. Mr. Ekachai Phakdurong	53,000	4.43	38,849	3.58	38,502	3.58
7. Mrs. Pannee Nivasnanda	23,000	1.92	23,622	2.18	21,282	1.98

Remarks: Warrants under the Performance Share Plan in Grant 1 expired on 1 June 2018.

1. Mr. Anant Kaewruamvongs was appointed Chief Executive Officer on 1 May 2018.
2. Mr. Anuwat Sanguansappayakorn was appointed Chief Financial Officer on 1 September 2017.
3. Mr. Wichai Kittiwittayakul was appointed Chief Audit Executive on 1 August 2018.

Securities held by Directors and Executives

Securities held by Directors and Executives

Name	I.T. Applications and Services Co., Ltd.				Intouch Media Co., Ltd.				ITV Plc. ^{1/}				Matchbox Co., Ltd. ^{2/}			
	Ordinary Shares				Ordinary Shares				Ordinary Shares				Ordinary Shares			
	31 Dec 2017	Changes during 2018	31 Dec 2018	31 Dec 2017	Changes during 2018	31 Dec 2018	31 Dec 2017	Changes during 2018	31 Dec 2018	31 Dec 2017	Changes during 2018	31 Dec 2018	31 Dec 2017	Changes during 2018	31 Dec 2018	31 Dec 2017
1. Dr. Virach Aphimeteetamrong Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Mr. Somchai Supphatada Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Mr. Chalaluck Bunnag Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Ms. Sopawadee Lertmanaschai Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mr. Prasert Bunsumpun Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Kan Trakulhoon Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7. Ms. Jeann Low Ngiap Jong Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Kwek Buck Chye Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Somprasong Boonyachai Spouse Minor children	4	-	4	-	-	-	-	-	-	-	-	260	-	-	260	-
10. Mr. Anek Pana-apichon Spouse Minor children	2	-	2	-	-	-	-	-	-	-	-	20	-	10	10	-
11. Mr. Kim Siritaweechai Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Wichai Kittiwittayakul Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-
13. Ms. Kantima Lerlerttitham Spouse Minor children	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Remarks ^{1/} Currently not in operation.
^{2/} Currently under liquidation.

Related-Party Transactions

The policy and procedure of related-party transactions

Related-party transactions policy

The Company has recognition on a heightened risk of conflicts of interest, thus, the "Related-Party Transactions Policy" has been developed. All related-party transactions made by the Company or subsidiaries with related companies which may cause conflict of interest must comply with law, announcement, notification and other regulations determined by the regulatory agencies. All transactions must be complied with the principles of good corporate governance and transparency besides conducted on an arm's-length basis in order to create the highest benefit for the Company. The Policy is intended to:

- Ensure that all transactions between the Company and its subsidiaries comply with the relevant laws along with the regulations and guidelines of the regulatory agencies.
- Ensure that all related-party transactions provide the highest benefit to the Company similar to entering into transactions with independent third parties (on an arm's-length basis).
- In entering into related-party transactions, which are normal business transactions with general trading conditions, or supporting normal business transactions with general trading conditions as determined by the regulatory agencies, the management can approve these transactions according to the Company's Approval Authority.
- Any director or executive with a conflict of interest in a transaction involving the Company or its subsidiaries is prohibited from participating in the approval process for that transaction.

Procedures and approval of related-party transactions

- If the related-party transaction is exempt from any obligations in notifications issued by the regulatory agencies, or this transaction can be approved by

the management, the responsible department may seek approval according to the Company's Approval Authority.

- If any related-party transaction requires approval from the Board of Directors, the responsible department shall provide the Audit Committee with complete and adequate information in order to ensure that the transaction is reasonable and creates the highest benefit for the Company, prior to submitting the proposal to the Board of Directors.
- If any related-party transaction requires approval from the shareholders, the Board of Directors will call a shareholders' meeting and engage independent financial advisors to provide an opinion on the transaction regarding its reasonableness, benefits, fairness of price and conditions, and whether or not the shareholders should approve it.

Related-party transactions with companies that may cause conflicts of interest during 2018

During the year 2018, INTOUCH Group entered into transactions with related companies, the terms and charge of which were negotiated on an arm's length basis in the ordinary course of business. In the case that there is no third party's price to compare, the Group will compare to the price with the same business which according to normal business conditions. The related-party transactions have been disclosed in Note 4 to the Financial Statements ending 31 December 2018.

The Audit Committee's opinion on connected transactions was expressed in the Audit Committee Report for 2018, which can be concluded that the transactions were normal business practices with general trading conditions, reasonable and created the highest benefit for the Company.

The significant transactions with companies that could be seen as conflicts of interest and rational during 2018 are described in the table below.

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2018 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
1. Advanced Info Service Plc and its group (AIS) AIS is an associate company of INTOUCH. AIS and the Company have the same indirect major shareholders.	Expenditure: INTOUCH Group used services of HR management, mobile phone, datanet and leased line internet provided by AIS. Income: INTOUCH Group had income from AIS as follows:					
		1. HR management	1.28	-	-	1.28
		2. Airtime, datanet and leased line internet	1.64	6.58	1.43	9.65
		1. Dividend income	8,839.93	-	-	8,839.93
		2. Income from HR management	1.20	-	-	1.20

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2018 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	3. Income from computer program maintenance services and software developing	-	-	103.31	103.31	A subsidiary (ITAS) provides computer program maintenance services and software developing. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
	4. Income from transponder rental, sale of equipment and others	-	85.48	-	85.48	A subsidiary (THAICOM), the only satellite operator in Thailand, provides satellite transponder leasing services for transmission of television and communications signals. The related-party transactions were normal business practice. The internal customers pay the same prices as external customers.
	5. Service income from providing mobile contents and outsource call center	-	14.36	-	14.36	A subsidiary (ADV) specializes in designing and creating website with variety contents which suit AIS' needs. A subsidiary (TMC) specializes in providing information for content on mobile, call center services and advertising in yellow pages business. The related-party transactions with both companies were normal business practices. The prices are in line with other companies who provide the same services.

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2018 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
6. Income from sale of investment in CSL	-	1,951	-	1,951	A subsidiary, Thai Advance Innovation co., Ltd. ("Thai AI") (formerly DTV) sold all ordinary shares in CSL to AWN. This is to enhance the enterprise data service business of AWN, and its competitive position as well as increase AWN's market share in the enterprise data service market. The offering price was Baht 7.80 pershare, which was in accordance with the Notification of the Capital Market Supervisory Board.	
	7. Interest income and others	1.93	-	-	1.93	As at 31 December 2018, INTOUCH had investment in AWN debentures at a face value of 62.5mb, through private funds managed by independent fund manager. The interest rate was the same rate as other debenture holders were offered.
2. Shenington Investment Pte Limited (SHEN) SHEN is a 51% joint venture held by THAICOM and a 49% by AMH. AMH and the Company have the same indirect major shareholders.	Income: INTOUCH Group provided business consultancy and financial assistance.					
	1. Income from business consultant	-	7.72	-	7.72	A subsidiary (THAICOM) has a policy to govern its investments to derive maximize benefit. SHEN paid consultancy and management fees to THAICOM on a monthly basis, which is calculated at actual staff costs.
	2. Interest income	-	101.60	-	101.60	A subsidiary (THAICOM) provides shareholder loan (in proportion to its investment) to support SHEN. The interest rate was charged at actual cost plus margin on an arm's length basis.

Name of related company/ Type of relationship	Type of transaction	Amount of significant transactions of the Company and its subsidiaries for the year ending 31 December 2018 (in million baht)				Rationale and Price Policy
		The Company	THAICOM and its subsidiaries	Other companies	Total	
	3. Income from computer program maintenance services and software developing	-	-	0.03	0.03	A subsidiary (ITAS) provides computer program maintenance services and software developing. The services are rapidly and timely while the fees are reasonable. The related-party transactions were normal business practice. The prices are in line with other companies who provide the same services.
3. Singapore Telecommunications Limited and its group (Singtel) Singtel and the Company have the same indirect major shareholders.	Expenditure: 1. INTOUCH Group paid for the gateway rental and international link 2. Dividend paid	-	0.10	-	0.10	Singtel is specialized in International Private Leased Circuit domestic and international connectivity. The related-party transactions were normal business practice of CSL. The internal customers are normally charged the same rates as external customers. INTOUCH paid dividends to Singtel Global Investment Pte. Ltd, a major shareholder of the Company and a subsidiary of Singtel. The dividend payments were as per the resolutions of its shareholders' or board of directors' meetings.
4. Aspen Holdings Limited (Aspen) Aspen and the Company have the same indirect major shareholders.	Dividend paid	287.40	-	-	287.40	Dividend paid as per the resolutions of its shareholders' or board of directors' meetings.

Future related-party transaction policy

The Company will continue to follow its policy that all related-party transactions be synchronized among its business units with fairness of price and conditions.

Management Discussion and Analysis of Financial Results of Operations

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 investment | ➤ Up to 200 million baht per year |
| Dividend payout policy | ➤ Pass-through dividends received from associates and subsidiaries after the deduction of operating expenses |

INTOUCH reported an increase in net profit of 8% YoY, following a gain of 463 million baht on the sale of CSL. Excluding this gain and an asset impairment loss recorded by THAICOM, the 2018 normalized net profit was stable from 2017 at 11,769 million baht. AIS contributed the majority of INTOUCH's net profit in 2018.

THAICOM reported a normalized net profit of 140 million baht, compared to only 20 million baht in 2017. This increase was due to effective cost control, along with a drop in depreciation and amortization since an asset impairment was recorded in 2017. Expenses also dropped, following lower revenue from the satellite and international businesses as competition increased. Although there were plenty of satellite transponders available in the market, THAICOM was able to secure new customers for some of the unused bandwidth on its broadband satellite, resulting in a utilization rate of 30% by the end of 2018. The utilization rate of the conventional satellites remained stable at 59%, even though there was a slowdown in the Thai TV broadcasting industry and intense competition in the satellite industry. Consequently, revenue from the satellite & international businesses dropped 10% as expected in the guidance.

In 2018, THAICOM recognized impairment losses totaling 2,253 million baht, due to the abovementioned drop in

revenue and a change in customer behavior that led to a reduction in the price per transponder.

AIS reported a net profit of 29,682 million baht in 2018, a slight decrease YoY, due to continual investment in its 4G network, customer privileges to promote brand awareness, and the cost of shop renovation. In addition, AIS recognized higher depreciation and amortization from network investment and the additional 1800MHz license, which was granted in 2018. AIS currently has the largest bandwidth in Thailand (2x60MHz). INTOUCH takes 40.45% of AIS's net profit.

The Company's guidance in 2019 is as follows:

Revenue from satellite and international businesses, operated by THAICOM, is expected to soften from the previous year as the market becomes more competitive due to the continuing slowdown in the transponder leasing and TV broadcasting industries. THAICOM is now focused on retaining its existing customers as well as attracting new ones.

- **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.

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:

- **Service revenue (excluding IC and equipment rental) 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.
- **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.
- **The consolidated EBITDA margin (excluding equipment rental) is expected to remain stable.** The remaining EBITDA margin will be from revenue growth and cost control.
- **The dividend 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.

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 proportion.

- **LTC**, an indirect joint venture of THAICOM, contributed a net profit of 119 million baht in 2018, a decrease of 39% YoY due to higher depreciation from network expansion and unforeseen expenses arising from a natural disaster in Lao PDR.
- **High Shopping** generated average daily sales of 2.4 million baht in 2018, a growth of 33% YoY. High Shopping focused on satellite service platforms

to expand its viewer base and gain more recognition among home shoppers, along with offering higher-margin products. As a result, its net loss softened from the previous year.

In 2019, High Shopping will continue with its strategy of finding new customers through partnerships with satellite service providers and TV channel operators with a large audience. The company will continue to seek high-margin products to offer its customers, such as fashionwear and health & beauty items. Its revenue target in 2019 is approximately 1 billion baht, or more than 3 million baht in average daily sales.

Venture capital:

In 2019, INTOUCH explored emerging technologies such as Artificial Intelligence (AI), Internet of Things (IoT), Blockchain and Data Analytics in order to identify new investment opportunities. The Company can foresee that these interesting new businesses will support the companies in the group in the near future, as technology continues to change rapidly. Last year, INTOUCH invested a total of 110 million baht in three more start-up companies, namely YDM (Thailand) Co., Ltd., Choco Card Enterprise Co., Ltd. and Ecartstudio Co., Ltd. The Company also completed a share swap with WR Asia Co., Ltd., exchanging its stakes in Infinity Levels Studio Pte. Ltd. and Sinoze Co., Ltd. for shares in VVR Asia.

Over the past six years, INTOUCH has invested a total of 525 million baht in 17 companies under the InVent project. Two of these investments have been monetized, while another two were exchanged as mentioned above. The current value of InVent portfolio is 792 million baht, which reflects a growth of 51%. The figure includes the gain on sale of two investments and the recognition of impairment losses on two others. The Company considers investments in the Telecom, Media, Technology (TMT) sector, with a budget of up to 200 million baht a year. In 2019, the investment scope will be expanded to the seed stage, when start-ups are undertaking research and

development, as well as new companies with “Deep Tech”. The Company is also looking for new businesses that can support 5G services in the future.

The Company's standalone performance: In 2018, INTOUCH had a share of the net result from subsidiaries and associates of 11,765 million baht, an increase of 7% from 2017. The administrative expenses were 338 million baht, 11% lower than 2017, due to effective operational cost control. The budget for administrative expenses in 2019 is 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 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 the aforesaid investments has been disclosed in the Management Discussion and Analysis sections of the Annual Registration Statement for 2018 submitted by AIS and THAICOM.

Significant events

Local wireless telecommunication business

In the mobile business, competition remained intense during 2018, particularly in unlimited data packages with a fixed internet speed, which put further pressure on the

overall revenue and ARPU. The handset subsidies tended to decline from 2017 as the operators focused more on area-based marketing. However, from 3Q18 onwards, all the operators have rebalanced their pricing structures to ease the impact on ARPU.

As demand for 4G continues to rise, AIS aims to strengthen its leadership position by delivering the best mobile data network in the country. AIS secured a license for the additional 1800MHz spectrum in 3Q18, and now has the largest bandwidth in the country (2X60MHz). This has led to an improvement in 4G network quality, and enhanced the brand perception among consumers. At the end of 2018, AIS had 41 million subscribers, a net addition of one million from the end of 2017.

In the fixed-broadband and digital service businesses, competition was also intense as pure broadband operators mainly used pricing strategies, while integrated operators increasingly emphasized convergence packages offering more value. Consequently, the gap between pure and convergence price plans is narrowing. At the end of 2018, AIS had around 730,500 subscribers (an estimated 20% of the market share), a net addition of 209,300 from the end of 2017.

As for digital services, AIS continued to scale up several platforms for both retail and corporate customers. The video platform (AIS PLAY) has gained greater awareness and was listed among the top-five video-viewing applications, with the number of active subscribers climbing to 1.7 million. The mobile money platform, under a joint venture called Rabbit LINE Pay, expanded its coverage to the BTS mass transit system and had around 850,000 active users by the end of 2018. Moreover, the acquisition of CSL has strengthened AIS's capability to cater to the enterprise segment of the market in areas such as cloud storage and other data services. This segment registered double-digit growth in 2018.

Investment restructuring of the group

Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary of AIS, acquired all CSL's shares from Thai Advance Innovation Co., Ltd. ("Thai AI") (formerly DTV Service Company Limited ("DTV")), a subsidiary of THAICOM, and other shareholders by executing a tender offer amounting to 3.4 billion baht. Consequently, the status of INTOUCH's investment in CSL was changed from a subsidiary to an associate. This has had an impact on the Company's consolidated financial statements, by excluding the assets, liabilities, income, expenses and cash flow of CSL since 26 January 2018. CSL is now recognized as an investment in an associate and the share of profit through AIS Group using the equity method. AWN acquired CSL to create more synergy among the companies in AIS Group, which will help them penetrate the enterprise market strongly and provide competitive digital services to both retail and corporate customers.

Impairment of satellite assets

In 2018, THAICOM recognized a net impairment loss of 2,253 million baht on satellite assets. This was mainly due to a slowdown in the satellite industry following changes in customer behavior, along with fierce competition leading to a reduction in the unit price. This impairment was considered a non-cash item that did not affect THAICOM's cash management, and will reduce the amount of depreciation and amortization of assets going forward by approximately 116 million baht per annum.

INTOUCH's dividends

On 8 February 2019, the Board of Directors passed resolutions to propose the following dividend payments:

	Dividend (baht per share)	Interim dividend paid in 2018 (baht per share)	Dividend to be paid (baht per share)	Amount to be paid (approx.) (million baht)
Dividends from the operational results of 2018	2.71	1.54	1.17	3,752

These dividends are subject to the approval of the Annual General Meeting of Shareholders for 2019.

Overview of consolidated operational results

Share of profit (loss) by business segment (in million baht)	For the year ended 31 December				%YoY
	2017	2018	2017	2018	
The Company	(348)	-3%	(284)	-2%	-18%
Local Wireless Telecommunication Business	12,126	114%	12,043	105%	-1%
Satellite & International Businesses	(1,090)	-10%	(219)	-2%	-80%
Other Businesses	(15)	0%	(48)	0%	220%
Net Profit	10,673	100%	11,491	100%	8%
Normalised Net Profit *	11,771	110%	11,769	102%	0%

* Excluded gain on sale of investment in CSL after tax (INTOUCH's portion) in 2018, and impairment losses recorded on satellite equipment and intangible assets under the operating agreement as well as other intangible assets in 2018 and 2017.

The consolidated financial statements for 2018 showed a net profit of 11,491 million baht, an increase of 8% from 2017, mainly due to a lower loss contribution from the satellite & international businesses, which recorded a gain from the divestment of CSL in 2018 and lower impairment losses. However, if these were excluded, the normalized net profit would have remained stable.

Key operational results

The Company (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Expenses	(387)	(338)	-13%
Others	39	54	38%
Net expenses	(348)	(284)	-18%

Net expenses decreased 18%, mainly due to lower staff costs.

Local wireless telecommunications (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Share of net result from investment in AIS Group using equity method	12,126	12,043	-1%

The share of the net results from AIS Group decreased slightly from 2017, mainly due to higher sales and service costs in network OPEX (as a result of the partnership with TOT) and a rise in depreciation & amortization, following the expansion of both the mobile and fixed-broadband networks and the acquisition of the new 1800MHz license in September 2018. If the cost of the partnership with TOT were excluded, network OPEX would have increased slightly, following ongoing cost optimization. Distribution costs & administrative expenses rose, mainly due to higher staff costs, shop expansion & renovation and tax expense, even though distribution costs dropped following aggressive campaigns in targeted areas and a focus on effective spending.

However, these expenses were offset by an increase in sales & service revenue, mainly from mobile services, as data consumption increased to 11GB per subscriber a month and there was a net addition of 1 million subscribers, 72% of whom were postpaid. Fixed-broadband revenue rose, following a net addition of 209,300 subscribers, even though this segment was highly competitive and discounts were given to repeat customers, resulting in a drop in ARPU from 2017. Other service revenues rose, mainly due to a full-year recognition of CSL's revenue in 2018.

Satellite & International Businesses (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Sales and service revenue	9,482	6,233	-34%
Sales and service costs	(6,044)	(3,438)	-43%
Operating agreement fees	(979)	(918)	-6%
Distribution costs & administrative expenses	(2,355)	(1,572)	-33%
Impairment loss on assets	(3,309)	(2,253)	-32%
Gain on sale of investment in CSL	-	1,950	100%
Share of profit of investments in joint ventures	196	119	-39%
Other income	413	200	-52%
Net foreign exchange gain	153	5	-97%
Finance cost and tax	(18)	(79)	339%
Net Profit (Loss)	(2,461)	247	110%
Contributed to INTOUCH Group	(1,090)	(219)	-80%
Normalized contributed to INTOUCH Group*	8	59	622%

* Excluded gain on sale of investment in CSL after tax (INTOUCH's portion) in 2018, and impairment losses recorded on satellite equipment and intangible assets under the operating agreement as well as other intangible assets in 2018 and 2017.

THAICOM's **net profit** in 2018 was 247 million baht, compared to a net loss in the previous year, mainly due to the gain on sale of investment in CSL of 1,950 million baht, recorded in 1Q18, and lower impairment losses on assets.

For FY18, the normalized profit contribution from THAICOM was 59 million baht, a significant increase from 8 million baht in 2017. However, if CSL's revenue and expenses were excluded, the drop in **sales and service costs** would have been due to the decline in revenue, along with lower amortization after the recognition of an impairment loss on intangible assets under the operating agreement in 2017. **Distribution costs & administrative expenses** decreased, mainly due to lower staff costs, marketing expenses and provision for doubtful debts in the satellite business. The **finance cost** also decreased after the repayment of THAICOM's long-term loans.

However, this was partially offset by a drop in **sales and service revenue** from the conventional satellite due to a reduction in the unit price, following the industry slowdown, even though the bandwidth utilization remained about the same. The sales revenue from Thaicom 4 also dropped, due to the loss of some major broadband customers in 2017. Furthermore, the net foreign exchange gain was less than 2017.

Substantial items of CSL's statements of income or loss, which were included in the satellite & international businesses, are shown below.

Selected items of CSL Group (in million baht)	FY17	For the period 1-25 January 2018
Sales and service revenue	2,798	225
Sales and service costs	1,739	137
Distribution costs & administrative expenses	669	51
Net Profit	326	30
Contributed to INTOUCH Group	56	5

Other Businesses (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Service revenue	161	146	-9%
Service costs	(125)	(124)	-1%
Distribution costs & administrative expenses	(25)	(20)	-20%
Share of loss of investments	(41)	(67)	63%
Other income	30	32	7%
Finance cost and income tax expense	(7)	(6)	-14%
Net Loss	(7)	(39)	457%
Contributed to INTOUCH Group	(15)	(48)	220%

Other businesses include media & advertising, information technology, and investments under the InVent Project.

Financial Position Summary

Key financial position data

Consolidated Financial Position	As at 31 December 2017		As at 31 December 2018		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents	2,261	4%	3,072	6%	811	36%
Current investments	6,157	12%	7,141	14%	984	16%
Trade receivables	1,450	3%	1,556	3%	106	7%
Current portion of long-term loans						
to related parties	245	0%	486	1%	241	98%
Inventories	125	0%	122	0%	(3)	-2%
Other current assets	447	1%	524	1%	77	17%
Long-term loans to related parties	1,712	3%	1,457	3%	(255)	-15%
Investment in associates and joint ventures	22,978	45%	25,761	52%	2,783	12%
Property, plant & equipment	7,943	16%	4,876	10%	(3,067)	-39%
Intangible assets under operating agreements	3,987	8%	3,007	6%	(980)	-25%
Other non-current assets	1,767	3%	1,954	4%	187	11%
Non-current assets or disposal groups classified as held for sale	1,888	4%	53	0%	(1,835)	-97%
Total Assets	50,960	100%	50,009	100%	(951)	-2%
Liabilities and Equity						
Current portion of long-term borrowings	422	1%	2,652	5%	2,230	528%
Provision for unpaid operating fees and interest	2,890	6%	2,890	6%	-	0%
Other current liabilities	1,568	3%	1,463	3%	(105)	-7%
Long-term borrowings	6,913	14%	4,306	9%	(2,607)	-38%
Other liabilities	785	2%	757	2%	(28)	-4%
Liabilities included in disposal groups classified as held for sale	1,055	2%	-	0%	(1,055)	-100%
Total Liabilities	13,633	27%	12,068	24%	(1,565)	-11%
Total Equity	37,327	73%	37,941	76%	614	2%
Total Liabilities and Equity	50,960	100%	50,009	100%	(951)	-2%

Total consolidated assets dropped 2% from the end of 2017, mainly from the value of property, plant & equipment after an impairment loss was recorded on this in 2018, intangible assets under operating agreements as a result of depreciation and amortization recorded in 2018, and non-current assets or disposal groups classified as held for sale after the disposal of all investment in CSL in January 2018. The value of investment in associates and joint ventures rose after better operational results in 2018, although this was partially offset by dividend payments made by an associate. Both current investments and cash & cash equivalents rose, mainly due to better operational results in the satellite business in 2018.

Total consolidated liabilities and equity: Total liabilities decreased 11% from the end of 2017, due to a drop in liabilities related to CSL and the repayment of loans in the satellite business. Equity decreased 2% from the end of 2017 as a result of weaker operational results in the group in 2018, although this was partially offset by dividend payment.

Liquidity and cash flow: At the end of 2018, the current ratio was 1.8, compared to 2.1 at the end of 2017, mainly due to an increase in current liabilities in the satellite business arising from a long-term debenture, presented in the current portion of long-term borrowing, which will mature in 2019. 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 811 million baht from the end of 2017 (excluding the impact from foreign currency fluctuation), mainly due to the cash inflow from operating activities in 2018, the sale of investment in CSL and dividend receipts, despite the payment of pass-through dividends, and the repayment of long-term loans plus interest in the satellite business.

Accounts receivable: At the end of 2018, INTOUCH Group had accounts receivable equivalent to 3% of total assets, the same percentage as the end of 2017. The group has reserved an appropriate allowance for bad debt.

Inventory: At the end of 2018, INTOUCH Group's inventory had dropped slightly from year-end 2017. 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 2018 was 56%, higher than 2017, mainly due to the CSL divestment gain, while the return on equity was 38% or nearly the same as 2017.

Debt-to-equity ratio: At the end of 2018, the group had a debt-to-equity ratio of 0.4 times, compared to 0.5 times at the end of 2017. 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 been summarized below:

The external auditor opined that INTOUCH's consolidated and separate financial statements for the year 2018 had been presented fairly in all material respects and in accordance with Thai Financial Reporting Standards.

Additional Financial Data and Key Ratios

Separated Financial Position	As at 31 December 2017		As at 31 December 2018		Change	
	million baht	%	million baht	%	million baht	%
Assets						
Cash & cash equivalents and current investments	1,869	6%	1,913	6%	44	2%
Investment in subsidiaries and associates	27,968	93%	29,764	94%	1,796	6%
Other assets	105	0%	103	0%	(2)	-2%
Total Assets	29,942	100%	31,780	100%	1,838	6%
Liabilities and Equity						
Other liabilities	142	0%	131	0%	(11)	-8%
Total Equity	29,800	100%	31,649	100%	1,849	6%
Total Liabilities and Equity	29,942	100%	31,780	100%	1,838	6%

Separate Statements of Income (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Share of net results from investments in:-			
Subsidiaries	(1,128)	(254)	-77%
Associates	12,140	12,019	-1%
Other income	42	57	36%
Total revenue	11,054	11,822	7%
Administrative expenses	(319)	(277)	-13%
Management benefit expenses	(68)	(61)	-10%
Total expenses	(387)	(338)	-13%
Profit before finance costs	10,667	11,484	8%
Finance costs	(3)	(3)	0%
Net Profit	10,664	11,481	8%

Consolidated source and use of Cash Flows *

For the year ended 31 December 2018

million baht

Source of funds		Use of funds	
Dividends received	8,840	Dividend paid	9,872
Operating Cash Flow	1,751	Increase in current investments	955
Cash proceed from disposal of an investment	1,946	Loan repayments	414
Decrease in loans and advances to related parties	36	Cash paid for acquisition of associates - net	110
Disposal of Fixed assets	10	Purchase of CAPEX & Fixed assets	96
		Interest paid	325
		Cash increased	811
Total	12,583		12,583

* Consolidated cash flows consisted of cash and cash equivalents.

Consolidated Statements of Income (in million baht)	For the year ended 31 December		
	2017	2018	%YoY
Sales and service revenue	9,627	6,371	-34%
Construction revenue under operating agreements	-	18	100%
Share of profit of investments in joint ventures	141	76	-46%
Share of profit of investments in associates	12,140	12,019	-1%
Gain on sale of an investment	-	1,635	100%
Net foreign exchange gain	152	5	-97%
Other income	483	280	-42%
Total revenue	22,543	20,404	-9%
Sales and service costs	(6,167)	(3,562)	-42%
Construction cost under operating agreements	-	(18)	100%
Operating agreement fee	(979)	(918)	-6%
Distribution costs	(231)	(113)	-51%
Administrative expenses	(2,351)	(1,684)	-28%
Impairment loss on assets *	(3,309)	(2,253)	-32%
Management benefit expenses	(173)	(120)	-31%
Total expenses	(13,210)	(8,668)	-34%
Profit before finance costs & income tax expense	9,333	11,736	26%
Finance costs	(399)	(340)	-15%
Profit before income tax expenses	8,934	11,396	28%
Tax income	376	255	-32%
Net profit	9,310	11,651	25%
Attributable to:			
Owners of the Parent	10,673	11,491	8%
Non-controlling interests	(1,363)	160	-112%
Net profit	9,310	11,651	25%

* Impairment loss on equipment, intangible assets under operating agreement and other intangible assets of Satellite business.

Material financial ratios (based on consolidated financial statements)	For the year ended 31 December		
	2017	2018	Changed
Net profit margin (%)	47.3	56.3	9.0
Current ratio (times)	2.1	1.8	(0.3)
Return on equity attributed to owners of the parent (%)	38.1	38.5	0.4
Return on assets (%)	20.2	22.8	2.5
Debt to equity attributed to owners of the parent (times)	0.5	0.4	(0.1)
Interest bearing debt to equity attributed to owners of the parent (times)	0.3	0.2	(0.0)
Basic earnings per share (baht)	3.33	3.58	0.25
Book value per share (baht)	9.02	9.60	0.58



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.



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I S N O W

The Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for the financial statements of Intouch Holdings, Plc. and the consolidated financial statements of the Company and its subsidiaries, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with Thai Financial Reporting Standards, using careful judgment and the best estimations. Important information is adequately and transparently disclosed in the notes to financial statements for the Company's shareholders and investors.

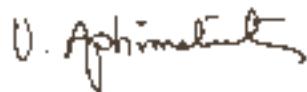
The Board of Directors has provided and maintained a risk management system along with adequate and effective internal controls to ensure that accounting records are accurate, reliable and adequate to protect the Company's assets and uncover any weaknesses that may occur in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed the Audit Committee to be responsible for reviewing the accounting policy, financial reports, risk management, internal controls, internal audit and disclosure of connected transactions. All the Audit Committee's opinions on these issues have been presented in the

Audit Committee Report for 2018 included in this annual report.

The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor, Dr. Suphamit Techamontrikul (CPA No. 3356) of DELOTTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the external auditor was provided with all of the Company's records and related data as requested. The external auditor's opinion is presented in the auditor's report included in this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned at a satisfactory level and rendered credibility and reliability to the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2018. The Board of Directors also believes that all these financial statements have been prepared in accordance with Thai Financial Reporting Standards and related regulations, and are true and fair in all material respects.



(Dr. Virach Aphimeteetamrong)
Chairman of the Board



(Mr. Anek Pana-apichon)
Chief Executive Officer

Deloitte Touche Tohmatsu Jaiyos Audit
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Report of the Independent Certified Public Accountants

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
INTOUCH HOLDINGS PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Intouch Holdings Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Intouch Holdings Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Intouch Holdings Public Company Limited and its subsidiaries and of Intouch Holdings Public Company Limited as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Litigation</p> <p>As at December 31, 2018, the Group has various legal cases where the Group may incur losses if it cannot successfully defend the cases. The Group is required to make significant judgment if the provision is sufficiently provided. The Key audit matter is the adequacy of the provision recognized in accordance with Thai Financial Reporting Standards</p> <p>Accounting policies and significant detail of commitments, significant events, commercial disputes and litigations were disclosed in Notes 3, 34 and 35 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of subsidiaries and associates included:</p> <ul style="list-style-type: none"> Understand the management's litigation evaluation process and related internal control procedures. Review the design and implementation of such internal control procedures. Perform substantive testing as follows: <ul style="list-style-type: none"> Review management's judgments as to the strength of defense against claims received in light of legal advice including, where relevant, external counsel; and Assess potential exposure from litigation cases and evaluate financial exposures and adequacy and sufficiency of records and disclosures.

Deloitte Touche Tohmatsu Jaiyos Audit

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Key Audit Matters	Audit Responses
<p>Recognition of revenue from rendering of services</p> <p>One of the group subsidiaries has revenue from rendering of services in its satellite business for the year ended December 31, 2018 which is quantitatively significant to the consolidated financial statements. The key audit matter is whether the Group has correctly recognized the revenue from rendering of services in accordance with Thai Financial Reporting Standards</p> <p>Accounting policies and detail of revenues were disclosed in Notes 3 and 26 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of the subsidiary included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process related to rendering of services and related internal control procedures. • Review the design and implementation of such internal control procedures. • Perform the operating effectiveness testing over the internal control procedures. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Examine terms and condition of the service agreements and recalculate the revenues whether it has been recorded appropriately and examine the related supporting documents of those revenues from rendering of services; and • Perform substantive analytical procedures relating to the revenue from rendering of services.
<p>Investment in Advanced Info Service Public Company Limited ("AIS")</p> <p>The Company operates as a holding company. In this regard, AIS is identified to be quantitatively significant in the Group's consolidated financial statements and separate financial statements. The Key audit matter is whether the Group recognizes its AIS portion under the equity method accurately in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and detail of financial information was disclosed in Notes 12 and 13 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of AIS included:</p> <ul style="list-style-type: none"> • Understand the financial information compilation process and related internal control procedures. • Collaboratively perform the work in accordance with Thai Standard on Auditing on the work performed from the planning through the conclusion process; and • Verify the calculation and record of a share of profit in an investment in AIS.

Deloitte Touche Tohmatsu Jaiyos Audit

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Key Audit Matters	Audit Responses
<p>Impairment of equipment and intangible assets under operating agreement</p> <p>The consideration of impairment of equipment and intangible asset under operating agreement of one of the group subsidiaries is depended on the management judgments and assumptions of the group subsidiaries. Therefore, the key audit matter is whether the valuation of equipment and intangible asset under operating agreement and impairment of equipment and intangible asset under operating agreement have been recognized in accordance with Thai Financial Reporting Standards.</p> <p>Accounting policies and detail of property, plant and equipment and intangible assets under operating agreement were disclosed in the Note 3, Note 13 and Note 14 to the financial statements, respectively.</p>	<p>Key audit procedures including a collaboration in performing the audit work with the component auditors of the subsidiary included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Review the design and implementation of the internal control procedures. • Performing the operating effectiveness testing over the internal control procedures around impairment consideration process. • Perform substantive testing as follows: <ul style="list-style-type: none"> • Examining the supporting documents in relation to the management consideration of impairment indicators for equipment and intangible asset under operating agreement. • Involving our internal specialists in assessing and testing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for equipment and intangible asset under operating agreement. • Examining the correctness of the data used in the estimation of the impairment provision for equipment and intangible asset under operating agreement with supporting documents and relative report. • Examining the correctness of the calculation of the impairment provision for equipment and intangible asset under operating agreement.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

Deloitte Touche Tohmatsu Jaiyos Audit

ពីលម្លោទ៊ា ទូម៉ែតសុ ខិយ៍អេស សាបនបួយជី

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group's and the Company's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Deloitte Touche Tohmatsu Jaiyos Audit
ดีลอตต์ ทูช โถมัตสุ ไจ约斯 สอบบัญชี

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

BANGKOK

Registration No. 3356

February 8, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

Unit: Baht

	Notes	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2018	31 December 2017	31 December 2018	31 December 2017	
Assets						
Current assets						
Cash and cash equivalents	6	3,071,828,950	2,260,688,306	144,092,612	205,617,786	
Current investments	7	7,141,082,068	6,156,678,989	1,768,650,903	1,662,758,385	
Trade and other current receivables	4, 8	2,024,879,692	1,806,336,244	14,907,214	10,858,831	
Amounts due from, advances and loans to related parties	4	54,549,087	90,824,861	12,200,000	-	
Current portion of long-term loans to related parties	4	485,724,816	244,591,079	-	-	
Inventories	9	122,483,562	124,813,587	-	-	
Non-current assets or disposal groups classified as held for sale	10	53,301,223	1,887,715,597	-	-	
Total current assets		12,953,849,398	12,571,648,663	1,939,850,729	1,879,235,002	
Non-current assets						
Long-term loans to related parties	4	1,457,174,448	1,712,137,550	-	-	
Investments in subsidiaries	11	-	-	5,486,837,806	6,430,138,108	
Investments in joint ventures	11	1,483,297,586	1,439,488,873	-	-	
Investments in associates	11	24,277,562,465	21,538,385,543	24,277,562,465	21,538,385,543	
Other long-term investments	7	41,652,551	50,252,551	41,652,551	50,252,551	
Property, plant and equipment	13	4,875,988,213	7,943,050,861	27,013,573	36,555,771	
Intangible assets under operating agreements	14	3,007,340,364	3,986,568,906	-	-	
Other intangible assets	15	442,136,314	553,976,467	3,167,929	3,659,614	
Deferred tax assets	16	1,121,511,511	779,638,181	-	-	
Other non-current assets		348,671,794	384,461,419	4,022,757	4,037,757	
Total non-current assets		37,055,335,246	38,387,960,351	29,840,257,081	28,063,029,344	
Total assets		50,009,184,644	50,959,609,014	31,780,107,810	29,942,264,346	

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

	Notes	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2018	31 December 2017	31 December 2018	31 December 2017	
Liabilities and equity						
Current liabilities						
Trade and other current payables	4, 18	1,167,372,345	1,293,927,198	70,556,802	87,823,928	
Amounts due to related parties	4	785,424	1,601,409	620,707	1,442,265	
Current portion of						
long-term liabilities	17	2,651,841,281	421,788,460	-	-	
Accrued operating						
agreement fees		258,340,350	263,344,847	-	-	
Provision for unpaid operating						
agreement fee and interest	35.2	2,890,345,206	2,890,345,206	-	-	
Current income tax payable		36,361,005	8,440,751	-	-	
Liabilities included in disposals						
groups classified as held						
for sale	10	88,430	1,055,131,651	-	-	
Total current liabilities		7,005,134,041	5,934,579,522	71,177,509	89,266,193	
Non-current liabilities						
Long-term accounts payable						
- equipment		225,042,120	226,645,680	-	-	
Long-term borrowings	17	4,306,010,715	6,912,628,257	-	-	
Non-current provisions						
for employee benefit	19	241,540,681	246,939,323	60,010,934	52,553,131	
Other non-current liabilities		290,136,630	312,311,876	-	-	
Total non-current liabilities		5,062,730,146	7,698,525,136	60,010,934	52,553,131	
Total liabilities		12,067,864,187	13,633,104,658	131,188,443	141,819,324	

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

	Notes	Consolidated		Separate		
		financial statements		financial statements		
		31 December 2018	31 December 2017	31 December 2018	31 December 2017	
Liabilities and equity						
Shareholders' equity						
Share capital	20					
Authorised share capital						
- ordinary shares		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	
Issued and paid-up share capital						
- ordinary shares		3,206,420,305	3,206,420,305	3,206,420,305	3,206,420,305	
Additional paid-in capital	20, 21					
Share premium on						
ordinary shares		10,347,863,392	10,347,863,392	10,347,863,392	10,347,863,392	
Retained earnings						
Appropriated						
Legal reserve	21	500,000,000	500,000,000	500,000,000	500,000,000	
Unappropriated		13,069,450,816	10,574,985,973	13,949,293,132	11,464,223,108	
Other components of						
shareholders' equity		3,644,560,507	4,285,866,314	3,645,342,538	4,281,938,217	
Total equity attributable to equity holders of the Company		30,768,295,020	28,915,135,984	31,648,919,367	29,800,445,022	
Non-controlling interests	23	7,173,025,437	8,411,368,372	-	-	
Total equity		37,941,320,457	37,326,504,356	31,648,919,367	29,800,445,022	
Total liabilities and equity		50,009,184,644	50,959,609,014	31,780,107,810	29,942,264,346	

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Revenue	26				
Revenues from sales and revenues from services		6,371,309,379	9,627,419,490	-	-
Construction revenue under operating agreements		17,980,846	186,400	-	-
Share of profit (loss) of					
subsidiaries	11	-	-	(253,528,701)	(1,127,566,738)
joint ventures	11	75,614,560	140,908,685	-	-
associates	11	12,018,693,741	12,139,676,349	12,018,693,741	12,139,676,349
Gain from disposal of an investment	11	1,634,702,626	-	-	-
Net foreign exchange gain		5,583,154	152,515,200	-	-
Other income	27	280,611,538	482,720,231	56,508,510	41,938,353
Total revenue		20,404,495,844	22,543,426,355	11,821,673,550	11,054,047,964
Expenses	26				
Costs of sales of goods and costs of rendering of services		3,562,395,151	6,167,169,856	-	-
Construction cost under operating agreements		17,980,846	186,400	-	-
Operating agreement fee		917,473,311	978,521,346	-	-
Distribution costs		113,194,098	231,523,335	-	-
Administrative expenses		1,684,099,510	2,345,360,396	276,533,435	312,750,189
Impairment loss on investment in associates					
and long-term investment - net	7, 11	-	6,400,000	-	6,400,000
Impairment loss on assets	13, 14, 15	2,253,000,000	3,308,681,047	-	-
Directors and management benefit expenses	4	120,100,330	172,507,846	61,097,555	67,790,245
Total expenses		8,668,243,246	13,210,350,226	337,630,990	386,940,434
Profit before finance costs and income tax expense		11,736,252,598	9,333,076,129	11,484,042,560	10,667,107,530
Finance costs		(340,014,165)	(399,137,430)	(2,757,952)	(3,054,488)
Profit before income tax expense		11,396,238,433	8,933,938,699	11,481,284,608	10,664,053,042
Tax income	30	255,038,886	376,253,191	-	-
Profit for the year		11,651,277,319	9,310,191,890	11,481,284,608	10,664,053,042
Attributable to:					
Owners of parent		11,490,679,427	10,673,179,085	11,481,284,608	10,664,053,042
Non-controlling interests	23	160,597,892	(1,362,987,195)	-	-
Profit for the year		11,651,277,319	9,310,191,890	11,481,284,608	10,664,053,042
Earnings per share					
to owners of parent (Baht per share)	31				
Basic earnings per share		3.58	3.33	3.58	3.33
Diluted earnings per share		3.58	3.33	3.58	3.33

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit for the year		11,651,277,319	9,310,191,890	11,481,284,608	10,664,053,042
Other comprehensive income, net of tax	25				
Components of other comprehensive income					
that will be reclassified to profit or loss					
Exchange differences on translating financial statement		(61,929,643)	(288,274,897)	(25,474,619)	(118,586,002)
Gains (losses) on remeasuring investments held as available for sale		(29,683,820)	11,181,515	(14,351,738)	5,625,839
Share of other comprehensive income of an associate		(46,227)	46,227	(46,227)	46,227
Total components of other comprehensive income that will be reclassified to profit or loss		(91,659,690)	(277,047,155)	(39,872,584)	(112,913,936)
Components of other comprehensive income					
that will not be reclassified to profit or loss					
Gains (losses) on remeasurements of defined benefit plans		(4,017,885)	95,875,929	(1,652,717)	6,470,508
Share of other comprehensive income of a joint venture		-	(77,978,269)	-	-
Share of other comprehensive income of an associate		15,685,908	349,612,963	15,685,908	349,612,963
Total components of other comprehensive income that will not be reclassified to profit or loss		11,668,023	367,510,623	14,033,191	356,083,471
Other comprehensive income for the year, net of income tax		(79,991,667)	90,463,468	(25,839,393)	243,169,535
Total comprehensive income for the year		11,571,285,652	9,400,655,358	11,455,445,215	10,907,222,577
Total comprehensive income attributable to:					
Owners of parent		11,460,129,889	10,918,184,899	11,455,445,215	10,907,222,577
Non-controlling interests	23	111,155,763	(1,517,529,541)	-	-
		11,571,285,652	9,400,655,358	11,455,445,215	10,907,222,577

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

Consolidated financial statements								
	Note	Equity attributable to owners of the Company						
		Other components of equity		Fair value changes in available-for-sale investments			Share of other comprehensive income of associates	Total other components of equity
		Unrealised gain on dilution from investments and others	Other reserves share-based payment	Translating financial statement				
For the year ended 31 December 2017								
Opening balance at 1 January 2017		3,206,420,305	10,347,863,392	500,000,000	8,733,212,910	36,695,659	4,217,233,409	72,640,560
Changes in equity for the year								
Dividends		-	-	-	(9,168,175,788)	-	-	-
Share-based payment	24	-	-	-	8,182,361	-	-	8,182,361
Increased in share capital of a subsidiary		-	-	-	155,322	-	-	155,322
Comprehensive income for the year								
Profit for the year		-	-	-	10,673,179,085	-	-	10,673,179,085
Other comprehensive income for the year	25	-	-	-	(118,586,002)	7,462,118	46,227	(111,077,657)
Items that are or may be reclassified to profit or loss		-	-	-	-	-	-	(165,969,498)
Items that will never be reclassified to profit or loss		-	-	-	-	-	-	(277,047,155)
Total comprehensive income for the year		-	-	-	336,769,766	-	-	19,313,705
Balance at 31 December 2017		3,206,420,305	10,347,863,392	500,000,000	11,009,948,861	-	(118,586,002)	7,462,118
							19,359,932	10,918,184,899
							(91,763,952)	(1,517,529,541)
							56,297,696	9,400,655,558
							4,237,309	8,411,368,372
							28,915,135,984	37,326,504,456

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

Consolidated financial statements									
Equity attributable to owners of the Company									
Notes	Issued and paid-up share capital	Retain earnings		Other components of equity		Fair value changes in available-for-sale investments	Share of other comprehensive income of associates	Total other components of equity	Equity attributable to owners of the Company
		Legal reserve	Unappropriated	Other reserves shared-based payment	Translating financial statement				
For the year ended 31 December 2018									
Opening balance at 1 January 2018	3,206,420,305	10,347,863,392	500,000,000	10,574,985,973	44,878,020	4,217,388,731	(45,945,442)	13,247,309	56,297,696
Changes in equity for the year									
Dividends	32	-	-	(8,994,561,867)	-	-	-	-	(8,994,561,867)
Share-based payment	24	-	-	8,891,953	-	-	-	-	(8,891,953)
Increased in share capital of a subsidiary	-	-	-	(19,982)	-	-	-	-	(19,982)
Change in non-controlling interest in an associate	11	-	-	-	(270,410,269)	-	-	-	(270,410,269)
Disposal of investment in a subsidiary	17	-	-	(350,970,688)	-	-	-	-	(350,970,688)
Comprehensive income for the year									
Profit for the year	-	-	11,490,679,427	-	-	-	-	-	11,490,679,427
Other comprehensive income for the year	25	-	-	-	(25,474,619)	(19,061,883)	(46,227)	(44,582,729)	(47,076,961)
Items that are or may be reclassified to profit or loss	-	-	-	-	-	-	-	-	(91,659,690)
Items that will never be reclassified	-	-	-	-	-	-	-	-	11,651,277,319
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018	3,206,420,305	10,347,863,392	500,000,000	13,069,450,816	53,869,973	3,595,987,792	(71,420,061)	71,937,377	3,644,560,507

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

Separate financial statements									
Other components of equity									
	Notes	Issued and paid-up share capital	Share premium	Legal reserve	Retain earnings	Other reserves	Unrealised gain on dilution from investments and others	Translating financial statement	Fair value changes in available-for-sale investments
For the year ended 31 December 2017									
Opening balance at 1 January 2017		3,206,420,305	10,347,863,392	500,000,000	9,631,576,088	36,695,659	4,217,233,409	72,640,560	3,693,356
Changes in equity for the year									
Dividends	24	-	-	-	(9,168,175,788)	-	-	-	(9,168,175,788)
Share-based payment		-	-	-	-	8,182,361	-	-	8,182,361
Increased in share capital of a subsidiary		-	-	-	-	155,339	-	-	155,339
Comprehensive income for the year									
Profit for the year	25	-	-	-	10,664,053,042	-	-	-	10,664,053,042
Other comprehensive income for the year		-	-	-	-	-	-	-	-
Items that are or may be reclassified to profit or loss		-	-	-	-	(118,586,002)	5,625,839	46,227	(112,913,936)
Items that will never be reclassified to profit or loss		-	-	-	336,769,766	-	-	19,313,705	19,313,705
Total comprehensive income for the year					11,000,822,808	-	(118,586,002)	5,625,839	19,359,932
Balance at 31 December 2017		3,206,420,305	10,347,863,392	500,000,000	11,464,223,108	44,878,020	4,217,388,748	(45,945,442)	9,319,195

The accompanying notes are an integral part of these financial statements

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

Separate financial statements									
	Notes	Issued and paid-up share capital	Share premium	Retain earnings		Other components of equity		Fair value changes in available-for-sale investments	Share of other comprehensive income of associates
				Legal reserve	Unappropriated	Other reserves share-based payment	Translating financial statement		
For the year ended 31 December 2018		3,206,420,395	10,347,883,392	500,000,000	11,464,223,108	44,878,020	4,217,388,748	(45,945,442)	9,319,195
Balance at 1 January 2018									56,297,696
Changes in equity for the year									4,281,938,217
Dividends	32	-	-	-	(8,994,561,867)	-	-	-	(8,994,561,867)
Share - based payment	24	-	-	-	-	8,991,953	-	-	8,991,953
Increased in share capital of a subsidiary	11	-	-	-	-	(19,999)	-	-	(19,999)
Change in non-controlling interest in an associate	11	-	-	-	-	(270,410,269)	-	-	(270,410,269)
Disposal of investment in a subsidiary		-	-	-	-	(360,970,688)	-	-	(360,970,688)
Comprehensive income for the year									
Profit for the year	25	-	-	11,481,284,608	-	-	-	-	11,481,284,608
Other comprehensive income for the year		-	-	-	-	(25,474,619)	(14,351,738)	(46,227)	(39,872,584)
Items that are or may be reclassified to profit or loss		-	-	-	-	-	-	-	-
Items that will never be reclassified to profit or loss		-	-	-	(1,652,717)	-	-	-	-
Total comprehensive income for the year		-	-	11,479,631,891	-	(25,474,619)	(14,351,738)	15,685,908	15,685,908
Balance at 31 December 2018		3,206,420,395	10,347,883,392	500,000,000	13,949,293,132	53,869,973	3,595,987,792	(71,420,061)	(5,032,543)
									3,645,342,538
									31,648,913,367

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Cash flows from operating activities					
Profit for the year		11,651,277,319	9,310,191,890	11,481,284,608	10,664,053,042
<i>Adjustments for</i>					
Depreciation and amortisation	13, 14, 15	2,020,018,836	3,104,710,878	19,703,092	19,859,312
Past and current service costs of employee and share-based payment expense	19, 24	34,716,374	67,855,127	13,139,205	17,856,311
Gain from disposal of investments	11	(1,634,702,626)	-	-	-
Interest income	27	(249,484,509)	(227,603,432)	(36,396,786)	(39,304,982)
Interest expense		328,578,917	381,326,596	2,096,280	1,685,400
Tax income	30	(255,038,886)	(376,253,191)	-	-
Share of (profit) loss of					
subsidiaries	11	-	-	253,528,701	1,127,566,738
joint ventures	11	(75,614,560)	(140,908,685)	-	-
associates	11	(12,018,693,741)	(12,139,676,349)	(12,018,693,741)	(12,139,676,349)
Impairment loss on investment					
in associates	7, 11	-	6,400,000	-	6,400,000
Impairment loss on assets	13, 14, 15	2,253,000,000	3,308,681,047	-	-
Unrealised (gain) loss on foreign exchange		12,343,798	(297,171,290)	-	-
Allowance for doubtful accounts		358,394,586	494,032,966	-	-
Allowance for obsolete inventory		9,996,089	12,931,779	-	-
Others		(10,484,826)	(5,790,452)	(13,874,074)	(3,639,060)
		2,424,306,771	3,498,726,884	(299,212,715)	(345,199,588)
<i>Changes in operating assets and liabilities</i>					
Trade and other receivables		(558,508,827)	(272,132,075)	(4,125,154)	(2,559,698)
Inventories		(25,841,158)	147,918,136	-	-
Other non-current assets		17,827,952	6,848,943	15,000	(1,500)
Trade and other payables		(208,381,432)	(364,137,251)	(18,254,779)	(70,407)
Accrued operating agreement fees		(5,004,497)	(52,878,113)	-	-
Other non-current liabilities		(66,510,925)	(77,557,065)	-	-
Interest received		239,441,755	230,924,393	5,899,267	6,627,453
Dividend received		8,839,933,200	9,381,153,600	9,463,117,670	9,701,763,219
Income tax paid		(66,055,321)	(245,453,441)	-	-
Net cash from operating activities		10,591,207,518	12,253,414,011	9,147,439,289	9,360,559,479

INTOUCH HOLDINGS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Unit: Baht

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
Cash flows from investing activities					
Cash paid for acquisition of associates	11	(109,999,880)	(88,073,427)	(109,999,880)	(88,073,427)
Additional investment in long-term investment	7	-	(24,097,551)	-	(24,097,551)
Purchase of property, plant and equipment		(92,930,343)	(316,457,465)	(9,879,453)	(6,017,083)
Purchase of other intangible assets		(3,145,966)	(34,111,704)	(1,686,341)	(653,009)
(Increase) decrease in current investments		(955,086,899)	(141,874,585)	(85,373,676)	(135,634,009)
Increase in amounts due from, advances and loans to related parties		36,203,855	52,837,004	(12,000,000)	-
Cash proceed from disposal of investments	11	1,945,902,973	-	-	-
Cash proceed from disposal of equipment		10,262,509	14,700,894	4,536,754	7,470,954
Net cash (used in) provided from investing activities		831,206,249	(537,076,834)	(214,402,596)	(247,004,125)
Cash flows from financing activities					
Proceeds from short-term borrowings	17	-	480,000,000	-	-
Repayments of short-term borrowings	17	-	(460,000,000)	-	-
Repayments of long-term borrowings	17	(414,482,938)	(2,036,861,589)	-	-
Interest paid		(324,742,189)	(403,054,153)	-	-
Dividend paid		(9,871,882,765)	(9,771,298,727)	(8,994,561,867)	(9,168,175,788)
Net cash used in financing activities		(10,611,107,892)	(12,191,214,469)	(8,994,561,867)	(9,168,175,788)
Net increase (decrease) in cash and cash equivalents before effects of exchange rate		811,305,875	(474,877,292)	(61,525,174)	(54,620,434)
Effects of exchange rate changes on cash and cash equivalents		(165,231)	41,881	-	-
Reclassified cash and cash equivalents of non-current assets or disposal groups classified as held for sale		-	(329,573,477)	-	-
Net increase (decrease) in cash and cash equivalents		811,140,644	(804,408,888)	(61,525,174)	(54,620,434)
Cash and cash equivalents at 1 January		2,260,688,306	3,065,097,194	205,617,786	260,238,220
Cash and cash equivalents at 31 December	6	3,071,828,950	2,260,688,306	144,092,612	205,617,786

Intouch Holdings Public Company Limited and its Subsidiaries
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Intouch Holdings Public Company Limited and its Subsidiaries
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1 General information

Intouch Holdings Public Company Limited (the "Company") is a public limited company and is incorporated and domiciled in Thailand and its registered office is at 349 SJ Infinite One Business Complex 29th – 30th floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok, 10900.

The Company was listed on the Stock Exchange of Thailand ("SET") in August 1990.

As at 31 December 2018, the largest shareholder of the Company is Singtel Global Investment Pte. Ltd., holding 21.0% (31 December 2017: *Singtel Global Investment Pte. Ltd.*, 21.0%).

The Company, subsidiaries, joint ventures and associates, collectively called INTOUCH Group, are principally engaged in the satellite, internet, telecommunications, and media & advertising businesses.

Detail of the Company's subsidiaries and associates as at 31 December 2018 and 2017 were as follows:

Name of the entity	Type of business	Country of incorporation	Unit: %	
			Ownership interest	31 December
			2018	2017
Subsidiaries				
Thaicom PLC and its Group ("THAICOM")	Operating transponder services for domestic & international communications, sale of user terminal of IPSTAR, broadband content services, sale of direct television equipment, satellite uplink-downlink services, broadcasting television service & telecommunication, telephone network services and engineering development services on communication technology & electronics.	Thailand	41.13	41.14
I.T. Applications and Service Co., Ltd. ("ITAS")	Providing computer program and other related services.	Thailand	99.99	99.99
Intouch Media Co., Ltd. and its Group ("Intouch Media")	To do business in relation to broadcasting and television, including other related businesses.	Thailand	99.99	99.99
ITV PLC and its Group ("ITV")	At present, ITV has ceased its operation (<i>notes 34 and 35</i>).	Thailand	52.92	52.92
Matchbox Co., Ltd. ("MB")	At present, MB has ceased its operation and is in liquidation process (<i>note 10</i>).	Thailand	99.99	99.99
Associates				
Advanced Info Service PLC and its Group ("AIS")	Mobile service provider on a 2.1-GHz, 1.8-GHz and 900MHz cellular telephone system, service provider of online data communications via telephone land line & optical fiber, telecom & network operator, broadcasting network services or television, importer & distribution of handset & accessories, internet data center services, distribute internet equipment, advertising and other related services.	Thailand	40.45	40.45

Intouch Holdings Public Company Limited and its Subsidiaries
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Name of the entity	Type of business	Country of incorporation	Unit: %	
			Ownership interest	31 December 2018
Associates under Venture Capital				
(excluded investment in debt security and other investment of Venture Capital, shown in long-term investments)				
Ookbee Co., Ltd. ("OOKBEE")	Service provider and developer of digital publication, e-booking and multimedia platform.	Thailand	20.94	21.48
Meditech Solution Co., Ltd. ("Meditech")	A manufacturer and vendor of eye blink communication aids for paralytics and disabled people.	Thailand	16.66	16.66
Sinoze Co., Ltd. ("Sinoze")	Create and develop games on smart phone and tablet. The Company sold all investment in Sinoze in 2018.	Thailand	-	16.67
Playbasis PTE Ltd. ("Playbasis")	Service provider and developer for the digital gamification platform.	Singapore	15.36	15.36
Golfdigg Co., Ltd. ("Golfdigg")	Service provider for the golf course booking platform and other golf-related services.	Thailand	25.00	25.00
Wongnai Media Co., Ltd. ("Wongnai")	Developer of website and application to review and search for restaurants & lifestyle, including e-Voucher.	Thailand	9.54	9.99
Digio (Thailand) Co., Ltd. ("Digio")	Service provider of electronic payment.	Thailand	8.05	8.05
Event Pop Holdings Pte. Ltd. ("Event Pop")	Service provider for technology development and other services in connection with event management.	Singapore	17.96	17.96
YDM (Thailand) Co., Ltd. ("YDM")	Service provider for online marketing solution.	Thailand	8.11	-
VVR Asia Co., Ltd. ("VVR")	Creation and development of virtual reality content for mobile phones, laptops and other devices.	Thailand	10.00	-
Choco Card Enterprise Co., Ltd. ("CHOCO")	Develop customer relationship management (CRM) system for stores in the SME sector.	Thailand	20.00	-
Ecartstudio Co., Ltd. ("ECART")	Designing, developing and providing consultation on digital map system and location-based technology for both mobile and web-based applications.	Thailand	11.43	-

INTOUCH Group has obtained agreements for operation from government agencies and entities regulated by government agencies, in Thailand and other countries, to provide satellites and transponder services, to be an Internet Service Provider, to act as a television broadcaster, and to provide Cellular Telephone Systems in Thailand and telecommunication services in Lao PDR etc. Under these operating agreements and authorisations, certain companies in INTOUCH Group must pay fees to the relevant government agencies and entities regulated by government agencies based on a percentage of service income or at the minimum payment specified in the relevant agreements, whichever is higher or as stipulated in authorisations.

Intouch Holdings Public Company Limited and its Subsidiaries
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As at 31 December 2018, the remaining minimum payment as specified in the agreement is Baht 245 million in the consolidated financial statements (2017: *Baht 327 million*), excluding ITV due to the dispute as discussed in notes 34 and 35. In addition, certain companies in the Group, according to their agreements, must procure property and equipment for their operations and must transfer the ownership of such property and equipment to the relevant government agencies and entities regulated by government agencies within the periods specified in the agreements.

The significant principal agreements for operation and authorisations held by subsidiaries, joint ventures and associates at 31 December 2018 include:

Operating Agreement and License	Country	Held by	Expiry
Subsidiaries of INTOUCH Satellites	Thailand	Thaicom Plc.	September 2021
Telecom Operation License Type I	Thailand	Thaicom Plc.	August 2021
Telecom Operation License Type III	Thailand	Thaicom Plc.	September 2032
Internet Operation License Type I	Thailand	Thaicom Plc.	May 2020
Radio-television broadcasting-under UHF system	Thailand	ITV Plc. (the dispute discussed in notes 34 and 35)	July 2025
Subsidiaries of THAICOM Broadcasting Operation License	Thailand	Thai Advance Innovation Co., Ltd. (formerly: DTV Service Co., Ltd.)	January 2028
Broadcasting Operation License (Lao Star & D-Channel)	Thailand	Thai Advance Innovation Co., Ltd. (formerly: DTV Service Co., Ltd.)	January 2021
Broadcasting Operation License (Lao PSTV, LNTV 3)	Thailand	Thai Advance Innovation Co., Ltd. (formerly: DTV Service Co., Ltd.)	July 2023
Broadcasting Operation License (TV Lao)	Thailand	Thai Advance Innovation Co., Ltd. (formerly: DTV Service Co., Ltd.)	November 2022
Broadcasting Operation License	Thailand	TC Broadcasting Co., Ltd.	March 2028
Telecom Operation License Type III	Thailand	TC Broadcasting Co., Ltd.	November 2030
Joint venture of THAICOM Fixed phone, mobile phone, international facilities and internet	Lao PDR	Lao Telecommunications Co.,Ltd.	2046

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Operating Agreement and License	Country	Held by	Expiry
Subsidiaries of AIS			
2.1-GHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	December 2027
1800-MHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	September 2033
900-MHz cellular telephone system	Thailand	Advanced Wireless Network Co., Ltd.	June 2031
Datakit Virtual Circuit Switch	Thailand	Advanced Datanetwork Communications Co., Ltd.	September 2022
Broadcasting Operation License	Thailand	Super Broadband Network Co., Ltd	March 2032
Internet Operation License Type I	Thailand	CS Loxinfo PLC	September 2019
Internet Operation License Type II	Thailand	CS Loxinfo PLC	April 2022
Telecom Operation License Type I	Thailand	CS Loxinfo PLC	October 2019
Telecom Operation License Type III	Thailand	CS Loxinfo PLC	December 2022

2 Basis of preparation and presentation of the interim financial statements

2.1 Basis of preparation of the financial statements

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise as stated. They are prepared on the historical cost basis except as stated in the accounting policies.

The financial statements and format are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations at the Securities and Exchange Commission. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements".

INTOUCH Group has adopted the new and revised TFRSs that are announced by the FAP and become effective for the financial statements for the period beginning on or after 1 January 2018 onwards. These TFRSs have no material impact on the presentation and/or disclosure in the current period financial statements of INTOUCH Group.

In according to TFRS, the assumption has affected to the application of policies and reported amounts of assets, liabilities, income and expenses which require estimates and assumptions that are based on historical experience and various other factors, including assessment of the potential impact on INTOUCH Group's operations and financial position. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised prospectively.

Intouch Holdings Public Company Limited and its Subsidiaries
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Information about significant areas of estimation and critical assumption in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note #	Major estimation and underlying assumptions
7, 8, 9, 10, 11, 13, 14 and 15	Measurement of the recoverable amounts of each asset or cash-generating units such as past experience, future expectations of customer payments, price and the economic or industrial at that point of time
11	Assessment of controls over investee company.
13, 14 and 15	Estimation of useful lives of property and equipment including property and equipment under operating agreements and intangible assets
11, 13, 14 and 15	Impairment tests – key assumptions underlying recoverable amounts such as expected cash inflow, discount rate and the economic or industrial at that point of time.
16	Assumption on future taxable profit to utilize deferred tax assets.
19	Measurement of provisions for employee benefit, in regard of actuarial assumptions:- discount rate, salary growth rate, employee turnover rate and demographic assumptions etc.
24	Measurement of share-based payment such as fair value of shares to be issued, volatility index and risk free rate etc.
33	Assumptions used to measure fair value of financial instruments for non-observable assets or liabilities such as discount rate.
34 and 35	Recognition and measurement of provisions and contingent liabilities such as assumptions used to assess probability that INTOUCH Group's resources will be required to settle and discount rate.

2.2 Financial status of ITV Public Company Limited and its Group ("ITV")

As at 31 December 2018, ITV's current liabilities exceed its current assets by an amount of Baht 1,664 million and deficit in excess of its share capital by an amount of Baht 1,664 million (2017: Baht 1,671 million and Baht 1,673 million, respectively).

The consolidated financial statements of the Company have consolidated the financial statements of ITV. Accordingly, the recorded assets amounting to Baht 1,230 million represent 2.5% of consolidated total assets (2017: Baht 1,225 million, represented 2.4%) and liabilities amounting to Baht 2,894 million represent 24.0% of consolidated total liabilities (2017: Baht 2,898 million, represented 21.3%), and therefore, the recorded deficit in excess of ITV's issued share capital amounting to Baht 1,664 million (2017: Baht 1,673 million) has been taken up in full in the consolidated financial statements.

Due to the fact that the Company's legal liability for any losses incurred by ITV is limited to the Company's share paid to ITV's capital. In the event that ITV is unable to continue its operations, the Company's consolidated net liabilities as at 31 December 2018 and 2017 would be adjusted to reduce by Baht 1,664 million and Baht 1,673 million, respectively. The retained earnings and shareholders' equity as at 31 December 2018 and 2017 would be increased by Baht 1,664 million and Baht 1,673 million, respectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Company, subsidiaries and joint operations, and INTOUCH Group's interests in associates and joint ventures.

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Subsidiaries

Subsidiaries are entities controlled by INTOUCH Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries and available-for-sale investment in debenture through private funds, managed by independent fund manager, are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The accounting policies of subsidiaries are aligned with the policies adopted by the Group.

INTOUCH Group has allocated the excess loss of subsidiaries to non-controlling interests, even though such allocation will be resulted in negative non-controlling interests.

Loss of control

Upon the loss of control, INTOUCH Group derecognises the assets and liabilities of the subsidiary, any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. If INTOUCH Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Joint arrangements

Joint arrangements are those entities whose activities INTOUCH Group has joint controls or joint operations, established by contractual agreement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated financial statements include INTOUCH Group's proportionate share of the joint operation's assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The investment in joint venture is accounted for in the financial statements using the equity method and is recognised initially at cost.

Associates

Associates are those companies in which INTOUCH Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the financial statements using the equity method and are recognised initially at cost.

The recognition of investments using the equity method after the initial recognition

The consolidated financial statements include INTOUCH Group's share of profit or loss and other comprehensive income of joint ventures and associates after adjustment to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. When INTOUCH Group's share of losses exceeds its interest in the joint ventures and associates, the investment is reduced to zero and does not continue to recognise further losses, unless INTOUCH Group has incurred obligations or made payments on behalf of joint ventures and associates.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures and associates are eliminated against the investment to the extent of INTOUCH Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations

Business combinations occur when INTOUCH Group obtains control of a business or business group. The acquired assets and assumed liabilities constitute a business. A business combination is not the formation of a joint venture, nor does it involve the acquisition of a set of assets that do not constitute a business.

Intouch Holdings Public Company Limited and its Subsidiaries
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The business combinations are accounted for using the acquisition method, other than those with entities under common control.

INTOUCH Group will assume the control over a business or business group, when it is entitled to obtain benefits from its activities. The benefits are varied by the return from such business or business group. INTOUCH Group has a power to govern activities that affect to the amount of return from such business or business group.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Gains from the purchase price lower than the fair value are recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group/Company incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Accounting for acquisitions of non-controlling interests

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

The acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions.

Gain (loss) on dilution from investment

Gain (loss) on dilution from investment arising on shares issued by investees to third parties are recognised as an unrealised gain (loss) on dilution of investment which is presented in shareholders' equity in the consolidated statements of financial position.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of INTOUCH Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Gains and losses resulting from the settlement of foreign currency transactions are recognised in the statements of income.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates that fair value was determined.

Foreign operations

Statements of income and cash flows of foreign operations are translated into Thai Baht using the weighted average exchange rates for the year.

The financial position of foreign operations is translated into Thai Baht at the exchange rates ruling on the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are translated into Thai Baht at the rate as at the reporting date.

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Currency translation differences arising from the translation of the net investment in foreign operations are taken to statements of comprehensive income and as a currency translation difference in the shareholders' equity until the disposal of foreign operations, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

Financial instruments carried on the statements of financial position include cash and cash equivalents, current investments, trade receivables, related party receivables and payables, trade payables, finance leases, borrowings and certain derivative financial instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Derivative financial instruments

INTOUCH Group is a party to financial instruments that manage exposure to fluctuations in foreign currency exchange and interest rates. The instrument is mainly derivative financial instruments, which are initially recognised at fair value on the date that the derivative contracts are entered into and are subsequently remeasured at their fair value. The changes in the fair value are recognised immediately in the statement of income.

The fair values of foreign currency forward contracts and cross currency and interest rate swap are recognised at fair value in the statements of financial position by using reference rates from brokers at the reporting date.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at banks and other short-term highly liquid investments with original maturities of three months or less.

(e) Trade and other accounts receivable

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, net of their deposit (if any). Account receivables are written off when bad debt incurred. Bad debts and doubtful accounts are recognised in the statement of income as administrative expense.

(f) Inventories

Inventories are valued at the lower of cost or net realisable value.

Costs are determined using the weighted average principle. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

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(g) Non-current assets or disposal groups classified as held for sale

Non-current assets (or discontinued assets that are consisted of assets and liabilities) which are estimated that the economic benefit of that asset is obtained through the asset's sale rather than through its continuous use in the business are classified to non-current assets or disposal groups classified as held for sale. Such assets (or component of discontinued assets) are measured with lower amount of book value and fair value less expenses that related to the sale. Impairment loss of non-current assets is allocated to goodwill in priority, then allocated proportionately to the carried forward of assets and liabilities, with exceptions to certain assets which are required to be measured in accordance with applicable standards such as inventory, financial assets, deferred tax assets and property investment. The initial impairment loss and gain or loss from re-measurement will be recognised in the statements of income. The gain recognition will not be exceeding the initial impairment loss.

(h) Investments

Investments in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates in the separate financial statements of the Company are accounted for using the equity method.

Investments in subsidiaries, joint ventures and associates in the consolidated financial statements are disclosed in note 3 (a).

Investments in other debt and equity securities

Marketable equity securities which are classified as available-for-sale securities are carried at fair value in the statements of financial position using reference rates from the closing prices at the reporting date.

Increases/decreases in the carrying amount are charged against unrealised gains/losses from revaluation of investment in shareholders' equity.

Investments in non-marketable equity securities are classified as general investments, presented in the statement of financial position at cost. Current investments represent time deposits, bills of exchange and promissory notes with original maturities of more than 3 months but less than 12 months.

Investment in held to maturity bond is presented at amortised cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. INTOUCH Group will recognise loss from impairment if the carrying value of the investment is higher than its recoverable amount. The impairment loss is charged to the statements of income.

When disposing, the difference between the receipt from disposal and the book value of such investments is recognised in the statement of income. When disposing of part of INTOUCH Group's holding of a particular investment in equity securities the carrying amount of the disposed part is determined by reference to the average carrying amount of the total holding of the investment.

(i) Property, plant and equipment

Property and equipment are initially recorded at cost and subsequently shown at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs.

The borrowing cost includes interest on bank overdrafts, short-term and long-term borrowings, amortisation of discounted bills of exchange, amortisation of deferred financial expenses and related taxes.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

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The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to INTOUCH Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the repair and maintenance of property and equipment are recognised in profit or loss as incurred.

The residual value of an item of property and equipment has to be measured at the amount estimated receivable currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life. Furthermore, the residual value and useful life of an asset have to be reviewed at least at each financial year-end.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its estimated useful lives, or, if it is shorter, the lease term, based on the following useful lives:

	Years
Leasehold land, buildings and improvements	5 - 30
Furniture, fixtures and equipment	5 - 18
Vehicles (<i>including vehicles under finance leases</i>)	5
Computers and equipment	2 - 5

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statements of income.

(j) Intangible assets under operating agreements

Intangible assets under operating agreement comprises of rights of the charges for satellite services under the operating agreement.

Amortisation is amortised on the straight-line basis over the lower of the period of useful lives or operating agreement.

Intangible assets under operating agreements will not be re-valued, however, the assets will be reviewed its book value each year and recognise when they are impairment.

(k) Intangible assets

Goodwill

INTOUCH Group measures goodwill from the acquisition as disclosed in note 3 (a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by INTOUCH Group, which have definite useful lives, are stated at cost less accumulated amortisation and impairment losses.

Other intangible assets represent the development of Thaicom 4 (IPSTAR) technology, proprietary software for internal use or for service within INTOUCH Group, and costs of computer software, expenditure on acquired patents, trademarks or licenses and deferred expenses such as the expense in relation with issuance of debenture and long-term borrowings. Other intangible assets are amortised using the straight-line method over estimated period of their benefits of related assets for a period of 3 - 15.75 years.

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the commencement of the commercial production of the product. Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end.

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(l) Impairment

The carrying amounts of INTOUCH Group's assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

Goodwill and other intangible assets with indefinite useful lives, and intangible assets not yet available for use, are tested for impairment annually, even though there is no indicator of impairment identified.

An impairment loss is recognised in the statement of income. The impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of assets is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversals of impairment

An impairment loss in respect of an asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised only to the extent that the reversal amount does not exceed the impairment loss previously recognised. An impairment loss in respect of goodwill is not reversed.

(m) Leases

Long-term leases - where INTOUCH Group is the lessee

Leases of assets where INTOUCH Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated to the finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other payables. The interest element of the finance charge is charged to the statements of income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.

Leases not transferring a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (*net of any incentives received from the lessor*) are charged to the statements of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which the termination takes place.

Long-term leases - where INTOUCH Group is the lessor

Assets leased out under operating leases are included in property and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar property and equipment.

(n) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(o) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost. The transaction charges are recognised in the statement of income over the period of the borrowings on an effective interest basis.

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(p) Employee benefits

Short-term employee benefit

Short-term employee benefit obligations are not measured by discounted cash flow, but recognised in profit or loss in the periods during which services are rendered by employees. A liability is recognised for the amount expected to pay.

Long-term employee benefit

Post-employment benefits – defined benefit

INTOUCH Group's obligation in respect of post-employment benefits that has to be compensated according to labor law is recognised in the financial statements using the projected unit credit method, calculated by actuarial, when there is a significant change in actuarial assumptions.

Actuarial gains or losses are recognised in other comprehensive income and the employee benefits expenditure is recognised in the statement of income.

Post-employment benefits – defined contribution plan

INTOUCH Group operates a provident fund, which is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and by INTOUCH Group. Contributions to the provident fund are charged to the statements of income in the year to which they relate.

(q) Share-based payments

Share-based payments is measured the expense by reference to the fair value of the equity instrument granted at the grant date.

The expense related to equity-settled share-based payments is charged to the statement of profit or loss, corresponding to increase of "Other reserves - share-based payment" in shareholders' equity, over the periods in which the service conditions are fulfilled. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

The expense related to cash-settled share-based payments is charged to the statement of profit or loss, corresponding to the increase of liabilities, over the periods that the employees become unconditionally entitled to the payment. The liability is re-measured at the reporting date and at settlement date. The change of the fair value is recognised as staff costs in the statement of profit or loss.

(r) Provisions

Provisions and contingency liabilities are recognised when there is a probability that INTOUCH Group's resources will be required to settle. They are measured at the present value at the reporting date. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(s) Revenue

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer and service income is recognised as services are provided. Revenue relating to long-term service contracts is accounted for under the percentage of completion method. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods.

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Revenue from sales of gateway equipment with installation is recognised using the percentage of completion method. The stage of completion is measured by reference to the related contract costs incurred for work performed to date compared with the estimated total costs for the contract. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Revenue from rendering transponder services and services related to the satellite business, internet services, and other business related to the internet business and telephone services is recognised when the service is provided to customers and has a certainty of economic benefit from the service.

Revenue from leases of equipment is recognised in the period at the rate specified in the lease contracts.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when INTOUCH Group has a right to receive.

(t) Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(u) Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date.

Deferred tax

Deferred tax is provided, using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using tax rates substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised. Deferred tax assets are reduced to the amount at which the related tax benefit will be realised.

4 Related party transactions and balances

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, INTOUCH Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of INTOUCH Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of INTOUCH Group that gives them significant influence over the enterprise, key management personnel of INTOUCH Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions among INTOUCH Group are transactions among the Company, its subsidiaries, joint ventures and associates, also the transactions with management and other related companies of the Company, including with major shareholder's group are recognised as related party transactions of the Company.

INTOUCH Group conducted transactions with related parties in the ordinary course of business, the terms of which were negotiated on an arm's length basis and according to normal trade conditions.

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Related parties increased/decreased during the year ended 31 December 2018 were as follows:

Name of entity	Relationship
Companies under INTOUCH Group increased during the year	
YDM (Thailand) Co., Ltd. ("YDM")	Associate
VVR Asia Co., Ltd. ("VVR")	Associate
Choco Card Enterprise Co., Ltd. ("CHOCO")	Associate
Ecartstudio Co., Ltd. ("ECART")	Associate
Companies under INTOUCH Group decreased during the year	
Sinoze Co., Ltd. ("Sinoze")	Associate

Significant transactions with related parties were as follows:

The disposal of ordinary share of a subsidiary

On 25 January 2018, Thai Advance Innovation Co., Ltd. ("Thai AI") (formerly DTV Services Co., Ltd. ("DTV")), a subsidiary of THAICOM, sold all ordinary shares that DTV held in CS Loxinfo PLC ("CSL") to Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary of AIS (*notes 10 and 11*). As a result, the investment of the Company in CSL was changed from an indirect subsidiary to an indirect associate company after the date of disposal.

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Sales of goods and services				
Subsidiaries				
Interest income and other incomes	-	-	6	3
Joint ventures				
Interest income	102	90	-	-
Rental income	12	15	-	-
Consultant and other incomes	10	11	-	-
	124	116	-	-
Associates				
Mobile content services	11	138	-	-
Accounting program services	103	121	-	-
Transponder lease	51	62	-	-
Sale and installation of power generation system	16	-	-	-
TV uplink	4	-	-	-
Call center and voice services	4	61	-	-
Rental and other incomes	17	13	3	1
	206	395	3	1
Related parties				
Rental income	-	1	-	-

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	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Purchase of goods and services				
Subsidiaries				
Accounting program services and others	-	-	2	3
Joint ventures				
Rental and other expenses	5	6	-	-
Associates				
Rental and other expenses	11	26	3	2
Related parties				
Rental and other expenses	-	6	-	-
Dividend transactions				
Dividend received				
Subsidiaries	-	-	623	321
Associates	8,840	9,381	8,840	9,381
	8,840	9,381	9,463	9,702
Dividend paid				
Directors of the Company	1	1	1	1
Largest shareholders of the Company and other related parties	2,180	2,443	2,180	2,443
	2,181	2,444	2,181	2,444

Balances with related parties were as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade accounts and notes receivable				
Associates	37	5	-	-
Related parties	53	54	-	-
Total	90	59	-	-
Less allowance for doubtful accounts	(53)	(54)	-	-
Net	37	5	-	-
Accrued income				
Associates	5	13	-	-
Other receivable				
Subsidiaries	-	-	1	1
Associates	1	-	1	-
Total	1	-	2	1

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	Consolidated financial statements		Unit: Million Baht	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
			Separate financial statements	
Amounts due from, advances & loans to related parties				
Joint ventures	43	91	-	-
Associates	12	-	12	-
Total	55	91	12	-
Current investment in debenture through private funds, manage by independent fund manager				
Subsidiaries	-	-	68	118
Associates	63	23	63	23
Total	63	23	131	141
Current portion of long-term loans to related parties				
Joint ventures	486	245	-	-
Long-term loans to related parties				
Joint ventures	1,457	1,712	-	-

Movements of loan to related parties (included in amounts due from, advances and loans to related parties) were as follows:

	Consolidated Financial statements		Unit: Million Baht	
	2018	2017	2018	2017
			Separate Financial statements	
For the year ended 31 December				
Opening balance at 1 January	-	18	-	-
Repayments	-	(18)	-	-
Lending	12	-	12	-
Balance at 31 December	12	-	12	-

During 2017, there was a short-term loan to a joint venture, which is a call loan bearing interest rate at London Inter-Bank Offered Rate ("LIBOR") plus margin.

In 2018, there was a short-term convertible loan to an associate, which is due within a year and bearing fixed interest rate at comparable market.

Movements of long-term loan to a related party were as follows:

	Consolidated Financial statements		Unit: Million Baht	
	2018	2017	2018	2017
			Financial statements	
For the year ended 31 December				
Opening balance at 1 January			1,957	2,146
Unrealised loss on currency translation			(14)	(189)
Balance at 31 December	1,943	-	1,957	1,957

Long-term loan is a ten years loan to a joint venture bearing interest rates at LIBOR plus margin.

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	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade accounts and notes payable				
Associates	2	1	-	-
Related parties	-	1	-	-
Total	2	2	-	-
Other payable				
Joint ventures	3	5	-	-
Associates	5	6	-	-
Total	8	11	-	-
Amounts due to and loans from related parties				
Associates	1	2	1	1
Other non-current liabilities				
Associates	2	3	-	-

Management compensation

Directors' remuneration and key management personnel compensation comprised of:

	Unit: Million Baht			
	Consolidated Financial statements		Separate Financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Short-term benefit				
Directors' remuneration	60	67	36	37
Key management compensation	60	106	25	31
Total directors and management benefit expenses	120	173	61	68
For the year ended 31 December				
Long-term benefit				
Included in administrative expenses				
Current service costs	3	4	2	2
Share-based payment	4	13	4	9
Included in finance costs				
Interest on obligation	2	2	1	1
Total long-term management benefit expenses	9	19	7	12
Total	129	192	68	80

Directors' remuneration

Directors' remuneration represents monthly allowance, meeting allowance, daily expense allowance (per diem) and bonus which are paid to chairman of the board, independent directors, and non-executive directors as approved by the Annual General Meeting of shareholders of the Company and INTOUCH Group.

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Commitments and other agreements with related parties

As at 31 December 2018, the significant commitments with related parties are as follows:

1. The Company and certain associates entered into agreements with a subsidiary, under which the subsidiary committed to maintain accounting programme service for one year with an option to renew one year each. The parties have the right to terminate the agreement by giving at least three-month advance written notice. As at 31 December 2018, the Company and associates had no commitment to pay to the subsidiary for services in respect of the agreements as the agreement had matured. At present, the new agreement is in the renewal process.
2. A subsidiary entered into agreements with associates, under which the subsidiary committed to provide transponder service, advisory service and Thaicom 4 (IPSTAR) bandwidth service. As at 31 December 2018, associates committed to pay the subsidiary for the service of the agreements at Baht 9 million (2017: Baht 14 million).

5 Additional cash flow information

Significant non-cash items were as follows:

	Consolidated financial statements		Separate financial statements		Unit: Million Baht
	2018	2017	2018	2017	
For the year ended 31 December					
Purchase of property, plant and equipment and other intangible assets					Unit: Million Baht
- by liabilities	15	26	-	4	

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements		Unit: Million Baht
	31 December 2018	31 December 2017	31 December 2018	31 December 2017	
Cash on hand	105	26	-	-	
Deposit at banks-current and saving accounts	2,432	1,924	144	206	
Deposit at banks-fixed accounts and highly liquid short-term investments	535	311	-	-	
Total	3,072	2,261	144	206	
The weighted average effective interest rate	0.7%	0.6%	0.3%	0.3%	

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7 Other investments

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Current investments				
Short-term deposit	2,675	2,819	401	316
Debt securities available for sale	4,466	3,338	1,368	1,347
	7,141	6,157	1,769	1,663
Other long-term investments (<i>included investment in Venture Capital which is not classified as investments in subsidiaries, joint ventures and associates</i>)				
Investment in other company	67	81	67	81
Less impairment loss on investment	(25)	(31)	(25)	(31)
	42	50	42	50
Total	7,183	6,207	1,811	1,713

The weighted average effective interest rate of short-term bank deposits was 1.4% per annum (2017: 1.5% per annum) in the consolidated financial statements and 1.5% per annum (2017: 1.5% per annum) in the separate financial statements.

The weighted average of the interest rate of current investments for debt available-for-sale securities is 1.7% per annum (2017: 2.3 % per annum) in the consolidated financial statements and 2.0% per annum (2017: 2.1% per annum) in the separate financial statements.

8 Trade and other receivables

Unit: Million Baht

	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade receivables				
Trade and notes receivable	1,983	1,769	-	-
Accrued income	650	435	-	-
Less allowance for doubtful accounts	(1,077)	(754)	-	-
	1,556	1,450	-	-
Other receivables	469	356	15	11
Total	2,025	1,806	15	11

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		Note	Unit: Million Baht	
			Consolidated financial statements	
		31 December 2018	31 December 2017	
Trade and notes receivable				
Related parties	4	90	59	
Other parties		1,893	1,710	
Total		1,983	1,769	
Accrued income				
Related parties	4	5	13	
Other parties		645	422	
Total		650	435	
Total trade receivables and accrued income		2,633	2,204	
Less allowance for doubtful accounts		(1,077)	(754)	
Net		1,556	1,450	

Aging analyses for trade accounts receivable and notes receivable were as follows:

		31 December 2018	Unit: Million Baht	
			Consolidated financial statements	
		31 December 2018	31 December 2017	
Within credit terms		156	259	
Overdue:				
Less than 3 months		422	427	
3 - 6 months		242	395	
6 - 12 months		257	390	
Over 12 months		906	298	
Total		1,983	1,769	
Less allowance for doubtful accounts		(1,077)	(754)	
Net		906	1,015	

Other receivables were as follows:

		Unit: Million Baht	
		Consolidated financial statements	
		31 December 2018	31 December 2017
Prepaid expenses	55	52	
Accrued interest income and other income	40	30	
Advance payments	181	181	
Deposits	27	27	
Others	166	66	
Total	469	356	11

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9 Inventories

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements	31 December	financial statements	31 December
	2018	2017	2018	2017
Raw materials	45	47	-	-
Work in process	15	15	-	-
Finished goods	154	158	-	-
	214	220	-	-
Less allowance for obsolete inventories	(92)	(95)	-	-
Net	122	125	-	-

10 Non-current assets or disposal groups classified as held for sale

INTOUCH Group reclassified assets and liabilities of CSL, a former indirect subsidiary of THAIMCOM, and MB, which is in the process of liquidation, to Non-current assets or disposal groups classified as held for sale in the consolidated financial statements as at 31 December 2017. INTOUCH Group had derecognised the assets and liabilities of CSL from the consolidated statement of financial position as at 31 December 2018. This is because of the disposal of all investment in CSL to AWN, a subsidiary of AIS, as discussed in Note 11.

The financial position of non-current assets or disposal groups classified as held for sale and liabilities included in disposal groups classified as held for sale included in the consolidated financial position as follows:

The financial position of CSL	Unit: Million Baht	
	Consolidated financial statements	31 December 2017
Assets		
Cash and cash equivalents		330
Trade and other receivables		444
Inventories		44
Property, plant and equipment		873
Other intangible assets		69
Deferred tax assets		52
Other non-current assets		23
Total		1,835

The financial position of non-current assets held for sale	Unit: Million Baht	
	Consolidated financial statements	31 December 2017
Liabilities		
Short-term borrowings from financial institutions		250
Trade and other payable		562
Current portion of long-term borrowings		60
Income tax payable		7
Long-term borrowings		2
Non-current provisions for employee benefit		155
Other non-current liabilities		19
Total		1,055

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	Unit: Million Baht	
	Consolidated financial statements	
	31 December 2018	31 December 2017
The financial position of MB		
Assets		
Cash and cash equivalents	53	52
Trade and other receivables	-	1
Total	53	53

11 Investments in subsidiaries, joint ventures and associates

Movements of investments in subsidiaries, joint ventures and associates were as follows:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements	2018	financial statements	2018
Investment in subsidiaries				
Opening balance at 1 January	-	-	6,430	7,998
Share of loss – equity method	-	-	(254)	(1,128)
Adjustment of intercompany sale of an investment	-	-	315	-
Realised dilution gain from an investment	-	-	(351)	-
Dividend received	-	-	(623)	(321)
Share of other comprehensive income	-	-	(5)	-
Unrealised gain (loss) on currency translation and other	-	-	(25)	(119)
Balance at 31 December	-	-	5,487	6,430
Investment in joint ventures				
Opening balance at 1 January	1,439	1,555	-	-
Share of profits – equity method	76	141	-	-
Share of other comprehensive income	-	(78)	-	-
Unrealised gain (loss) on currency translation	(32)	(179)	-	-
Balance at 31 December	1,483	1,439	-	-
Investment in associates				
Opening balance at 1 January	21,539	18,342	21,539	18,342
Acquisition	110	88	110	88
Acquisition by exchange shares of investment in an associate and an other long-term investment	20	-	20	-
Share of profits – equity method	12,019	12,140	12,019	12,140
Adjustment of intercompany sale of an investment	(315)	-	(315)	-
Dividend received	(8,840)	(9,381)	(8,840)	(9,381)
Share of other comprehensive income	15	350	15	350
Change in non-controlling interest in an associate	(270)	-	(270)	-
Balance at 31 December	24,278	21,539	24,278	21,539

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Investments in joint ventures and associates, and dividend for the periods then ended were as follows:

Consolidated financial statements									
			Paid-up capital			Cost method			Dividend income for the year ended 31 December
			December 2018	December 2017	December 2018	December 2017	December 2018	December 2017	2018 (in Million Baht)
Ownership interest									
31 December 2018	31 December 2017	Currency (%)							
51.00	51.00	SGD Baht	15 500	15 500	138 255	138 255	1,444 39	1,356 83	-
Joint ventures									
SHEN	51.00	Baht	2,973	2,973	8,382	8,382	23,926	21,293	8,840
High Shopping					417	309	352	246	-
Total					8,799	8,691	24,278	21,539	8,840
Associates									
AS Venture Capital Investments*	40.45	Baht							9,381
Total					(57)	(80)	-	-	-
Less impairment									
Net					8,742	8,611	24,278	21,539	8,840
									9,381

* Excluded investment in debt security and other investments of Venture Capital

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Investments in subsidiaries and associates, and dividend for the periods then ended were as follows:

Separate financial statements						
Subsidiaries	Ownership interest 31 December 2018	Currency 2017	Paid-up capital 31 December 2018	Cost method 31 December 2018	Equity method 31 December 2018	Dividend income for the year ended 31 December 2018 (in Million Baht)
THACOM	41.13	41.14	Baht	5,481	3,613	5,262
ITV	52.92	52.92	Baht	6,033	3,297	-
ITAS	99.99	99.99	Baht	10	10	119
MB	99.99	99.99	Baht	59	122	53
Intouch Media	99.99	99.99	Baht	279	279	97
Total				7,321	7,321	6,487
<i>Less impairment</i>				<i>(3,369)</i>	<i>(3,369)</i>	<i>-</i>
Net				3,952	3,952	6,487
 Associates						
AI S	40.45	40.45	Baht	2,973	8,382	23,926
Venture Capital Investments*					417	309
Total				8,799	8,691	24,278
<i>Less impairment</i>				<i>(57)</i>	<i>(80)</i>	<i>-</i>
Net				8,742	8,611	24,278

* Excluded investment in debt security and other investments of Venture Capital

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Significant transactions during the year ended 31 December 2018 of INTOUCH Group was as follows:

The disposal of ordinary share of CSL

On 25 January 2018, Thai Al, a subsidiary of THAIMCOM, sold all ordinary shares in CSL at the total number of 250,099,990 shares or equivalent to 42.07% of all the total issued and paid-up shares of CSL to AWN, a subsidiary of AIS, at the offering price of Baht 7.80 per share, totalling Baht 1,951 million. The net book value of assets of consolidated financial statements of CSL as at the disposal date was as follows:

	Unit: Million Baht
Total assets	1,842
Total liabilities	1,020
Net assets	822
Less non-controlling interests	(475)
Net assets attributable to owners of parent	347
Net consideration of sale	
Consideration of sale	1,951
Less expenses related to the sale	(5)
	1,946
Consolidation eliminations	
Unrealised gain on dilution	351
Less unrealised intercompany gain from sale investment	(315)
	36
Gain from sale of investment	1,635

On 27 March 2018, the Annual General Shareholders' Meeting of CSL approved the delisting of the company's securities from the SET.

On 28 March 2018, CSL submitted a form to delist shares from the SET to the Board of Governors of the SET. Consequently, on 4 April 2018, CSL received the approval letter from the SET. The delisting is under conditions that CSL shall arrange the acquirer, AWN, to have a tender offer to all shareholders as required by the SEC. By the end of the tender offer period on 6 July 2018, AWN holds 588,329,400 shares or 98.96% of all the total issued and paid-up shares of CSL. From 26 July 2018 onwards, the share of CSL had been delisted from the SET.

Investment in Venture Capital Project

During the year ended 31 December 2018, the Company had additional investments in Venture Capital project as follows:

Name of company	Share investment		
	Number of share (share)	Ownership interest (%)	
YDM (Thailand) Co., Ltd. ("YDM")	1,537	8.11	
VVR Asia Co., Ltd. ("VVR")	2,000	10.00	
Choco Card Enterprise Co., Ltd. ("CHOCO")	10,668	20.00	
Ecartstudio Co., Ltd. ("ECART")	166,997	11.43	

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12 Financial summary of key joint ventures and associates

Investment in joint arrangement – joint ventures

Shenington Investment Pte Limited ("SHEN")

SHEN is a joint venture between THAICOM and Asia Mobile Holding Pte Limited ("AMH"). As at 31 December 2018 and 2017, the interest in SHEN of THAICOM and AMH is 51% and 49%, respectively.

High Shopping Company Limited ("High Shopping")

High Shopping is a joint venture between Intouch Media and Hyundai Home Shopping. As at 31 December 2018 and 2017, the interest in High Shopping of Intouch Media and Hyundai Home Shopping is 51% and 49%, respectively.

The following table summarises the financial information of the joint ventures as included in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies (if any). The joint ventures of INTOUCH Group's is non-public listed companies, consequently they do not have published price quotations.

	Unit: Million Baht			
	SHEN		High Shopping	
	31 December	31 December	31 December	31 December
	2018	2017	2018	2017
Current assets	152	106	108	113
Non-current assets	6,702	6,702	82	112
Current liabilities	(89)	(669)	(112)	(62)
Non-current liabilities	(3,829)	(3,374)	(1)	(1)
Net assets	2,936	2,765	77	162

For the year ended 31 December	Unit: Million Baht			
	SHEN		High Shopping	
	2018	2017	2018	2017
Revenue	534	659	300	215
Profit (loss) from continuing operations	234	385	(86)	(108)
Other comprehensive income	(73)	(362)	-	-
Comprehensive income	161	23	(86)	(108)

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The following table reconciles the summarised financial information to the carrying amount of the Group's interest in these joint ventures.

	Unit: Million Baht			
	SHEN		High Shopping	
For the year ended 31 December	2018	2017	2018	2017
Group's interest in net assets of investee at 1 January	1,356	1,417	83	138
Share of profits (loss) attributable to the Group	120	196	(44)	(55)
Share of other comprehensive income attributable to the Company	(32)	(257)	-	-
Group's interest in net assets of investee at 31 December	<u>1,444</u>	<u>1,356</u>	<u>39</u>	<u>83</u>
Carrying amount of interest in investee at 31 December	1,444	1,356	39	83

Investments in associates

The following table summarises the financial information of the significant associate, adjusted for fair value adjustments at acquisition and differences in accounting policies (if any) for the years ended 31 December 2018 and 2017 (other than investment in AIS, which is a listed company in the SET, INTOUCH Group does not have any other associates that are listed companies, consequently, they do not have published price quotations).

	Unit: Million Baht	
	AIS	
31 December	2018	31 December
Current assets	34,905	34,841
Non-current assets	255,600	249,226
Current liabilities	(72,764)	(69,601)
Non-current liabilities	(160,072)	(164,040)
Net assets	57,669	50,426
Market value	512,859	567,861

	Unit: Million Baht	
	AIS	
For the year ended 31 December	2018	2017
Revenue	169,856	157,722
Profit (loss) from continuing operations	29,714	30,078
Other comprehensive income	-	816
Comprehensive income	29,714	30,894

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13 Property, plant and equipment

Unit: Million Baht

	Consolidated financial statements					
	Buildings & improvements	Equipment, furniture & fixtures	Vehicles & vehicles under finance leases	Computers & equipment	Assets under construction	Total
As at 1 January 2017						
Cost	743	13,184	142	662	42	14,773
<u>Less</u> Accumulated depreciation	(410)	(4,280)	(84)	(558)	-	(5,332)
Net book value	333	8,904	58	104	42	9,441
Transactions during the year ended 31 December 2017						
Purchases	11	152	10	53	115	341
Transfer- net	78	64	-	6	(153)	(5)
Disposals- net	-	(1)	(5)	-	-	(6)
Write-off- net	-	-	(1)	-	-	(1)
Depreciation charge	(44)	(825)	(21)	(56)	-	(946)
Foreign currency translations adjustment	-	(8)	-	-	-	(8)
Reclassified non-current assets held for sale	(307)	(521)	(3)	(42)	-	(873)
Closing net book value	71	7,765	38	65	4	7,943
As at 31 December 2017						
And as at 1 January 2018						
Cost	470	11,682	101	234	4	12,491
<u>Less</u> Accumulated depreciation	(399)	(3,917)	(63)	(169)	-	(4,548)
Net book value	71	7,765	38	65	4	7,943
Transactions during the year ended 31 December 2018						
Purchases	2	72	17	10	5	106
Transfer- net	-	18	-	-	-	18
Disposals- net	-	(7)	(5)	-	-	(12)
Depreciation charge	(25)	(683)	(17)	(29)	-	(754)
Loss from impairment	-	(2,423)	-	-	-	(2,423)
Foreign currency translations adjustment	-	(2)	-	-	-	(2)
Closing net book value	48	4,740	33	46	9	4,876
As at 31 December 2018						
Cost	442	11,651	97	226	9	12,425
<u>Less</u> Accumulated depreciation	(394)	(4,488)	(64)	(180)	-	(5,126)
<u>Less</u> Allowance for impairment	-	(2,423)	-	-	-	(2,423)
Net book value	48	4,740	33	46	9	4,876

Impairment loss of equipment

The fierce competition in satellite industry has resulted to a significant market price erosion. As a consequence, the satellite operating result of THAICOM has been affected. THAICOM has assessed the impairment of equipment by way of discounted cash flow approach applying the discount rate of 8%. The book value of the assets were higher than the recoverable amount estimated by the discounted cash flow. Therefore, the impairment losses were recorded in the amount of Baht 2,423 million, which was presented as impairment losses for the year ended 31 December 2018.

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Unit: Million Baht

	Separate financial statements				
	Buildings & improvements	Furniture, fixtures & equipment	Vehicles	Computers & equipment	Total
Balance at 1 January 2017					
Cost	27	26	51	35	139
Less Accumulated depreciation	(10)	(19)	(34)	(31)	(94)
Net book value	17	7	17	4	45
Transactions during the year ended 31 December 2017					
Purchases	-	1	4	5	10
Transfer- net	-	-	-	3	3
Disposals- net	-	-	(3)	-	(3)
Depreciation charge	(5)	(3)	(7)	(3)	(18)
Closing net book value	12	5	11	9	37
Balance at 31 December 2017 and as at 1 January 2018					
Cost	27	15	35	29	106
Less Accumulated depreciation	(15)	(10)	(24)	(20)	(69)
Net book value	12	5	11	9	37
Transactions during the year ended 31 December 2018					
Purchases	-	-	9	-	9
Disposals- net	-	-	(1)	-	(1)
Depreciation charge	(6)	(2)	(6)	(4)	(18)
Closing net book value	6	3	13	5	27
As at 31 December 2018					
Cost	27	15	35	28	105
Less Accumulated depreciation	(21)	(12)	(22)	(23)	(78)
Net book value	6	3	13	5	27

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14 Intangible assets under operating agreements

	Unit: Million Baht
	Consolidated
	financial statements
At 1 January 2017	
Cost	26,233
<u>Less</u> Accumulated amortisation	<u>(17,028)</u>
Net book value	9,205
Transactions during the year	
ended 31 December 2017	
Amortisation charge	(2,022)
Loss from impairment	<u>(3,196)</u>
Closing net book value	3,987
At 31 December 2017	
and at 1 January 2018	
Cost	26,233
<u>Less</u> Accumulated amortisation	<u>(19,050)</u>
<u>Less</u> Allowance for impairment	<u>(3,196)</u>
Net book value	3,987
Transactions during the year	
ended 31 December 2018	
Transfer- net	1
Amortisation charge	(1,151)
Reversal of impairment loss	170
Closing net book value	3,007
At 31 December 2018	
Cost	26,250
<u>Less</u> Accumulated amortisation	<u>(20,217)</u>
<u>Less</u> Allowance for impairment	<u>(3,026)</u>
Net book value	3,007

Impairment loss of intangible assets under operating agreements

The fierce competition in satellite industry has resulted to a significant market price erosion. Moreover, the major customers were churned both domestic and international with uncertainty of replacement. As a consequence, the satellite operating result of THAICOM has been affected. THAICOM recorded impairment loss for intangible assets under operating agreement amounting to Baht 3,196 million for the year ended 31 December 2017. However, THAICOM has assessed the impairment of equipment by discounted cash flow approach applying the discount rate of 8%. The recoverable amount estimated by the discounted cash flow were higher than the book value of the assets. Therefore, the reversal of impairment loss was recorded in the amount of Baht 170 million for the year ended 31 December 2018.

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15 Other intangible assets

	Unit: Million Baht		
	Consolidated financial statements		
	Goodwill	Others	Total
At 1 January 2017			
Cost	1,702	2,219	3,921
<u>Less</u> Accumulated amortisation	-	(1,589)	(1,589)
<u>Less</u> Allowance for impairment	(1,474)	(9)	(1,483)
Net book value	228	621	849
Transactions during the year ended 31 December 2017			
Purchases	-	35	35
Transfer- net	-	(3)	(3)
Amortisation charge	-	(137)	(137)
Loss from impairment	(85)	(28)	(113)
Foreign currency translations adjustment	(4)	(4)	(8)
Reclassified non-current assets held for sale	-	(69)	(69)
Closing net book value	139	415	554
At 31 December 2017 and at 1 January 2018			
Cost	1,698	1,933	3,631
<u>Less</u> Accumulated amortisation	-	(1,481)	(1,481)
<u>Less</u> Allowance for impairment	(1,559)	(37)	(1,596)
Net book value	139	415	554
Transactions during the year ended 31 December 2018			
Purchases	-	3	3
Amortisation charge	-	(115)	(115)
Closing net book value	139	303	442
At 31 December 2018			
Cost	1,698	1,922	3,620
<u>Less</u> Accumulated amortisation	-	(1,585)	(1,585)
<u>Less</u> Allowance for impairment	(1,559)	(34)	(1,593)
Net book value	139	303	442

The other intangible assets in the consolidated financial statements mainly were goodwill from business combination and the development of Thaicom 4 (IPSTAR) technology.

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Impairment of goodwill and other intangible assets

Regarding to the declining of mining and construction sectors in Australia, which were the major customer of Orion Satellite Systems Pty Limited (OSS), the operating results of OSS, an indirect subsidiary of THAICOM group, has been affected. As a Consequence, THAICOM has assessed the impairment of goodwill and intangible assets. The valuation determined by discounting the future cash flows using the discount rate of 10%. As a result, the book value is higher than the recoverable amount, the impairment losses for goodwill was recorded in the amount of Baht 85 million and other intangible asset amounting to Baht 28 million, which presented as impairment losses in the statement of income for the year ended 31 December 2017.

	Unit: Million Baht Separate financial statements
Balance at 1 January 2017	
Cost	71
<u>Less</u> Accumulated amortisation	(64)
Net book value	<u>7</u>
Transactions during the year	
ended 31 December 2017	
Purchases	1
Transfer- net	(2)
Amortisation charge	(2)
Closing net book value	<u>4</u>
Balance at 31 December 2017	
and as at 1 January 2018	
Cost	20
<u>Less</u> Accumulated amortisation	(16)
Net book value	<u>4</u>
Transactions during the year	
ended 31 December 2018	
Purchases	1
Amortisation charge	(2)
Closing net book value	<u>3</u>
As at 31 December 2018	
Cost	21
<u>Less</u> Accumulated amortisation	(18)
Net book value	<u>3</u>

16 Deferred income tax

Deferred tax assets and liabilities determined after appropriate offsetting are included in the statements of financial position as follows:

	Unit: Million Baht Consolidated financial statements	
	31 December 2018	31 December 2017
Deferred tax assets	1,122	780
Total	1,122	780

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Deferred income tax is calculated on temporary differences under liability method in the statements of financial position.

Deferred tax assets for tax loss carried forward are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. INTOUCH Group has tax loss carried forward to offset future tax income at Baht 1,628 million (2017: Baht 1,828 million) in the consolidated financial statements and Baht 1,592 million (2017: 1,645 million) in the separate financial statements.

The movements in deferred tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

	Unit: Million Baht				
	Consolidated financial statements				
	At 1 January 2017	Gain or loss	Other comprehensive income	Reclassified non-current assets held for sale	At 31 December 2017
Deferred tax assets					
Loss carryforward	60	(47)	(3)	(7)	3
Allowance for doubtful accounts	13	1	-	(10)	4
Allowance of obsolescence	13	3	-	-	16
Allowance for impairment	-	639	-	-	639
Deposits	37	(6)	-	-	31
Advance receipt from customer	(12)	35	-	(2)	21
Employee benefits	87	6	(18)	(36)	39
Accrued expenses	67	(48)	-	(1)	18
Prepaid expense	31	(31)	-	-	-
Others	18	(3)	(2)	(4)	9
Total	314	549	(23)	(60)	780

	Unit: Million Baht				
	Consolidated financial statements				
	At 1 January 2018	Gain or loss	Other comprehensive income	Reclassified non-current assets held for sale	At 31 December 2018
Deferred tax assets					
Loss carryforward	3	64	(6)	-	61
Allowance for doubtful accounts	4	2	-	-	6
Allowance of obsolescence	16	-	(1)	-	15
Allowance for impairment	639	276	-	-	915
Deposits	31	(6)	-	-	25
Advance receipt from customer	21	(7)	(1)	-	13
Employee benefits	39	(3)	1	-	37
Accrued expenses	18	19	(3)	-	34
Others	9	6	1	-	16
Total	780	351	(9)	-	1,122

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17 Interest bearing liabilities

	Unit: Million Baht	
	Consolidated financial statements	
	31 December 2018	31 December 2017
Current liabilities		
Current portion of long-term borrowings	412	415
Current portion of debenture	2,231	-
Current portion of finance lease liabilities	9	7
	2,652	422
Non-current liabilities		
Long-term borrowings	2,061	2,490
Debenture	2,227	4,398
Finance lease liabilities	18	24
	4,306	6,912
Total	6,958	7,334

The movements in the borrowings were as follows:

	Unit: Million Baht				
	Consolidated financial statements				
	Short-term borrowings from financial institutions	Finance lease liabilities	Long-term borrowings	Debenture	Total
Opening balance at 1 January 2017	230	43	5,406	4,489	10,168
Cash changes					
Additions	480	-	-	-	480
Repayments	(460)	(10)	(2,027)	-	(2,497)
Non-cash changes					
Additions	-	2	-	-	2
Amortisation of finance cost	-	(2)	-	1	(1)
Elimination of investment in intercompany debenture	-	-	-	(92)	(92)
Foreign currency translation adjustment	-	-	(414)	-	(414)
Reclassified non-current assets held for sale	(250)	(2)	(60)	-	(312)
Balance at 31 December 2017	-	31	2,905	4,398	7,334

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	Consolidated financial statements					Unit: Million Baht
	Short-term borrowings from financial institutions	Finance lease liabilities	Long-term borrowings	Debenture	Total	
Opening balance at 1 January 2018	-	31	2,905	4,398	7,334	
<i>Cash changes</i>						
Repayments	-	(10)	(404)	-	(414)	
<i>Non-cash changes</i>						
Additions	-	6	-	-	6	
Amortisation of finance cost	-	-	-	1	1	
Elimination of investment in intercompany debenture	-	-	-	59	59	
Foreign currency translation adjustment	-	-	(28)	-	(28)	
Balance at 31 December 2018	-	27	2,473	4,458	6,958	

Debenture

The current portion of long-term debenture and long-term debenture are from THAICOM. There are two tranches value of Baht 2,275 million each. The debenture is registered, unsecured and unsubordinated as detailed below:

Tranche	Date of issue	Unit	Amount	Interest rate p.a.	Interest due	Principal due (Entire redeemable)	Outstanding as at 31 December	
							2018	2017
			(in million Baht)				(in million Baht)	
1	29 Sep 14	2.275	2,275	4.28%	Semi annually	2 Oct 19	2,275	2,275
2	29 Sep 14	2.275	2,275	4.68%	Semi annually	2 Oct 21	2,275	2,275
Total debenture							4,550	4,550
<i>Less Debenture issuing cost</i>							<u>(3)</u>	<u>(3)</u>
Net							4,547	4,547

THAICOM must comply with the conditions in the debenture issue and debenture holder agreement with regards to maintaining certain financial ratios.

The interest rate exposure of the borrowings of INTOUCH Group and the Company are as follows:

Total borrowings: at fixed rates at floating rates	Unit: Million Baht	
	Consolidated financial statements	
	31 December 2018	31 December 2017
4,485	4,429	
2,473	2,905	
6,958	7,334	

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	Consolidated financial statements		Unit: %
	31 December 2018	31 December 2017	
Weighted average interest rate			
Long-term borrowings	4.79	3.70	
Debenture	4.48	4.48	
Finance lease liabilities	3.29	3.30	

Maturity of borrowings as at 31 December 2018 is as follows:

Maturity	Consolidated financial statements		Unit: Million Baht
	Loan	Financial lease liabilities	
2019	2,643	9	
2020	412	12	
2021 and after	3,876	6	
Total	6,931	27	

Borrowing facilities

As of 31 December 2018, INTOUCH Group has unutilised loan facilities made available by various financial institutions in an aggregate amount of Baht 4,934 million and USD 30 million (2017: Baht 5,593 million and USD 30 million) on the consolidated financial statements and Baht 1,010 million (2017: Baht 1,010 million) on the separate financial statements.

18 Trade and other payables

	Note	Unit: Million Baht			
		Consolidated financial statements		Separate financial statements	
		31 December 2018	31 December 2017	31 December 2018	31 December 2017
Trade payables					
Related parties	4	2	2	-	-
Other parties		142	239	-	-
Total		144	241	-	-
Other payables					
		1,023	1,053	71	88
Total		1,167	1,294	71	88

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Other payables are as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Accrued expenses	522	615	60	73
Deferred income and advance receipts	275	218	-	-
Other payables	56	62	8	14
Tax payable	66	42	3	1
Deposit from customers	31	52	-	-
Others	73	64	-	-
Total	1,023	1,053	71	88

19 Non-current provisions for employee benefit

Non-current provisions for employee benefit in the statements of financial position as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Present value of unfunded obligations	242	247	60	53

Movement in the present value of the non-current provision for employee benefit is as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the years ended 31 December				
At 1 January	247	496	53	51
Benefits paid by the plan	(85)	(45)	-	-
<i>Recognised in profit or loss:</i>				
Past & current service costs of employee and interest on obligation	33	69	7	7
Loss due to settlement	42	-	-	-
<i>Recognised in other comprehensive income:</i>				
Actuarial gain recognised during the year	5	(118)	-	(5)
Reclassified non-current assets held for sale	-	(155)	-	-
At 31 December	242	247	60	53

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Expenses recognised in profit or loss is as follows:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the years ended 31 December				
Past & current service costs of employee	23	52	5	5
Interest on obligation	10	17	2	2
Total	33	69	7	7

Actuarial (gains) or losses recognised in other comprehensive income arising from:

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the years ended 31 December				
Experience adjustment	(4)	(52)	-	(9)
Assumptions used in actuarial projections	9	(66)	-	4
Total	5	(118)	-	(5)

Principal actuarial assumptions are as follows:

	Unit: %			
	Consolidated financial statements		Separate financial statements	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Estimate of discount rate (average)	3.0-3.2	3.0	3.0	3.0
Estimate of future salary increases (average)	5.0 – 7.8	5.0 – 7.8	7.8	7.8

At 31 December 2018, the weighted-average duration of the non-current provision for employee benefit was 11-15 years (2017: 15 years).

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the non-current provision for employee benefit to increase (decrease) as at 31 December 2018 by the amounts shown below.

	Consolidated financial statements		Unit: Million Baht	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Change in major assumptions				
Gain (loss) from changes in				
Discount rate (average)	(34) 35	37 (32)	(8) 9	10 8
Future salary growth (average)				

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20 Share capital and premium

Movements in share capital and premium were as follows:

	Issued and fully paid-up shares				
	Authorised number of shares <i>(in Million shares)</i>	Number of shares <i>(in Million shares)</i>	Ordinary shares <i>(in Million Baht)</i>	Share premium <i>(in Million Baht)</i>	Total <i>(in Million Baht)</i>
Balance at 31 December 2017	5,000	3,206	3,206	10,348	13,554
Balance at 31 December 2018	5,000	3,206	3,206	10,348	13,554

21 Additional paid-in capital and reserves

Share premium

Section 51 of the Public Listed Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). This share premium is not available for dividend distribution.

Legal reserve

Section 116 of the Public Listed Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

22 Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders, also to maintain an optimal capital structure in order to support asset management plan and new investment opportunities which will create value and strengthen financial position for INTOUCH Group.

23 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	As at 31 December					Unit: Million Baht	
	2018		Consolidated financial statement	2017			
	THAICOM Group	ITV Group		THAICOM Group	ITV Group		
Non-controlling interest percentage	58.86	47.08		58.86	47.08		
Financial position							
Current assets	9,679	1,230		9,425	1,225		
Non-current assets	12,523	-		16,514	-		
Current liabilities	(4,046)	(2,894)		(2,929)	(2,896)		
Non-current liabilities	(5,019)	-		(7,730)	(2)		
Net assets (liabilities)	13,137	(1,664)		15,280	(1,673)		
Carrying amount of non- controlling interest	7,956	(783)		9,198	(787)	8,411	

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Unit: Million Baht

	For the year ended 31 December					
	2018		Consolidated financial statement		2017	
	THAICOM Group	ITV Group	THAICOM Group	ITV Group	THAICOM Group	ITV Group
Operating result						
Revenue	8,174	31			10,047	31
Net profit (loss)	247	18			(2,461)	18
Other comprehensive income	(428)	(9)			(272)	3
Total comprehensive income	(181)	9			(2,733)	21
Profit (loss) allocated to non - controlling interest	153	8	161	(1,371)	8	(1,363)
Other comprehensive income allocated to non - controlling interest	107	4	111	(1,528)	10	(1,518)

Unit: Million Baht

	For the year ended 31 December			
	2018		2017	
	THAICOM Group	ITV Group	THAICOM Group	ITV Group
Cash flows				
Cash flows from (used in) operating activities		2,038	17	3,141
investing activities	1,055	(20)	(207)	(40)
financing activities	(2,223)	-	(3,327)	-
Net increase (decrease) in cash and cash equivalents before effects of exchange rate	870	(3)	(393)	(20)
Reclassified cash and cash equivalents of non-current assets or disposal groups classified as held for sale	-	-	(330)	-
Net increase (decrease) in cash and cash equivalents	870	(3)	(723)	(20)
Opening cash and cash equivalents at beginning of the year	1,961	8	2,684	28
Cash and cash equivalents at the end of the year	2,831	5	1,961	8

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24 Share-based payment

24.1 Share-based payment settled by equity

Project data

The Annual General Shareholders' Meeting approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and subsidiary who are full-time employed and qualify for the Performance Share Plan project ("Project"). Major information is listed below:

	Grant I	Grant II	Grant III	Grant IV	Grant V
Approved date	29 Mar'13	28 Mar'14	27 Mar'15	31 Mar' 16	31 Mar' 17
Number of warrants offered (units)	432,700	844,100	933,700	671,200	1,107,800
Exercise price (Baht/share)	68.072	72.732	81.276	55.241	53.806
Number of reserved shares (shares)	432,700	844,100	933,700	671,200	1,107,800
Term of the Project	5 years from the date of initial offer of the warrants				
Offered price per unit	Baht 0 (zero Baht)				
Exercise ratio	1 unit of warrant per 1 ordinary share				

Fair value measurement

INTOUCH Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using Monte Carlo Simulation techniques. The major assumptions of the Company were as below:

	Grant II	Grant III	Grant IV	Grant V
Weighted average fair value at the grant date (Baht/unit)	29.40	25.33	20.99	27.44
Share price at the grant date (Baht/share)	76.75	77.25	56.50	54.75
Exercise price (Baht/share)	72.73	81.28	55.24	53.81
Expected volatility	26.62%	23.08%	26.84%	24.13%
Expected dividend	5.90%	5.77%	8.62%	6.83%
Risk-free interest rate	3.08%	2.34%	1.72%	2.01%

Intouch Holdings Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2018**

Movements in the number of outstanding warrants of the Company for the year ended 31 December 2018 were as follows:

	Opening balance at 1 January 2018			Unit: Thousand units Closing Balance at 31 December 2018*
		Granted	Expired	
ESOP – Grant I				
- Directors	302	-	(302)	-
- Employees	113	-	(113)	-
	415	-	(415)	-
ESOP – Grant II				
- Directors	351	-	-	351
- Employees	451	-	-	451
	802	-	-	802
ESOP – Grant III				
- Directors	388	-	-	388
- Employees	459	-	-	459
	847	-	-	847
ESOP – Grant IV				
- Directors	171	-	-	171
- Employees	383	-	-	383
	554	-	-	554
ESOP – Grant V				
- Directors	245	-	-	245
- Employees	560	-	-	560
	805	-	-	805
Total	3,423	-	(415)	3,008

*Include ESOP of employees or executives who cannot exercise their rights under the terms and conditions specified.

Reconciliation of other reserves - Equity-settled share-based payments was as below:

	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Opening balance at 1 January	51	49	45	37
Expense recognised in the statements of income	11	22	8	12
Items recognised in the statements of other components of equity	(1)	(20)	1	(4)
Balance at 31 December	61	51	54	45
Attributable to owners of Parent	54	45	54	45
Attributable to non-controlling interests	7	6	-	-
Balance at 31 December	61	51	54	45

24.2 Performance incentive payment to management of THAICOM, settled by cash

On 9 May 2018, the Board of Director of THAICOM had a resolution to approve the revised amount of performance incentive payment to Baht 23 million; allocating to the managements of THAICOM with the condition that if the Absolute Total Shareholder Return and Relative Total Shareholder Return meet the criteria at the third year of the project. As at 31 December 2018, THAICOM re-measured the criteria of the project and found that the criteria cannot be met. Therefore, THAICOM reversed the entire recognised expense in the statements of profit or loss during the year at Baht 8 million.

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25 Other comprehensive income

The components of other comprehensive income are as follows:

					Unit: Million Baht
	Consolidated financial statements		Separate financial statements		
	2018	2017	2018	2017	
For the year ended 31 December					
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translating financial statement	(62)	(288)	(25)	(119)	
Gains (losses) on remeasuring investments held as available for sale					
Profit (loss) during the year	(26)	23	(13)	11	
<u>Less</u> reclassification of (profit) loss recognised in the statements of income	<u>(9)</u>	<u>(35)</u>	<u>(10)</u>	<u>13</u>	<u>(3)</u>
Tax related to the component of other comprehensive income	5	(2)	1	-	-
	<u>(92)</u>	<u>(277)</u>	<u>(40)</u>	<u>(113)</u>	
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on remeasurements of defined benefit plans	(5)	118	(2)	14	
Share of other comprehensive income of a joint venture	-	(78)	-	-	
an associate	16	350	16	350	
Tax related to the component of other comprehensive income	1	(22)	-	(8)	
	<u>12</u>	<u>368</u>	<u>14</u>	<u>356</u>	
Total other comprehensive income for the year, net of income tax	(80)	91	(26)	243	

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The income tax impact to the component of other comprehensive income is as follows:

For the year ended 31 December	Consolidated financial statements						Unit: Million Baht	
	2018			2017				
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax		
Exchange differences on translating financial statement	(62)	-	(62)	(288)	-	(288)		
Gains (losses) on remeasuring investments held as available for sale	(35)	5	(30)	13	(2)	11		
Share of other comprehensive income of a joint venture	-	-	-	(78)	-	(78)		
Share of other comprehensive income of an associate	16	-	16	350	-	350		
Gains on remeasurements of defined benefit plans	(5)	1	(4)	118	(22)	96		
Total other comprehensive income	(86)	6	(80)	115	(24)	91		

For the year ended 31 December	Separate financial statements						Unit: Million Baht	
	2018			2017				
	Amount before tax	Tax income (expense)	Net of tax	Amount before tax	Tax income (expense)	Net of tax		
Exchange differences on translating financial statement	(25)	-	(25)	(119)	-	(119)		
Gains (losses) on remeasuring investments held as available for sale	(16)	1	(15)	6	-	6		
Share of other comprehensive income of an associate	16	-	16	350	-	350		
Gains on remeasurements of defined benefit plans	(2)	-	(2)	14	(8)	6		
Total other comprehensive income	(27)	1	(26)	251	(8)	243		

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26 Segment information

INTOUCH Group is organised into the following main business segments:

Segment	Nature of business
Local wireless telecommunications	Provision of local mobile telecommunication, trading and rental of telecommunications equipment and accessories in Thailand.
Satellite and international businesses	Transponder rental and related services, uplink and downlink services, sale and service related to media, internet and provide telecommunication services in Lao PDR
Corporate	Corporate relating to development and synergies that exist within the business, setting financial and performance targets for operating companies and assisting operating companies in obtaining financing on the most attractive terms possible.
Other businesses	Television broadcasting (<i>ceased its operation due to the revocation of the Operating Agreement in March 2007</i>), the provision of advertising services to the Group and third parties, information technology businesses, and businesses under Venture Capital project of the Company.

INTOUCH Group presented geographical segments based on customers' locations in which the Group provided the services to. The primarily geographical segments are presented as follows:

Country	Principal areas of operation
Thailand	Local wireless telecommunications, satellite business services and business relating to satellite, internet services, media and advertising, and other activities.
People's Republic of China	Sales and services relating to satellite.
India	Sales and services relating to satellite.
Japan	Sales and services relating to satellite.
Myanmar	Sales and services relating to satellite.
Others	Sales and services relating to satellite.

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Financial information by business segment

Unit: Million Baht

	Consolidated financial statement For the year ended 31 December 2017					
	Local wireless telecommu- nications business	Satellite & inter-national businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Revenue	-	9,482	-	161	(16)	9,627
Construction revenue under operating agreements	-	186	-	-	-	186
Share of profit (loss) of joint ventures associates	12,126	196	-	(55)	-	141
Costs of sales and services	-	(7,022)	-	(125)	2	(7,145)
Construction costs under operating agreements	-	(186)	-	-	-	(186)
Distribution costs and administrative expenses	-	(2,356)	(381)	(25)	12	(2,750)
Profit (loss) from operating activities	12,126	300	(381)	(30)	(2)	12,013
Net foreign exchange gain	-	153	-	(1)	-	152
Impairment loss on investment	-	-	(6)	-	-	(6)
Impairment loss on assets	-	(3,309)	-	-	-	(3,309)
Other income	-	413	42	31	(3)	483
Profit (loss) before finance costs and income tax	12,126	(2,443)	(345)	-	(5)	9,333
Finance costs	-	(401)	(3)	-	5	(399)
Income tax	-	383	-	(7)	-	376
Profit (loss)	12,126	(2,461)	(348)	(7)	-	9,310
Profit to non-controlling interest	-	1,371	-	(8)	-	1,363
Net profit (loss) for the year to owners of parent	12,126	(1,090)	(348)	(15)	-	10,673
Other information						
Segment assets	-	24,665	14,537	1,457	(12,677)	27,982
Investments in equity method	21,292	1,357	-	329	-	22,978
Total consolidated assets	21,292	26,022	14,537	1,786	(12,677)	50,960
Segment liabilities	-	3,214	141	2,946	(3)	6,298
Borrowings	-	7,447	-	-	(112)	7,335
Total consolidated liabilities	-	10,661	141	2,946	(115)	13,633
Interest income	-	161	39	32	(4)	228
Interest expenses	-	384	2	-	(5)	381
Depreciation	-	910	18	18	-	946
Amortisation	-	2,150	2	7	-	2,159
Depreciation & amortisation	-	3,060	20	25	-	3,105

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Unit: Million Baht

	Consolidated financial statement For the year ended 31 December 2018					
	Local wireless telecommu- nications business	Satellite & international businesses	Corporate business	Other businesses	Consolidation eliminations	INTOUCH Group
Revenue	-	6,233	-	146	(8)	6,371
Construction revenue under operating agreements	-	18	-	-	-	18
Share of profit (loss) of joint ventures associates	12,043	119	-	(43)	-	76
Costs of sales and services	-	(4,356)	-	(24)	-	12,019
Construction costs under operating agreements	-	(18)	-	(124)	-	(4,480)
Distribution costs and administrative expenses	-	(1,572)	(338)	(20)	13	(18)
Profit (loss) from operating activities	12,043	424	(338)	(65)	5	12,069
Net foreign exchange gain	-	5	-	-	-	5
Impairment loss on assets	-	(2,253)	-	-	-	(2,253)
Gain on sale of an investment	-	1,950	-	-	(315)	1,635
Other income	-	200	57	32	(8)	281
Profit (loss) before finance costs and income tax	12,043	326	(281)	(33)	(318)	11,737
Finance costs	-	(340)	(3)	-	3	(340)
Income tax	-	261	-	(6)	-	255
Profit (loss)	12,043	247	(284)	(39)	(315)	11,652
Profit to non-controlling interest	-	(152)	-	(9)	-	(161)
Net profit (loss) for the period to owners of parent	12,043	95	(284)	(48)	(315)	11,491
Other information						
Segment assets	-	20,842	14,709	1,456	(12,759)	24,248
Investments in equity method	23,926	1,444	-	391	-	25,761
Total consolidated assets	23,926	22,286	14,709	1,847	(12,759)	50,009
Segment liabilities	-	2,046	131	2,936	(3)	5,110
Borrowings	-	7,023	-	-	(65)	6,958
Total consolidated liabilities	-	9,069	131	2,936	(68)	12,068
Interest income	-	182	37	32	(2)	249
Interest expenses	-	329	2	1	(3)	329
Depreciation	-	719	18	17	-	754
Amortisation	-	1,256	2	8	-	1,266
Depreciation & amortisation	-	1,975	20	25	-	2,020

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Financial information by business geographical areas

Revenue and assets, based on geographical segments, in the consolidated financial statements are as follows:

	Revenue		Assets*	
	For the year ended 31 December		As at 31 December	
	2018	2017	2018	2017
Thailand	15,582	18,586	8,143	12,256
People's Republic of China	1	217	3	6
India	650	686	17	25
Japan	663	834	18	30
Myanmar	180	365	-	-
Others	1,408	1,405	144	167
Total	18,484	22,093	8,325	12,484

*Comprised of property, plant and equipment, property and equipment under operating agreement and intangible assets.

Major customers of INTOUCH Group

During the year ended 31 December 2018 and 2017, INTOUCH Group had no transaction with any external customers amounting more than 10% of the combined revenue.

27 Other income

For the year ended 31 December	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Interest income	250	228	37	39
Penalty income	-	195	-	-
Gain on sale of equipment	-	8	3	3
Other income	31	52	17	-
Total	281	483	57	42

28 Expenses by nature

The expenses by nature that have been charged in cost of sales of goods and rendering of services, distribution costs and administrative expenses can be classified are as follows:

For the year ended 31 December	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Depreciation	754	946	18	18
Amortisation charge	1,266	2,159	2	2
Staff cost	1,202	1,718	189	214

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29 Provident fund

INTOUCH Group has established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. The registered provident fund plan was approved by the Ministry of Finance on 23 July 1990 and the provident fund's name was amended on 21 January 1993. Under the plan, the employees must contribute 3% - 7% of their basic salaries. INTOUCH Group's contribution is based on the length of service of staff. INTOUCH Group has appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in Ministerial Regulation No. 2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530.

INTOUCH Group had a contribution to provident fund as follow:

	Unit: Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Contribution to provident fund	36	53	7	7

30 Income tax

Reconciliations of income tax are as follows:

	Note	Unit: Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
For the year ended 31 December					
Current tax		94	168	-	-
Deferred tax expense	16	(349)	(544)	-	-
Income tax (income) expense		(255)	(376)	-	-

Reconciliation of income tax expense and the results of the accounting profit multiplied by the income tax rates are as follows:

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	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
For the year ended 31 December				
Profits before tax	11,396	8,934	11,481	10,664
Corporate income tax rates	20%	20%	20%	20%
The result of the accounting profit multiplied by the income tax rates	2,279	1,787	2,296	2,133
Share of profit of subsidiaries, associates and joint ventures	(2,419)	(2,456)	(2,353)	(2,202)
Effect of the different basis of income tax calculation on tax rates in other countries	(3)	23	-	-
Tax losses in current year not recognised as deferred tax assets	87	69	57	68
Effect of corporate income tax exemption, the non-deductible tax expense and income and expense recognised in the different period between accounting and tax	(199)	201	-	1
Tax charge	(255)	(376)	-	-
Effective tax rate	(2.2) %	(4.2) %	0.0 %	0.0 %

Income tax rate

Intouch group uses corporate income tax rate of 20% to calculate deferred tax assets as at 31 December 2018 and 2017.

31 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributable to the equity holders of the Company shareholders by the weighted average number of ordinary shares outstanding during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume the conversion of all potential dilutive ordinary shares, which is the weighted average number of ordinary shares which would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of ESOP would be considered to have been received from the issue of shares at fair value.

The basic earnings per share and the diluted earnings per share were as follows:

	Consolidated financial statements					
	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2018	2017 (in Million Baht)	2018	2017 (in Million shares)	2018 (in Baht)	2017
For the year ended 31 December						
Basic earnings per share	11,491	10,673	3,206	3,206	3.58	3.33
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	11,491	10,673	3,206	3,206	3.58	3.33

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For the year ended 31 December	Separate financial statements					
	Profit attributable to owners of the Parent		Weighted average number of shares		Earnings per share attributable to owners of the Company	
	2018 (in Million Baht)	2017 (in Million Baht)	2018 (in Million shares)	2017 (in Million shares)	2018 (in Baht)	2017 (in Baht)
Basic earnings per share	11,481	10,664	3,206	3,206	3.58	3.33
The effect of dilutive potential shares	-	-	-	-	-	-
Diluted earnings per share	11,481	10,664	3,206	3,206	3.58	3.33

32 Dividends

The 2018 Annual General Shareholders' Meeting on 30 March 2018 and the Board of Director's Meeting on 3 August 2018 passed the resolutions to pay annual and interim dividends as follows:

Resolution of	From operational result of	Dividend	Interim dividend paid in 2017 (Baht per share)	Dividend paid in 2018	Approx. amount paid as per announcement (in million Baht)	Date of payment
AGM	2017 1-31 Jan' 18	2.52 0.19	1.25	1.27	4,072 609	27 Apr' 18 27 Apr' 18
Board of Director	Six-month period ended 30 Jun' 18	1.35	-	0.19 1.35	4,329	30 Aug' 18

Remark: the actual amount of dividend paid may be less than the announcement since there were some ineligible shareholders as per TSD regulations on the record date.

33 Financial instruments

The principal financial risks faced by INTOUCH Group are interest rate risk and exchange rate risk. INTOUCH Group borrows at fixed and floating rates of interest to finance its operations. Sales, purchases and a portion of borrowings are transacted in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, INTOUCH Group makes use of derivative financial instruments.

The following strategies are employed to achieve these objectives. Interest rate exposures are managed through interest rate swaps taken out with commercial banks and foreign exchange forward contracts and foreign currency options are taken out to manage the currency risks in future sales, purchases and loan repayments. The appropriate risk management is considered in accordance with the policy framework approved by the Board of Directors.

Trading for speculative purposes is prohibited. All derivative transactions are subject to approval of the management before execution.

Management of currency and interest rate exposures is the responsibility of the Corporate Finance Officer. Management reports contain details of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. For the investment, INTOUCH Group has guideline to short-term investment which specifies the policy for INTOUCH Group short-term investment, approved by the Board of Directors, as well as the level of acceptable risk undertaken by counterparty type.

Credit risk

INTOUCH Group has no significant concentrations of credit risk. INTOUCH Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Financial institute counterparties are considered in accordance with the policy for INTOUCH Group short-term investment.

Liquidity risk

INTOUCH Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance INTOUCH Group's operations, including finding short term credit facility from various banks for reserve in case of necessity and to mitigate the effects of fluctuations in cash flows.

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Foreign currency risk

INTOUCH Group had outstanding foreign currency assets and liabilities after foreign currency forward contracts and cross currency interest rate swap and foreign currency options as follows:

	Consolidated financial statements			
	As at 31 December		As at 31 December	
	2018	2017	2017	2016
	Foreign currency (Unit: million)	(in million Baht)	Foreign currency (Unit: million)	(in million Baht)
Assets				
US Dollars	115	3,705	38	1,223
EURO	0.11	4	-	-
Indian Rupees	446	194	446	212
Australian Dollars	0.1	2	-	-
New Zealand Dollars	0.14	3	0.11	3
Hong Kong Dollars	3	10	3	10
Total		3,918		1,448
Liabilities				
US Dollars	94	3,077	106	3,466
Indian Rupees	247	122	236	129
Australian Dollars	0.05	1	-	-
New Zealand Dollars	-	-	0.2	4
Total		3,200		3,599

The major foreign currency assets represent cash at bank and accounts receivable. The major foreign currency liabilities represent, trade accounts payable, accounts payable - equipment and borrowings.

Fair value of financial instruments risks

The carrying amount of cash and cash equivalents, current investments, trade accounts receivables, amounts due from related parties, short-term loans and advances to related parties, trade accounts payable, other payable, accounts payable - equipment, amounts due to related parties, short-term borrowings, current portion of long-term borrowings, other current assets and other current liabilities are assumed to approximate their fair value due to the short maturities of these instruments.

Financial assets and liabilities measured at fair value were as follows:

	Unit: Million Baht				
	Consolidated financial statements				
	Carrying amount	Level 1	Level 2	Level 3	Total
As at 31 December 2017					
Current assets					
Debt securities available for sale	3,338	-	3,338	-	3,338
As at 31 December 2018					
Current assets					
Debt securities available for sale	4,466	-	4,466	-	4,466

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	Unit: Million Baht				
	Separate financial statements				
	Carrying amount	Level 1	Fair value	Level 3	Total
As at 31 December 2017					
Current assets					
Debt securities available for sale	1,347	-	1,347	-	1,347
As at 31 December 2018					
Current assets					
Debt securities available for sale	1,368	-	1,368	-	1,368

Fair Value hierarchy

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair value measurements are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group determines Level 1 fair values for marketable equity securities, by using reference rates from the quoted prices in the stock market at the close of business on the reporting date and Level 2 fair value for marketable debt securities, by using reference rates from the quoted prices in the Thailand's bond market at the close of business on the reporting date.

Financial assets and liabilities that were not measured in fair value (disclosure by fair value) as follows:

	Unit: Million Baht				
	Consolidated financial statements				
	Carrying amount	Level 1	Fair value	Level 3	Total
As at 31 December 2017					
Non-current liabilities					
Debenture	4,398	-	4,711	-	4,711
Long-term borrowings, excluded finance lease liabilities	2,490	-	-	2,488	2,488
As at 31 December 2018					
Non-current liabilities					
Debenture	2,227	-	2,329	-	2,329
Long-term borrowings, excluded finance lease liabilities	2,061	-	-	2,088	2,088

The Group determines Level 2 fair value for marketable debenture, by using reference rates from the quoted prices in the Thailand's bond market at the close of business on the reporting date. For long-term borrowings (exclude finance lease liabilities), the Group determines Level 3 fair value, by discounted cash flows using marginal interest rate for similar liabilities in the market.

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34 Commitments

34.1 Operating Agreement commitments of ITV Public Company Limited ("ITV"), before the termination

On 7 March 2007, ITV received the letter of termination of the Operating Agreement from the PMO. This caused the following disputes:

- 1) **A case in which ITV is the plaintiff** regarding to the arbitration institution dispute No. 46/2550 whereby the PMO's unduly termination of the Operating Agreement which was wrongfully performed in breach of the Operating Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which is the dispute of the payment of the program penalty fee and interest in the total amount approximately Baht 100,000 million. The progression of the dispute No. 1/2550 was disclosed in note 35.2 to the financial statements.
- 2) **A case in which ITV is the defendant** whereby the PMO demanded that ITV make the payment of the program penalty, the unpaid operating fee, interest and the undelivered value of assets approximately totaling Baht 100,000 million in Black Case No. 640/2550. Later, on 19 December 2007, the Supreme Administrative Court ("SAC") dismissed the case and instructed the parties to enter into the arbitration proceeding for the Black Case No. 1/2550 and No. 46/2550. The progression of the dispute was disclosed in note 35.2 to the financial statements.

34.2 Shareholder agreements

INTOUCH Group has entered into shareholder agreements and other agreements with strategic partners and government agencies both in Thailand and other countries as follows:

Singapore Telecommunications Limited ("Singtel")

According to the Shareholders Agreement between the Company and Singtel, the parties confirm that they did not have any mutual intention at the time that they entered into the Shareholders Agreement to act and have not acted together or in exercising their voting rights for the purpose of achieving a common control of the voting rights or of the business of AIS. In the event that the shareholders are unable to reach agreement on significant corporate actions, either shareholder (the seller) may serve notice on the other shareholder (the buyer) requiring the buyer to either purchase the seller's interest in AIS, or if the buyer does not do so, then the seller must purchase the buyer's interest in AIS. At present, there is no significant argument between the parties.

The Government of the Lao People's Democratic Republic ("Lao PDR")

Lao Telecommunications Company ("LTC") is an indirect joint venture of THAIMCOM, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by Lao PDR and Shinawatra Computer and Communications Public Company Limited, a former name of the Company. According to the aforementioned Joint Venture Contract, LTC has the right to provide telecommunication services - fixed line phone, mobile phone, international facilities, internet and paging within the Lao PDR for 25 years. According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years. Currently, SHEN owns 49% of LTC's registered shares.

As per the shareholder agreement, after the end of the 20th year, in 2016, the government of the Lao PDR shall have the right to consider purchasing all LTC's share at a market price. And after the end of 23rd year, in 2019, INTOUCH Group has a right to submit a proposal to Lao PDR to consider the extension of the term of agreement. Otherwise at the end of the 25th year, in 2021, INTOUCH Group has to transfer all of LTC's shares to Lao PDR without any charges. According to the shareholder agreement, LTC is required to invest at least USD 400 million in the projects specified in the agreement within 25 years.

On 23 October 2015, SHEN and Lao PDR have officially reached the agreement to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in the Lao PDR, as a result LTC obtain right to operate communication service in Lao PDR for a further period of 25 years until 2046. According to the amended agreements, LTC is required to invest at least USD 400 million in the projects specified in the agreements within 25 years.

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34.3 Operating agreement commitments of THAICOM

THAICOM was permitted by the Ministry of Transport and Communications, under an agreement dated 11 September 1991 and an amendment thereto dated 22 March 1992, to operate and administer certain satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a thirty-year period, service charges from users of the transponders. The agreements for operation have been transferred to the Ministry of Digital Economy and Society ("MDE") (previously named Ministry of Information and Communication Technology ("MICT")).

Under the aforementioned agreement, THAICOM must pay an annual fee to MICT based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 December 2018, the remaining minimum operating agreement fee was Baht 245 million (2017: Baht 327 million). In addition, THAICOM, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MICT on the date of completion of construction and installation.

34.4 Operating lease commitments - where a group company is the lessee

The future minimum lease payments under non-cancelable operating leases (Company: nil) were as follows:

	Unit: Million Baht	
	Consolidated	
	financial statements	
	31 December 2018	31 December 2017
Not later than 1 year	12	32
Later than 1 year and not later than 5 years	7	18
Total	19	50

34.5 Other service agreement

On 1 December 2017, THAICOM entered into the Services Agreement for life-extension service of the satellites for five years term with a minimum commitment until the end of operating agreement period at USD 9 million, with having a certain right of termination by THAICOM under term and condition specified in the agreement. Another service fee of USD 71 million depends on certain conditions of the agreement, whether THAICOM is allowed to operate the satellites after the operational agreement ends.

35 Significant events, disputes and litigation of INTOUCH Group
35.1 The judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions

According to the judgment of the Supreme Court, Criminal Division for Persons Holding Political Positions rendered on 26 February 2010, concerns the Company and its affiliated companies in many aspects. The Company is of the opinion that the consequence of the judgment is limited to the holding that some property of the person holding political position was improperly acquired by an abuse of power while being in a political position. The judgment does not contain any order indicating that the Company and its affiliated companies shall take any actions as the Company is not involved to the case. The Company and its affiliated companies have been operating to the best of its ability in accordance with the law and the agreements and in good faith. The Company and its affiliated companies have every right available under the law and agreements to provide the facts to prove its innocence and good faith in any proceeding which may be initiated by the relevant government agencies in accordance with the law and justice.

Intouch Holdings Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2018*****35.2 The dispute between ITV and the PMO relating to the Operating Agreement***

ITV is a defendant in cases from having operated a television broadcasting station involving the PMO, which sent the notice dated 7 March 2007 to terminate the Operating Agreement and demanded that ITV cease its broadcasting using the UHF system by midnight of that date. There are two (2) pending cases between ITV and the PMO as follows:

- 1) The Black Case No. 1/2550: On 4 January 2007, ITV submitted a dispute without amount of claim to the Arbitration Institute over a fine imposed by the PMO for adjusting the broadcasting schedule and the interest on the unpaid operating fee whether it has reasonable ground or not. On 28 July 2016, the Black Case No. 1/2550 was entered into the process of appointing arbitration panel and will be under the consideration of arbitration proceeding.

However, on 25 October 2018, ITV received an order to appoint a person to be an arbitrator of ITV for the Black Case No. 1/2550 rendered by the CAC dated on 18 October 2018. On 31 October 2018, ITV received the Arbitration Institute's order to hold down the Black Case No. 1/2550 until the final judgment of the Black Case No. 620/2559. On 14 November 2018, ITV submitted an objection against the appoint ITV's arbitrator to the Arbitration Institute but the Arbitration Institute informed that ITV's objection will be proposed for consideration after completion of Arbitration tribunal's appointment. On 21 November 2018, ITV submitted an appeal against the CAC's order to appoint person as ITV's arbitrator in the Black Case No. 1466/2561 (the Red Case No. 2104/2561). At present, the Black Case No. 1/2550 has been held down by the Arbitration Institute until the final judgment of the Black Case No. 620/2559 which is currently pending and in consideration of the CAC.

- 2) The Black Case No. 46/2550: On 9 May 2007, ITV submitted a dispute to the Arbitration Institute over the PMO's termination of the Operating Agreement whether it is illegal or not and a claim for damages arising from this action amounting to Baht 21,814 million. Previously, the PMO had filed a complaint against ITV to the Central Administrative Court ("CAC") requesting ITV to pay the unpaid operating fees and the interest thereon at the rate of fifteen percent (15%), a fine for adjusting the broadcasting schedule and the value of non-delivered assets, totaling Baht 101,865 million. But the CAC dismissed the case and instructed the parties to enter into arbitral proceedings to resolve the dispute. The PMO appealed to the SAC against this decision and the SAC upheld the dismissal. Then, the PMO submitted the dispute through the arbitration process as specified in the Operating Agreement and filed its counterclaim to the Black Case No. 46/2550.

On 14 January 2016, the Arbitration Institute ruled that the termination of the PMO had been unlawful (the Red Case No. 1/2559). ITV and the PMO were ordered to pay each other the same amount so there was no outstanding debt between the two parties. However, although the arbitration tribunal had made its final ruling, either party could submit a petition to the relevant court to reconsider this case.

On 29 April 2016, the PMO filed a petition with the CAC, which was accepted on 2 November 2016 (the Black Case No. 620/2559).

At present, the case is in the process of the CAC.

35.3 Assessment for income tax in India

The Tax Authority in India ('the Tax Authority'), has held that the payments received by THAICOM for providing Transponder Services ('TPS') to its Indian customers and non-resident customers targeting Indian audience ('the Customer') was Royalty under both the Indian Income Tax Act ('the Act'), and the Double Taxation Avoidance Agreement between Thailand and India ('the DTAA') and subject to withholding tax at the rate of 15% on gross basis. But THAICOM considered income from Transponder Services to be business income, and as THAICOM does not have permanent establishment in India, such incomes are not taxable in India.

The Tax Authority still insists on its consideration and has raised the tax demand including surcharge, education and interest aggregating to Rs. 859 million (approximately Baht 399 million) against the said payment received by it from the customers and also levied penalty of Rs. 566 million (approximately Baht 263 million) for the Assessment Year ('AY') 1998-1999 to 2012-2013 (1 April 1997 to 30 March 2012).

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So far, THAICOM had received Withholding Tax Certificates ('WTC') from its customers until AY 2012-2013 net amounting to Rs. 594 million (approximately Baht 276 million), in which part of the amount is substituted and paid by the Customer on behalf of THAICOM and used it as deposit. THAICOM had also deposited Rs. 480 million (approximately Baht 223 million) and presented as other non-current assets in the statements of financial position.

On 4 March 2011, the Income Tax Appellate Tribunal ("ITAT") gave its decision that THAICOM's income from transponder services in India was not a royalty and as THAICOM has no permanent establishment in India; such income was not taxable in India.

As the consequence, THAICOM does not have to pay interest and penalty imposed by the Revenue Department of India, and ITAT also decided that the demand for penalty for the assessment years 1998-1999, 1999-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against THAICOM be cancelled. The Revenue Department of India did not appeal against the ITAT's decision on penalty for the said assessment years to the High Court of Delhi and the ITAT's decision on penalty was final. On 30 December 2011, the Tax authority notified the partial return of deposit placed by THAICOM against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to Rs. 162 million (approximately Baht 76 million).

Further to ITAT decision as stated in the preceding paragraphs, THAICOM is in the process of requesting the refund of the remaining deposit and withholding tax from the Tax Authority. Upon the final decision of the Supreme Court and the receipt of refund, THAICOM will forward the customer the amount they substituted on behalf of THAICOM.

On 28 September 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that THAICOM's income from transponder services in India was not a Royalty, to the Supreme Court. At the moment, this issue is still under the consideration of the Supreme Court.

The Supreme Court of India issued a letter dated 9 November 2011, to inform the agent of THAICOM's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

35.4 The major commercial disputes and significant litigation of AIS Group

AIS

1) Interconnection Agreements in accordance with the announcement of National Telecommunication Commission ("NTC")

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549, AIS has entered into an interconnection ("IC") agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
1) Total Access Communication PCL	30 November 2006 onwards
2) Truemove Company Limited	16 January 2007 onwards
3) Digital Phone Company Limited	1 June 2009 onwards
4) CAT Telecom Public Company Limited	7 April 2010 onwards
5) Advanced Wireless Network Company Limited	1 April 2013 onwards
6) Dtac TriNet Company Limited	1 July 2013 onwards
7) True Move H Universal Communication Company Limited (formerly Real Future Company Limited)	1 July 2013 onwards

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On 31 August 2007, TOT has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On 15 September 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On 4 February 2008, TOT sent a letter to AIS informing that the company should wait for the final judgment of the Court. If AIS undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognise the AIS's related actions and AIS must be responsible for such actions.

Having considered the said TOT's letter, related laws and the legal counsel's opinion, the AIS's management has the opinion that non-compliance by AIS with the IC agreements shall be deemed violating the said NTC announcement. Therefore, AIS has decided to comply with the IC agreements in line with the current legal provisions.

According to the Agreement for operations ("the Agreement"), AIS has to pay the higher of stipulated annual minimum payment or the percentage of service revenues and other benefits that AIS should be received in each year prior to deducting expenses and taxes to TOT. However, AIS had to comply with the regulation while TOT would like to wait for the final judgment of the Court. As a result, AIS anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. AIS calculated the revenue sharing from the net IC revenue which is similar to other operators in the telecommunication industry on a conservative basis. The revenue sharing amount to be paid to TOT is subject to the final judgment of the court in relation to revoking the announcement of NTC and a negotiation between TOT and AIS. AIS will make adjustment in the financial statement in the period when the issue has been agreed. AIS management believes that it will not incur significant expense more than the revenue sharing amount which AIS has recorded.

However, after having considered the letter from TOT, the relevant laws and the legal counsel's opinion, the management of AIS has the opinion that non-compliance with the above Interconnection Agreement would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, AIS decided to comply with the said Agreements which are in line with the legal provision in force by issuing invoices to collect the interconnection charge from the contractual parties.

On 30 December 2008, AIS remitted the revenue sharing incurred from the interconnection of the telecommunication network for February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of AIS to TOT. Later, AIS and TOT had set up the negotiation committee to seek for the conclusion but it could not be done. TOT required AIS to pay revenue sharing calculated on gross interconnection charges received by AIS at the rate specified in the Agreement without deduction of interconnection charges which AIS had to pay to other operators. Thus, on 26 January 2011, TOT sent a letter demanding AIS to pay the revenue sharing on the interconnection charges of the Agreement for operations year 17th-20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month. But AIS disagreed and sent a letter opposing the claim to TOT and AIS submitted the dispute to the Arbitration Dispute Resolution Office, the Arbitration Institute ref. Black Case No. 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing.

On 29 July 2014, TOT submitted a dispute no. 55/2557 demanding AIS to pay additional payment for the revenue sharing on the interconnection charges of the operation years 21st - 22nd in the amount of Baht 9,984 million plus interest at 1.25% per month on its outstanding and computing from the default date until the full payment is made. In addition, TOT requested this case to be under the same consideration with the Black Case No. 19/2554 to the Arbitral Tribunal.

On 23 August 2016, AIS submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, under the Black Case No. 83/2559, requesting the Arbitral Tribunal to give an award on the ground that TOT had no right to claim for such revenue sharing on the interconnection charges of the operational year 23rd – 25th in the amount of Baht 8,368 million plus interest at 1.25% per month on its outstanding amount for each year subject to the request by TOT.

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On 17 August 2018, the Arbitration Institute had an award for the Black Case No. 19/2554 that TOT has no right to claim AIS to pay the revenue sharing on the interconnection charges of the Agreement for operational year 17th - 20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month and to prohibit TOT from claiming for operational bank guarantee in accordance with the agreement and minimum payment guarantee for operational year 17th - 20th. Moreover, the Arbitration Institute had dismissed a dispute No. 55/2557 and had ordered TOT to pay AIS for overpayment in revenue sharing on the interconnection charges by Baht 110 million within 60 days from receiving such award together with additional interest payment at 7.5% per annum if TOT made payment after due date. TOT has filed a petition to revoke the Arbitral Tribunal's award to the CAC and under the process of consideration.

The dispute, the Black Case No. 83/2559, has been considered by the Arbitration process. AIS's management believes that it will not incur significant expense more than the recorded amount.

2) Obligations of the bank guarantees in connection with the Agreement for Operation ("the Agreement")

According to the Agreement, AIS has the duties to deliver the bank guarantees to TOT to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the past operation.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 17th - 21st for a total value of Baht 7,007 million by claiming that AIS had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges. Currently, the dispute has been considered by the Arbitration process.

On 11 May 2011 and on 5 October 2012, AIS submitted the disputes to the Alternative Dispute Resolution Office, the Arbitration Institute under the Black Case No. 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to AIS because AIS had completely paid the revenue sharing for each operation year and had correctly complied with the law and the relating Agreements in all respects.

On 10 February 2014, the Arbitral Tribunal gave the arbitration award to order TOT to return the bank guarantees for the operation year 17th - 21st to AIS. On 16 May 2014, TOT submitted the Black Case No. 660/2557 to the CAC to revoke the Arbitral Tribunal's award.

On 19 May 2014, AIS submitted the Black Case No. 666/2557 to the CAC requesting TOT to return the bank guarantees for the 17th - 21st operation year to AIS according to the arbitration award and pay the bank guarantees fee of Baht 7 million which had been paid by AIS to the banks and plus interest at 7.5% per annum computing from the date that AIS paid to the banks. Currently, this case is in the CAC procedure.

3) 900 MHz subscribers' migration to 3G 2100 MHz

On 25 September 2014, TOT submitted a dispute under the Black Case No. 80/2557 to the Alternative Dispute Resolution Office Arbitration Institute demanding AIS to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by its subsidiary in the amount of Baht 9,126 million plus interest at 7.5% per annum from 25 September 2014 until the full payment is paid.

On 29 March 2016, TOT submitted the revision to amend the compensation amount from May 2013 to September 2015, the ending of the Agreement for Operations in the amount of Baht 32,813 million plus VAT and interest at 1.25% per month from June 2013 until the full amount is paid.

Currently, the case is in the Arbitration process. AIS's management believes that AIS has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

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4) The claim for additional revenue from the 6th and 7th Amendments of the operating agreement ("the Agreement")

On 30 September 2015, AIS submitted the dispute Black Case No. 78/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, court of justice to decide regarding the 6th Amendment dated 15 May 2001 and the 7th Amendment dated 20 September 2002 to the Agreement to conduct business of Cellular Mobile Telephone that the amendments bind AIS and TOT to comply with the amendments until the expiration of the Agreement and that AIS has no obligation to pay for the additional revenue according to the letter claimed by TOT to AIS on 29 September 2015 regarding to request the payment of additional revenue in the amount of Baht 72,036 million which TOT has claimed that the 6th and the 7th Amendments were material which caused TOT to receive lower revenue than the rate as specified in the Agreement.

At present, the dispute has been considered by the arbitrators which the management of AIS believes that the 6th and the 7th Amendments to the Agreement are binding and effective until the expiration of the Agreement on 30 September 2015 because AIS has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Operating Agreement between TOT and AIS, the Black Case No. 291/2550 that "..... the amendment process of the Operating 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." Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

Later on 30 November 2015, TOT submitted the dispute Black Case No. 122/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice to decrease the amount of the revenue claimed by TOT to Baht 62,774 million according to the percentage adjustability of revenue sharing upon the Agreement. This case is the same as the dispute Black Case No. 78/2558. The Arbitral Tribunal have merged the two cases together.

5) Space rental fee for tower and equipment for the service under the Operating Agreement ("the Agreement")

On 30 September 2015, TOT submitted the dispute Black Case No. 76/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice to decide regarding AIS rents 11,883 base stations, which used for the installation of towers and telecommunication equipment to provide telecommunication services (Cellular Mobile Telephone Service), under the Agreement for additional 2 years from the expiration of the Operating Agreement. In case that AIS cannot perform such rental, AIS shall pay the said rental and all expenses during additional 2 years in the amount of Baht 1,911 million or place the money to the court.

At present, the dispute has been considered by the arbitrators which the management of AIS believes that AIS has no obligation to pay for the space rental fee for tower and equipment related after the expiration of the Agreement because AIS has rightfully conducted everything in accordance with the Operating Agreement. Therefore, the outcome of the dispute should be settled favourably and has no considerable impact on the financial statements of AIS.

6) The claim for installation and connection of telecom equipment within 900 MHz frequency band on the Base Site which Digital Phone Co., Ltd. ("DPC") has transferred the title to CAT Telecom Plc. ("CAT") subject to the Operating Agreement regarding Cellular Telecommunication Service between CAT and DPC.

On 29 April 2016, CAT filed a lawsuit against AIS to the CAC, the Black Case No. 613/2559 for the removal of installed and connected telecom equipment used in cellular telecommunication services within 900 MHz frequency band and/or other frequencies or other telecom equipment of AIS installed in 95 base sites which DPC has transferred to CAT subject to the Operating Agreement without approval from CAT. Therefore, CAT demanded AIS to compensate for the usage of assets owned by CAT during January 2013 to April 2016 in the amount of Baht 126 million plus interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 3 million per month plus interest at the rate of 7.5% per annum of the claimed amount in each month to CAT until the removal of telecom equipment is completed.

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On 19 March 2018, the CAC had an order for this said case to be transferred under the Civil Court, the Black Case No.1681/2561. Currently, the case is in consideration process of the Civil Court.

The management of AIS believes that AIS has correctly complied with the related conditions of the Operating Agreement in all respects then the outcome of this case should not be considerable impact on the financial statements of AIS.

7) The claim to the CAC for revocation of the NTC order regarding to revenue incurred from the temporary service for 900MHz customer protection period after the Operating Agreement end

On 1 May 2017, AIS filed a lawsuit against office of the National Broadcasting and Telecommunication Committee ("NBTC office"), the National Telecommunication Committee ("NTC"), the National Broadcasting and Telecommunication Committee ("NBTC") and other five persons to the CAC, the Black Case No. 736/2560 to revoke NBTC letter and NTC resolution of the NBTC office to demand AIS to pay revenue at remedy period from 1 October 2015 to 30 June 30 2016 in the amount of Baht 7,221 million plus interest.

On 15 June 2017, AIS received the indictment dated 21 April 2017 by the NBTC and the NBTC office which filed a lawsuit against AIS for the same amount to the CAC as Black Case No. 661/2560 demanded AIS to pay revenue at remedy period.

AIS' management has considered that AIS has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement and AIS has obliged to submit the revenue after deducting any expenses to NBTC office but AIS has expenses which incurred from the service greater than the revenue. Therefore, AIS has no remaining revenue to submit to NBTC Office as stipulated in the announcement. Currently the said case is in the process of the CAC.

8) Claim for the additional revenue sharing from the rental charge for providing transmission services

TOT has submitted the dispute No. A1/2017 dated 15 December 2017 to the Arbitration Institute, Ministry of Justice ("THAC") to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from January 2011 to September 2012 for the total amount of Baht 20 million and No. A1/2018 dated 12 January 2018 to claim for the payment regarding the additional revenue sharing from the rental charges for providing transmission services from October 2012 to September 2015 in the total amount of Baht 1,122 million (included VAT) including default interest rate at the rate 1.25% per month according to TOT view that AIS shall collect the rental charges for providing transmission services as the rate specified by TOT which is higher than the rental rate charged to the tenant.

On 8 February 2018, AIS has submitted the Black Case No. Kor. 1/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A1/2017. Later, on 2 March 2018, the CAC has dismissed the Black Case No. Kor. 1/2561.

On 5 March 2018, AIS has submitted the Black Case No. Kor. 2/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A1/2018. Later, on 16 March 2018, the CAC has dismissed the Black Case No. Kor. 2/2561.

Subsequently, on 5 and 11 April 2018, AIS had appealed the dismissal of the Black Case No. Kor. 1/2561 and the Black Case No. Kor. 2/2561, respectively.

Currently, the said disputes are in the Arbitration process. AIS's management believes that the rental rate charged at the reasonable market price by AIS and also approved by NBTC.

9) Claim for the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Operation Agreement ended of Cellular Mobile Telephone

On 15 February 2018, TOT has submitted the dispute No. A3/2018 to the Arbitration Institute by Thailand Arbitration Center ("THAC") to claim for the payment regarding the usage of co-location, site facilities and its related equipment rental for asset under Cellular Mobile Telephone providing during the temporary customer protection period after the Operation Agreement ended in the total amount of Baht 183 million (included VAT) plus default interest rate at 1.25% per month.

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On 5 April 2018, AIS has submitted the Black Case No. Kor. 3/2561 to the CAC to revoke the THAC's order for consideration the dispute No. A3/2018.

On 25 April 2018, the CAC has dismissed the Black Case No. Kor.3/2561.

Subsequently, on 21 May 2018, AIS had appealed the dismissal the Black Case No. Kor.3/2561.

The said case is in the Arbitration process. AIS's management believes that the company has correctly and complied with the relating conditions of the Agreement and the announcement of the NBTC in all respects then the outcome of the dispute should be settled favorably and has not considered to materially impact on the financial statements of AIS.

10) *Claim for the revenue sharing from provision of roaming services*

On 27 September 2018, TOT has submitted the dispute Black Case No. 67/2561 to the Arbitration Institute by the Arbitration Institute, the Alternative Dispute Resolution Office Court of Justice, to claim AIS for the additional revenue sharing from provision of roaming services which AIS had discount of service fees without prior consent from TOT since July 2013 – September 2015 in the total amount of Baht 16,253 million, VAT plus default interest rate at 1.25% per month.

Currently, the said case is in the arbitration process. AIS's management believes that AIS has correctly and complied with the relating conditions of the Agreement in all respects, therefore the outcome of the dispute should not materially impact the financial statements of AIS.

11) *The transferring of tower under the agreement for operations between TOT and AIS*

On 21 July 2014, AIS submitted the disputes no. 53/2557 to the Dispute Reconciliation, the Court of Justice to request the Arbitral Tribunal to give an award that the 13,198 towers transferred to TOT are not the property as stipulated in the Agreement which AIS had not need to transfer and requested for revenue sharing from that said assets by Baht 516 million.

On 12 March 2015, TOT opposed the dispute and made a counterclaim to request AIS to transfer additional 105 towers, which AIS has not transferred to TOT yet, plus default interest on related revenue sharing by Baht 16 million.

On 17 November 2018, AIS received TOT's petition and objection dated 15 February 2016, filing an objection and submitting additional counterclaims. By enforcing AIS to deliver additional 1,429 towers, which belong to AIS's subsidiary. If the delivery cannot be made, AIS will have to make a payment of Baht 1,200 million. During the period before 17 November 2018, AIS did not acknowledge such petition.

Currently, the said case is in the arbitration process. The management of AIS believes that AIS has correctly and complied with the relating conditions of the Agreement in all respects, therefore the outcome of the dispute should not materially impact the financial statements of AIS.

Digital Phone Company Limited (“DPC”), a subsidiary of AIS

1) *The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited (“CAT”)*

On 9 January 2008, CAT submitted a dispute Black Case No. 3/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Court of Justice demanding DPC to pay additional payment of revenue sharing under the Digital Personal Communication Network Contract in the amount of Baht 2,449 million plus penalty at the rate of 1.25% per month of the unpaid amount of each year computing from the default date until the full payment is made which total penalty calculated up to December 2007 is Baht 1,500 million, totalling Baht 3,949 million.

Later, on 1 October 2008, CAT submitted the petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty in the amount of Baht 790 million and value added tax in the amount of Baht 171 million.

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This amount is the same as an excise tax that DPC had delivered to the Excise Department during 16 September 2003 to 15 September 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003 and DPC has correctly complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet's resolution.

On 1 March 2011, the Arbitral Tribunal dismissed the case by giving the reason which can be summarised that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On 3 June 2011, CAT submitted the Black Case No. 1259/2554 to the CAC to revoke the Arbitral Tribunal's award.

On 28 July 2015, the CAC reached its decision to dismiss such dispute made by CAT to revoke the Arbitral Tribunal's award.

On 25 August 2015, CAT appealed such dismissal to the SAC under the Black Case No. Or. 1070/2558. At present, this case has been considered by the SAC.

2) *The deduction of access charge from revenue sharing between DPC and CAT*

Pursuant to the resolution of the meeting on 14 January 2004 between TOT, CAT, DPC and True Move Company Limited ("True Move") by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as Total Access Communication Public Company Limited ("DTAC").

On 12 October 2006, TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanded CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

On 29 July 2008, CAT submitted a dispute Black Case No. 68/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th -10th operation year) plus VAT and interest at the rate 1.25% per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute Black Case No. 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, court of Justice demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25% per month which calculated up to 15 October 2009, total amount of claim Baht 26 million.

On 23 March 2012, the Arbitral Tribunal dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty fine and VAT.

On 25 June 2012, CAT submitted the Black Case No. 1016/2555 to the CAC to revoke the Arbitral Tribunal's award. On 16 September 2014, the CAC issued the dismissal order of this case. On 15 October 2014, CAT appealed such dismissal to the SAC. At present, the case has been considered by the SAC.

3) *Claim for the access charge payment and the deduction of access charge from revenue sharing between DPC, CAT and TOT*

On 9 May 2011, TOT submitted the Black Case No. 1099/2554 to the CAC against CAT as the defendant no. 1 and DPC as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus VAT and interest calculated up to 9 May 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

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1. Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million.
2. Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
3. The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute Black Case No. 68/2551 mentioned above but different in terms of the calculation period and interest.

Later, on 31 July 2014, TOT submitted a petition for revision to adjust the access charge amounting to Baht 5,454 million calculated up to 16 September 2013 which is the date of the Agreement for operation period ended plus VAT and interest calculated up to 10 July 2014 plus interest calculated from 10 July 2014 until full payment is made as follows:

1. Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 1,289 million.
2. Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
3. The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 221 million.

At present, this case has been considered by the CAC. AIS's management believes that the outcome of this case shall be in favour of DPC and have no material impact on the consolidated financial statements of AIS Group since DPC has correctly complied with the law and the relating Agreements in all respects.

4) The reduction of roaming fee between DPC and CAT

CAT allowed DPC to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for three-month period several times until 31 March 2007. After that, CAT did not notify DPC of any changes until on 24 March 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from 1 April 2007. On 8 May 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On 31 March 2009, CAT approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 - 31 March 2009. Moreover, DPC entered into the national roaming agreement with AIS to charge roaming fee at Baht 1.10 per minute approved by NTC on 16 June 2009.

On 15 July 2010, CAT has submitted a dispute under the Black Case No. 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 – 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full amount is paid by alleging that CAT approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; the Black Case No. 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 – 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until the full amount is paid.

At present, the dispute has been considered by the Arbitration process. AIS's management believes that the outcome of this dispute shall have no material impact on the consolidated financial statements of AIS Group since DPC has correctly complied with the law and the relating Agreements in all respects.

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5) The damage arisen from uncollectible international call service charges between DPC and CAT

On 8 April 2011, CAT submitted a dispute under the Black Case No. 32/2554 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) Service Agreement due to subscriber fraud on the Digital PCN Service Agreement between DPC and subscribers for 1,209 numbers during 1997 – 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stated that it is not about breach of the Agreement but whether there has been a wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT submitted the Black Case No. 1767/2556 to the CAC to revoke the Arbitral Tribunal's award. Presently, the said case has been considered by the CAC process.

6) Revenue sharing on interconnection charge between DPC and CAT

On 24 August 2012, CAT has submitted a dispute under the Black Case No. 110/2555 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of the 10th – 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full amount is paid.

On 1 April 2014, CAT submitted a dispute under the Black Case No. 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of the 15th – 16th operation year amounting to Baht 203 million plus default interest at the rate of 7.5% per annum and penalty at the rate of 1.25% per month of the above principal amount starting from the default date of each year until the full payment is made. Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, the dispute has been considered by the Arbitration procedures. AIS's management believes that the outcome of this dispute shall be settled favourably and has no material impact on the consolidated financial statements of AIS since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

7) Obligations of the bank guarantees in connection with the Agreements for Operation

According to the Operating Agreement, DPC has the duties to deliver the bank guarantees to CAT to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the previous operation year.

CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation year 10th - 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 8 October 2012, DPC submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, the Black Case No. 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly complied with the law and the relating Agreements in all respects.

On 28 May 2015, the Arbitral Tribunal reached its decision to award an order to CAT to return the bank guarantees and its bank fees to DPC. Later, on 15 September 2015, CAT has submitted the Black Case No. 1671/2558 to the CAC to revoke the Arbitral Tribunal's award.

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On 13 September 2018, the CAC has dismissed the CAT's Black Case No. 1671/2558 that revoke the Arbitral Tribunal's award, on the reason that the award is correct and in compliance with law. The award by Arbitral Tribunal did not affect public interests and good morals; therefore such award by Tribunal Arbitral is perfectly effective. However, CAT has appealed to the SAC. Currently, it is under the consideration of the SAC.

AIS's management believes that the outcome of this dispute shall be settled favourably since DPC has correctly and fully complied with the related conditions of the Agreement in all respects as the Arbitral Tribunal and the CAC's decision.

8) The claim for usage/revenue arising from the use of telecommunication equipment and telecommunication network during the temporary customer protection period after the Operating Agreement expired.

On 20 May 2015, CAT filed a lawsuit against the NBTC Office, NTC, NBTC, True Move and DPC to the CAC, the Black Case No. 918/2558 to pay for the fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT during the temporary customer protection period, subject to the announcement of NBTC regarding the Temporary Customer Protection Plan Following the Expiration of Operating Agreement or Telecommunication Service Agreement, calculated from 16 September 2013 to 15 September 2014. The total amounts are as follows:

1. NBTC Office, NTC and NBTC in the amount of Baht 24,117 million, including interest at the rate of 7.5% per annum.
2. True Move with NBTC Office, NTC and NBTC in the amount of Baht 18,025 million including interest at the rate of 7.5% per annum.
3. DPC with NBTC Office, NTC and NBTC in the amount of Baht 6,083 million, including interest rate at the rate of 7.5% per annum.

On 11 September 2015, CAT filed a lawsuit to the CAC, the Black Case No. 1651/2558 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT from 16 September 2014 to 17 July 2015, total amounts are as follows:

1. NBTC Office, NTC and NBTC in the amount of Baht 6,521 million, including interest rate at the rate of 7.5% per annum.
2. True Move with NBTC Office, NTC and NBTC in the amount of Baht 4,991 million, including interest at the rate of 7.5% per annum.
3. DPC with NBTC Office, NTC and NBTC in the amount of Baht 1,635 million, including interest at the rate of 7.5% per annum.

On 27 May 2016, CAT filed a lawsuit to the CAC, the Black Case No. 741/2559, claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT from 18 July 2015 to 25 November 2015, total amounts are as follows:

1. NBTC Office, NTC and NBTC in the amount of Baht 2,857 million including interest at the rate of 7.5% per annum.
2. True Move jointly with NBTC Office, NTC and NBTC in the amount of Baht 2,184 million, including interest at the rate of 7.5% per annum.
3. DPC jointly with NBTC Office, NTC and NBTC in the amount of Baht 673 million, including interest in the rate of 7.5% per annum.

At present, the dispute has been considered by the CAC which the management of AIS believes that DPC has no obligation to pay for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network as claimed by CAT due to DPC has complied in accordance with the announcement of NBTC. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the consolidated financial statements of AIS Group.

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- 9) *The claim to the CAC for revocation of the NTC order regarding to revenue incurred from the temporary service for customer protection period after the operating agreement end*

On 16 November 2015, DPC filed a lawsuit against the NBTC to the CAC under case No. 1997/2558 to revoke NTC resolution which office of the NBTC has demanded DPC to deliver revenue at remedy period starting from 16 September 2013 to 17 July 2014 in the amount of Baht 628 million.

In the same case, on 16 September 2016, NBTC and the National Broadcasting and Telecommunication Committee office ("NBTC office") filed a complaint to the CAC as the Black Case No. 1441/2559 requesting DPC to submit the revenue sharing during remedy period from 16 September 2013 to 17 July 2014 in the amount of Baht 680 million (including interest up to submitted date by Baht 52 million) plus interest at the rate of 7.5% per annum of the claim amount from the next day of the submit date until DPC deliver all revenue sharing in full.

On 7 September 2018, the office issued a letter informing DPC to send money from the service income during the protection of all subscribers, totaling Baht 869 million and when the NBTC had ever the order for DPC to send money for the first period until the amount of Baht 628 million, the remaining amount to be paid is Baht 241 million. On 7 December 2018, DPC filed a lawsuit with the CAC to revoke such resolution of NTC.

Management considered that DPC has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Agreement for operations or Telecommunication Service Agreement 2013, and the Company has obliged to submit the revenue after deducting any expenses to NBTC but DPC has the expenses more than the revenue incurred from the service. Therefore, DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement.

Currently, the said case is in the process of the CAC.

- 10) *The claim for providing of telecom equipment and the telecommunication networks under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC to other operator to use.*

On 30 June 2016, CAT submitted a dispute under the Black Case No. 57/2559 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to remove telecom equipment and the telecommunication networks used in cellular telecommunication services under 2100 MHz and the other telecom equipment owned by AWN and under 900 MHz owned by AIS which is installed in 97 base stations subject to the Agreement operated by DPC without the approval from CAT.

In case that DPC does not agree to remove such disputes assets for whatsoever reasons, CAT shall demand DPC to pay in the amount of Baht 5 million per month plus interest at the rate of 7.5% per annum from the next day of the submit date of such dispute until the completion date of such removal of telecom equipment and to pay for damages for the consent for AWN and AIS to use its disputed assets which owned by CAT in 97 base stations during January 2013 until June 2016 in the total of Baht 175 million plus interest at the rate of 7.5% per annum of the claimed amount and also prohibited DPC to provide such disputed assets to other operator without written consent from CAT.

Presently, the dispute has been considered by the Alternative arbitration process. AIS's management believes that DPC has correctly and fully complied with the related conditions of such Agreement in all respects then the outcome of the said dispute should not be considerable impact on the consolidated financial statements of AIS Group.

- 11) *The claim for transferring telecom equipment under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC.*

On 28 March 2018, DPC received a Black Dispute No. 6/2561 dated 31 January 2018, which CAT submitted it to the Alternative Dispute Resolution Office, The Arbitration Institute, to claim for transferring telecom equipment under the Agreement such as Tower, Container, power supply, Mobile Number Portability Enable and Call Center System including opportunity cost totalling Baht 13,431 million plus default interest rate at 7.5% per annum on principle amount or payment by the same amount instead of transfers such equipment.

Currently, the dispute is in the arbitration process.

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AIS's management believes that DPC has correctly and fully complied with the related conditions of such Agreement in all respects then the outcome of the said dispute should not be significant impact on the consolidated financial statements of the AIS Group.

12) *The claim for transferring tower and containers under the Agreement for operations regarding cellular telecommunication services ("the Agreement") between CAT and DPC*

On 15 July 2014, DPC submitted the disputes no. 49/2557 to the Thai Arbitration Institute. Dispute Resolution Bureau Office of the Judiciary to request the Arbitral Tribunal to give an award that transferred by 152 towers and 115 containers to CAT are not the telecommunication equipment which DPC have the duty to transfer to CAT as stipulated in the Agreement and requested for revenue sharing from that said assets by Baht 2 million.

On 14 November 2018, DPC received a Black Case No. 76/2561 date 31 October 2018 which CAT submitted it to the Thai Arbitration Institute, Dispute Resolution Bureau Office of the Judiciary in order to have a decision for DPC to deliver 155 towers (telecommunication towers), if DPC unable to deliver, DPC will have to pay damages in the amount of Baht 72 million as well as business opportunity cost for the use of poles and use of containers including interest totaling Baht 284 million and Baht 145 million, respectively. The total amount is Baht 501 million.

Currently, the dispute is in the arbitration process. AIS's managements believe that DPC has correctly and fully complied with the related conditions of such agreement in all respects then the outcome of the said dispute should not be significant impact on the consolidated financial statements of the AIS Group.

Advanced Wireless Network Company Limited (“AWN”), a subsidiary of AIS

1) *The claim for installation and connection of 2100 MHz frequency band telecom equipment of AWN on the Base Site which DPC already transferred the title to CAT subject to the Agreement for Operations regarding Cellular Telecommunication Service between CAT and DPC ("the Agreement").*

On 30 June 2016, CAT filed a lawsuit to the CAC, the Black Case No. 1039/2559 against AWN for the removal of such installed and connected telecom equipment used in cellular telecommunication services within 2100 MHz frequency band or other frequencies or other telecom equipment of AWN installed in 67 base stations which DPC has transferred to CAT subject to the Agreement for Operations without the approval from CAT. Therefore, CAT demanded AWN to pay the damages for the usage of such assets owned by CAT during January 2013 until June 2016 in the amount of Baht 58 million plus interest at the rate of 7.5% per annum from the filing date until the compensation is paid in full and to pay for damages from the filing date in the amount of Baht 2 million per month plus interest at the rate of 7.5% per annum of the accrued damages in each month to CAT until the removal of telecom equipment is completed and also prohibited AWN to install and connect its telecom equipment used in cellular telecommunication services in 2100 MHz frequency band or other frequencies or other telecom equipment of AWN on base sites owned by CAT under the Agreement between CAT and DPC without written consent from CAT.

On 19 March 2018, the CAC had an order this said case to be transferred under the Civil Court, the Black Case No. 1680/2561. Currently, the case is in consideration process of the Civil Court.

AIS's management believes that AWN has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said case should not be considerable impact on the consolidated financial statements of AIS Group.

2) *The claim of payment for usage in telecom equipment and networks, internal building transmission and electricity co-user under the Agreement for operations between AIS and TOT*

On 11 February 2017, AWN received the Complaint Civil Black Case No. 454/2560, dated 31 January 2017 which TOT filed a lawsuit against AWN to pay for the usage regarding telecom equipment & networks, internal building transmission and electricity co-usage which AWN has used of such assets during 1 October 2015 until 30 June 2016 in the amount of Baht 560 million and interest of Baht 16 million from the default date. Total principal and interest amount are Baht 575 million plus interest of 7.5% per annum of principal amounting of Baht 560 million, counting from the date of filing until the payment has been made in full.

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On 31 May 2018, the Civil court gave the decision and order AWN to pay for usage regarding telecom equipment and networks, internal building transmission and electricity co-usage to TOT.

On 19 November 2018, AWN had appealed such decision.

AIS's management believes that the outcome of the said case should not be considerable impact on the consolidated financial statements of the AIS Group.

AIS and DPC

Withholding tax between AIS, DPC and the Revenue Department

Pursuant to the letter dated 18 January 2013, the Revenue Department challenged AIS and DPC to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, AIS and DPC had paid the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. AIS and DPC have submitted the appeal to oppose such surcharge payment notification to the Commission of Appeal which the Commission of Appeal has decided for AIS and DPC to pay for such surcharge payment.

On 22 July 2015, DPC filed the case to Central Tax Court to appeal for the revocation of the decision by the Commission of Appeal.

On 29 April 2016, the Central Tax Court has decided to dismiss the cases by DPC, based on the same reason that the excise tax is a part of revenue sharing which DPC should pay to the concession granter in accordance with the concession agreement. Therefore, DPC has the obligations to pay for the withholding taxes incurred to the Revenue Department, failure in such conduct has resulted in the penalty to pay surcharge at the rate of 1.5% per month, aggregately the total amount of Baht 6 million.

On 28 June 2016, DPC has filed an appeal for the decision of the Central Tax Court to the Supreme Court.

On 10 November 2016, AIS has filed the case to Central Tax Court to appeal for the revocation of the decision by the Commission of Appeal.

On 29 September 2017, the Central Tax Court has decided to dismiss the cases by AIS, based on the same reason that the excise tax is a part of revenue sharing which AIS should pay to the concession granter in accordance with the concession agreement. Therefore, AIS has the obligations to pay for the withholding taxes incurred to the Revenue Department, failure in such conduct has resulted in the penalty to pay surcharge at the rate of 1.5% per month, aggregately the total amount of Baht 128 million.

On 20 July 2018, AIS has filed an appeal for the decision of the Central Tax Court.

On 27 August 2018, the Central Tax Court read the judgment of Supreme Court's Red No. 2374/2561 dated 20 April 2018 that DPC has to pay surcharge of Baht 6 million subject to the calculation of Revenue Department.

The case is currently under the consideration by the Supreme Court.

AIS and DPC have already recorded as expenses in the amount of Baht 134 million in the consolidated financial statements for the year ended 31 December 2018.

The AIS Group

The claim for copyright infringement on broadcasting of FIFA World Cup 2018 through AIS Play application

During 2018, the said claim was settled without considerable impact to the consolidated financial statements of AIS.

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35.5 The major commercial disputes of THAICOM Group

THAICOM

Thaicom 7 and Thaicom 8 satellites under Operating Agreement on Domestic Communication Satellite

On 5 October 2017, the Company and THAICOM received letters from the Ministry of Digital Economy and Society (the "Ministry") stating that Thaicom 7 and Thaicom 8 satellites were the satellites under the Operating Agreement on Domestic Communication Satellite dated 11 September 1991 between the Company and the Ministry (formerly known as the Ministry of Information and Communication Technology (MICT)) (the "Agreement"), which the Company established THAICOM to operate works under the Agreement. In this regard, the letter from the Ministry stated a request for the full compliance with the Agreement on an urgent basis; e.g. transfer of ownership and delivery of assets, procurement of the backup satellite(s), payment of overdue revenue sharing, and property insurance.

The Board of Directors' Meetings of the Company and THAICOM on 18 October 2017 and on 24 October 2017, respectively, considered such letter and consulted with legal advisor and then opined that Thaicom 7 and Thaicom 8 satellites were not the satellites under the Agreement as the procedures of Thaicom 7 and Thaicom 8 satellites fell under the scope of license received from the National Broadcasting and Telecommunications Commission. Moreover, the Company and THAICOM have fully complied with the terms and conditions of the Agreement and have not proceeded with any operations against or violating the Agreement. Therefore, the Company and THAICOM had a different opinion from the Ministry on Thaicom 7 and Thaicom 8 satellites. Accordingly, the Meetings resolved that the Company and THAICOM submit to an arbitrator the dispute, resulting from the terms of and compliance with the Agreement and that the parties thereto have not been able to resolve it, for further settlement. This is in accordance with Clause 45.1 of the Agreement and the Company and THAICOM have submitted the dispute to the Arbitration Institute on 25 October 2017, as appeared in the Black Case No. 97/2560.

At present, the case is in the arbitration process. The Company and THAICOM do not have any duties to comply with any of the foregoing requests made by the Ministry until an award is rendered, pursuant to Clause 45.6 of the Agreement, stating that in the event where there is a dispute pending arbitration proceedings, the parties shall still be obligated to comply with terms of the Agreement until an award is rendered.

35.6 The order to THAICOM and the Company as co-defendant

On 19 April 2007, Mr. Supong Limthanakul brought legal actions against the National Telecommunications Commission ("NTC"), the office of the NTC and the Ministry of Information and Communication Technology ("MICT") in the CAC on the ground that the three state agencies neglected to perform their duties in overseeing whether THAICOM has been carrying on its telecommunications business lawfully after the sale of the Company's shares to the new shareholder.

The CAC issued an order dated 8 April 2009 and 20 July 2010 making THAICOM the fourth respondent and the Company the fifth respondent in order to allow THAICOM and the Company to file the reply to the petitioner's claim including evidence, documentary or otherwise to the CAC. THAICOM and the Company have filed the reply and supporting evidence in July 2009 and September 2010, respectively. On 10 June 2011, the CAC has dismissed the verdict.

On 8 July 2011, Mr. Supong Limthanakul has filed an appeal with the Supreme Administrative Court ("SAC"). The case is under consideration by the SAC. On 23 September 2011, THAICOM and the Company have filed an argument against appeal with the SAC.

On 28 December 2018, the SAC issued an order that the ending date of the fact inquiry shall be held on 12 February 2019 which both plaintiff and defendant are required to submit the additional documents (if any) to the Court within the said period. After that, the Court shall further determine the first hearing date.

The management of THAICOM and the Company is of the opinion that it will not be adversely affected in any way as the actions were brought against NTC, office of the NTC and MICT for neglecting to perform their duties and will not constitute a cause for terminating the operating agreement as THAICOM has fully complied with the terms and conditions of the operating agreement.

Intouch Holdings Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2018

35.7 Other litigation

- 1) On 26 December 2015, Golden Town Film Company Limited ("Plaintiff") has filed a lawsuit to the Intellectual Property Court against THAICOM, Directors of THAICOM, and a customer of THAICOM ("Defendant"), claiming that Defendant has broadcasted a movie through satellite TV channel leased from THAICOM, which infringed the movie copyrights owned by Plaintiff. The Intellectual Property Court has defined the first appointment for hearing on 8 August 2016. The management of THAICOM is of the opinion that the company is only the satellite services provider and does not involve the infringements of any movie copyrights.
 On 8 September 2016, the Intellectual Property Court issued an order that THAICOM and its directors were dismissed from the case on the ground that THAICOM and its directors did not mutually infringe the movie copyright of the Plaintiff, who got permission from the Court to file the appeal within 8 November 2016. After receiving the appeal, on 19 December 2016, THAICOM filed an argument to the Court.
 On 3 September 2018, the Supreme Intellectual Property Court issued a confirmation of judgement of the Intellectual Property Court that THAICOM and its directors were dismissed from the case and the case becomes final.
- 2) In 2011, a subsidiary of THAICOM being sued for the damages of satellite equipment in Australia. On 22 December 2016, the Court had verdict that the subsidiary shall compensate for damages of approximately AUD 5 million with interest. The subsidiary had recognised the expense in the 2016 consolidated statements. On 17 March 2017, the subsidiary filed an appeal.
 On 16 February 2018, the appeal court dismissed the case. After the verdict, the subsidiary had paid interest and partial expenses amount AUD 2 million. Further expense which the subsidiary has to pay is under consideration of the appeal court.

36 Bank guarantees

As at 31 December 2018, INTOUCH Group had commitments with banks, in respect of letters of guarantees for satellite space segment leasing, customs duties, electricity usage and other transactions in the ordinary course of business in the amount of Baht 216 million, USD 2 million (2017: Baht 92 million, USD 3 million) on a consolidated basis.

37 TFRS announced in the Royal Gazette but not yet effective

On 14 March 2018, the FAP has issued the Notification regarding TFRS 15 Revenue from Contracts with Customers, which has been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2019, onwards.

On 21 September 2018, the FAP has issued the Notification regarding financial reporting standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after 1 January 2020 onwards, as follow:

TAS	Topic
TAS 32	Financial Instruments: Presentation
TFRS	Topic
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC	Topic
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

Intouch Holdings Public Company Limited and its Subsidiaries**Notes to the financial statements****For the year ended 31 December 2018**

On 27 November 2018, the FAP issued the notification regarding 52 TFRSs, which will be effective for the financial statements for the period beginning on or after 1 January 2019, onwards, and have been announced in the Royal Gazette. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording, terminology and reference.

The management of INTOUCH Group will adopt these standards when they become effective and is in the process to assess the potential impact of these TFRSs on the Group's financial statements in the period of initial application.

38 Events after the reporting period

Proposed dividend payments of the Company and an associate

The Board of Directors of AIS and INTOUCH passed resolutions to have dividend payments as follows:

Company	Date of Meeting	Dividend (Baht per share)	Interim dividend	Dividend	Amount
			paid in 2018	to be paid	To be paid
Dividend from the operating results of 2018					
AIS	7 February 2019	7.08	3.78	3.30	9,811
INTOUCH	8 February 2019	2.71	1.54	1.17	3,752

The dividend payment from the operating results of 2018 is subject to the resolutions of the Annual General Meeting of shareholders for the year 2019 of each company.

39 Approval of the interim financial statements

The financial statements were authorised for issue by the Board of Directors on 8 February 2019.



I S N O W

Major Shareholders

The Company's shareholding structure as compiled by Thailand Securities Depository Co., Ltd. on 17 August 2018, the last record date for specifying the shareholders who had the right to receive a dividend, is shown below.

Shareholders	Number of shareholders	Number of shares	Percentage of investment
Thai securities holders	72,769	1,692,989,922	52.80
Foreign securities holders	130	1,513,430,383	47.20
Total	72,899	3,206,420,305	100.00

The Company's top 10 major shareholders are as follows:

Name	Number of shares	Percentage of investment
1. SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	509,766,840	15.90
3. THAI NVDR COMPANY LIMITED ²⁾	381,063,676	11.88
4. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	137,520,271	4.29
5. ASPEN HOLDINGS LIMITED ³⁾	102,130,520	3.19
6. SOCIAL SECURITY OFFICE	44,200,100	1.38
7. KRUNGSRI DIVIDEND STOCK LTF	32,018,900	1.00
8. THANACHART DIVIDEND STOCK FUND	31,001,700	0.97
9. MR. PERMSAK KENGMANA	26,879,500	0.84
10. STATE STREET EUROPE LIMITED	18,453,828	0.58

Remarks:

- 1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd.
- 2) The information on investors, which is shown on the SET website (www.set.or.th) under Thai NVDR Co., Ltd. as of 17 August 2018, is as follows:

Name	Number of NVDR units	Percentage of investment
1. SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	43,912,805	1.37
2. THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	31,391,600	0.98
3. STATE STREET EUROPE LIMITED	29,688,656	0.93
4. N.C.B. TRUST LIMITED-NORGES BANK 5	24,197,500	0.75
5. SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	22,919,400	0.71
6. N.C.B. TRUST LIMITED-NORGES BANK 11	16,663,872	0.52
7. OTHER SHAREHOLDERS	212,291,843	6.62
Total	381,063,676	11.88

3) On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 3 January 2019, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore

Information of the Company, its Subsidiaries and Associated Companies, and Reference Persons

General Information of the Company

Company Name	Intouch Holdings Public Company Limited
Symbol	INTUCH
Registration No.	0107535000257
Year of Establishment	1983
First Trade Date	31 August 1990
Nature of Business	INTOUCH is a holding company with investments in the telecom, media and technology (TMT) sector. The principal business units are currently divided into three main areas: wireless telecommunication business; satellite and international businesses, and other businesses.
Head office	SJ Infinite One Business Complex, 29 th and 30 th Floors, 349 Vibhavadi Rangsit Road, Chompol, Chatuchak, Bangkok, 10900 Tel: (66) 2118 6900 Fax: (66) 2118 6947
Website	www.intouchcompany.com
Registered Capital	5,000,000,000 baht
Paid-up Capital	3,206,420,305 baht including 3,206,420,305 common shares (as of 31 December 2018)
Par Value	1 baht
Industry	Technology
Sector	Information & Communication Technology
Market Capitalization	153,106.57 million baht (as of 28 December 2018)
Total Shareholders	72,899 shareholders (as of 17 August 2018, the latest record date for the right to receive a dividend)
% Free Float	59.49

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Wireless Telecommunication Business						
Advanced Info Service Public Company Limited (AIS) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5165 Website www.ais.co.th	Operate telecommunication business including mobile network service, fixed broadband service, and digital service	4,997.46	2,973.10	1	2,973.10	40.45
Advanced Wireless Network Company Limited (AWN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Telecommunication service provider of 2.1GHz, 900 MHz and 1800 MHz license, distributor of handsets, international telephone service, network operator, telecom service operator and national broadcasting network services without frequency usage	1,350	13.50	100	1,350	99.99 ⁽¹⁾
CS LoxInfo Public Company Limited (CSL) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2263 8000 Fax (66) 2263 8132 Website www.csloxinfo.com	Provide our corporate customers with solutions for broad range of internet-based services	148.63	594.51	0.25	148.63	99.11 ⁽²⁾
Teleinfo Media Public Company Limited (TMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899 Website www.teleinfomedia.co.th	Provide advertising platform through print, website, PC, mobile and laptop for business and individual user	156.54	15.65	10	156.54	99.99 ⁽³⁾
AD Venture Public Company Limited (ADV) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8877	Content provider through mobile phone and community portal services	10.75	1.07	10	10.75	99.99 ⁽³⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Yellow Pages Commerce Company Limited (YPC) 1126/2 Vanit Building 2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8823	Online advertising business	0.10	0.01	10	0.10	99.94 ⁽⁴⁾
Wireless Device Supply Company Limited (WDS) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Importer and distributor of handsets and accessories	50	0.50	100	50	99.99 ⁽¹⁾
Advanced Contact Center Company Limited (ACC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of call center	272	27.20	10	272	99.99 ⁽¹⁾
Advanced MPAY Company Limited (AMP) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Service provider of electronic payment and cash card	300	30	10	300	99.99 ⁽¹⁾
Rabbit-LINE Pay Company Limited (RLP) 127 Gaysorn Tower, Unit A, B 18 th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok Tel (66) 2026 3779	Providing electronic money and electronic payment service business	600	6	100	600	33.33 ⁽⁵⁾
Advanced Magic Card Company Limited (AMC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Distributor of cash card business	250	25	10	250	99.99 ⁽¹⁾
AIN GlobalComm Company Limited (AIN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019 Website www.ain.co.th	Service provider of international telephone service	200	1	100	100	99.99 ⁽¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Super Broadband Network Company Limited (SBN) 414 Phaholyothin Road, Samsennai, 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	300	3	100	300	99.99 ⁽¹⁾
MIMO Tech Company Limited (MMT) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Operate IT, content aggregator, and outsourcing service for billing and collection	50	0.50	100	50	99.99 ⁽¹⁾
Fax Lite Company Limited (FXL) 1291/1, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Operate in acquiring and/or lease, building, and related facilities for telecommunications businesses	1	0.01	100	1	99.98 ⁽¹⁾
Advanced Broadband Network Company Limited (ABN) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Providing training within the Group	75	0.75	100	75	99.99 ⁽¹⁾
Amata Network Company Limited (AN) 702/2 Moo1, Klongtamru, Muang, Chonburi Tel (66) 2029 5055 Fax (66) 2029 5019	Provide fiber optic network infrastructure in Amata industrial estate	100	1	100	100	60.00 ⁽⁶⁾
Information Highway Company Limited (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	50	0.50	100	50	29.00 ⁽⁶⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Digital Phone Company Limited (DPC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Stop providing service due to the expiration to provide cellular communication service, Digital PCN 1800, according to the contract	914	91.4	10	914	98.55 ⁽¹⁾
Advanced Datanetwork Communications Company Limited (ADC) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019 Website www.adc.co.th	Service provider of online data communications service via telephone land line and optical fiber	957.52	95.75	10	957.52	51.00 ⁽⁷⁾
Advanced Digital Distribution Company Limited (ADD) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2029 5000 Fax (66) 2029 5019	Currently not start the operation	4	0.04	100	4	99.99 ⁽¹⁾
Clearing House for Number Portability Company Limited (CLH) 98 Sathorn Square Office Tower, 4 th Floor, Room 403, North Sathorn Road, Silom, Bangrak, Bangkok Tel (66) 2646 2523 Fax (66) 2168 7744	Jointly invested, operate the information system and the centralized database for the mobile portability service	2	0.02	100	2	20.00 ⁽¹⁾
Bridge Mobile Pte Limited (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel (65) 6424 6270 Fax (66) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	9 (million USD)	9	1 (USD)	9 (million USD)	10.00 ⁽¹⁾
Satellite and International Businesses						
Thaicom Public Company Limited (THAICOM) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (65) 2596 5060 Fax (66) 2591 0705 Website www.thaicom.net	Operate satellite and related services, internet and media services, and telephone business abroad	5,499.88	1,096.10	5	5,480.51	41.13

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Satellite Services						
IPSTAR Company Limited (IPSTAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	2 (million USD)	200	0.01 (USD)	2 (million USD)	100 ⁽⁸⁾
IPSTAR New Zealand Limited (IPN) 24 Unity Drive North, Albany, Auckland, 0757 New Zealand Tel (649) 414 5920 Fax (649) 414 5922	Sale of user terminal of IPSTAR and providing IPSTAR services in New Zealand	3.20 (million NZD)	3.20	1 (NZD)	3.20 (million NZD)	100 ⁽⁸⁾
IPSTAR Australia Pty Limited (IPA) 5 George Place, Artarmon, NSW 2064, Australia Tel (612) 8458 0500 Fax (612) 8006 5592	Sale of user terminal of IPSTAR and providing IPSTAR services in Australia	6.95 (million AUD)	6.95	1 (AUD)	6.95 (million AUD)	100 ⁽⁸⁾
Orion Satellite Systems Pty Limited (OSS) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel (618) 9225 7800 Fax (618) 9225 7811	Provider of satellite communication services and business solutions, primarily Very Small Aperture Terminal based solutions (VSAT)	13.37 (million AUD)	5.96 1 share	1 (AUD) 7.4 (million AUD)	13.37 (million AUD)	100 ⁽⁹⁾
IPSTAR International Pte Limited (IPIN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million SGD)	0.02	1 (SGD)	0.02 (million SGD)	100 ⁽⁸⁾
IPSTAR Global Services Limited (IPG) Intercontinental Trust Limited, Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius Tel (230) 213 9800 Fax (230) 210 9168	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	0.02 (million USD)	0.02	1 (USD)	0.02 (million USD)	100 ⁽⁸⁾
IPSTAR Japan Company Limited (IPJ) 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Resell bandwidth of Thaicom 4 (IPSTAR) satellite	100 (million JPY)	0.01	10,000 (JPY)	100 (million JPY)	100 ⁽⁸⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Star Nucleus Company Limited (STAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing engineering and development services, technology and electronics	0.05 (million USD)	10 (shares)	1 (USD)	10 (USD)	100 ⁽⁸⁾
TC Broadcasting Company Limited (TCB) 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2596 5060	Providing broadcasting television and telecommunication	1	0.10	10	0.25	99.99 ⁽⁸⁾
International Satellite Company Limited (ISC) Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Providing Thaicom 7 and Thaicom 8 transponder services	0.05 (million USD)	0.05	1 (USD)	0.05 (million USD)	100 ⁽⁸⁾
IPSTAR (India) Private Limited (IPI) 208, II Floor, ABW Tower, M.G. Road, Iffco Chowk, Gurgaon-122002, Haryana, India	Sale of satellite equipment and providing technical support in relation satellite business	30 (million INR)	30	1 (INR)	30 (million INR)	100 ⁽⁸⁾
TC Global Services Company Limited (TCGS) 12 th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius	Providing technology services	0.05 (million USD)	0.01	1 (USD)	0.01 (million USD)	100 ⁽⁸⁾
Telephone Services Abroad						
Shenington Investments Pte Limited (SHEN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	14.66 (million SGD)	14.66	1 (SGD)	14.66 (million SGD)	51.00 ⁽⁸⁾
Lao Telecommunications Public Company (LTC) Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel (856) 2121 6465-6 Fax (856) 2121 9690	Providing fixed line, mobile phone, public phone, public international facilities and internet services	96.84 (million USD)	96.84	1 (USD)	96.84 (million USD)	49.00 ⁽¹⁰⁾
Vimpelcom Company Limited 23 Singha Road, Phonexay Village, Saysettha District, Vientiane, Lao People's Democratic Republic Tel (020) 7780 0770 Fax (020) 7780 0701	Providing fixed line and mobile phone in Lao PDR	0.50 (million USD)	0.50	1 (USD)	0.50 (million USD)	100 ⁽¹¹⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Internet and Media Services						
Thai Advance Innovation Company Limited (Thai AI) (Formerly "DTV Service Company Limited") 414 Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2950 5005 Fax (66) 2591 0708	Providing system integration consultancy service for broadband network, broadband content service, and DTV satellite dish sales service, to operate internet access services	398.79	39.88	10	398.79	99.99 ⁽⁸⁾
Cambodian DTV Network Limited (CDN) 9A, Street 271, Tomnop Teuk Quarter, Chamkar Mon, Phnom Penh, Kingdom of Cambodia Tel (855) 023 305 990 Fax (855) 023 994 669 Website www.cdn.com.kh						
Other Businesses						
Venture Capital						
Ookbee Company Limited (OOKBEE) 1104/207-209, Noble Cube Pattanakarn, Pattanakarn Road, Suanluang, Bangkok Tel (66) 2187 2701-8 Fax (66) 2187 2700 Website www.ookbee.com	Service provider for the digital publication platform and e-booking	1.59	0.15	10	1.59	20.94
Golfdigg Company Limited (Golfdigg) 5 Ari 4, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 89 333 1000 Website www.golfdigg.com	Service provider for the golf course booking platform and other golf-related services	1.33	0.13	10	1.33	25.00
Choco Card Enterprise Company Limited (CHOCO) 2150/4 Sukhumvit Road, Bangchak, Phra Khanong, Bangkok Tel (66) 2331 5343 Website www.chococard.co.th	Develop customer relationship management (CRM) system for stores in the SME sector	5.33	0.05	100	0.05	20.00

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
Event Pop Holdings Pte Limited (Event Pop) 8 Cross Street # 18-06 Pwc Building, Singapore 048424 Website www.eventpop.me	Service provider for technology development and other services in connection with event management.	2.88 (million USD)	0.57	-	2.88 million USD)	17.96
Meditech Solution Company Limited (Meditech) 182 Tawanrung Village Soi 7, Ladprao 64 Yak 4, Ladprao Road, Wangthonglang, Bangkok Tel (66) 2933 5560-1 Fax (66) 2933 6490 Website www.meditechsolution.com	A manufacturer and vendor of eye blink communication aids for paralytics and other disabled people	2.57	0.25	10	2.57	16.66
Playbasis Pte Limited (Playbasis) 138 Cecil Street #12-01A Cecil Court, Singapore 069538 Website www.playbasis.com	Service provider for the digital gamification platform	0.20 (million SGD)	0.20	-	0.20 (million SGD)	15.36
Ecartstudio Company Limited (ECART) 129 Rama 9 Road, Huai Khwang, Bangkok Tel (66) 2643 0807-9 Fax (66) 2643 0810 Website www.ecartstudio.com	Highly specialized in designing, developing and providing consultation on digital map systems and location-based technology for both mobile and web-based applications in the business sector and among the general public	14.61	1.46	10	14.61	11.43
VVR Asia Company Limited (VVR Asia) 299/75 Areeya Mandarina Village, Sutthisan Winithchai Road, Samsennok, Huai Khwang, Bangkok	Creation and development of virtual reality content for mobile phones, laptops and other devices	2.00	0.02	100	2.00	10.00
Wongnai Media Company Limited (Wongnai) 117/8, 13, 16 and 17 Panjit Tower 5, 10, 14 and 15 Floor, Soi Sukhumvit 55 (Thonglhor), Sukhumvit Road, Klongton Nuea, Wattana, Bangkok Tel (66) 2713 5922 Website www.wongnai.com	Developer of restaurant and lifestyle review website and application	3.80	0.38	10	3.80	9.54

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
YDM (Thailand) Company Limited (YDM) 168/14 Nak Niwat Road, Ladprao, Bangkok Tel (66) 2538 6729 Fax (66) 2956 1703 Website www.ydmthailand.com	Service provider for online marketing solution	1.89	0.01	100	1.89	8.11
Digio (Thailand) Company Limited (Digio) 972/1 Vorasubin Bldg. 4 th Floor, Soi Rama 9 Hospital, Rimklong Samsen Road, Bangkapi, Huai Khwang, Bangkok Tel (66) 2641 5170 Fax (66) 2019 4499 Website www.digio.co.th	Service provider of electronic payment	25.01	5	5	25.01	8.05
Others						
I.T. Applications and Services Company Limited (ITAS) 388 Tower B (SP Tower), 3 rd Floor, Phaholyothin Road, Samsennai, Phayathai, Bangkok Tel (66) 2273 0760 Fax (66) 2273 0191 Website www.itas.co.th	Providing computer systems and SAP operational services to INTOUCH Group	10	1	10	10	99.99
Intouch Media Company Limited (Intouch Media) 349 SJ Infinite One Business Complex, 29 th Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6917 Fax (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	279	27.90	10	279	99.99
Touch TV Company Limited (Touch TV) 349 SJ Infinite One Business Complex, 29 th Floor, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok Tel (66) 2118 6917 Fax (66) 2118 6914	To do business in relation to broadcasting and television, including other related businesses	3.50	0.35	10	3.50	99.99 ⁽¹²⁾

Company	Business	Registered Capital (million baht)	Number of paid-up shares (million shares)	Par value (baht)	Paid-up Capital (million baht)	Percent of investment
High Shopping Company Limited (High Shopping) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huai Khwang, Bangkok Tel (66) 2123 4555 Website www.highshopping.com	Operate a home shopping business in Thailand	500	50	10	50	51.00 ⁽¹²⁾
High Shopping TV Company Limited (High Shopping TV) 2034/75-76 Ital Thai Tower, 16 th Floor, New Petchaburi Road, Bangkapi, Huai Khwang, Bangkok	Purchase products directly from their homes through various media, including the High Shopping TV Channel	10	0.25	10	2.50	99.99 ⁽¹³⁾

Remark The information on registered capital, paid-up capital and percent of shareholding as of 31 December 2018.

(1) Owned by AIS (2) Owned by AWN (3) Owned by CSL (4) Owned by TMC (5) Owned by AMP (6) Owned by ABN
 (7) Owned by DPC (8) Owned by THAIMCOM (9) Owned by IPA (10) Owned by SHEN (11) Owned by LTC (12) Owned by Intouch Media
 (13) Owned by High Shopping

Reference Persons

Security Registrar

Thailand Securities Depository Company Limited
93, The Stock Exchange of Thailand Building,
Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel (66) 2009 9000
Fax (66) 2009 9991
Website www.tsd.co.th

Auditor

Dr. Suphamit Techamontrikul
Certified Public Accountant Registration Number 3356
Deloitte Touche Tohmatsu Jaiyos Audit 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
Website www.deloitte.com

Details of Subsidiaries' Directors

Name	Subsidiaries			Indirect Subsidiaries													
	THAICOM	ITAS	Intouch Media	IPSTAR	IPN	IPA	OSS	IPIN	IPG	IPJ	STAR	TCB	ISC	IPI	TCGS	Thai AI ^{1/}	CDN
1. Mr. Prasert Bunsumpun	◎																
2. Mrs. Patareeya Benjapolchai	●																
3. Mrs. Charintorn Vongsopootom	●																
4. Professor Samrieng Mekkriengkrai	●																
5. Mr. Somprasong Boonyachai	●																
6. Mr. Kwek Buck Chye	●△																
7. Mr. Anek Pana-apichon	●△	●	●													●	
8. Mr. Anant Kaewruamvongs	●△			●	●	●		●	●	●	●	●	●	●			
9. Mr. Patompob Suwansiri	△						●							●			
10. Mr. Kim Siritaweechai		●	●													●	
11. Mr. Somchai Lertsutiwong		●	●													●	
12. Mr. Anuwat Sanguansappayakorn				●	●	●		●	●	●	●	●	●	●		●	
13. Mr. Mark D. Thompson				●								●		●			
14. Mr. Shannon Fisher					●												
15. Dr. Supoj Chinveeraphan							●				●						
16. Mr. Christopher John Robert Ockwell							●										
17. Mr. Teh Kwang Hwee								●									
18. Mr. Salil Charuchinda									●		●	●	●		●	●	●
19. Ms. Smitha Algoor Bissonauth									●					●			
20. Mr. Tommy Lo Seen Chong									●								
21. Mr. Seiji Sugiura										●							
22. Mr. Toru Ishii										●							
23. Mr. William L. Snell											●						
24. Mr. Ekachai Phakdurong											●				●	●	●
25. Ms. Beatrice Lan Kung Wa												●					
26. Mrs. Pannee Nivasnanda												●		●	●	●	
27. Mr. Gouri Prasad Das													●				
28. Mr. Rajendra Singh Rathore													●				
29. Dr. Sakon Kittivatcharapong														●			
30. Mr. Kevin Rodney Allagapen														●			
31. Mr. Yuvraj Kumar Juwaheer														●			
32. Mr. Pramote Boonumsuk															●		

◎ = Chairman of the Board of Directors

● = Director

△ = Member of the Executive Committee

As of 31 December 2018

Remark 1/ DTV Service Company Limited changed its name to Thai Advance Innovation Company Limited, which was registered with the Department of Business Development at the Ministry of Commerce on 27 November 2018.

Company Name:

CDN	Cambodian DTV Network Limited	IPJ	IPSTAR Japan Company Limited	STAR	Star Nucleus Company Limited
Intouch Media	Intouch Media Company Limited	IPN	IPSTAR New Zealand Limited	Thai AI	Thai Advance Innovation Company Limited
IPA	IPSTAR Australia Pty Limited	IPSTAR	IPSTAR Company Limited	TCB	TC Broadcasting Company Limited
IPG	IPSTAR Global Services Limited	ISC	International Satellite Company Limited	TCGS	TC Global Services Company Limited
IPI	IPSTAR (India) Private Limited	ITAS	I.T. Applications and Services Company Limited	THAICOM	Thaicom Public Company Limited
IPIN	IPSTAR International Pte Limited	OSS	Orion Satellite Systems Pty Limited	Touch TV	Touch TV Company Limited



INTOUCH Sustainable Development

**THE
FUTURE**

I S N O W

Creating Shared Value

INTOUCH upholds the principle of maximizing its resources and utilizing its expertise to create shared economic and social value. The Company has investment expertise in the fast-changing world of digital technology and is a leader in the telecom sector. This has provided opportunities to analyse the flood of related data in order to make the right decisions for future business expansion.

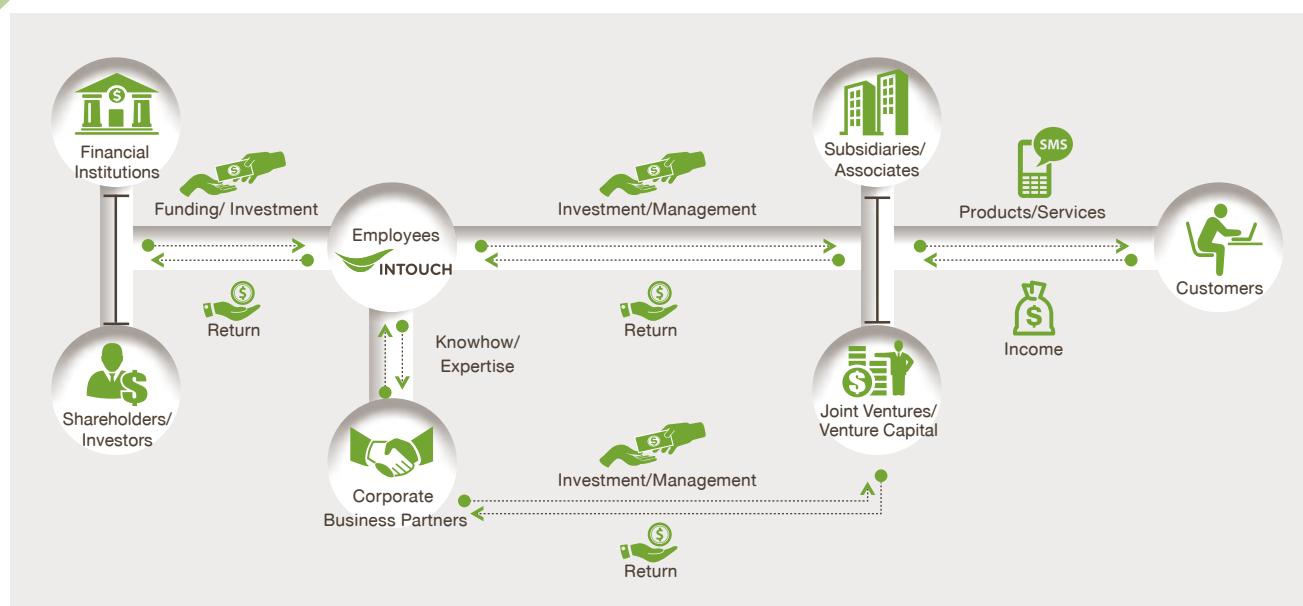
INTOUCH strives to make a positive impact on all its stakeholders in the value chain in order to maintain sustainable growth in the business ecosystem. Creating shared value will strengthen the bond between the Company and society, resulting in mutual benefits.

Access to digital technology has become more important in recent times so INTOUCH has focused on investments that will benefit both the economy and society. In 2018, the Company played an important role in helping AIS acquire an 1800MHz license in the last spectrum auction. This license will enable AIS to improve the quality

of its services, as well as strengthen the nation's infrastructure in line with the government's policy of "Thailand 4.0".

Moreover, INTOUCH has continued to foster the innovation environment through investments in start-up companies and joint ventures with corporate partners in order to create a culture of innovation within the Company that will benefit its key stakeholders, both local and foreign. INTOUCH nurtures these new companies, and continues to support its other subsidiaries and associates by advising them on business plans and funding sources. The ultimate goal is to maintain the Company's growth, thereby generating sustainable returns for the shareholders.

INTOUCH strives for sustainable growth, following the concept of "Sustainable Value Creation", by building good relationships with its business partners and shareholders, as well as financial institutions and the investor community.



INTOUCH's Value Chain

Stakeholder Engagement



All our stakeholders play an important role in driving sustainable growth so the Company communicates with them in many ways in order to keep itself informed of their expectations and concerns. This will prevent any negative impact on the Company's performance, governance or reputation.

In 2018, INTOUCH determined that the boundaries of stakeholder engagement would be set at the parent level of the organization. The Company, in accordance with its value chain, classified all its stakeholders into the following seven categories: i) shareholders and investors, ii) employees, iii) financial institutions, iv) government and regulatory bodies, v) corporate business partners, vi) society and the Nation and vii) suppliers. These categories are reviewed and prioritized by considering the level of impact they could have on the Company's business operations. The first four categories were deemed the most important stakeholders that the Company needed to engage closely in order to understand their requirements and respond to their concerns properly. The Company had chosen the most appropriate and effective

communication tools for each category of stakeholders in order to analyze their expectations and concerns, as well as build on positive impacts and mitigate any negative ones that might have arisen.

7 Categories of Stakeholders



Shareholders and investors



Employees



Financial institutions



Government and regulatory bodies



Corporate business partners



Society and the Nation



Suppliers

Stakeholder Engagement

Stakeholders	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2018
Shareholders and investors	<ul style="list-style-type: none"> • Annual General Meeting • INTOUCH Group meetings with analysts and institutional investors twice a year • Quarterly meetings with retail investors hosted by the Stock Exchange of Thailand • Annual survey of local investors and analysts • Continual updates on the Company's website and notifications to the SET • Private and public meetings with investors and analysts • Annual corporate image survey • Online feedback 	<ul style="list-style-type: none"> • Dividend payout/policy • Key growth drivers in existing businesses and inorganic growth from new businesses, as well as long-term strategies in the group • Competitive landscape • The strategy for digital disruption 	<ul style="list-style-type: none"> • Invited all the shareholders to AGM 2018, and encouraged them to submit questions in advance and express their views during the meeting. • Got a response rate of 76% in the annual survey of investors and analysts. The management and IR team explained business strategies, addressed key concerns, and elicited more feedback through IR activities. • Held 13 non-deal roadshows for both local and overseas investors, as well as hosted 19 in-house visits from investors, shareholders and analysts to address key concerns and elaborate on business strategies.
Employees	<ul style="list-style-type: none"> • Regular staff meetings (held 4 times in 2018) • Annual employee engagement survey • Biannual performance evaluations to strengthen the culture of feedback (through dialogue sessions) • Innovation Team to explore new knowledge/opportunities • Compensation & Benefits Committee • Communication channels to receive complaints and reports of potential wrong-doing, fraud, etc. (Ethics Hotline and whistle-blowing procedure) 	<ul style="list-style-type: none"> • Career opportunities and advancement, along with the Company's financial condition • Fair compensation and treatment • Employee health and well-being 	<ul style="list-style-type: none"> • Provided a general training program, focusing on innovation and communication, to enhance staff capabilities. • Provided individual development programs for employees at every level to improve their knowledge, skills and expertise in order to achieve the Company's goals and create sustainable growth. • Revisited employee compensation to align it with the Company's performance. Benchmarked the salary rate structure against competitors and well-known companies in other industries to create attractive compensation packages. • Revisited the long-term compensation program for the Company's executives in order to make it more competitive. • Supported employee welfare physically and mentally.

Stakeholder Engagement

Stakeholders	Communication channel/method	Issues in which stakeholders are interested and have expectations	What we did in 2018
Financial institutions	<ul style="list-style-type: none"> • Semi-annual meetings with analysts and institutional investors • Continual updates on the Company's website • Meetings with both domestic and international financial institutions to provide information (both top-executive and operational levels) 	<ul style="list-style-type: none"> • Corporate performance, growth and direction • Corporate governance • Ability to fulfill financial obligations • Transparent and up-to-date information provided to investors to enable them to accurately analyze the Company's performance and ability to meet its obligations (e.g. financial information and company policies), along with potential business opportunities. 	<ul style="list-style-type: none"> • Participated in a total of 57 meetings with domestic and international financial institutions to provide information, and invited them to join the biannual meetings for analysts and institutional investors.
Government and regulatory bodies	<ul style="list-style-type: none"> • Reporting / Disclosure of information • Meetings with government agencies • Ongoing dialogue • Joint events • Participation in the government network 	<ul style="list-style-type: none"> • Full and transparent disclosure of information, and compliance with laws and regulations • Compliance with corporate governance requirements • Business qualifications and compliance with telecom & broadcasting regulations • Anti-bribery and corruption measures 	<ul style="list-style-type: none"> • Fully disclosed all information required by the regulatory authorities in a timely manner. • Applied the SEC CG Code to the organization, and published the Company's Principles of Good Corporate Governance in the annual report and on the Company's website. • Put forward the viewpoint of the private sector with regard to ongoing changes in the law and regulations governing the telecom and broadcasting business. • Joined a campaign arranged by the Anti-Corruption Organization of Thailand on the occasion of National Anti-Corruption Day, and published the Company's Anti-bribery and Corruption Policy and practices in the annual report.
Corporate business partners	<ul style="list-style-type: none"> • Monthly/quarterly meetings • Networking/events at least once a year 	<ul style="list-style-type: none"> • Acceleration of portfolio companies' business growth 	<ul style="list-style-type: none"> • Continued to create synergy among the companies in the group and encourage collaboration at the strategic level. • Supported 7 networking activities among all related business parties in both Thailand and the international arena. • Attended 12 meetings with both domestic and regional start-up companies and related investors in order to build strong relationships and explore potential opportunities. • Analyzed the results of companies in the InVent portfolio, and proposed additional business lines to boost revenue growth.

Stakeholder Engagement

Stakeholders	Communication channel/ method	Issues in which stakeholders are interested and have expectations	What we did in 2018
Society and the Nation	<ul style="list-style-type: none"> Meetings/Seminars/ Focus groups with local communities through social programs four times a year Annual corporate image survey 	<ul style="list-style-type: none"> Social contributions and support for community activities Financial matters, professional management, and corporate governance 	<ul style="list-style-type: none"> Analyzed the demands and expectations of society and local communities in order to design CSR projects that can raise people's standard of living and improve their quality of life. Collated significant information on the Company's performance to be disseminated through different media. Expanded online communication channels, including social media, in order to reach the largest number of target groups.
Suppliers	<ul style="list-style-type: none"> Ongoing dialogue by telephone and e-mail 	<ul style="list-style-type: none"> Fair treatment Anti-bribery and corruption measures 	<ul style="list-style-type: none"> Created a transparent bidding process. Communicated the Company's Anti-Bribery and Corruption Policy.

Key interests of stakeholders in 2018

INTOUCH gathered many opinions (stakeholder inclusiveness) on its sustainable development practices through the various engagement channels mentioned above. The key findings were as follows:

- The Company's business direction and its dividend payout policy.
- Due to the rapid changes in digital technology, INTOUCH should develop its employees' skills and enhance their knowledge, as well as search for new products and services to meet consumer demand.
- As an investor in technology and related businesses, INTOUCH should focus on supporting innovative new products and services.
- Promoting a culture of innovation within the organization to improve working efficiency.
- Utilizing its employees' expertise, along with the products and services in the group, to raise the standard of living in Thailand and contribute to the country's long-term development.

Material Sustainable Development Issues

INTOUCH assessed key material issues in 2018 based on the level of impact they had on the Company and its stakeholders, and managed those issues through the appropriate stakeholder engagement channels. Only the direct impacts on INTOUCH itself were considered. The process for dealing with material issues followed the GRI Standards, as described below.

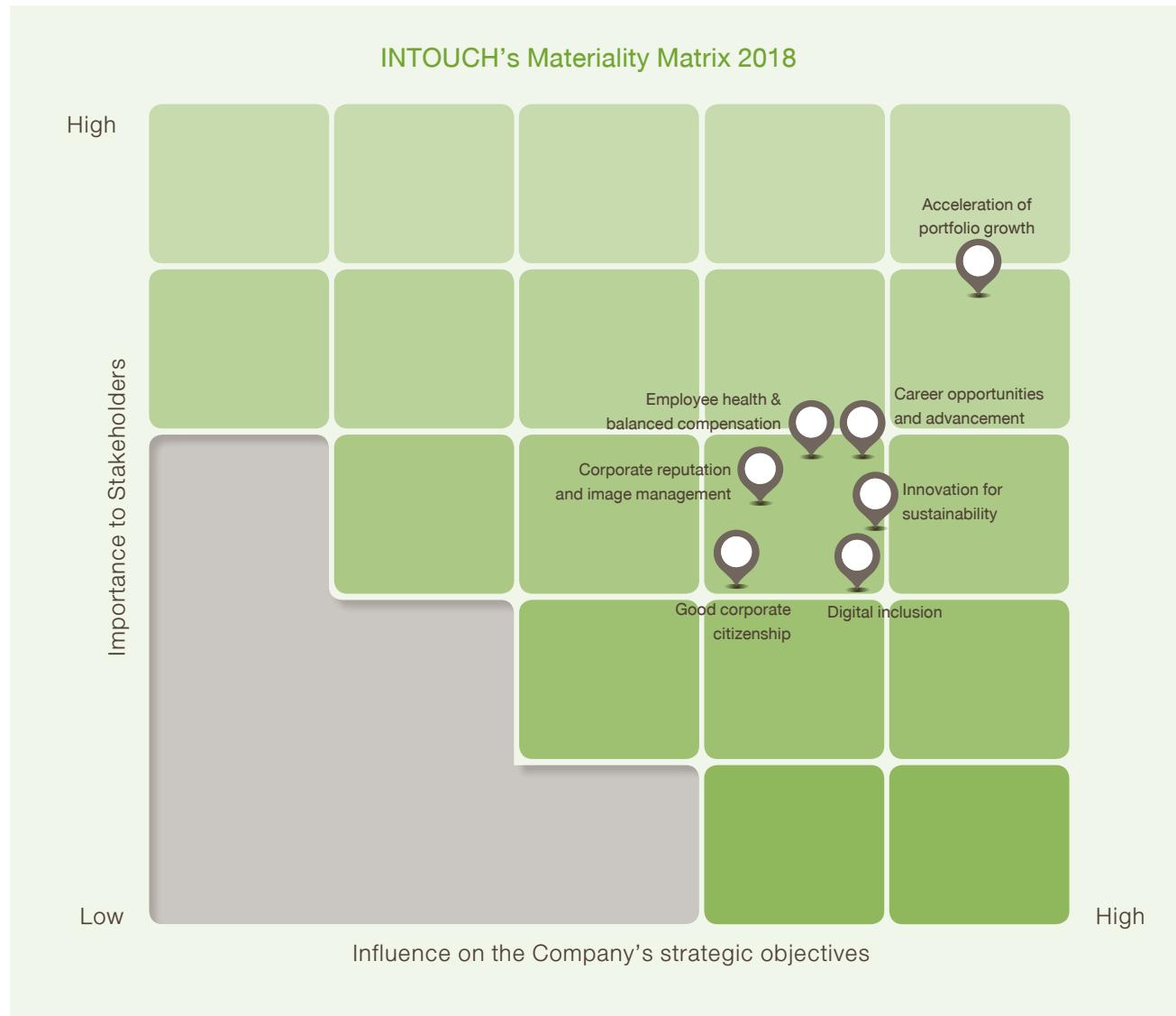
Identification

Identified seven material issues as either having an impact on the Company's strategy and business direction (in terms of the economic, social or governance aspects) or an impact on stakeholder interests during 2018. All of these were the same as the previous year, because they are recurring issues that affect the long-term interests of stakeholders and should be continually addressed every year. These issues are as follows:



Prioritization

All seven material issues have been prioritized and weighted in order of their influence on the Company's strategic objectives and the level of importance attached to them by every group of stakeholders, as shown in the matrix below.



Validation

After the Sustainable Development team had finalized the results of the stakeholder engagement, it submitted a sustainability report to the CSR Committee for Sustainable Development to review, and then the Board of Directors to acknowledge and approve, before publication in the Company's Annual Report for 2018.

Review and Continuous Improvement

The working team regularly improves the process of stakeholder engagement to align it with the current situation, and utilizes the latest communication tools to determine precise requirements and expectations in order to increase efficiency and respond to any concerns in an effective manner.

The reporting of key material issues

Materiality Aspect	Scope of Reporting	Page
Acceleration of portfolio growth	Investment made by INTOUCH Group will emphasize on creation of sustainable return to shareholders with positive effects to economics and society in general. The Company has considered investment that correspond to change in technology and consumers' behavior together with internal enhancement from expertise and strengths in order to create sustainable growth to the invested companies.	233
Career opportunities and advancement	INTOUCH provides opportunities for employees to participate in self-development planning by defining growth target. Supervisor works together with staff to improve development plans by providing required support in order to achieve the mutual goal. Career advancement of staff would eventually result in a sustainable growth of the Company.	235
Employee health & balanced compensation	The Company has the guidelines and principles of remuneration management for employees at all levels equally and appropriately including attention to the health and good workplace for everyone that will affect long-term work efficiency.	237
Innovation for sustainability	The importance of emerging technology and its example such as the immersive technology (VR, AR, and MR) which has impacted to various industries and how INTOUCH can create the sustainable growth with innovation through investment.	239
Corporate reputation and image management	INTOUCH has made communication management that is accurate, complete, timely, and directly addresses stakeholder demands and expectations.	240
Digital inclusion	Digital inclusion will help improve the quality of life of Thai people and benefit the country as a whole. INTOUCH is the key player that help support Thailand's digital inclusion.	241
Good corporate citizenship	Projects and activities that contribute to society and local communities in order to uplift quality of life.	242

Acceleration of Portfolio Growth

INTOUCH conducts business as a holding company with a policy of passing through dividends from its investment portfolio. Most of the returns are currently from core investments in wireless and satellite businesses, namely AIS and THAICOM. However, INTOUCH continues to explore new business opportunities that could increase shareholder value, and has made investments in joint ventures and start-up companies in order to keep pace with rapidly changing technology and consumer behavior. This will give the group a competitive advantage, and create both sustainable growth and added value.

INTOUCH has acted as a growth accelerator for AIS and THAICOM by providing managerial direction and advice, as well as encouraging collaboration within the group in order to strengthen the core business units and explore new investment opportunities. In 2018, INTOUCH assisted AIS in the acquisition of CSL in order to increase the revenue from the corporate clients segment and create a more efficient organizational structure.

INTOUCH also supported AIS's investment in Rabbit LINE Pay, an initial move into the digital money business in which AIS can leverage its existing customer base of over 40 million subscribers. In addition, INTOUCH has studied potential new business opportunities for THAICOM; for example, the adoption of unmanned aerial vehicles (drones) by various industries, video surveillance analytics, robotic process automation, and Artificial Intelligence (AI) in the decision-making process.

Moreover, INTOUCH has focused on new business opportunities that are able to exploit changes in technology and consumer behavior in order to maximize



customer satisfaction and maintain sustainable growth. The areas of interest are not only limited to telecom and media, but also include digital platforms and other new technologies such as Blockchain, AI and Data Analytics, along with emerging technologies such as Deep Tech. The method for establishing a new business may involve a merger, acquisition or joint venture.

INTOUCH has invested more than
500 million baht

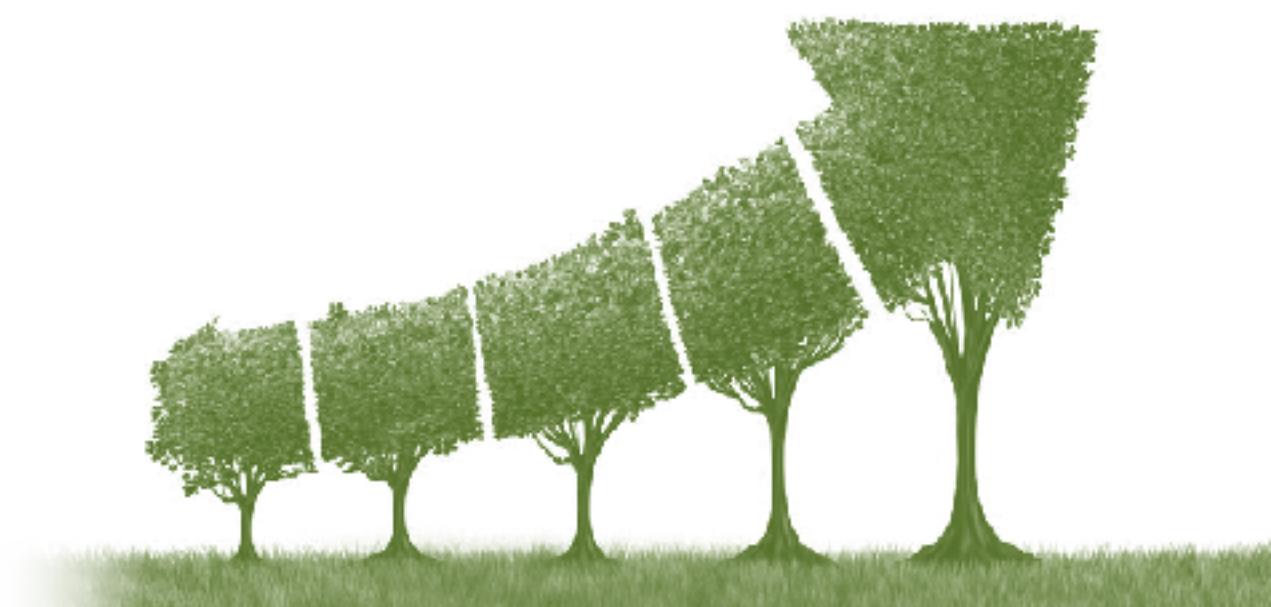
and the portfolio value
has increased over
50%





Since 2016, INTOUCH has been involved in a home shopping business called High Shopping, which has recently become more popular and generated higher revenue. The key success factors have been a higher number of accessible advertising channels, through collaboration with satellite TV broadcasters, and a wider range of high-quality products at reasonable prices. The home shopping project has been seen as a template for establishing a new business; INTOUCH has participated in setting the strategic direction for High Shopping, competitor analysis, SWOT analysis, and financial management of the business. Moreover, INTOUCH has foreseen the growth potential of adjacent businesses, such as online platforms for connecting buyers and sellers, and data analytics for understanding consumer behavior.

Last but not least, INTOUCH also focuses on finding suitable start-up companies, and helping them to manage and expand their businesses in order to benefit from their new products or services as well as gain financial returns. There are currently 13 companies in the InVent portfolio, for which INTOUCH provides advice on policy, strategic direction and financial planning to help them grow and become sustainable. INTOUCH's representatives continually monitor the operating performance of these companies by attending monthly meetings and board meetings in order to ensure that targets are met and any problems are detected and solved effectively. Moreover, INTOUCH has arranged activities for these companies to enhance business opportunities within the group and strengthen the alliance in the investment portfolio, along with knowledge sharing from INTOUCH staff and industry experts. Since the InVent project began six years ago, INTOUCH has invested more than 500 million baht and the portfolio value has increased over 50%.



Career Advancement Opportunities with INTOUCH

INTOUCH believes that unlocking employee potential is a key success factor in achieving sustainable growth. Therefore, the Company continuously develops its employees at every level and encourages them to fully utilize their skills in order to advance their careers and grow together with the organization.

Employee development to support career advancement

INTOUCH sets development goals that align employee capabilities with the Company's direction. These goals are focused on developing cognitive processes, which will enable the employees to initiate new ways of working in response to changing business requirements, along with communication skills to improve collaboration across departments and within the group in order to enhance organizational effectiveness.

In 2018, INTOUCH provided various employee-development programs, both in-house and public sessions by certified facilitators. The average number of training hours per head was 28.39 (or 3.55 working days). A total of 53 persons participated (or 74.65% of the staff), of whom 20 were men and 33 women, from all management levels and the operating level. The development programs launched in 2018 were "Design Thinking", "Outward Mindset" and "Strategic Communication".



INTOUCH encourages a learning atmosphere in the workplace, along with a mindset of trying new things, so that employees can gain more knowledge and collaborate easily. In 2018, an Innovation Team was established with the aim of finding solutions to existing issues. The team members have the opportunity to develop their problem-solving skills and come up with new ideas and processes. This will allow them to enhance their capabilities, while the other employees can benefit from their innovations.

In 2018, INTOUCH also launched a Digital Library Platform that stores information in digital form (e-books) as well as provides additional channel for employees to borrow the hard-copied book and have them delivered to borrower by one click. The Digital Library Platform is launched in alliance with AIS ACADEMY, an institute under the AIS umbrella. The objective is to provide useful resources for employees to explore new areas of knowledge.

Development of high performers (talented employees)

INTOUCH has classified its talented employees into the following four groups:

1. Platinum: High-Potential SVPs and Above who are nominated by an incumbent or superior and ready for a higher position
2. Diamond: High-Potential AVPs and Above who are nominated by an incumbent or superior and ready for a higher position
3. Gold: High-Potential Managers who are nominated by an incumbent or superior and ready for a management position
4. Emerald: High-Potential Employees who are nominated by an incumbent or superior and ready for any leadership position

To have Talents development program to be precise and effectively answer to specific requirement of each level, overall theme of development will focus on Enhancing Leadership Skill, People and Task Management Skill but knowledge will be varied based on the level of delegates. The development program also be designed based on Market Trend as well as Company Direction. Talents development program is a long-term one (3-5 years) that developed under collaboration of INTOUCH with Well-known Educational Institute such as Harvard Business Publishing Executive Education, University of Manchester Executive Education of Alliance Manchester Business School and SEAC (Southeast Asia Center).

Program	Objective	Training Hours	Completion
Harvard Leadership Development Program	To formulate business strategies as well as manage work that accommodated changes in today's circumstance so that the organization would further achieve effective and sustainable growth and development.	48	100%
Gold Leader Program	To enhance readiness capability of Next Leaders by focusing on adapting/ executing the given strategy into action with consideration the effectiveness of business performance, response with speed to the market.	32	100%
Emerald Program	To implant self-development mindset as well as collaborative working for selected employees aiming for the effective Individual Development Plan (IDP) as well as working result.	16	100%

Result from development program in 2018 reflect on 7 business projects (across INTOUCH group). Direction for the project is to be selected and applied for new business opportunity, to support INTOUCH group to be leader of new business creation that can response to market effectively.

Besides, INTOUCH support employee career advancement by create opportunity for employee to take part in designing their own development plan, so called Individual Development Plan (IDP). The IDP process will start with having employee and direct supervisor discuss. The outcome from the session includes; the mutual Goal understanding, required action/ development to achieve with suitable timeline. In 2018, achievement of IDP is 85% calculated from indicated development action completion of Talents Pool.

Aim of applying IDP process (using SMART Goal setting idea), apart from having employees creating their own goal, they also receive constructive feedback / comment from Supervisor(s) who expertise on certain career function both in Leadership and Functional Skills that are required in order to achieve

employees' career advancement goal. Ultimately, the success of employee will lead to the company sustainably growth.

INTOUCH also execute internal rotating process among the group by having those who are interested in. Objective is to provide learning or capability developing opportunity to employees. Not only to support new opportunity of creating new idea/ innovation, part of the program is to increase retention rate of Key Position of the company.

Apart from employee development program mentioned above, INTOUCH Committee also assign LDCC Board to develop Succession Plan Program by creating policy, sourcing process, auditing and performance evaluating process of selected group aiming to have proper candidate to succeed to the key position. Individual Development Plan (IDP) of Talents is also be monitored and revisited as yearly basis to make certain of effectiveness of the development plan (equipped with suitable skill set and experience) and required resources supporting development are distributed adequately to employees.

Employee Health & Balanced Compensation

Fair Compensation

INTOUCH considers it is important to enhance the knowledge and capabilities of all its employees so they can realize their true potential. The Company also considers it is important to reward employees for their performance and dedication in order to maintain their motivation and provide fair compensation. The three principles of compensation management (the 3-P concept) have been used to establish guidelines for determining the job value of each position with respect to its responsibilities and importance within the Company. Information from salary survey consultants and leading companies in Thailand is used for benchmarking compensation against the market, while the cost of living index is also taken into account. Moreover, the Company provides other benefits over and above those required by law.



INTOUCH's compensation philosophy is to reward the executives for the success of the organization (measured by KPIs) and their contribution towards it. The Leadership Development and Compensation Committee annually reviews and approves the executive compensation packages, as assigned by the Board of Directors, by taking the following areas into account:

Compensation management based on performance results

- Calculate remuneration based on corporate KPI achievements.
- Calculate remuneration based on overall business performance, including financial factors.

Compensation management based on shareholders' expectations

- Implement a performance evaluation protocol that is appropriate for the Company's short-term and long-term business objectives, as well as aligned with the strategic direction to continuously increase TSR.
- Ensure that success indicators are appropriate for the Company's capabilities, goals and operational level.
- Reward fund-raising initiatives that attract investors.

Compensation management based on competitiveness in related businesses

- Offer competitive rates compared to related industries in order to attract and retain competent employees who will contribute to the Company's sustainable success.
- Clearly link compensation to annual performance results and the Long-term Incentive Plan (LTIP).

INTOUCH also provides the following benefits to all its permanent staff:

- A provident fund with a choice of investment returns
- Subsidies for employees' weddings and funerals (including immediate family members)
- Annual bonus and per diem allowance
- Health and accident insurance with a choice of coverage
- Scholarships for employees' children, granted every year on the Company's anniversary

Employee well-being

As the physical and mental health of employees, along with the working environment, can have a great impact on their efficiency, INTOUCH supports preventative care by arranging activities to enhance employee health and well-being. These activities include a sports day, lectures by healthcare experts, traditional Thai massage at the office (provided by the Caulfield Foundation for the Blind), and a health check-up program appropriate for the age and working style of each employee.



The HR team also arranges merit-making trips to temples, a "Merit Market" for employees to donate items for auction in the office (with the proceeds going to charity), and dharma-sharing sessions to enhance spiritual well-being through self-reflection. INTOUCH aims to strengthen its working environment by applying the "Happy Workplace" concept for the mutual benefit of the Company and all of its employees.

Innovations for Sustainability

Emerging technologies are disrupting traditional businesses and changing the status quo. In order to avoid becoming a victim of disruption, INTOUCH believes that its businesses must adapt to these technologies, and develop innovative products and services that can exploit new economic opportunities and create sustainable growth. There are various approaches to this strategy, such as setting up an internal research and development team to study new technological opportunities and provide knowledgeable and competent advice to the companies in the group, or making direct investments in companies that already have this facility through acquisitions, joint ventures or project-based business collaborations.

The most widely discussed emerging technology in 2018 was Virtual Reality (VR), which can change people's whole perception by combining the virtual world with the real world. VR is a computer-generated simulation that replicates a real environment and immerses the user in a completely virtual world using a device called a VR headset. This technology has recently been extended by the introduction of Augmented Reality (AR) and Mixed

Reality (MR). AR utilizes existing reality when virtual objects are overlaid on the real-world environment, while MR is a hybrid reality that merges both worlds by creating virtual objects which can interact with the real world.

This new immersive technology has enriched interactive experience and will transform many traditional industries, such as the ones listed below.

- Healthcare: VR technology for surgical training is a new method that helps doctors to engage patients more effectively and increase the success rates of medical procedures.
- Aviation: VR flight simulators for training pilots will improve safety and airline efficiency.
- Manufacturing: MR technology provides real-time assistance to factory workers by showing the steps in each procedure, which will reduce the risk of human error and improve the quality of finished products.
- Travel: Virtual tours will benefit travel agents by giving potential customers a realistic experience of destinations around the world they can explore.



VR Technology



AR Technology



MR Technology

In the near future, there will be a growing number of firms in different business sectors utilizing this technology to enhance customer experience and differentiate themselves from their competitors. INTOUCH is aware of the importance of VR/AR and MR technology, and has invested in two companies through the InVent project,



VVR Asia (AR smart airport)

namely Social Nation (in 2016) and VVR Asia (in 2018). Social Nation is a Silicon Valley-based technology start-up that develops VR advertising on a 360° marketing platform, while VVR Asia is a leading provider of premium VR/AR and MR solutions. These investments will allow the companies in INTOUCH Group to access innovative new technologies and offer those services in the Thai market.

For future sustainable growth and continuous improvement, INTOUCH, through the InVent project, has set appropriate standards to analyze and screen target companies so that it can foster the development of new technological innovations for the Thai and regional markets. This year, INTOUCH will pay close attention to emerging technologies such as Blockchain Technology, Artificial Intelligence Technology and Deep Technology in order to create clear competitive advantages and improve its business capability over the long term.

Corporate Reputation and Image Management



As a leading asset management company, INTOUCH places great importance on communication with every group of stakeholders by providing accurate, clear and timely information to ensure long-term confidence and commitment. This will minimize any impact on the corporate brand, value creation or sustainable growth.

INTOUCH has drawn up a Brand and Reputation Management strategy as a crucial part of its strategic plan for business administration. All information pertaining to the Company's operations, performance, corporate governance, social responsibility and general administration is communicated accurately and completely to the respective groups of stakeholders on a continual basis through various online channels, such as the Company's website and social media (namely Facebook and LinkedIn). Today, both these channels play a key role in stakeholder engagement. The traditional channels are still used, such

as newspapers, magazines, executive interviews and press conferences.

In addition to promoting its brand through different media, INTOUCH, as a company listed on the Stock Exchange of Thailand, organizes regular activities to engage its shareholders and potential investors. These activities include analyst meetings and presentations at promotional events for both local and international investors in order to hear their concerns directly and use the information gathered to make improvements. INTOUCH also conducts an annual corporate reputation survey to gain an insight into stakeholder opinions and preferences, and provide updated information. This helps the Company to set the right strategy and business direction, as well as manage its corporate reputation appropriately.

Digital Inclusion

One of INTOUCH's goals is to increase digital inclusion for Thais. The wave of technology has changed the way we interact, and digital services can improve the quality of life for people who adopt them. Digital inclusion will also benefit the country by increasing the value and volume of domestic products. INTOUCH continues to support various start-up companies through the InVent project in order to encourage Thais to adopt digital products and services. This support takes the form of capital investments and management expertise, which helps these companies focus on their new ideas, increase their customer bases and become successful businesses. The more often people use digital products and services, the more they get used to them and participate in the digital economy.

In 2018, INTOUCH invested in two start-up companies, namely YDM (Thailand) Co., Ltd. ("YDM") and Choco Card Enterprise Co., Ltd. ("Choco Card"). One of YDM's services is a platform for product reviews, which enables people to become micro-influencers in the digital world, and now has over 8,000 reviewers in the network.

Over **1,000** businesses
are now in Choco Card's system,

**> covering more than
1,000,000
users.**

Choco Card provides a customer relationship management platform to SME businesses, which can replace manual paper-based loyalty programs with digital systems. Over one thousand businesses are now in Choco Card's system, covering more than one million users.

As well as supporting digital inclusion through the InVent project, INTOUCH is planning to integrate innovations from the companies in its portfolio with the farming communities in its CSR program to help improve their quality of life.



Good Corporate Citizenship

Challenges

Thailand today still faces problems associated with basic fundamentals such as health, education, income and the environment, which impede the progress of the country's social development and quality-of-life improvement.

INTOUCH operates its business by investing in the Telecom, Media and Technology (TMT) sector, which is considered essential infrastructure that contributes to national development. The Company's social mission is to improve the quality of life, in tandem with balanced development, under the maxim "Strong Thais, Strong Thailand" and using the guidelines below.

Approaches to Social Engagement Activities

1. Identify issues and social needs that need to be addressed, in terms of health, environment, education, employment and income.
2. Analyze problems and develop plans to meet social needs, as well as consider the Company's capacity utilization.
3. Apply the *Sufficiency Economy Philosophy* to the development of projects and related activities in line with the country's geosocial footprint.
4. Clearly define the goals, methods and desired outcomes of projects. Conduct long-term social engagement activities to share knowledge and teach the skills required for communities to become self-reliant.

1. Positive Youth Development

Thai Literature Conservation Contest with INTOUCH

Reading is an essential skill in daily life and helps to develop the mind by learning new things, widening perspective, and improving both cognitive and emotional intelligence. It also develops the imagination and encourages creativity.



The Thai Literature Conservation Contest with INTOUCH inspires children and young people to read more literature and use their imagination to portray stories through visual art using various techniques. The award winning entries are exhibited for sale and the proceeds, without any deduction for expenses, are donated to the Princess Maha Chakri Sirindhorn Foundation to provide scholarships for underprivileged students.

In 2018, the theme of this contest was "Happiness and Beauty in Thai Culture" to reflect various dimensions of the Thai identity and encourage young people to be proud of their heritage. The recommended books covered both history and fiction. These books inspired many creative entries using a wide range of techniques, such as wood engraving with gold lacquer and powder coating sprayed on marlstone.

Project Results**Reading encouragement**

Number of stories read by participants*

56 in 2017**390** in 2018**Building young people's potential and creative thinking skills**

Number of entries submitted to contest*

924 in 2017**1,114** in 2018**Educational opportunities for young people**

Total amount of scholarships for academy award winners in 2018:

1,350,000 baht.

Proceeds from sale of entries donated to Princess Maha Chakri Sirindhorn Foundation (under the "Graduates Return Home" project):

730,000 baht.

**The number of stories read and entries submitted was 5% higher than expected so an increase of another 5% is targeted for 2019.*

**INTOUCH Group's Educational Opportunity Creation Project**

Education is crucial and lays the foundation for the country's development. We have found that many schools in remote areas do not have enough basic facilities and educational materials necessary for a decent education.

INTOUCH has granted scholarships to diligent but disadvantaged students, and donated equipment to schools in every region of the country in cooperation with the respective Primary Educational Service Area Office. In addition, INTOUCH has funded projects beneficial to schools and granted cash rewards to dedicated teachers.

In 2018, INTOUCH granted scholarships to students in Uthai Thani and Petchaburi province consisting of 330 scholarships from 191 schools and additional 20 scholarships for students and teachers each, totaling 370 scholarships with 3 million baht value.

**Quality of Life Improvement for Students at Underprivileged Schools in Roi Et province**

In view of the government's important policy to revolutionize education for students in remote areas and improve their quality of life, INTOUCH supports the development of fundamental infrastructure and provides the necessary educational equipment to create a happy learning environment.

In 2018, surveys were conducted on two schools in Roi Et province, and the following development plans were drawn up and implemented:

- Ban Nong Muang School in Amphoe Ponethong: Funded renovation work to the school building, canteen and toilets, as well as provided a library administration system and a computer with a satellite broadband internet connection.
- Wang Yao Charoenwit School in Amphoe Chiangkwan: Funded a solar-powered water purification system for the school and local community, along with a water storage tank for contingencies.
- In addition, INTOUCH engaged experts from the Hydro and Agro Informatics Institute (HAI) to design a water management system for Wang Yao community that would solve the perennial problem of flooding and provide proper irrigation. These experts have surveyed the area, with the cooperation of the local community, and are now drawing up a proposal for a sustainable solution.

2. Quality of Life Improvement in Local Communities and Promotion of Volunteer Spirit

Healthy Rice Growing Project by INTOUCH

Farmers are the main pillar of the country, and rice is their major source of income. Therefore, increasing the yield and adding value through the application of technology are vital to sustaining this income and balancing the books.

Over the last seven years the Healthy Rice Growing Project has helped farmers improve the quality of their lives by providing information on acceptable product quality, building networks, sharing knowledge, and establishing community enterprise and learning centers to encourage sustainable agricultural growth. All these projects continue to improve the quality of life for those farming communities today. These comprise the Community Enterprises of Healthy Rice Growing at Ban Dak Kanon in Chainart, Kan Fang in Khon Kaen and Hom Krajao in Kanchanaburi, along with the Community Enterprise of Farming at Ban Pa Mai in Nakorn Sri Thammarat, the Community Enterprise Network at Tha Ngam Saen Suk in Phitsanulok, and the Learning Center at Kok Ta Ban Temporary Correctional Center in Surin.



Project Results



- Overall revenue generated by all the community enterprises increased more than 30%.
- Some of the new products met the One Tambon One Product (OTOP) standard, while every community enterprise was officially registered as a Rice Seed Collection and Distribution Center.
- Many community brands of rice were developed, such as Hom Krajao, Kaen Fang and Smiling Farmer.
- The range of additional rice products was extended, such as Rice Berry crackers, cereal and ice-cream.



- Built a network to share knowledge with the Rice Research Centre, Provincial Agriculture Offices and two universities.
- Connected to distribution channels such as AEC Trade Center, Thailand Post and Lazada.
- Developed and promoted a rice farm as an agro-tourism destination.



Environmental

- The areas with the “Organic Thailand” accreditation will be able to develop more quickly.
- All the rice farms in the project have achieved GAP (Good Agricultural Practices) certification.



Improving the Quality of Life for Forest Guardians Project at Huay Kha Khaeng Wildlife Sanctuary in Uthai Thani province

Over the last three years INTOUCH has contributed to improving the quality of life for forest rangers in order to boost their morale when they are on duty. INTOUCH has supported three aspects of their lives, namely work, family and community collaboration, by providing the necessary equipment, three solar panels, granting scholarships to some of their children up to undergraduate level, and organizing self-improvement workshops. The latter provide information to the rangers and their families on how to live a balanced life, and include topics such as managing household finances and maintaining good relationships with the surrounding communities.

Project Results



Forest Rangers
250 persons.



Forest Rangers'
Families



Surrounding
communities

Workshop participants
came from
22 agencies.

Scholarships awarded to
9 children.

Organized
6 activities

Over
71%
of rangers improved their
communication skills for community
cooperation.

All the families were able
to save money,
with an average rate of
13%
of income over the year.

Community relationship activities
23 villages

Disposed of
100%
of garbage from forest area.

Total of
2,314 people

Employees with a Volunteer Spirit for Community Development Project

INTOUCH encourages its employees to propose and participate in activities beneficial to society and local communities. The Company provides budgets for these and allows employees to complete their projects on working time. The following projects were undertaken during 2018:

- Renovation of classrooms and toilets at Wat Thammaprasit School in Samut Songkram.
- Renovation of toilets and wash basins at Ban Krabok Tia School in Chachoengsao.
- Construction of a drinking water system and improvement of vocational skills at Ban Pak Muang School in Chiangmai.
- Provision of classroom equipment for a Sunday school at Wat Don Kaew in Chiangmai.



3. Charitable Donations

Besides the projects related to life quality development and education, INTOUCH also made other charitable donations such as the ones below.

- Helped to support a Children's Day event organized by the Amir OI Mu Minin Foundation and support gifts for seven agencies.
- Helped to support the project "Wheelchairs for Thais with disabilities" implemented by the Thai with Disability Foundation.
- Paid for the publication of a book written by the Association of Siamese Architects under Royal Patronage (ASA) to commemorate the Supreme Patriarch Prince Uthumphon, which was distributed to one thousand libraries across the country.
- Helped to support the treatment of AIDS patients at Wat Phrabat Namphu hospice in Lopburi province.

Monetary Donations to Society (million baht)	2016	2017	2018
Donations	0.95	3.71	0.78
Community investment	23.64	13.21	20.80
Commercial investment	0.34	3.68	0.37

Environmental Management

As the Company takes its environmental responsibilities seriously, it focuses on efficient resource consumption and good management of resources in order to minimize possible negative impacts. The Company has drawn up an "Environmental Policy" to provide guidelines for managing environmental issues. The Company strives to raise its employees' awareness of these and understand the importance of conservation so they can realize how business operations ultimately affect our environment. Consequently, the employees will take the related environmental impacts into account when planning new business ventures and performing their daily duties.

The Company is aware of the external and internal environment. The details of the external activities have been published in the section on Good Corporate Citizenship, which covers the corporate social responsibility projects. Moreover, good environmental management is one of the criteria for selecting business partners. The internal activities included a campaign to raise awareness among executives and employees of resource utilization, such as reducing the consumption of energy and other resources.

Reducing energy consumption

The Company promotes efficient energy consumption and utilization of resources in the office. Employees are encouraged to reduce energy consumption by, for example, turning off lights when they are not in use, and switching off air-conditioners during lunch breaks in order to shorten the air-conditioning period. The thermostats for most of the office space have been set at 25 degrees Celsius, and energy-efficient light bulbs are now used. The energy-saving campaign has been promoted on notices around the office, asking employees to arrange shuttle buses if they are going in the same direction at the same time, and set up teleconferences to avoid traveling to outside meetings.



Other resources

The Company has a policy to procure environmentally-friendly services and select certified products to reduce the consumption of resources and the environmental impact. The following measures have been implemented:

- The Company chooses "green" paper produced from environmentally-friendly pulp with a minimum of tree-felling. Employees are encouraged to reuse paper and envelopes in the office. In addition, a board portal system has been implemented to access meeting minutes and supporting documents in an electronic format, along with an online payslip system.
- The Company uses office furniture made in an environmentally-friendly process.
- All the photocopiers are "Green Label" certified, reducing toner consumption to a minimum.
- All ink cartridges must be certified under the appropriate hygiene, safety and environmental standards.
- A campaign to separate waste has been launched.

Sustainable Development Framework

INTOUCH has applied the concept of “Creating Shared Value” for outlining a sustainable development framework, which has been divided into the following three areas:

1. Sustainable Impact Investing - All investments must benefit the economy and society as well as create growth and profit for the Company. INTOUCH also promotes the concept of sustainable development among its subsidiaries and associates, along with the start-up companies in the InVent portfolio.
2. Human Capital Development - Sustainable growth is driven by the Company’s employees. Therefore, INTOUCH provides employee development programs, and has promoted a culture of innovation that encourages knowledge sharing and stimulates creative thinking.

3. Social & Community Investment - We believe that a strong society and community spirit lay the foundations for national development and sustainable growth. INTOUCH focuses on improving the skills of people in local communities in order to develop their proficiency. The Company also utilizes the appropriate technology to meet the needs of each community in its corporate social responsibility program.

These three areas are core sustainable development guidelines. In addition to the return on investment in terms of business performance, INTOUCH understands its obligation to society through good corporate governance and effective stakeholder engagement. This framework will help the Company realize every aspect of the impacts it has on the economy and society, and mitigate any negative ones that might impede sustainable growth.



Sustainability Performance

Economic Dimension (Consolidated Financial Statements)	Unit	2016	2017	2018
Total assets	Million Baht	54,607	50,960	50,009
Total revenue	Million Baht	24,741	22,543	20,404
Gross profit	Million Baht	4,177	2,482	1,891
EBITDA	Million Baht	21,396	12,438	13,756
Net profit for the year	Million Baht	17,709	9,310	11,651
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	1,828	1,718	1,202
Financial costs	Million Baht	360	399	340
Tax paid to government (e.g. corporate income tax, local tax dues, property tax and special business tax)	Million Baht	566	270	100
Tax benefits and other promotional privileges under the Investment Promotion Act	Million Baht	-	-	-

Economic Dimension (Separate Financial Statements)	Unit	2016	2017	2018
Total assets	Million Baht	28,189	29,942	31,780
Total revenue	Million Baht	13,185	11,054	11,822
Net profit for the year	Million Baht	12,707	10,664	11,481
Management and employees' benefits (e.g. salary, OT, bonus, special grants, social security contribution and provident fund)	Million Baht	230	214	189
Dividend paid to shareholder	Million Baht	14,721	9,168	8,995
Financial costs	Million Baht	3	3	3
Tax paid to government (e.g. corporate income tax, local tax dues, property tax and special business tax)	Million Baht	-	-	-
Tax benefits and other promotional privileges under the Investment Promotion Act	Million Baht	-	-	-
Investments and expenditures regarding community development, social infrastructure and environment	Million Baht	25	20	22

Social	Unit	2016	2017	2018
Total Number of Employees	Person	88	78	73
Number of Employees by Level				
• Executive Level	Person	26	22	20
• Managerial Level	Person	39	36	36
• Practitioner Level	Person	23	20	17
Number of Employees by Gender				
• Male	Person	36	32	30
• Female	Person	52	46	43
Number of Employees by Age				
• Less than 30 years	Person	10	7	7
• 30-50 years	Person	68	61	50
• More than 50 years	Person	10	10	16
The Female-to-Male Salary Ratio				
• Executive Level	Percentage	1 : 1.60	1 : 1.33	1 : 2.35
• Managerial Level	Percentage	1 : 1.12	1 : 1.18	1 : 0.55
• Practitioner Level	Percentage	1 : 0.77	1 : 0.80	1 : 0.47
Total Number of New Employees	Person	10	6	7
• Less than 30 years	Person	4	1	2
• 30-50 years	Person	6	5	5
• More than 50 years	Person	0	0	0
Total Number of New Employees Turnover by Age	Person	9	15	11
• Less than 30 years	Person	3	0	4
• 30-50 years	Person	3	14	7
• More than 50 years	Person	3	1	0
Maternity Leave	Person	0	0	0
Number of Employees return after taking Maternity Leave	Person	0	0	0
Proportion of Employee Leave				
• Sick Leave	Person/Year	1.77	2.05	3.09
• Leave Due to Work	Person/Year	0	0	0

Social	Unit	2016	2017	2018
Total Number of Accidents				
• Lost Time Injury	Person	0	0	0
• No Lost Time Injury	Person	0	0	0
Total Number of Training Hours	Hour	2,968	5,188	2,016
The Average Number of Training Hours by Level				
• Executive Level	Hour/Person/Year	46.00	67.94	46.40
• Managerial Level	Hour/Person/Year	38.00	70.09	23.54
• Practitioner Level	Hour/Person/Year	17.00	49.33	16.50
Number of Complaints about Human Resource Management	Case	0	0	0

Environment	Unit	2016	2017	2018
Electricity Consumption	MWh	330.31	286.00	254.40
Electricity Consumption per area	MWh/Sqm	0.18	0.15	0.13
Electricity Consumption per employee	MWh/Person	3.75	3.66	3.57
Water Consumption	Cubic meter	15.00	14.00	14.00

About Sustainability Report

This is the fourth annual sustainability report of Intouch Holdings Plc. ("the Company") to communicate its approach to sustainability management and disclose its economic, social and environmental performance. This report will be published together with the Annual Report for 2018. The scope of the economic data covers the performance of all the Company's subsidiaries, associates, joint ventures and other investments, while the social and environmental data only cover the Company. This report is for the period 1 January to 31 December 2018, and the information provided reflects the expectations of every group of the Company's stakeholders. It also includes the creation of shared value and mutual benefits between the Company, society and the nation that began a long time ago, as well as those that will continue into the future.

This report has been prepared in accordance with the GRI Sustainability Reporting Standards 2018 (GRI Standards) at Core level ('*in accordance*' Core Option), and identifies issues in line with the United Nations' *Sustainable Development Goals*.

More information on the disclosure of data in accordance with the indicators of the reporting guidelines can be found in the tables on page 253-256 of this report.

If you have any questions or require further information, please contact:



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Investors can find more information
on the Company's Form 56-1 shown on the websites:
www.sec.or.th or www.intouchcompany.com



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