

ปวงข้าพระพุทธเจ้า ขอน้อมเกล้าน้อมกระหม่อมรำลึกในพระมหากรุณาธิคุณหาที่สุดมิได้

ข้าพระพุทธเจ้า คณะกรรมการ ผู้บริหาร พนักงาน
บริษัท ไทยคม จำกัด (มหาชน) และบริษัทในเครือ

THAICOM | 25 Thaicom Anniversary

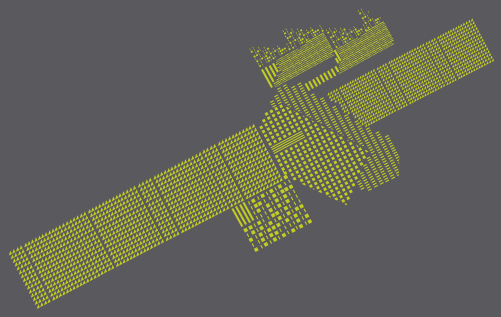
ANNUAL REPORT 2016
Thaicom Public Company Limited

KEEP AHEAD OF THE CURVE

ANNUAL REPORT 2016

Thaicom Public Company Limited

THAICOM



"ไทยคมจะน้อมนำแนวพระราชดำริ
ของพระบาทสมเด็จพระปรมินทรมหาภูมิพลอดุลยเดช เพื่อสร้างประโยชน์
แก่กิจการโทรคมนาคมและสังคมไทยสืบไป"

THAICOM | 25 Thaicom Anniversary

Photo Credit: Chatree Jandech, Thaicom's Artist Specialist

ธ ครองใจไทยทั้งชาติราษฎร์กำสรวล
องค์พระภูมิพล มหาราชจอมราชา
เพลานี้สิ้นแล้วแก้วเหนือเกล้า
กราบแทบบาท เทิด ธ ไว้ในดวงใจ

สะท้านครวญหวลร่ำไห้ไปทั่วหล้า
เสด็จคืนสู่ฟากฟ้าสวรรคาลัย
หัวใจไทยรวดร้าวราวหม่นไหม้
ทั่วถิ่นไทยวิปโยคโศกโศกา

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His Majesty King Bhumibol Adulyadej's Royal Speech
Given on the 120th Anniversary of King Mongkut Memorial Park
of Science and Technology Waghor.

"Science and technology plays an important role in driving Thailand to grow prosperously. It is necessary to support our own technology inventions to serve our own needs and demands. The more invention we make, the more use of technology we can spread out throughout the country."

Chitralada Royal Villa
on 1 August 1988



“Golden Shower Tree”

His Majesty King Bhumibol Adulyadej planted “Golden Shower Tree”, while he was graciously presided over the grand opening ceremony of Thaicom Satellite Station.



“His Majesty King Bhumibol Adulyadej’s office at Thaicom Satellite Station”

The office of His Majesty the King while he was graciously presided over the grand opening ceremony of Thaicom Satellite Station.



17 December 1991

His Majesty King Bhumiphol Adulyadej graciously named the first national communication satellite, "THAICOM" "THAI COM(MUNICATIONS)"signifying "Thailand" and "Communications"

26 January 1994

His Majesty King Bhumiphol Adulyadej graciously presided over the grand opening ceremony of the THAICOM Satellite Station, Nonthaburi, and observed the demonstration of the satellite control system and satellite applications.



1994 4th Year

7 October 1994

"THAICOM 2" satellite was successfully launched into the orbit at 78.5 Degree East.

11 September 1991

Signed the Ministry of Transport and Communications, the Satellite Agreement for the Operation of Domestic Communication Satellite to proceed with the first national satellite project.

7 November 1991

Founded the Company to undertake the national satellite project.

27 August 1993

Transformed to "Public Company Limited"



1993 3rd Year

17 December 1993

Her Royal Highness Princess Maha Chakri Sirindhorn presided over the launch of **"THAICOM 1"** satellite into the orbit at 78.5 Degrees East from Guiana Space Center, Kourou, French Guiana.

18 January 1994

Listed on the Stock Exchange of Thailand (SET) under symbol "SATTEL".



1995 5th Year

5 December 1995

THAICOM 2 broadcasted for the first time, for Distance Learning Education Via Satellite channels from Wang Klaikangwon School.

16 April 1997

"THAICOM 3" satellite was successfully launched into the orbit at 78.5 Degree East. The first time to expand satellite service abroad with coverage area in 4 continents.



1991 1st Year



1997 7th Year

THAICOM MAJOR MILESTONES



2 February 1998

Her Royal Highness Princess Maha Chakri Sirindhorn presided over the inauguration of the THAICOM Teleport and DTH Center at Lad Lum Kaew. This was the starting point of Thaicom to provide end-to-end service to customer both domestically and internationally.

10 April 2008

Renamed the Company to "Thaicom Public Company Limited".

21 April 2008

First used "THCOM" symbol on the Stock Exchange of Thailand.

6 January 2014

"THAICOM 6" satellite was launched into the orbit at 78.5 Degree East from Cape canaveral U.S.A., to serve increasing demand in the region as well as to expand markets into Africa.



7 September 2014

"THAICOM 7" satellite was launched into the orbit at 120 Degree East to reserve the right on that position and to provide a full range of media and data services for both entertainment and telecom operators in South Asia, Southeast Asia and Australia.



3 April 2012

Thaicom announced a change in corporate identity after 20 years of providing satellite services. The new identity was in line with that of INTOUCH and marked "the new chapter" of Thaicom in pursuing long term sustainable growth.



11 August 2005

"THAICOM 4" satellite, the largest communications satellite at that time and the first broadband satellite in the world, was launched into the orbit at 119.5 Degree East with operating offices in 10 countries and 18 teleport stations in Asia-Pacific.

26 June 2012

The National Broadcasting and Telecommunications Commission (NBTC) awarded a Telecommunication License Type 3 (Access Network and Core Network) to Thaicom, resulted in THAICOM 7 to be the first satellite under license scheme.

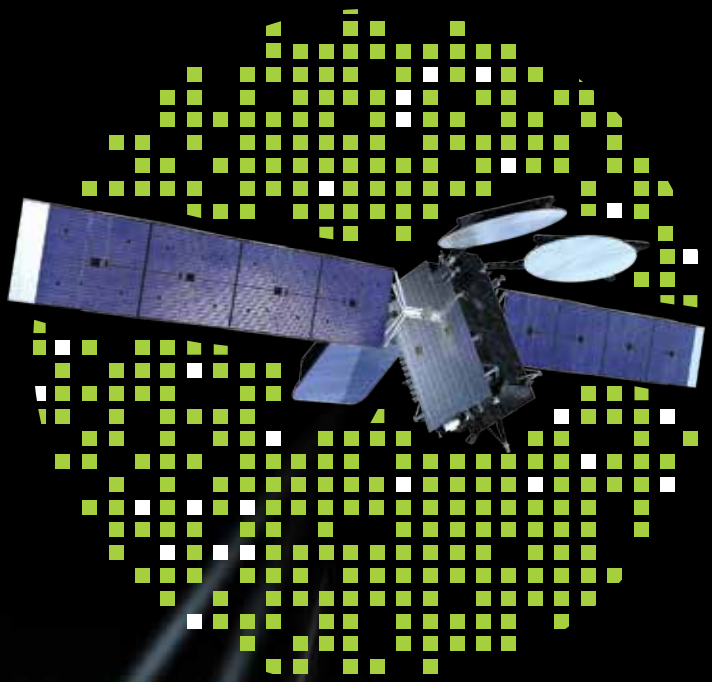
27 May 2006

"THAICOM 5" satellite was successfully launched into the orbit at 78.5 Degree East, leading Thailand to move into satellite TV era.



27 May 2016

"THAICOM 8" satellite was launched into the orbit at 78.5 Degree East to serve the fast growing broadcast industy in the region and to enhance the Company's competitiveness abroad.



THAICOM

Thaicom Public Company Limited

Celebrating

25

Thaicom Anniversary

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Vision, Mission, Value, and Company's Strategies









Financial Highlights 2016





Nature of Business

THAICOM





Management Team

Vision

To be a Leading Asian Satellite Operator

Thaicom aims "to be a leading Asian satellite operator", influencing and innovating communications on a global scale, providing products and services responsibly, and developing people and ethical practices to accommodate economic growth and cultivate a sustainable society.

Mission

- We commit to be a learning organization by nurturing employee competency and engagement.
- We commit to deliver superior and innovative satellite and connectivity solutions to enhance customers' business capabilities and people's quality of lives.
- We commit to enhance shareholders' growth with good corporate governance practices.
- We commit to enhance shared value for stakeholders and societies through our Sustainable Development (SD) framework.

Value

- **E** – Excellence in Technology
- **P** – Passion to Challenge
- **I** – Initiative in Innovation
- **C** – Commitment to Contribute

Operational Strategies

The Company has developed business policies and intended to engage all departments in the company's core strategic direction to maintain profitable and sustainable growth. The Company's key operational strategies include:

1 Human resources strategy

The Board of Directors places priority on people which it is believed to be the main driving force behind the success of other resources and the Company's profitability. The Company plans to become a source of knowledge through the continuous development of human capital, focusing on commitment to the organization and understanding diversity in this type of business. Succession planning is reviewed by the Board of Directors at least once a year.

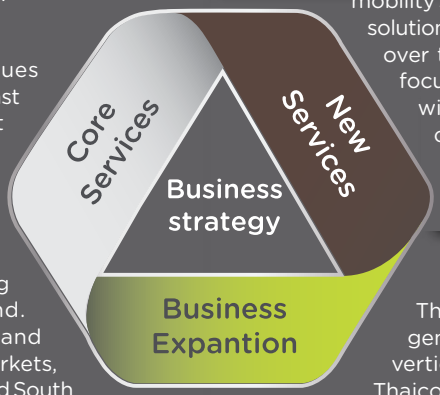
2 Business strategy

The Company formulates a business strategic plan as a framework to deliver products and services in response to the customers' demands, enhancing competitive advantage and sustainable growth. The Company divides its business strategy into three categories as follows:

1. Core Services

Broadcast Service: The Company values the importance of developing our broadcast service to help uplift overall Thai broadcast industry by offering stage of the art solutions to support High Definition (HD) and Ultra-High Definition (Ultra-HD) broadcasting as well as value-added services to enhance capability of satellite TV operators and deliver a quality viewing experience to people across Thailand. Moreover, the Company plans to expand our broadcast services in emerging markets, especially in Greater Mekong Subregion and South Asia, focusing on high quality and high power Direct-to-Home (DTH) broadcasting service to serve demands in the regions.

Broadband Service: The Company values the importance of bandwidth efficiency enhancement on both IPSTAR platform and business partners' platforms to increase bandwidth utilization of THAICOM 4, especially in India, Indonesia, and the Philippines. The Company also has plans to adjust sales and marketing strategies in order to substitute customers with soon-to-be-expired contracts in Thailand and Australia with new customers.



2. New Innovation Services

The Company adapts to the consumer behavior change that is desired to access information and communication anywhere anytime and on any device, by developing platforms for mobility services both in the air and at sea. Another solution is delivery service of video and other media over the Internet, Over-The-Top (OTT), which focused on 2nd Screen service.These solutions will serve different needs of different target customers to help enhancing their capabilities and opportunities to gain more revenues.

3. Business Expansion

The Company values the importance of generating growth on both horizontal and vertical dimension. On horizontal dimension, Thaicom has increased the numbers of satellite by launching THAICOM 8 in 2016 to emphasize on being the "Hot Bird" satellite at 78.5 Degrees East, supporting broadcasting service in Thailand, Greater Mekong Subregion, South Asia, and Africa Vertically, the Company is expanding services into supply chains. Thus, the Company has expansion plan on both business dimensions to enhance competitive potentiality and sustainable growth.

3 Sustainable development strategy

The Board of Directors strongly believes that achieving long-term sustainable growth alongside the community requires management based on good corporate governance principles, moral and ethical executives and transparent business practices which consider all stakeholders.

The Company has established a strategic framework to drive sustainable development across all aspects of its business, with a total of 10 strategies under 4 areas of focus as follows:

1. Connectivity
- Communications Networks for Sustainable Development
- Emergency Communications Capabilities

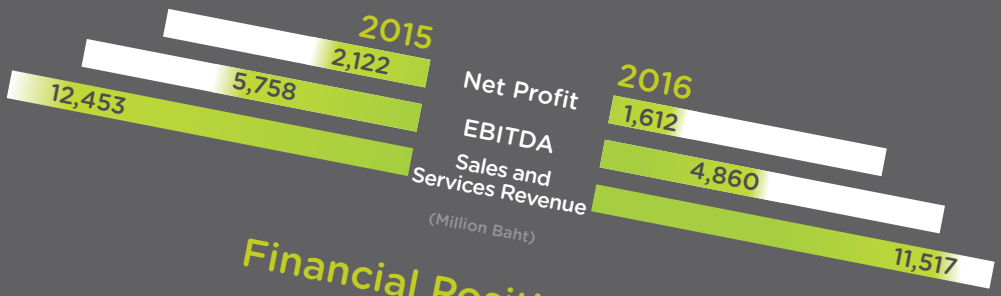
2. Responsibility
- Responsible Service
- Support for a Sustainable Society
- Environmental Resource Management and Impact Mitigation

3. Innovation
- Product and Service Design Innovation
- Business Strategic Innovation
- Business Process Innovation

4. Corporate Governance
- Fairness throughout the Value Chain
- Human Resources Management

In addition, the Company operates on the basis of good corporate governance, maintaining and strictly adhering to a number of policies including its Anti-Corruption Policy. As a result, the Company has consistently received outstanding scores on corporate governance assessments at both the national and ASEAN levels, building trust amongst investors and all shareholders.

The Company contributes to the community through the "Thai Kid Thaicom" project, which is now in its sixth year. The Company believes in extending education opportunities throughout Thailand, building career skills within the communities through teaching satellite receiver installation. The Company supports modern education through constructionism approaches, giving students a chance for hands on experience with technology. The Company is involved in a number of joint projects promoting space technology innovation. In addition, the Company also encourages employees to get involved in developing their own communities through initiatives such as "Project V"—recently launched to provide funding for employees to form groups and implement projects that leverage their unique skills for the benefit of society.



Financial Position 2016

(Million Baht)

Total Liabilities
13,919

Shareholders' Equity
18,921

Total Assets
32,840

Financial Highlights 2016

Satellite Revenue
8,414 Million Baht
of Revenue from Sales and Services 73%

16.89 Baht Book Value per Share in 2016

an increase of
+4.65%

Financial Highlights (Consolidated)

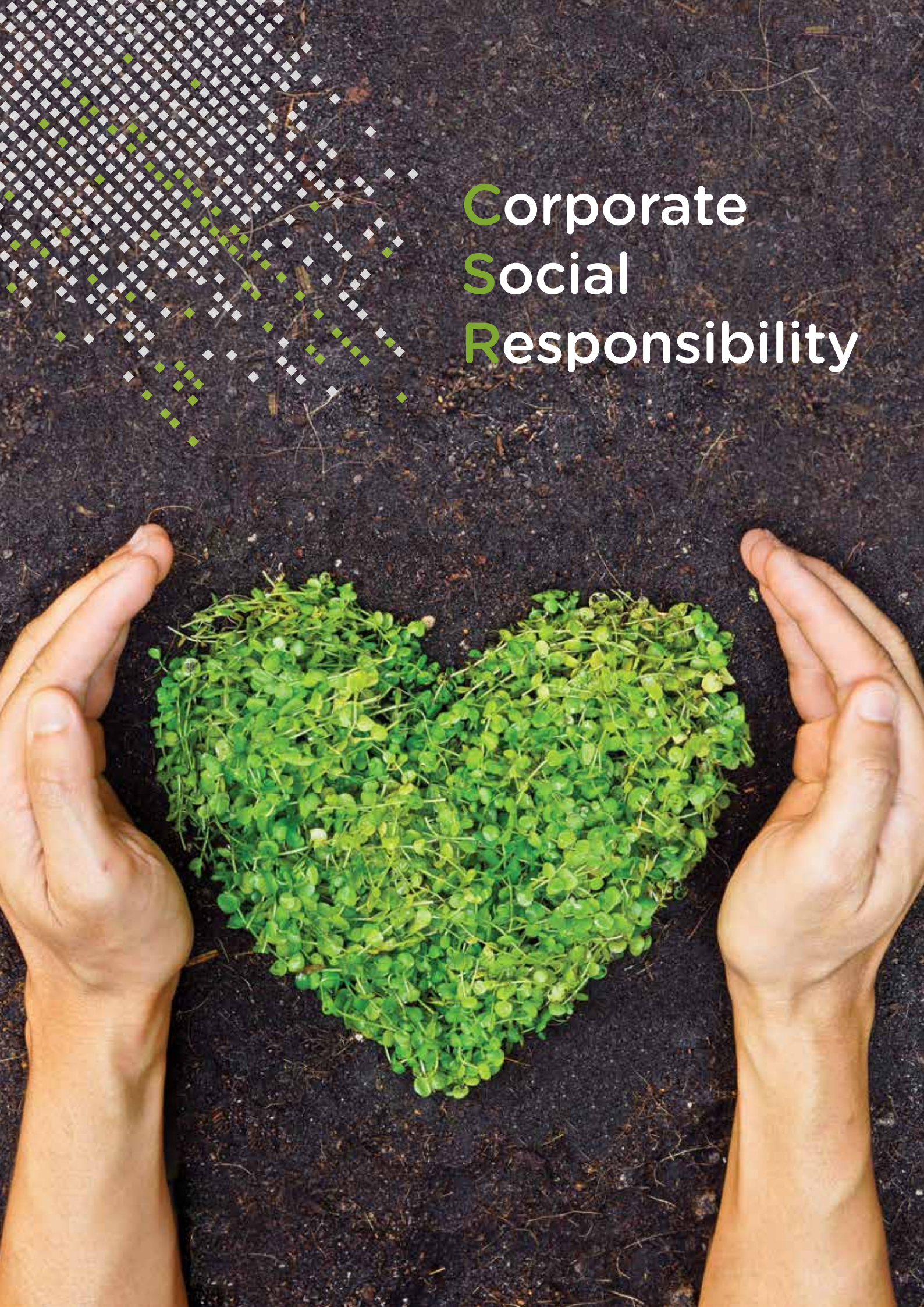
Thaicom Public Company Limited

Unit : Million Baht, except per share values in Baht

	2014 (Restated)	2015	2016
Operating results			
Total Revenue	12,310	12,943	11,871
Sales and Services Revenue	11,893	12,453	11,517
Gross Profit	4,852	5,099	4,163
Operating Profit (Loss)	1,998	2,981	1,938
Net Profit (Loss)	1,601	2,122	1,612
EBITDA	5,110	5,758	4,860
Financial Position			
Total Assets	31,888	33,592	32,840
Total Liabilities	14,603	15,481	13,919
Shareholders' Equity	17,285	18,111	18,921
Financial Ratio			
Current Ratio (Times)	1.77	1.83	2.53
Interest Bearing Debt to Equity Ratio (Times)	0.64	0.65	0.54
Gross Profit Margin	41%	41%	36%
Operating Profit Margin	17%	24%	17%
EBITDA Margin	43%	46%	42%
Net Profit Margin	13%	17%	14%
Return on Assets	5%	6%	5%
Return on Shareholders' Equity	10%	12%	9%
Earning per Share (Baht)	1.46	1.94	1.47
Book Value per Share (Baht)	15.41	16.14	16.89

As of 31 December 2016

Corporate Social Responsibility



Responsibility

To promote sustainable development, Thaicom is always striving to attain the highest degree of responsibility towards both society and the environment, especially regarding its products and services that respond to demands of customers and consumers under the growth of digital economic era as well as to pay attention on resources management and to relieve environmental effects.

Responsible Service

Thaicom strives design all of its products and services to meet the growing needs of customers and users in the digital era. This means not only considering the demands of the present, but also taking into account the challenges of the future so that all stakeholders can remain confident and fully satisfied with Thaicom's services.

- **Product and Service Development**

Thaicom has developed 2nd Screen Application technology that is the technology integrated with broadcast and broadband services for new kind of communication that is applied as Kantana Play by emphasizing on connecting technology as a part of lifestyle. This innovation is classified as the innovation for responding to demands of customers by increasing more audiences with loyalty while promoting e-commerce. Simultaneously, it also helps to build social network that can do live chat while watching some favorite TV programs. This is considered as a new experience connecting audiences with TV programs and responding to lifestyle of current social network fully.

- **Service Test before Delivery**

Besides designing and developing 2nd Screen Application technology for providing Kantana Play application service for responding to customers' demands, Thaicom also adds inspection on technology usage by providing some opportunities to employees for participating in application test before actual launching. Defects will be resolved and improved for developing applications and giving good experience to customers.

- **Retention of Customer Satisfaction**

Customer satisfaction is considered as the key of Thaicom service because it gives impression and relation to customers in using Thaicom's products and services. Accordingly, giving the best experience to our customers is considered to be very important along with retention



of customer satisfaction that will lead to sustainable business operation. In 2016, Thaicom surveyed customer satisfaction towards the company's products and services including Transponder Service, Broadcast & Media service, and Broadband service that has been made every year for comparing, analyzing, and improving product and service quality. The Company analyzed performance upon the improvement plan immediately and the action plan will be evaluated again in the early 2017.

- **Problems and Suggestions of Customers Caused by the Use of Products and Services**

Thaicom provides some channels to accept complaints of retails customers under services provided by DTV Service Company via Call Center: 02-950-5005 daily from 08.00 a.m. - 06:00 p.m. or www.dtvthai.com and those channels are considered as direct feedback of customers with record of information on customer name, address, device number, and complaints saved in DTV Management System (https://service.dtvthai.com/login.html). The Company has analyzed data in the system regularly and found that the first three problems asked by customers are software improvement, receiver installation, and information on productions and general information.

- **Improvement of Communication Channels and Suggestions**

Thaicom has improved communication channels and obtained suggestions via www.thaicom.net. This improvement enables customers and general people to access information and use the system more conveniently as well as respond to demands and support various connecting devices appropriately upon lifestyle of people in today world. This new website is launched in September 2016.

- **Improvement of Realization on Sustainable Business Operation for Trading Partners**

Thaicom has realized that trading partners are the important chain for presenting quality products and services. Accordingly, the Company has mutually grown with our trading partners in various formats including passing on technology, training, seminars, consulting, and publishing useful information and news continuously in order to express our intention in generating sustainability in supply chain of the Company in long-term. The Company has declared fair policies and has been responsible for training partners or debtors as well as the practices of trading partners from 2015 in order to ensure that business operation process of the company and trading partners are consistent with each other. It is not only helping to develop potential for improving competitive capabilities, it is also another opportunity of the company and trading partners to improve and develop sustainable growth together.

Support for Sustainable Society

With the belief that all humans should have the equal rights, especially the rights of education and data accessibility, we believe that education is the foundation of human development for sustainable society. Accordingly, the Company aims to develop and improve educational quality in order to reduce social inequality.

- **Long distance Learning**

Thai Kid Thaicom

Since Thaicom participates in providing some learning opportunities by passing on instruction of the basic curriculum at Klai Kang Won School to be developed as "Thai Kid Thaicom" Project that has been developed continuously since 2009, the Company is particularly interested in leveraging satellite technology to provide equal educational opportunities for students throughout Thailand. The Thai Kid Thaicom project aims to provide educational opportunities to children in rural communities where access to education is scarce, sub-standard, or where there is a chronic lack of teachers. From the beginning of this project, the Company has donated and installed a total of 7,361 “satellite receivers” to benefit over 736,100 people. In 2016, more than 700 satellite receivers were donated and installed. The Company not only sends teams to install the sets and teaches at the school how to use the equipment, but also follows up with each school and provides maintenance to ensure that each dish is used effectively.

Thaicom still continues our operation in passing on our knowledge on installing satellite receivers sets to vocational students, boarder polices, and soldiers of Task Force. In 2016, Thaicom extended the vocational training program to teachers and students of Non-Formal and Informal Education (NFE). Consequently, there were over 100 students who passed the curriculum and met with the defined goal. After graduating the curriculum, Thaicom also provided a total 100 satellite receivers to NFE teachers who participated in the training throughout the country for installing in their learning centers.

Educational Cooperation with Public and Private Sectors

Under Thaicom Sustainability Goals according to the concept of cooperation from all sectors, especially from public organizations, for driving the Company to sustainability and promoting realization on sustainable business operation, the Company cooperated with Office of the Non-Formal and Informal Education (NFE) to operate Thaicom Network School Project through distant learning via satellite by supporting satellite receivers, TV receivers, bookcases, and learning devices. Thaicom also supports fund to community for developing learning to sustainability.



For cooperation in the Value Chain, Thaicom also cooperates with LG Electronics (Thailand) Company Limited that is another important trading partner of Thaicom to continue the intention on developing Thai society sustainably through education according to the guidelines of distant learning via satellite by providing satellite receivers and televisions to 15 "Mae Fah Luang" Learning Center for Hill Tribes in Mae Jam District and Om Goi District in Chiang Mai. This will be beneficial for everyone with all ages and genders in the community for perceiving educational information and improving learning potential to the community.

- Knowledge Sharing

SpaceBox STEP-1: Thailand's CubeSat for the Next Generation"

It is a small satellite research and development project under the concept of Connectivity for Sustainability under the cooperation with King Mongkut's University of Technology Ladkrabang, King Mongkut's University of Technology Thonburi, Darunsikkhalai School, and researchers of SpaceBox Laboratory for promoting the inspiration on space of Thai youth. In addition, it is also the project driving to satellite innovation and advancement of Thai space industry for the next generation.

Thaicom Space & Satellite Pavilion

In 2016, Thaicom invested several hundred million Baht to improve the exhibition area of satellite exhibition by aiming to make it as a learning center for youth and anyone interested to gain knowledge on satellite and space. Besides knowledge, we also hope to become a part to inspire Thai youth. In this Learning Center, there are some staffs of Thaicom available for providing knowledge through touchable space experience. Children and youth will mutually discover the origin of space, feel proud with technology of humans and satellites created by Thai people. This Learning Center consists of several zones including Revolves around Universe, Understanding Orbits, All about Satellites, How to get there, Thaicom Satellites, Expanding Frontiers, and Thaicom Space Mission. After opening on 23 March 2016, there have been over 1,000 visitors from several organizations to visit the pavilion.

iEMAT : Innovative Electromagnetics Academy of Thailand

Through the Innovative Electromagnetics Academy of Thailand (IEMAT), started in 2014, Thaicom promotes sharing in the area of electrical engineering, leveraging the Company's expertise to support research and seminar. Over 800 university students and faculty and industry professionals have participated in the program. Thaicom also supports some budget and lecturers to lecture on Satellite Communication in the Changing Environment in International Conference on Electrical Engineering/Electronics, Computer, Telecommunications and Information Technology 2016 that was participated by over 1,500 persons throughout the world.

Thaicom Learning Center for Constructionism

Thaicom still promotes teachers' ability to apply Constructionism in the classroom continuously and the company has expected as an important part in developing education of Thailand further by supporting Wat Khian Khet School in Thanyaburi District, Pathum Thani province, as the model school and the network school of the project for the 3rd year. The target group is upper secondary students and there were 105 students participating in this project in 2016. The curriculum is developed by using 12 instructional innovations of teachers and school administrative innovation according to the learning guidelines for constructionism by creating 1 innovation. The total budget of this project was Baht 2.6 million while the company has increased the number of classrooms with readiness on information system, communication, and support of personnel with knowledge and abilities in each field to provide knowledge to participants, for example, knowedge on technology and electricity for promoting learning process upon such concept. Currently, there are 3 Thaicom classrooms and 1 laboratory for constructionism.

- Community Development

Sustainable Community Development Project

Thaicom has developed community and society with network and continuity started from learning infrastructuring based on communication quality to learning building process based on distant learning via satellite leading to knowledge and applying to occupation. Consequently, obtained knowledge will be able to be utilized for developing economy and society for better quality of life and strengthening community to sustainable development. Based on this concept, Thaicom cooperates with the Office of Non-Formal and Informal Education (NFE) to install satellites in distant areas in Chiang Mai, Chiang Rai, Tak, Mae Hong Son, and Nan. In 2016, the Company installed 140 of satellite receivers and is also planning to install more of 30 TV receivers within 2017 with the purpose of supporting education and learning to the target group in order to enable them to have knowledge and experiences in developing life skills and adopting obtained knowledge with their occupation. Subsequently, the Company has supported 3 sustainable community projects, which are further developed from "Thai Kid Thaicom" project in the area

of Mae Jam District in Chiang Mai by Mae Fah Luang Learning Center for Hill Tribes in Ban Huai Sai Lueang, and for Hill Tribes in Ban Mae Piki.



Thaicom creates learning connection to practical utilization and application to daily life as well as supports lifetime learning activities, especially occupational training for utilizing knowledge after graduating, in order to build continuous and connected development from learning infrastructure based on communication potential of Thaicom to learning building process based on distant learning via satellite, leading to knowledge and applying to occupation. Consequently, the community will be strengthened and developed sustainably. Thaicom also supports the fund for operating "Thaicom-Romklao Cooperatives" Project of Ban Romklao School in Mae Jrim District, Nan, "Coffee Plantations" Project of Ban San Charoen School in Ta Wang Pha District, Nan, "Traditional Grass Broom in Vocational Training Center" Project of Ratrat Pattana School in Santisuk District, Nan, Household-Plants Growing in SchoolProject, Giant Forest Scorpions and Cricket Breeding Project in Learning Center for Sufficiency Economy of Seneerobayutt Camp. For these projects, Thaicom expects that they will help to enhance occupational learning of community's people for higher income and sustainability.

Thaicom Fund for Setsatian Bakery Shop

When audio sense is damaged, the communication skills are limited from language development and learning for achievement. In addition, schools for deaf students are also available only in a limited area. Consequently, students' families and school have no mutual opportunity to promote learning of this group of children causing some of them to have no education. With this reason, this group of people is considered to have the highest level of lack of education. During 2014 – 2015, Thaicom provided some learning opportunities to students with hearing impairment of Setsatian School for the Deaf by allowing them to visit and act as guides in the world class exhibition, "NASA A HUMAN ADVENTURE". In addition, Thaicom has also supported activities of the school continuously because Thaicom has emphasized on equal accessibility to communication without abandoning any disable person. In 2016, Thaicom Public Company Limited cooperated with Setsatian School for the Deaf to operate a project "Creating opportunities for people with disabilities – Thaicom Fund for Setsatian Bakery Shop" to further support the school to operate the project that can respond to the objectives of instruction for disable persons as well as to respond to the support guidelines of the company. Moreover, "Thaicom volunteers" are also sent to teach various occupational skills (e.g., satellite installation and computer) to disable students at the Redemptorist Vocational School for People with Disabilities in Pattaya.

Thaicom 10K Mini Marathon 2016

Since exercise is another factor helping to develop people to have good mental and physical health with bright emotion, Thaicom held some activities to encourage youth and adults to take care of their health through exercising. The example of important activities is "Thaicom 10K 2016" Mini Marathon Project – Running and Walking for Charity that the winner gained the trophy from Her Royal Highness Princess Maha Chakri Sirindhorn. This activity has been continuously held for the 3rd year, aiming to improve Thai marathon standard to meet with international standard besides promoting health. In addition, there was also the family running activity held in this activity for building good relationship through exercising. Part of revenue earned from this competition was given as royal charity for education that is consistent with our intention on promoting educational quality and holding activities for Thaicom Volunteer Society.

Project V

Thaicom has supported and promoted our employees with public mind to participate in making benefits for community and public by creating and sharing good things to community via "Thaicom Volunteer Project - Project V" giving some opportunities to our employees in showing

their ideas on creating social activities based on their knowledge, abilities, and expertise. In addition, they are also able to apply their projects for operating practically. In the first year, there were 6 projects that were approved to gain budget for actual operation and the Company expected that there would be totally 1,500 persons of 5 communities and 3 schools gaining benefits from these projects.

Environmental Resource Management and Impact Mitigation

Mitigating for both direct and indirect environment impacts of operations is a priority for Thaicom. The Company takes preventative measures to ensure that such impacts do not negatively affect stakeholders.

- **iSAVE, My Thaicom My Life Project**

Meanwhile, Thaicom continues to place importance on efficient energy consumption through its internal energy-saving initiative, iSAVE, My Thaicom, My Life that has been operated continuously from 2012. The iSAVE working team was appointed to create an appreciation of the value of resources within the organization, educate and engage employees on energy conservation. The operations of the last year are as follow:

Energy Conservation Policy

Thaicom firstly established the Energy Management Policy in 2009 according to Emergy Conservation and Promotion Act (No. 2) B.E. 2007 with regular updating. The latest edition was updated in 2016 with appointment of the Energy Management Committee and Internal Evaluator Committee consisted of representatives from various departments in order to cooperate in achieving energy conservation's goals. Moreover, the Company also has the External Evaluator Committee to help monitor energy management for improving efficiency of management and to meet with laws.

Evaluation on Potential of Energy Conservation

To achieve goals and plan energy conservation works efficiently, Thaicom provides evaluation on potential of energy conservation in 3 levels including: 1) organization level; 2) service level; and 3) machine and device level. In 2016, the Company had the major goal in reducing existing energy consumption by 3% from performance of the last year along with operating measurements for supporting energy conservation in 2016, e.g. Peak Demand Control Measures, exhibiting on paper board, and demonstrated comparison of monthly electricity fee. This measurement helped the Company to reduce energy consumption by 3.35%, better than goal set.

Alternative Energy Provision

In order to enhance our efficiency on energy conservation, Thaicom has performed an additional action in providing alternative energy by installing 28KW Solar Cell (3 phase of 24KW and 1 phase of 4KW) on the roofs of parking garage in 2014, which can generate power of 36,000 unit/year. The Company plans to install additional 50KW Solar Cell in 2017.

Radio Frequency Interference

Thaicom has operated our business under the defined standards strictly in measuring Radio Frequency Interference through comparison based on ICNIRP GUIDELINES : FOR LIMITING EXPOSURE TO TIME – VARYING ELECTRIC, MAGNETIC AND ELELCTROMAGNETICFIELDS (UP TO 300 GHz). Intensive value of electromagnetic fields that may affect to humans was determined under the cooperation with Electrical and Electronic Products Testing Center (PTEC) to measure and follow up leakage electromagnetic wave. It was found that, electromagnetic wave level of Thaicom Satellite Station (Khae Rai) and Thaicom Teleport and DTH Service (Lad Lum Kaew) as well as nearby areas was in safe level. Accordingly, the Company plans to measure electromagnetic wave at Thaicom Satellite Station (Khae Rai) and Thaicom Teleport and DTH Service (Lad Lum Kaew) at least once a year for controlling all effects that may occur.



(For more information please visit and download for Thaicom Sustainability Report 2016 at www.thaicom.net)

Message from the Chairman and Chief Executive Officer



Mr.Paron Israsena
Chairman of the Board of Directors

Dear shareholders,

On 7 November 2016, as Thaicom Public Company Limited celebrated the 25th anniversary of its founding, the Board of Directors, management, and staff gathered to honor the legacy of His Majesty King Bhumibol Adulyadej. Upon the successful launch of the Company's first satellite, His Majesty presided over the opening of the satellite control station and graciously gave the name THAICOM-a shortened form of Thai Communications-to the satellite. Since that time, Thaicom has launched a total of 8 satellites into space, laying the foundations for Thailand's modern communications infrastructure and paving the way for continual developments in telecommunications, education, society, banking and finance, and service provision. After establishing itself in Thailand, the Company has expanded its services to other countries within each satellite's footprint. Accumulating extensive experience in the satellite business and engineers for the space industry in countries such as Australia, China, Myanmar, Vietnam, and India, the Company has earned the trust of customers across the world while continually bringing revenue into Thailand from overseas.

Over the past 25 years, the Company has faced a variety of challenges. In fact, not a year has passed without challenges for Thaicom. But these challenges have built a strong culture within the Company-a culture in which people are valued as our greatest assets as they strive for service excellence, face challenges head on, create innovative solutions, and leverage their technical expertise to contribute to society. In 2016, the Company faced changing social landscapes and a slowing global economy which had direct impacts on the Company's revenue. These variables, in addition to a changing regulatory



Mr.Paiboon Panuwattanawong
Chief Executive Officer

environment and technology that is evolving more rapidly than many expected, affect the Company's business operations. However, regardless of whether the Company meets financial targets, the Board continues to place importance on building good governance and sustainable practices. In 2016, the Company received a corporate governance rating of 'Excellent' (or '5 Stars') for the fourth year in a row (2013-2016) in an annual survey of publicly listed companies conducted by the Stock Exchange of Thailand and the Thai Institute of Directors. The Company also received a Sustainability Report Award for its initiative in publishing an SDG-Enhanced Sustainability Report clearly linking the company's business performance to the United Nations' 17 Sustainable Development Goals (SDGs).

The Board is now focused on dedicating time to working alongside management in the formulation of strategies for the Company's future. The Board will spend more time evaluating and reviewing strategy to ensure that the Company sets business goals that are appropriate to current circumstances, managing and controlling risks, allocating budget and resources, and closely advising the management team.

For 2017, the Board has established directions which are focused on achieving growth through optimization of the core satellite business, expansion to adjacent businesses, and exploration of new businesses which can drive financial growth for the Company in the future. The Board has approved a change to the organization structure creating a dedicated unit responsible for corporate strategy and new businesses. The Board will also support engaging a leading consulting firm with expertise in telecommunications and related industries to help the Company broaden areas for future growth.

The Board is dedicated to perform our duties, in keeping trust the shareholders have granted, to ensure sustainable growth, international management standards, good corporate governance, and strategic plans that allow Thaicom to continue to conduct business sustainably for the benefit of all stakeholders.

Annual Audit Committee Report for 2016

To the Shareholders of Thaicom Public Company Limited

The Audit Committee of Thaicom Plc (the Committee) was appointed by a resolution of the Board of Directors and consists of three independent directors. Professor Hiran Radeesri was appointed as the Chairman of the Committee while Mrs. Charintorn Vongspootorn, Professor Samrieng Mekkriengkrai, and Mrs. Patareeya Benjapolchai were appointed as members. The Secretary to the Committee is Mr. Prawin Khurowat, who also serves as Vice President of Internal Audit. The Committee undertook its main duties by reviewing financial statements, corporate good governance, risk management, internal control, internal audit, compliance with related laws and regulations and appointment of external auditor as set forth in the Audit Committee Charter approved by the Board of Directors in accordance with notifications of the Stock Exchange of Thailand, and good corporate governance practices. In 2016, the Committee held a total of 13 meetings of which the significant activities are summarized below:

1) Financial Statements Review: The Committee reviewed the quarterly and annual financial statements of the Company and the companies in the group for the year 2016, including disclosure of information in the notes to financial statements to ensure that the reports were in compliance with the Thai Financial Reporting Standards (TFRS). The Committee discussed significant accounting policies, internal controls, estimates and judgements applied in preparing these reports with Company's management, external auditors as well as internal auditors. On a monthly basis, the Committee reviews monthly business performance of the Company and subsidiaries to assess risk factors that may have impacts on the business. The Committee required the head of the accounting department to summarize and report, on an annual basis, key accounting policies, any changing of accounting policy, impact from changes in financial reporting standards, any new accounting standards that come into effect, and basic assumptions. In addition, the Committee held a private meeting with the external auditors without the presence of the Company's management to consider sufficiency and appropriate internal control systems, risk based audit plan and accuracy and reliability of the Company's financial statements, to ensure that the external auditors were able to maintain their independence without constraints imposed upon them.

2) Good Corporate Governance and Compliance with Related Laws and Regulations Review: The Committee reviewed the Company's adherence to good corporate governance principles and the Code of Conduct guidelines, including compliance with rules and regulations, and found that the Company's directors, management and staff comply with those requirements. The Directors have encouraged management and employees at all levels to consistently and continuously adhere to the Company's Code of Conduct as well as to comply with rules and regulations. Furthermore, the Committee reviewed the Company's connected transactions or transactions that might lead to conflicts of interest, and has instructed the responsible department to report regularly on these issues to the Committee. The Committee also reviewed the Company's adherence to relevant laws and notifications as required by Stock Exchange of Thailand and Securities and Exchange Commission of Thailand to ensure that all disclosures were correct, complete, and adequate. The Company has opened up various channels for stakeholders to report any fraud, corruption and misconduct via e-mail and an ethical hotline on the Company's website and intranet in accordance with Company's Whistle-blowing Policy. The Audit Committee assigned the Office of Internal Audit to consistently review and audit effectiveness of company anti-corruption implementation, good corporate governance and systems of internal controls and directly reported the results to the Audit Committee and the Board of Directors for their consideration.

3) Risk Management Review: The Company has a Risk Management Committee which is responsible for establishing policy, procedures and criteria for risk assessment and risk management for the whole group of companies including quarterly review of sufficiency and effectiveness of company risk management system where by the results are reported to the Board of Directors, the Audit Committee and Executive Committee for the risks pertaining to strategy, financial and reporting, and operations and compliance risk. The Committee reviewed and monitored the Company's risk management systems, including actions taken to mitigate significant risk to acceptable levels as per company risk appetite on a quarterly basis. Examples of major risk elements reviewed were risks related to overseas investments and foreign exchange rate risk. The Committee had also recommended all overseas subsidiaries and business units to conduct proper risk assessment and risk management in alignment with COSO's risk management framework with support from corporate risk management unit.

4) Internal Control Systems and Internal Audit Review: The Committee reviewed the Company's internal control system through monthly, quarterly and yearly internal audit reports from the Internal Audit department and found that the internal control system of the Company was appropriate and fit for purpose of Thaicom's business operations. This view was reflected by the Company's external auditor who reported that no irregularities were found in the Company's financial statements. With significant reliance upon information technologies and related risk exposure for the Company in this area, the Committee emphasized that the Company should develop and implement preventive control measures in relation to the risk of cyberattacks on the Company's IT systems, which resulted in development of IT preventive control measurements and enhancement of the Company's IT security to mitigate the foreseeable risk. Moreover, the Audit Committee urged the management team to continually provide proper education and training to all staff regarding IT security risk. The Committee also reviewed the Company's internal audit scope and long-term and annual risk-based audit plans previously approved, and found that the activities undertaken achieved the Key Performance Indicators set for the year. Additionally, the Committee reviewed the Internal Audit department's expenditure and investment budgets and personnel requirements, and recommended that the Internal Audit department should further focus on enhancing proactive preventative audits with a risk-based approach including introduction of a Control Self-Assessment (CSA) system to be appropriately implemented at different business function levels within the Company. The Audit Committee has assigned the Internal Audit department to provide consultation to business units, subsidiaries and country representative offices overseas in adopting the CSA system in their operations.

The Company's reporting line for Internal Audit has been appropriately established by having it reported directly to the Audit Committee. The Audit Committee is the body who conducts performance appraisal for the Head of Internal Audit in order to assure that the Internal Audit department carries out its activities independently and honestly, for the benefit of the Company, and in line with good corporate governance principles.

5) Fraud and Unethical Behavior Prevention and Detection Review: The Committee performed a quarterly review of fraud complaints case by case, including a review of the sufficiency of internal control systems to prevent fraud risk and unethical behavior exposure for the Company. Results of the review showed that, under the Company's Whistle-blowing Policy, four complaints of potential fraud had been made throughout the year. The complaints were duly investigated, and was found that those four cases of the complaints were not related to fraud incidents. In all cases, the procedures laid out in the Company's Whistle-blowing Policy were strictly followed to ensure due protection for the parties who submitted the complaints.

6) Appointment of External Auditor for the year 2017: The Committee worked with the management team to consider the selection of external auditors and audit fees for the year 2017 through auditors' experiences, knowledge, expertise, independence and other adding value services including proposed fees in comparison with that of previous year and volume of work. After which, the Committee agreed to recommend the Board of Directors to propose in the Annual General Meeting of Shareholders to appoint 3 auditors from Deloitte Touche Tohmatsu Jaiyos Co., Ltd. The proposed auditors are Mr. Chavala Tienpasertkij, Certified Public Accountant License No.4301 and/or Mr. Suphamit Techamontrikul, Certified Public Accountant License No.3356 and/or Mr. Permsak Wongpatcharapakorn, Certified Public Accountant License No.3427 wherein anyone is eligible to conduct audit engagement and expressed opinion to the financial reports of the Company for the year 2017. The audit fee for Thaicom is Baht 1.86 million which is equal to the previous year's fee. The aggregate audit fee of Thaicom's group of companies amounted to Baht 7.76 million, and remains the same as that of the previous year. The audit fee comprised the fees for the companies that were incorporated in Thailand, amounting to Baht 3.58 million, and fees for the companies incorporated abroad, amounting to USD 0.34 million and AUD 0.112 million (total equivalent to Baht 4.18 million).

Based on the reports and findings of the responsible parties described above, the Committee is confident that the Company's internal control system is sufficient and effective and that the annual financial statement is correct and thorough in accordance with financial reporting standards.



(Prof. Hiran Radeesri)
Chairman of the Audit Committee
On behalf of the Audit Committee
20 January 2017

Annual Compensation Committee Report for 2016

To Shareholders of Thaicom Public Company Limited

The Board of Directors Meeting No. 6/2016 held on 10 May 2016 passed a resolution to approve the appointment of Mr. Philip Chen Chong Tan as Member of the Compensation Committee in replacement of Mr. Somprasong Boonyachai.

The Compensation Committee is composed of 3 members. Mrs. Charintorn Vongspootorn is the Chairman of the committee, while Professor Samrieng Mekkriengkrai and Mr. Philip Chen Chong Tan serve as members. Ms. Yupapan Panclurbthong, the company secretary, serves as the secretary of the committee.

The main responsibility of the Compensation Committee is to determine guidelines for setting the compensation of members of the Board and its sub-committees as well as the compensation structure for high-level executives.

In 2016, the Compensation Committee had a total of 6 meetings, the significant results of which are summarized below.

- The 2016 policy on compensation of directors was considered. The committee approved to maintain the existing policy with the same provisions, consisting of monthly remuneration, meeting allowances, annual remuneration, and per diem allowances, and presented it to the Annual General Meeting of Shareholders for an approval.
- The budget for director compensation in 2016 was set at Baht 25 million, increased from Baht 15 million in 2015. Company performance, standards based on market value of stock, and scope of board responsibilities were considered to ensure a budget comparable to those of other listed companies of similar size and aligned with the increase in number of directors on the Board.
- Compensation provided to directors in 2015 was reviewed. In 2015, director compensation (of all types) totaled Baht 14,541,935, which did not exceed the amount approved by the shareholders in 2015.
- The results of the CEO's performance evaluation were reviewed and used to set the CEO's annual salary increase and bonus.
- The annual budget and rates of salary increases and bonuses for the Company were considered.
- Policy and long-term plans for compensation of the Company's high-level executives were considered.
- The Compensation Committee's charter was reviewed and found to be appropriate and aligned with the committee's performance of its duties as well as with relevant policies and procedures.
- The committee evaluated its own performance and and reported to the Board of Directors.



(Mrs. Charintorn Vongspootorn)
Chairman of the Compensation Committee
On behalf of the Compensation Committee
27 January 2017

Annual Governance and Nomination Committee Report for 2016

To Shareholders of Thaicom Public Company Limited

The Board of Directors Meeting No. 6/2016 held on 10 May 2016 passed a resolution to approve the appointment of Mrs. Patareeya Benjapolchai as Chairman of the Governance and Nomination Committee in replacement of Mrs. Charintorn Vongspootorn, and Mr. Philip Chen Chong Tan as Member of the Governance and Nomination Committee in replacement of Mr. Somprasong Boonyachai.

The Governance and Nomination Committee is composed of 3 members. Mrs. Patareeya Benjapolchai is the chairman of the committee, while Professor Samrieng Mekkriengkrai and Mr. Philip Chen Chong Tan serve as members. Ms. Yupapan Panclurbthong, the company secretary, serves as the secretary of the committee.

The main responsibility of the Governance and Nomination Committee is to develop and govern the Company to ensure that it operates according to good governance principles in order to grow sustainably. The committee also seeks out and considers qualified candidates for positions as directors and high-level executives within the Company. In 2016, the Governance and Nomination Committee had a total of 3 meetings, the significant results of which are summarized below.

1. Governance

- The Corporate Governance Policy and Misconduct and Fraud Investigation Policy were each reviewed and revised to ensure they are up to date, suitable for the Company's business, and aligned with the law, international practices, and the procedures set forth by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Captial Market Supervisory Board, and any relevant regulatory agencies.
- The Governance and Nomination Committee's charter was reviewed and found to be appropriate and aligned with the committee's performance of its duties as well as with relevant policies and procedures.
- The Executive Committee's charter was reviewed and revised to ensure that it is up to date, and aligned with the committee's performance of its duties as well as with relevant policies and best practices.
- The committee reviewed and managed the Corporate Governance Committee and the Ethics Committee, whom appointed to help employees and departments to perform and follow the Corporate Governance Policy. In 2016, the Company promoted good governace and ethical practice through a variety of activities, including publishing an E-magazine as an additional channel for the communication of Company policies, providing E-learning courses to educate employees about Code of Conduct and Corporate Governance Policy, and conducting training programs to educate employees in Thailand and abroad. These activities were set to promote employee understanding and application of the Company rules and policies.
- The committee evaluated its own performance and reported to the Board of Directors.

2. Nomination

- The 3 directors set to retire by rotation-Mr. Prasert Bunsumpun, Mr. Kwek Buck Chye, and Mr. Somprasong Boonyachai-were considered for reappointment. The committee's recommendation for these reappointments were presented to the Board of Directors and at the Annual General Meeting of Shareholders for an approval.
- The addition of 2 director positions was considered to ensure efficient committee. The selection process of additional directors was alligned with the Company policy and Structure. Director candidates were identified through the Thai Institute of Directors' Director Pool and an external consultant, and were proposed to the Board and then to the Annual General Meeting of Shareholders for an approval.

- The structure of the Board of Directors, and directors serving as representatives on the boards of subsidiary companies, was reviewed to ensure that it was aligned with the strategies and business environments of each company, and corporate governance principles.
- The committee arranged for training and site visits to expand directors' knowledge and keep them aware of significant developments within the industry as well as laws and regulations related to the Company's business. Orientation and helpful documents are also arranged for new directors to help them understand the business and their role as a director.
- Guidelines for succession planning were established and recommended for high-level executives, beginning with senior executives who report directly to the CEO, to ensure business continuity and successor readiness in the event that a high-level executive retires or is otherwise unable to perform their duties.
- Restructuring of the organization and appointments of high-level executives were considered to accomodate changes in the business, plans, and strategies of the Company, and recommendations were presented to the Board of Directors for approval.
- The Board Skills Matrix was reviewed to ensure gender, age, and diversity of knowledge and expertise and that the Board Skills Matrix can be used to select qualified director candidates or to identify required necessary skills for the Board.

In 2016, the Company was also recognized through the following honors for consistently making corporate governance a priority:

- Thaicom received a score of "excellent", or 5 stars, for the 4th consecutive year of CG Report on listed companies conducted by the Thai Institute of Directors.
- Thaicom received the 2016 Investor's Choice Award from the Thai Investors Association, earning a full score of 100 points for the 4th consecutive year for excellent performance in the Annual General Meeting of Shareholders (AGM), transparent disclosures to shareholders, and the equitable treatment of shareholders.
- Thaicom received the "Sustainability Report Award" for publishing an SDG-Enhanced Sustainability Report based in part on the United Nations' 17 Sustainable Development Goals (SDGs).

The performance results and awards described above reflected the Company's strong commitment to corporate governance. The Governance and Nomination Committee firmly believes that transparent business practices and continued commitment to further developing corporate governace will allow the Company to grow sustainably and build confidence among all of its stakeholders.



(Mrs. Patareeya Benjapolchai)
Chairman of the Governance and Nomination Committee
On behalf of the Governance and Nomination Committee
27 January 2017

Annual Executive Committee Report for 2016

To Shareholders of Thaicom Public Company Limited

The Executive Committee, appointed by resolution of the Board of Directors, consists of the following 6 members:

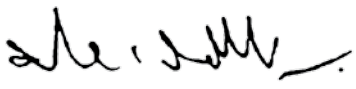
1.	Mr. Prasert Bunsumpun	Chairman
2.	Mr. Paiboon Panuwattanawong	Member
3.	Mr. Kwek Buck Chye	Member
4.	Mr. Anek Pana-apichon	Member
5.	Mr. Patompob Suwansiri	Member
6.	Mr. Philip Chen Chong Tan	Member

Ms. Yupapan Panclurbthong, the Company secretary, serves as the secretary of the committee.

The main responsibility of the Executive Committee is to manage and oversee the Company's business operations to ensure alignment with vision, strategies, policies, regulations, and any Board resolutions. The committee is also responsible for screening matters requiring the Board's approval.

In 2016, the Executive Committee had a total of 19 meetings, the significant results of which are summarized below.

- The Company's strategy, direction, policies, goals, business plan and budget, as well as those of the Company's subsidiaries, were reviewed and presented to the Board for approval.
- Implementation of policies and other aspects of management were monitored to ensure they are carried out as assigned by the Board.
- Consideration and approval was granted for projects, investments, and other usual business transactions falling under the limits or annual budget approved by the Board and within the limits of authority delineated in the Company's Approval Authority Table.
- The Company's business performance was monitored monthly, including operating results, foreign exchange rate changes, and cash flow management, among other factors.
- Progress on regulatory matters related to the Company's business operations, including ongoing litigation, was monitored.
- The Company's risk management and internal control systems were reviewed.
- The Executive Committee's charter was reviewed to ensure that it is sufficient and aligned with the committee's responsibilities as well as with relevant policies and best practices.
- The committee evaluated its own performance and reported to the Board of Directors.



(Mr. Prasert Bunsumpun)
Chairman of the Executive Committee
On behalf of the Executive Committee
24 January 2017

Board of Directors



1 Mr. Paron Israsena
Chairman of the Board of Directors,
and Independent Director

2 Prof. Hiran Radeesri
Independent Director,
and Chairman of the Audit Committee

3 Mrs. Charintorn Vongspootorn
Independent Director,
Member of the Audit Committee,
and Chairman of the Compensation Committee

4 Prof. Samrieng Mekkriengkrai
Independent Director,
Member of the Audit Committee,
Member of the Compensation Committee,
and Member of the Governance and Nomination Committee

5 Mrs. Patareeya Benjapolchai
Independent Director,
Member of the Audit Committee,
and Chairman of the Governance and Nomination Committee

6 Mr. Prasert Bunsumpun
Independent Director,
and Chairman of the Executive Committee

7 Mr. Kwek Buck Chye
Director,
and Member of the Executive Committee

8 Mr. Philip Chen Chong Tan
Director,
Member of the Executive Committee,
Member of the Compensation Committee,
and Member of the Governance and Nomination Committee



9 **Mr. Somprasong Boonyachai**
Director

10 **Mr. Paiboon Panuwattanawong**
Director,
Member of the Executive Committee,
and Chief Executive Officer

11 **Ms. Yupapan Panclurbthong**
Vice President - Executive Office,
and Company Secretary



THAICOM

Management Team



1 **Mr. Paiboon Panuwattanawong**
Director, Member of the Executive Committee and Chief Executive Officer

2 **Mr. Vuthi Asvasermcharoen**
Chief Financial Officer

3 **Mr. Patompob Suwansiri**
Chief Commercial Officer



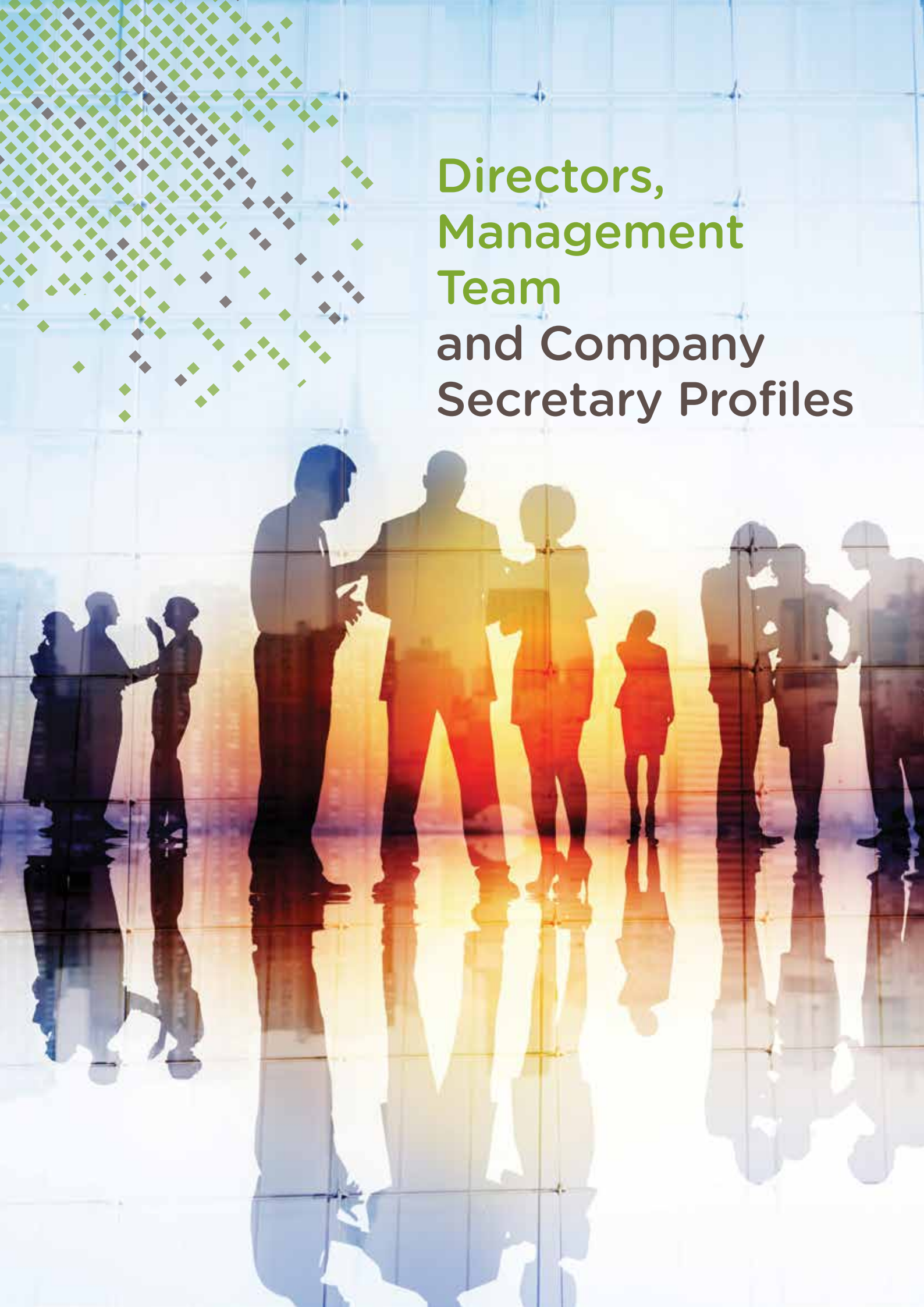
4 **Mr. Teerayuth Boonchote**
Acting Chief Technical Officer

5 **Mr. Supoj Chinveeraphan** (1)
Acting Chief Strategy Officer

Remarks

(1) Mr. Supoj Chinveeraphan was appointed as Acting Chief Strategy Officer of the Company, effective 1 January 2017.

Directors, Management Team and Company Secretary Profiles





1

Mr. Paron Israsena

Chairman of the Board of Directors
Independent Director

Date of Appointment 4 January 1994

Age 89 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Honorary Degree in Engineering Management of Naresuan University
- Honorary Degree of Arts of Sripatum University
- Honorary Degree of Arts of University of the Thai Chamber of Commerce
- Honorary Degree in Learning Innovation and Technology of King Mongkut's University of Technology Thonburi
- Honorary Degree in Education of Lampang Rajabhat University
- Honorary Degree in Industrial Engineering of Suranaree University of Technology
- Honorary Degree in Business Administration of Yonok University
- Honorary Degree in Science of Chiang Mai University
- Honorary Degree in Business Administration of Sasin Graduate Institute of Business Administration, Chulalongkorn University
- Master of Engineering (SM_ME), Massachusetts Institute of Technology, USA

IOD Training Programs

- MFM : Monitoring Fraud Management Class 4/2010
- RCC : Role of the Compensation Committee Class 1/2006
- MFR : Monitoring the Quality of Financial Reporting Class 3/2006
- DAP : Directors Accreditation Program Class 4/2003

Other Training/Seminars

- The Characteristics of Effective Directors Year 2006
- The Audit Committee-More Expectation and Responsibilities 2001 by the Stock Exchange of Thailand
- Role of the Board of Directors to set the compensation policy 2001 by the Stock Exchange of Thailand

Working Experiences

- 1994 - Present Chairman of the Board of Directors, and Independent Director, Thaicom Plc

Position in other listed companies

- 2016 - Present Honorary Director of the Governance Committee, Charoen Pokphand Foods Plc
- 1994 - Present Director, and Chairman of the Audit Committee Sammakorn Plc

Position in other non-listed companies

- 2014 - Present Chairman of the Board of Directors, Mitr Technical Consultant Co., Ltd.
- 2014 - Present Honorary Director, Sasin Graduate Institute of Business Administration, Chulalongkorn University
- 2011 - Present Honorary Chairman of the Board of Directors, Thonburi Automotive Assembly Plant Co., Ltd.
- 2011 - Present Director, Thailand's Private Sector Collective Action against Corruption (CAC)
- 2004 - Present Director, The National Science and Technology Development Board
- 1992 - Present Chairman, Vichaiyut Co., Ltd.

Past Experiences

- 2005 - 2016 Chairman of the Audit Committee, The Thai Red Cross Society
- 1997 - 2016 Director, Nai Lert Park Hotel Co., Ltd.
- 2007 - 2012 Honorary Director, Chulalongkorn University Council

Illegal Record in the past 10 years

None

Remarks

(1) Includes shareholding by spouse and minor children

(2) Executive according to definition of the Notification of Securities and Exchange Commission

(3) Duties and Responsibilities of Company Secretary presented in Corporate Governance and Management: Company Secretary



2

Prof. Hiran Radeesri

Independent Director

Chairman of the Audit Committee

Date of Appointment 20 March 2001

Age 87 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Master of Business Administration, Wharton School, University of Pennsylvania, USA
- Honorary Degree in Accounting, Thammasat University

IOD Training Programs

- DCP : Directors Certification Program Class 0/2000

Other Training/Seminars

- Directors Certification Program from Yale School of Management, USA
- Education Policy and Enterprise Management Certification Program from Harvard University
- Project Planning and Management Certification Program from University of Bradford

Working Experiences

- 2001 - Present Independent Director, and Chairman of the Audit Committee, Thaicom Plc

Position in other listed companies

- 1999 - Present Independent Director, and Chairman of the Audit Committee, Dusit Thani Plc
- 1999 - Present Independent Director, and Chairman of the Audit Committee, Navakit Insurance Plc

Position in other non-listed companies

- Present Honorary Chairman of the Director, Thai Institute of Directors Association (IOD)
- Chairman - Corporate Governance Centre, The Stock Exchange of Thailand
- Chairman - Tax Auditor Examination Committee, Revenue Department
- Honorary Member, Thammasat University Council
- Accounting Specialist Member, Federation of Accounting Professions
- Member of the Preparation of List of Director in State Enterprises Committee, Ministry of Finance

Past Experiences

- Past Chairman, Price Waterhouse Co., Ltd.
- Member of the Board of Governors, The Stock Exchange of Thailand
- Chairman of the Audit Committee, The Stock Exchange of Thailand
- Director, Thailand Securities Depository Co., Ltd.
- Governor, State Railway of Thailand
- Chairman of the Board of Directors, Mass Rapid Transit Authority of Thailand
- Qualified Director, Accounting Profession Supervision Council, Federation of Accounting Professions

Illegal Record in the past 10 years

None

3



Mrs. Charintorn Vongspootorn

Independent Director
Member of the Audit Committee
Chairman of the Compensation Committee

Date of Appointment 8 December 1999

Age 70 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Master of Business Administration, Creighton University, USA

IOD Training Programs

- BMD : Boards that Make a Difference Class 3/2016
- SFE : Successful Formulation & Execution of Strategy Class 21/2014
- MFM : Monitoring Fraud Risk Management Class 2/2010
- AACP : Advanced Audit Committee Program Class 2010
- RCC : Role of the Compensation Committee Class 6/2008
- MIA : Monitoring the Internal Audit Function Class 2/2008
- MIR : Monitoring the System of Internal Control and Risk Management Class 2/2008
- MFR : Monitoring the Quality of Financial Reporting Class 5/2007
- DCP : Refresher Course 1/2005
- ACP : Audit Committee Program Class 1/2004
- DCP : Directors Certification Program Class 8/2001

Other Training/Seminars

None

Working Experiences

- 2012 - Present Chairman of the Compensation Committee, Thaicom Plc
- 1999 - Present Independent Director, and Member of the Audit Committee, Thaicom Plc

Position in other listed companies

- 2013 - Present Advisor of Chief Executive Officer, SEAMICO Securities Plc

Position in other non-listed companies

- 2015 - Present Advisor of the Board of Directors, Solaris Asset Management Co., Ltd.
- 2010 - Present Independent Director and Chairman of the Audit Committee, Ini3 Digital Plc

Past Experiences

- 2008 - 2014 Advisor of Chief Executive Officer, KT ZIMICO Securities Co., Ltd.
- 2008 - 2012 Advisor of the Board of Directors, SEAMICO Asset Management Co., Ltd.

Illegal Record in the past 10 years

None



4

Prof. Samrieng Mekkriengkrai

Independent Director
Member of the Audit Committee
Member of the Compensation Committee
Member of the Governance and Nomination Committee

Date of Appointment 10 August 2007

Age 63 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Master of Laws, University of Miami, USA
- Thai Barrister At Law, Institute of Legal Education of Thai Bar

IOD Training Programs

- BMD : Boards that Make a Difference Class 3/2016
- SFE : Successful Formulation & Execution of Strategy Class 19/2013
- HMS : How to Measure the Success of Corporate Strategy Class 2/2013
- FSD : Financial Statement for Directors Class 9/2010
- MFM : Monitoring Fraud Risk Management Class 2/2010
- ACP : Audit Committee Program Class 20/2007
- DCP : Directors Certification Program Class 96/2007

Other Training/Seminars

- Top Executive Program in Commerce and Trade (TEPCoT 8)

Working Experiences

- 2012 - Present Member of the Compensation Committee, and Member of the Governance and Nomination Committee, Thaicom Plc
- 2007 - Present Independent Director, and Member of the Audit Committee, Thaicom Plc

Position in other listed companies

- 2011 - Present Independent Director, Unique Engineering and Construction Plc

Position in other non-listed companies

- 2014 - Present Expert Lecturer, Faculty of Law, Chulalongkorn University
- 1990 - Present Researcher of Law and Organization, Chulalongkorn University

Past Experiences

- 2014 - 2016 Independent Director, Eternal Energy Plc
- 1975 - 2014 Lecturer, Faculty of Law, Chulalongkorn University

Illegal Record in the past 10 years

None

5



Mrs. Patareeya Benjapolchai

Independent Director
Member of the Audit Committee
Chairman of the Governance and Nomination Committee

Date of Appointment 30 March 2016

Age 62 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Master of Business Administration, Thammasat University

IOD Training Programs

- DCP : Director Certification Program Class 1/2000

Other Training/Seminars

- Financial Institutions Governance 2010

Working Experiences

- Mar 2016 - Present Independent Director, Thaicom Plc
- May 2016 - Present Member of the Audit Committee, and Chairman of the Governance and Nomination Committee, Thaicom Plc

Position in other listed companies

- 2014 - Present Independent Director, and Chairperson of the Audit Committee, MCOT Plc
- 2011 - Present Independent Director, and Member of the Audit Committee, TISCO Financial Group Plc
- 2011 - Present Independent Director, and Member of the Audit Committee, TISCO Bank Plc

Position in other non-listed companies

- 2013 - Present Independent Director, Bangkok Glass Plc
- 2013 - Present Director of Revolving Fund Evaluation Committee, Ministry of Finance
- 2013 - Present Member of the SET AWARD Committee and Corporate Governance Committee, The Stock Exchange of Thailand
- 2013 - Present Director, Thai Institute of Directors Association
- 2013 - Present Directors' Responsibilities Steering Committee, The Securities and Exchange Commission
- 2011 - Present Member of Ethics Committee, Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
- 2010 - Present Associate Judge, The Central Intellectual Property and International Trade Court
- 2010 - Present Director, Baan Ruam Tang Fhun Co., Ltd.
- 2002 - Present Director, Krabi Petra Co., Ltd.

Past Experiences

- 2011 – 2016 Chairman of the Audit Committee, The Office of the Agricultural Futures Trading Commission
- 2006 – 2010 President and Member of Sub-Committee, The Stock Exchange of Thailand
- 2002 – 2010 President, The Stock Exchange of Thailand

Illegal Record in the past 10 years

None

6



Mr. Somprasong Boonyachai

Director

Date of Appointment 11 August 2006

Age 61 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

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

IOD Training Programs

- RCP : Role of the Chairman Program Class 21/2009
- DCP : Directors Certification Program Class 65/2005
- DAP : Directors Accreditation Program Class 30/2004

Other Training/Seminars

- National Defense College of Thailand (NDC 4313)
- Graduate School of Business, Stanford University : Leading Change and Organizational Renewal
- IMD International, MIT Sloan: Leadership Dilemmas and Profitable Growth
- King Prajadhipok's Institute: Politics & Democracy for Senior Executive Class 11
- Executive Program Class 6, The Capital Markets Academy (CMA)
- Top Executive Program in Commerce and Trade (TEPCoT 4)
- Harvard Business School : Corporate Restructuring, Mergers, and Acquisitions
- The Programe for Senior Executive on Justice Administration (BATCH 17)
- Energy Literacy for Sustainable Future Class 4
- High Performance Board 2015 by IMD

Working Experiences

- 2006 - Present Director, Thaicom Plc

Position in other listed companies

- 2008 - Present Vice Chairman of the Board of Directors, Advanced Info Service Plc
- 2008 - Present Director, Intouch Holdings Plc
- 2002 - Present Independent Director, and Member of the Audit Committee, Power Line Engineering Plc

Position in other non-listed companies

- 2004 - Present Director, Praram 9 Hospital Co., Ltd.
- Jan - Dec 2016 Independent Director, Pruksa Real Estate Plc

Past Experiences

- 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

Illegal Record in the past 10 years

None

7



Mr. Prasert Bunsumpun

Independent Director
Chairman of the Executive Committee

Date of Appointment 1 October 2015

Age 64 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Honorary Degree of Engineering, Chulalongkorn University
- Honorary Degree of Management, National Institute of Development Administration (NIDA)
- Honorary Degree of Management Science, Petchaburi Rajabhat University
- Honorary Degree of Management, Mahasarakham University
- Honorary Degree of Public and Local Innovative Management, Suan Sunandha Rajabhat University
- Master Degree in Business Administration, Utah State University, USA

IOD Training Programs

- RCP : Role of the Chairman Program Class 27/2012
- DAP : Directors Accreditation Program Class 26/2004

Other Training/Seminars

- Advanced Management Program, Harvard Business School
- The Executive Program of Energy Literacy for a Sustainable Future Class No.3, Thailand Energy Academy (TEA)
- Executive Program Class 3, The Capital Markets Academy (CMA)
- King Prajadhipok's Institute: Politics & Democracy for Senior Executive Class 6
- National Defense College of Thailand (NDC 4010)

Working Experiences

- Oct 2015 - Present Independent Director, Thaicom Plc
- May 2015 - Present Chairman of the Executive Committee, Thaicom Plc

Position in other listed companies

- 2013 - Present Independent Director, PTT Plc
- 2012 - Present Chairman of the Board of Directors, Thoresen Thai Agencies Plc
- 2011 - Present Independent Director, Intouch Holdings Plc
- 2011 - Present Chairman of the Board of Directors, PTT Global Chemical Plc

Position in other non-listed companies

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

Past Experiences

- 2011 - 2015 Director, Krung Thai Bank Plc
- 2006 - 2013 Chairman of the Board of Directors, Director, and Chairman of the Executive Committee, IRPC Plc
- 2005 - 2012 Chairman of the Board of Directors, Thai Lube Base Plc
- 2007 - 2011 Director, PTT Aromatics and Refining Plc
- 2005 - 2011 Chairman of the Board of Directors, Vice Chairman, and Director, PTT Chemical Plc
- 2003 - 2011 Director, Chief Executive Officer, and President, PTT Plc
- 2000 - 2011 Chairman of the Board of Directors, and Director, PTT Exploration and Production Plc
- 2004 - 2010 Director, Thai Oil Plc
- 2006 - 2008 Member, The National Legislative Assembly

Illegal Record in the past 10 years

None

8



Mr. Kwek Buck Chye

Director
Member of the Executive Committee

Date of Appointment 27 March 2015

Age 63 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Bachelor of Accountancy, University of Singapore

IOD Training Programs

- DCP: Director Certification Program Class 214/2015

Other Training/Seminars

- Advanced Management Program, Harvard University, USA
- High Performance Board 2015, IMD

Working Experiences

- 2015 - Present Director, and Executive Committee Member, Thaicom Plc

Position in other listed companies

- Apr 2016 - Present Director, Trailblazer Foundation Ltd. (Singapore)
- 2015 - Present Director, Intouch Holdings Plc

Position in other non-listed companies

- 2013 - Present Self-employed financial consultant
- 2011 - Present Advisory Committee Member, Singapore CFO Institute, subsidiary of Singapore Accounting Commission

Past Experiences

- 1992 - 2013 Chief Financial Officer, StarHub Ltd.
- 2000 - 2002 Chief Financial Officer, ST Telemedia Pte. Ltd.
- 2000 - 2001 Chief Financial Officer, Vickers Capital Ltd.
- Jan - Apr 1999 Chief Financial Officer, Vertex Management (II) Pte. Ltd.
- 1997 - 1999 Chief Financial Officer, ST Assembly & Test Services Pte. Ltd.
- 1996 - 1997 Chief Financial Officer , Chartered Semiconductor Mfg Ltd.
- 1992 - 1999 Group Director Financial, Singapore Technologies Pte. Ltd. & Subsidiaries

Illegal Record in the past 10 years

None

9



Mr. Philip Chen Chong Tan

Director
Member of the Compensation Committee
Member of the Governance and Nomination Committee
Member of the Executive Committee (Authorized Director)

Date of Appointment 30 March 2016

Age 51 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Master of Management, Sasin Business Graduate Institute of Administration of Chulalongkorn University

IOD Training Programs

- DCP : Director Certification Program (English) Class 175/2013

Other Training/Seminars

- Executive Program Class 23, The Capital Markets Academy (CMA)

Working Experiences

- Mar 2016 - Present — Director, Thaicom Plc
- May 2016 - Present — Member of the Executive Committee, Member of the Compensation Committee, and Member of the Governance and Nomination Committee, Thaicom Plc

Position in other listed companies

- 2016 - Present — Director, and Chief Executive Officer, Intouch Holdings Plc
- 2016 - Present — Director, and Member of the Executive Committee, Advanced info Service Plc

Position in other non-listed companies

- 2015 - Present — Director, I.T. Applications and Services Co.,Ltd.
- 2015 - Present — Director, Intouch Media Co.,Ltd.
- 2015 - Present — Director, Touch TV Co.,Ltd.
- 2015 - Present — Chairman of the Board of Director, High Shopping Co.,Ltd.
- 2014 - Present — Advisory Board of Sasin, Sasin Business Graduate Institute of Administration of Chulalongkorn University
- 2011 - Present — Board of Visitors, University of Maryland

Past Experiences

- 2015 - 2016 — President, Intouch Holdings Plc
- Jul - Oct 2015 — Senior Executive Vice President, Bank of Ayudhya Plc
- Jan - Jun 2015 — Head of Retail and Consumer Banking and Acting Head of Krungsri Consumer Group, Bank of Ayudhya Plc
- 2014 - 2015 — Executive Committee Member, Bank of Ayudhya Plc
- 2013 - 2015 — Director (Authorized Signatory), Bank of Ayudhya Plc
- 2013 - 2014 — Acting Head of Krungsri Auto Group, Bank of Ayudhya Plc
- 2013 - 2014 — President, Bank of Ayudhya Plc
- 2013 - 2014 — Risk Management Committee Member, and Advisor to the Compliance Review Committee, Bank of Ayudhya Plc
- 2013 - 2014 — Acting Head of E-Business, Bank of Ayudhya Plc
- 2013 — Deputy Chairman of the Executive Committee, and Advisor to the Credit Committee, Bank of Ayudhya Plc
- 2012 — Head of E-Business, Bank of Ayudhya Plc
- 2010 - 2012 — First Executive Vice President, and Head of Consumer Finance, Bank of Ayudhya Plc
- 2009 - 2010 — Chief Executive Officer, GE Money (Thailand) Ltd.

Illegal Record in the past 10 years

None



10

Mr. Paiboon Panuwattanawong (2)

Director
Member of the Executive Committee
Chief Executive Officer
(Authorized Director)

Date of Appointment 1 October 2015

Age 56 **% Shareholding** (1) : 0.0013%

Relationship between Directors and Executives

None

Highest Education

- Master of Science in Electrical Engineering, Carnegie Mellon University, Pittsburgh, PA, USA

IOD Training Programs

- DCP : Director Certification Program class 119/2009

Other Training/Seminars

- The National Defense College Program (TNDC) Class NDC/2014, Thailand National Defense College

Working Experiences

- 2015 - Present Director, and Chief Executive Officer, Thaicom Plc
- 2011 - Present Member of the Executive Committee, Thaicom Plc

Position in other listed companies

- Feb 2016 - Present Member of the Executive Committee, Advance Info Service Plc
- 2015 - Present Director, and Chairman of the Executive Committee, CS Loxinfo Plc

Position in other non-listed companies

- 2015 - Present Director, TC Broadcasting Co., Ltd.
- 2015 - Present Director, and Chairman of the Executive Committee, Shenington Investment Pte. Ltd.
- 2015 - Present Director, International Satellite Co., Ltd.
- 2015 - Present Director, Lao Telecommunications Co., Ltd.
- 2007 - Present Director, IPSTAR Co., Ltd.
- 2007 - Present Director, Star Nucleus Co., Ltd.
- 2007 - Present Director, Spacecode LLC
- 2007 - Present Director, IPSTAR International Pte. Ltd.
- 2007 - Present Director, IPSTAR Global Services Ltd.
- 2007 - Present Director, IPSTAR Australia Pty Ltd.
- 2007 - Present Director, IPSTAR New Zealand Ltd.
- 2007 - Present Director, IPSTAR Japan Ltd.

Past Experiences

- 2009 - 2015 Chief Technical Officer, Thaicom Plc

Illegal Record in the past 10 years

None



11

Mr. Vuthi Asvasermcharoen (2)

Chief Financial Officer

Date of Appointment 1 October 2011

Age 49 **% Shareholding (1) :** None

Relationship between Directors and Executives

None

Highest Education

- Master of Business Administration, Indiana University of Pennsylvania, USA

IOD Training Programs

- DCP: Director Certification Program Class 166/2012

Other Training/Seminars

None

Working Experiences

- 2011 - Present Chief Financial Officer, Thaicom Plc

Position in other listed companies

- 2012 - Present Director, and Member of the Executive Committee, CS LoxInfo Plc

Position in other non-listed companies

- 2014 - Present Director, International Satellite Co., Ltd.
- 2013 - Present Director, IPSTAR Japan Ltd.
- 2012 - Present Director, TC Broadcasting Co., Ltd.
- 2012 - Present Director, IPSTAR Global Services Ltd.
- 2012 - Present Director, Cambodian DTV Network Ltd.
- 2012 - Present Director, and Member of the Executive Committee, Shenington Investment Pte. Ltd.
- 2012 - Present Director, Lao Telecommunications Co., Ltd.
- 2012 - Present Director, IPSTAR Co., Ltd.
- 2012 - Present Director, IPSTAR New Zealand Ltd.
- 2012 - Present Director, IPSTAR Australia Pty Ltd.
- 2012 - Present Director, IPSTAR International Pte. Ltd.
- 2012 - Present Director, Star Nucleus Co., Ltd.

Past Experiences

- Jan - Jun 2011 Chief Financial Officer (CFO), GMM Grammy Plc
- 2004 - 2010 Deputy Chief Financial Officer, Sahaviriya Steel Industries Plc
- 2001 - 2004 Vice President, Bangkok Bank Plc
- 1997 - 2001 Vice President - Business Development , Electricity Generating Plc

Illegal Record in the past 10 years

None

12



Mr. Patompob Suwansiri (2)

Member of the Executive Committee
Chief Commercial Officer

Date of Appointment 1 January 2016

Age 48 **% Shareholding (1) :** 0.0004%

Relationship between Directors and Executives

None

Highest Education

- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

IOD Training Programs

- DCP : Director Certification Program Class 185/2014

Other Training/Seminars

- Advanced Management Program, Harvard Business School
- Strategy and Innovation for Business in Asia (SIBA), College of Management Mahidol University
- Executive Program Class 18/2014, The Capital Markets Academy (CMA)

Working Experiences

- 2016 - Present Chief Commercial Officer, Thaicom Plc
- 2015 - Present Member of the Executive Committee, Thaicom Plc

Position in other listed companies

None

Position in other non-listed companies

- 2015 - Present Director, International Satellite Co., Ltd.
- 2014 - Present Director, Orion Satellite System Pty Ltd.

Past Experiences

- 2014 - 2015 Chief Marketing Officer, Thaicom Plc
- 2013 - 2014 Senior Vice President - Marketing and Business Development, Thaicom Plc
- 2012 - 2013 Vice President - Marketing and Business Development, Thaicom Plc
- 2009 - 2011 Vice President - Marketing and Sales, Thaicom Plc

Illegal Record in the past 10 years

None

13



Mr. Teerayuth Boonchote (2)

Acting Chief Technical Officer

Date of Appointment 1 January 2016

Age 52 **% Shareholding (1) :** 0.0006%

Relationship between Directors and Executives

None

Highest Education

- Master of Business Administration, Sasin Graduate Institute of Business Administration
- Master of Electrical Engineering, Chulalongkorn University

IOD Training Programs

- DCP : Director Certification Program 2014

Other Training/Seminars

None

Working Experiences

- Jan 2016 - Present Acting Chief Technical Officer, Thaicom Plc

Position in other listed companies

None

Position in other non-listed companies

None

Past Experiences

- 2015 - 2016 Executive Vice President-Technology Innovation, Thaicom Plc
- 2013 - 2015 Senior Vice President-Technology Innovation, Thaicom Plc

Illegal Record in the past 10 years

None

14



Mr. Supoj Chinveeraphan (2)

Acting Chief Strategy Officer

Date of Appointment 1 January 2017

Age 48 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Doctor of Philosophy, Department of Intelligence Science Specialized in Computer Vision and Image Understanding, Tokyo Institute of Technology

IOD Training Programs

- DCP : Director Certification Program 2014

Other Training/Seminars

None

Working Experiences

- Jan 2017 - Present Acting Chief Strategy Officer, Thaicom Plc
- Jan 2016 - Present Senior Vice President - Business Operations ,Thaicom Plc

Position in other listed companies

None

Position in other non-listed companies

- Present Director, DTV Service Co., Ltd.
  Director, Cambodian DTV Network Ltd.
  Director, IPSTAR New Zealand Ltd.
  Director, IPSTAR Australia Pty Ltd.
  Director, Orion Satellite System Pty Ltd.

Past Experiences

- Apr - Dec 2015 Managing Director, IPSTAR Australia Pty Ltd.
- Apr - Dec 2015 Managing Director, IPSTAR New Zealand Pty Ltd.
- 2009 - 2015 General Manager, IPSTAR Australia Pty Ltd.
- 2009 - 2015 General Manager, IPSTAR New Zealand Pty Ltd.

Illegal Record in the past 10 years

None

15



Ms. Yupapan Panclurbthong

Vice President-Executive Office
Company Secretary (3)

Date of Appointment 12 November 2012

Age 53 **% Shareholding** (1) : None

Relationship between Directors and Executives

None

Highest Education

- Bachelor of Communication Art, Chulalongkorn University

IOD Training Programs

- BMD : Boards that Make a Difference Class 3/2016
- ACPG : Anti-Corruption: The Practical Guide Class 10/2014
- DCP : Directors Certification Program Class 185/2014
- CSP : Company Secretary Program Class 48/2012

Other Training/Seminars

- TLCA Executive Development Program-EDP Class 12/2013

Working Experiences

- 2014 - Present Vice President-Executive Office, and Company Secretary, Thaicom Plc
- 2012 - Present Company Secretary, Thaicom Plc

Position in other listed companies

None

Position in other non-listed companies

None

Past Experiences

- 2012 - 2014 Assistant Vice President-Executive Office, Thaicom Plc
- 1989 - 2012 Secretary to Chairman of the Executive Committee, Thaicom Plc

Illegal Record in the past 10 years

None

Information of Directors, Executives and Controlling Authorities of Subsidiaries and Associates

Name of Directors and Executives	Holding Company	Company					
			1	2	3	4	
	INTOUCH	THAICOM	IPSTAR	IPA	IPNZ	IPIN	
1. Mr. Paron Israsena	-	X	-	-	-	-	
2. Prof. Hiran Radeesri	-	/	-	-	-	-	
3. Mrs. Charintorn Vongspootorn	-	/	-	-	-	-	
4. Prof. Samrieng Mekkriengkrai	-	/	-	-	-	-	
5. Mrs. Patareeya Benjapolchai (1)	-	/	-	-	-	-	
6. Mr. Somprasong Boonyachai	/	/	-	-	-	-	
7. Mr. Prasert Bunsumpun	/	/, //	-	-	-	-	
8. Mr. Kwek Buck Chye	/	/, //	-	-	-	-	
9. Mr. Philip Chen Chong Tan(2)	/	/, //	-	-	-	-	
10. Mr. Paiboon Panuwattanawong	-	/, //	/	/	/	/	
11. Mr. Vuthi Asvasermcharoen	-	-	/	/	/	/	
12. Mr. Patompob Suwansiri	-	//	-	-	-	-	
13. Mr. Teerayuth Boonchote	-	-	-	-	-	-	
14. Mr. Supoj Chinveeraphan(3)	-	-	-	/	/	-	

(1) Mrs. Patareeya Benjapolchai was appointed as Independent Director by the resolutions of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.

(2) Mr. Philip Chen Chong Tan was appointed as Director by the resolutions of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.

(3) Mr. Supoj Chinveeraphan was appointed as Acting Chief Strategy Officer by the resolutions of the Board of Directors' Meeting No.11/2016 held on 14 December 2016, effective from 1 January 2017.

X = Chairman / = Director // = Executive Director

Remarks

Company's Name	CDN	Cambodian DTV Network Limited
	CSL	CS Loxinfo Public Company Limited
	DTV	DTV Services Company Limited
	INTOUCH	Intouch Holdings Public Company Limited
	IPA	IPSTAR Australia Pty Limited
	IPGS	IPSTAR Global Services Limited
	IPI	IPSTAR (India) Private Limited*

* IPSTAR (India) Private Limited was registered in accordance to the laws of India on 19 January 2016, with the Company holding 99.99% of the shares issued.

** TC Global Services Company Limited was registered in accordance to the laws of Republic of Mauritius on 9 December 2016, with the Company holding 100% of the shares issued.

(As of 31 December 2016)

	Subsidiaries and Associates												
	5	6	7	8	9	10	11	12	13	14	15	16	17
	IPGS	STAR	DTV	CDN	TCB	SHEN	IPJ	OSS	ISC	CSL	LTC	IPI	TCGS
	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
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IPIN	IPSTAR International Pte Limited	SHEN	Shenington Investment Pte Limited
IPJ	IPSTAR Japan Limited	STAR	Star Nucleus Company Limited
IPNZ	IPSTAR New Zealand Limited	TCB	TC Broadcasting Company Limited
IPSTAR	IPSTAR Company Limited	TCGS	TC Global Services Company Limited**
ISC	International Satellite Company Limited	THAICOM	Thaicom Public Company Limited
LTC	Lao Telecommunications Company Limited		
OSS	Orion Satellite System Pty Limited		

Securities Holdings of the Directors and Executives of the Year 2016

The Company has notified the Board of Directors and the Executives to file their securities holding, including those of their spouses and children not yet of legal age, to the Securities and Exchange Commission (SEC) within 30 days as from date of appointment as director or executive. In case of change in securities holding, it shall be filed with SEC within 3 business days as from the date of purchase, sell, transfer or acceptance of transfer of such securities.

Each quarter the securities holding and changes of the Directors and Executives are reported to the Board of Directors Meeting. As of 31 December 2016, the securities holding of the Directors and Executives are as follows.

	Name of Directors and Executives	Thaicom Public Company Limited									CS Loxinfo Public Company Limited		
		Common share (shares)			Warrant (units)			Debentures (units)			Common share (shares)		
		31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)
1	Mr. Paron Israsena	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
2	Prof. Hiran Radeesri	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
3	Mrs. Charintorn Vongspootorn	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
4	Prof. Samrieng Mekkriengkrai	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
5	Mrs. Patareeya Benjapolchai[1]	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
6	Mr. Somprasong Boonyachai	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
7	Mr. Prasert Bunsumpun	50,000	-	(50,000)	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
8	Mr. Kwek Buck Chye	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
9	Mr. Philip Chen Chong Tan[2]	-	-	-	-	-	-	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
10	Mr. Paiboon Panuwattanawong	3,800	14,500	10,700	282,250	426,050	143,800	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-

Name of Directors and Executives		Thaicom Public Company Limited									CS Loxinfo Public Company Limited		
		Common share (shares)			Warrant (units)			Debentures (units)			Common share (shares)		
		31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)	31 Dec 15	31 Dec 16	+ / (-)
11	Mr. Vuthi Asvasermcharoen	-	-	-	225,585	286,213	60,628	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
12	Mr. Patompob Suwansiri	-	4,400	4,400	246,122	338,460	92,338	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
13	Mr. Teerayuth Boonchote	1,500	6,400	4,900	138,078	273,371	135,293	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
14	Mr. Supoj Chinveeraphan[3]	-	-	-	70,722	116,873	46,151	-	-	-	-	-	-
	Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-

Remarks

[1] Mrs. Patareeya Benjapolchai was appointed as Independent Director by the resolutions of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.

[2] Mr. Philip Chen Chong Tan was appointed as Director by the resolutions of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.

[3] Mr. Supoj Chinveeraphan was appointed as Acting Chief Strategy Officer by the resolutions of the Board of Directors' Meeting No.11/2016 held on 14 December 2016, effective from 1 January 2017.

Major Shareholders

The top 10 major shareholders of Thaicom Public Company Limited as at the latest book closing date on 25 October 2016

	Name	% of shareholding
1	INTOUCH HOLDINGS PLC Number of Shares 450,870,934	41.14
2	STATE STREET BANK EUROPE LIMITED Number of Shares 88,834,000	8.10
3	THAI NVDR CO., LTD. Number of Shares 76,361,965	6.97
4	NORTRUST NOMINEE LTD-CL AC Number of Shares 20,509,200	1.87
5	MR. NARIT JIA-ARPA Number of Shares 17,613,000	1.61
6	CITIBANK NOMINEE SINGAPORE PTE LTD - LEMBAGA TABUNG HAJI-ASIA PACIFIC Number of Shares 15,520,000	1.42
7	MRS. CHARUNEE CHINWONGVORAKUL Number of Shares 10,613,500	0.97
8	HSBC (SINGAPORE) NOMINEES PTE LTD Number of Shares 10,127,600	0.92
9	NORBAX, INC. Number of Shares 9,383,000	0.86
10	CHASE NOMINEE LIMITED Number of Shares 8,489,200	0.78
Total 708,322,399 shares		64.64

Source: Thailand Securities Depository Company Limited

The major shareholders whose behaviours have had a significant influence on the operational policies or management of the Company.

Thaicom Public Company Limited held by Intouch Holdings Public Company Limited (INTOUCH) in the amount of 450,870,934 shares, or 41.14% of the Company's paid-up capital (as of 25 October 2016). INTOUCH is a holding company, its operation is investment in telecom, media, and technology. There are presently three principal business units: Wireless Telecommunications, Satellite and International Businesses, and Other Businesses. Major shareholders of INTOUCH are as follows:

	Name	% of shareholding
1	SINGTEL GLOBAL INVESTMENT PTE. LTD.[1] Number of Shares 673,348,264[3]	21.00
2	ASPEN HOLDINGS LTD.[2] Number of Shares 625,251,960[3]	19.50

Remarks:

[1] Singtel Global Investment Pte. Ltd. (SGI) is an indirect subsidiary of Singapore Telecommunications Ltd. (SingTel).

[2] Information from the Department of Business Development, Ministry of Commerce, on 5 January, 2017. Aspen Holdings Ltd. is registered in Thailand and 99.99% owned by Anderton Investment Pte, Singapore.

[3] Information from the Report of the Acquisition or Disposition of Securities (Form 246-2) submitted to the SEC by Singtel Global Investment Pte. Ltd. and Aspen Holdings Ltd. on 17 November 2016.

Agreement among major shareholders

- None -

INTOUCH Group's Investment Structure

(as of 31 December 2016)

Intouch Holdings Plc [1]

40.45% Advanced Info Service Plc [1]

- Advanced Wireless Network Co., Ltd. 99.99%
- Wireless Device Supply Co., Ltd. 99.99%
- Advanced Contact Center Co., Ltd. 99.99%
- Advanced MPAY Co., Ltd. 99.99%
- Advanced Magic Card Co., Ltd. 99.99%
- AIN GlobalComm Co., Ltd. 99.99%
- Super Broadband Network Co., Ltd. 99.99%
- MIMO Tech Co., Ltd. 99.99%
- Fax Lite Co., Ltd. 99.98%
- Advanced Broadband Network Co., Ltd. 99.99%
  - Amata Network Co., Ltd. 60.00%
  - Information Highway Co., Ltd. 29.00%
- Digital Phone Co., Ltd. 98.55%
  - Advanced Datanetwork Communications Co., Ltd. 51.00%
- Clearing House for Number Portability Co., Ltd. 20.00%
- Bridge Mobile Pte. Ltd. 10.00%

41.14% Thaicom Plc [1]

Satellite services

- IPSTAR Co., Ltd. 100.00%
- IPSTAR New Zealand Ltd. 100.00%
- IPSTAR Australia Pty Ltd. 100.00%
  - Orion Satellite Systems Pty Ltd. 100.00%
- IPSTAR International Pte. Ltd. 100.00%
- IPSTAR Global Services Co., Ltd. 100.00%
- IPSTAR Japan Co., Ltd. 100.00%
- Star Nucleus Co., Ltd. 100.00%
- TC Broadcasting Co., Ltd. 99.99%
- International Satellite Co., Ltd. 100.00%
- IPSTAR (India) Private Ltd. 100.00%
- TC Global Services Co., Ltd. 100.00%

Telephone services abroad

- Shenington Investments Pte Ltd. 51.00%
  - Lao Telecommunications Co., Ltd. 49.00%

Wireless Telecommunication Business

Satellite and International Businesses

Internet and media services

- DTV Service Co., Ltd. — 99.99%
- 42.07% CS LoxInfo Plc [1)]
  - Teleinfo Media Plc — 99.99%
  - AD Venture Plc — 99.99%
- Cambodian DTV Network Ltd. — 100.00%

Other Businesses

Venture Capital

- Ookbee Co., Ltd. — 21.48%
- Golfdigg Co., Ltd. — 25.00%
- Sinoze Co., Ltd. — 16.67%
- Meditech Solution Co., Ltd. — 16.66%
- Playbasis Pte. Ltd. — 15.36%
- Wongnai Media Co., Ltd. — 9.99%

Others

- I.T. Applications and Services Co., Ltd. — 99.99%
- Intouch Media Co., Ltd. — 99.99%
  - Touch TV Co., Ltd. — 99.99%
  - High Shopping Co., Ltd. — 51.00%
    - High Shopping TV Co., Ltd. — 99.99%
  - Joint Venture Kantana and Intouch [2)] — 50.00%
- Matchbox Co., Ltd. [3)] — 99.99%
- ITV Plc [3)] — 52.92%
  - Artware Media Co., Ltd. [3)] — 99.99%

1) Listed Company on the Stock Exchange of Thailand
2) Currently on the liquidation process
3) Currently not in operation

General Information and Other Information

1. General Information

1.1) General Information of Thaicom Public Company Limited

Company's Name	:	Thaicom Public Company Limited
Symbol	:	THCOM
Industry	:	Technology
Sector	:	Information and Communication Technology
Type of Business	:	The Company operates 3 different main sectors as follows: 1. Satellite and Related Services 2. Internet and Media Services 3. Telephone Business Abroad
Company's Registration Number	:	0107536000897 (formerly number Bor Mor Jor. 163)
Head Office	:	414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400
Branch Office 1	:	63/21 Rattanathibet Road, Muang, Nonthaburi 11000
Branch Office 2	:	50 Moo 1, Bo-ngern, Ladlumkaew, Pathumthani 12140
Registered Capital (as of 31 December 2016)	:	Baht 5,499,884,200.00 Consists of 1,099,976,840 ordinary shares
Paid-Up Capital (as of 31 December 2016)	:	Baht 5,479,969,700.00 Consists of 1,095,993,940 ordinary shares
Par Value	:	Baht 5 per share
Telephone Number	:	(66) 2596 5060
Fax	:	(66) 2591 0705
Company's Website	:	www.thaicom.net

1.2) Information of juristic persons in which the Company held more than 10% of fully paid-up capital

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
Satellite and Related Services						
IPSTAR Company Limited (IPSTAR) Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing THAICOM 4 transponder services	USD 2,000,000	200,000,000 shares	USD 0.01	USD 2,000,000	100.00
IPSTAR New Zealand Limited (IPNZ) 24 Unity Drive North, Abany, Auckland 0757, New Zealand Tel (649) 414 5920 Fax (649) 414 5922	Providing THAICOM 4 transponder services and sales of user terminal of THAICOM 4 in New Zealand	NZD 3,196,133	3,196,133 shares	NZD 1	NZD 3,196,133	100.00
IPSTAR Australia Pty Limited (IPA) 5 George Place, Artarmon, NSW 2064, Australia Tel (612) 8458 0500 Fax (612) 8006 5592	Providing THAICOM 4 transponder services and sales of user terminal of THAICOM 4 in Australia	AUD 6,950,000	6,950,000 shares	AUD 1	AUD 6,950,000	100.00
Orion Satellite Systems Pty Limited (OSS) Level 2, 231 Adelaide Terrace, Perth, WA 6000, Australia Tel (61) 8 9225 7800 Fax (61) 8 9225 7811	Providing satellite communication services and business solutions	AUD 13,374,571	1 share 5,960,354 shares	AUD 7,414,217 AUD 1	AUD 13,374,571	100.00
IPSTAR International Pte Limited (IPIN) 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel (65) 6338 1888 Fax (65) 6337 5100	Providing THAICOM 4 transponder services and sales of satellite equipment of THAICOM 4	SGD 20,000	20,000 shares	SGD 1	SGD 20,000	100.00

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
IPSTAR Global Services Limited (IPGS) Intercontinental Trust Limited, Suite 802, St. James Court, St. Denis Street, Port Louis, Mauritius Tel (230) 213 9800 Fax (230) 210 9168	Providing THAICOM 4 transponder services	USD 20,000	20,000 shares	USD 1	USD 20,000	100.00
IPSTAR Japan Company Limited (IPJ) 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Providing THAICOM 4 transponder services and sales of user terminal of THAICOM 4 in Japan	JPY 100,000,000	10,000 shares	JPY 10,000	JPY 100,000,000	100.00
IPSTAR (India) Private Limited (IPI) (1) 208, 2nd Floor, ABW Tower, M.G. Road, IFFCO Chowk, Gurgaon, Haryana 122002, India	Sales of satellite equipment and providing technical support in relation to satellite business	INR 30,000,000	30,000,000 shares	INR 1	INR 30,000,000	100.00
Star Nucleus Company Limited (STAR) Trident Chambers, P.O. Box 146, Road Town, Tortolar, British Virgin Islands	Providing engineering and development services, technology and electronics	USD 50,000	10 shares	USD 1	USD 10	100.00
TC Broadcasting Company Limited (TCB) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel (66) 2596 5060	Providing broadcasting, television and telecom-munication services	Baht 1,000,000	10,000 shares	Baht 10	Baht 250,000	99.99
International Satellite Company Limited (ISC) Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	Providing THAICOM 7 and THAICOM 8 transponder services	USD 50,000	50,000 shares	USD 1	USD 50,000	100.00

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
TC Global Services Company Limited (TCGS)[2] 12th Floor, Standard Chartered Tower, 19, Cybercity, Ebene, Mauritius	Providing technology services	USD 50,000	50,000 shares	USD 1	-	100.00
Internet and Media Services						
DTV Service Company Limited (DTV) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel (662) 950 5005 Fax (662) 591 0708	Sales of direct television equipment, providing system integration consultancy service for broadband network and broadband content service	Baht 398,791,470	39,879,147 shares	Baht 10	Baht 398,791,470	99.99
Cambodia DTV Network Limited (CDN) 9A, Street 271, Tomnup Teuk quarter, Chamkar Mon district, Phnom Penh, Kingdom of Cambodia Tel (855) 023 305 990 Fax (855) 023 994 669	Sales of direct television equipment	Riels 2,400,000,000 (equivalent to USD 600,000)	1,000 shares	Riels 2,400,000	Riels 2,400,000,000 (equivalent to USD 600,000)	100.00
CS LoxInfo Public Company Limited (CSL) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel (66) 2263 8000 Fax (66) 2263 8132	Provide corporate customers with solutions for brand range of internet-based services	Baht 148,628,692.25	594,514,769 shares	Baht 0.25	Baht 148,628,692.25	42.07
AD Venture Public Company Limited (ADV) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899	Content provider through mobile phone and community portal services	Baht 10,748,130	1,074,813 shares	Baht 10	Baht 10,748,130	42.07

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
Teleinfo Media Public Company Limited (TMC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel (66) 2262 8888 Fax (66) 2262 8899	Provide advertising platform through Print, Website, PC, Mobile for individual and business users	Baht 156,544,000	15,654,400 shares	Baht 10	Baht 156,544,000	42.07
Telephone Business 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 telecom-munications	SGD 14,658,000	14,658,000 shares	SGD 1	SGD 14,658,000	51.00
Lao Telecommunications Company Limited (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	USD 96,840,000	96,840,000 shares	USD 1	USD 96,840,000	24.99

Remarks

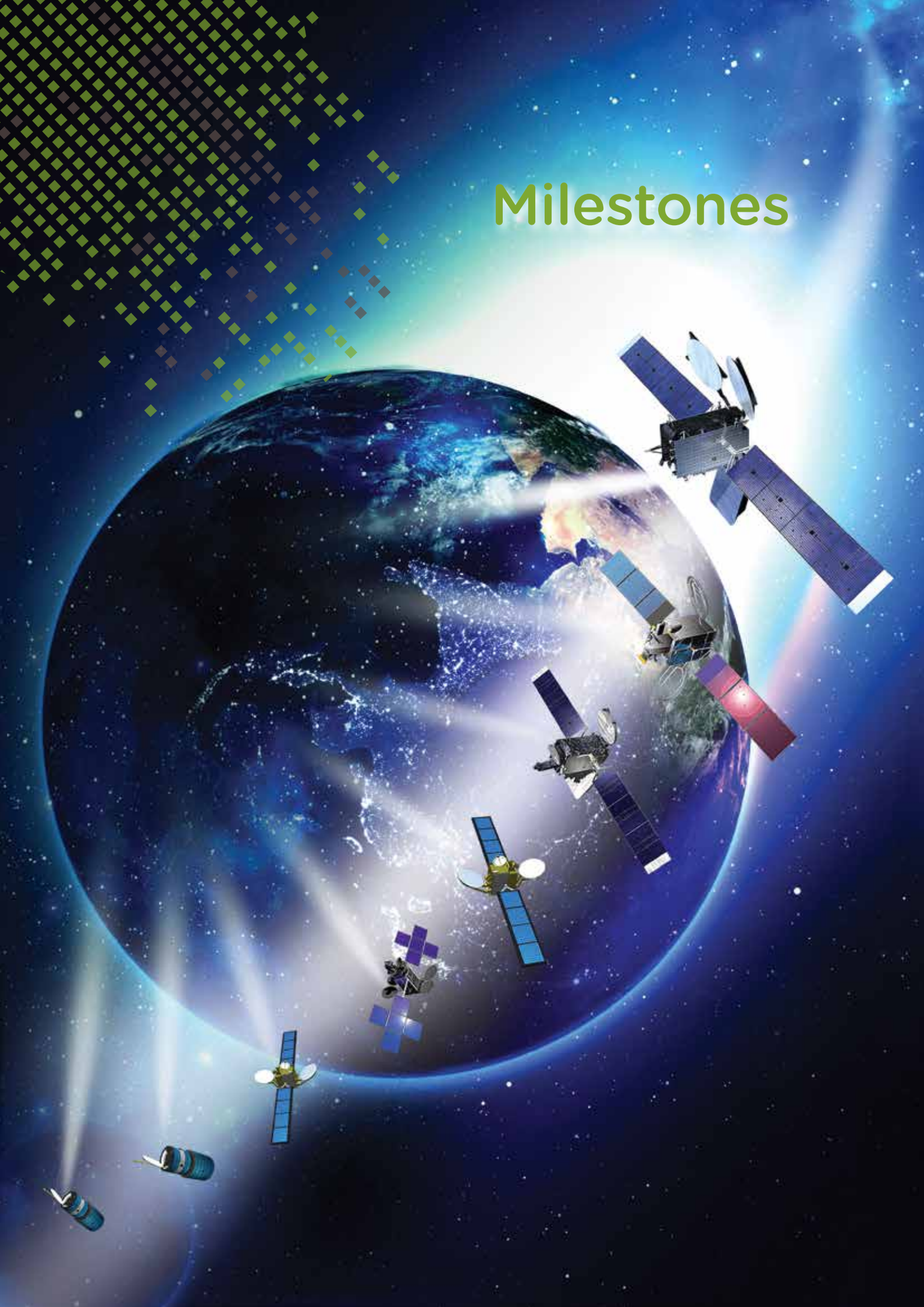
(1) IPSTAR (India) Private Limited was registered in accordance to the laws of India on 19 January 2016, with the Company holding 100% of the shares issued.

(2) TC Global Services Company Limited was registered in accordance to the laws of the Republic of Mauritius on 9 December 2016, with the Company holding 100% of the shares issued.

2. Other Information

- None -

Milestones



General Background

Thaicom Public Company Limited (the Company) has been established on 7 November 1991 by Intouch Holdings Public Company Limited (INTOUCH) (formerly known as Shin Corporation Public Company Limited), the Company was granted a 30-year Domestic Communication Satellite Operating Agreement by the Ministry of Transport and Communications (currently transferred to the Ministry of Digital Economy and Society (MDE)). The Agreement expires in 2021. The Company has the right to build, launch and operate satellites with a requirement that the Company pays the Ministry of Digital Economy and Society (MDE) an agreed percentage of the Company's annual gross revenue earned from the transponder business, or a minimum remuneration, whichever is higher. Under the Agreement, the Company must transfer ownership of the satellites, satellite control station, and all related operational equipments once the construction and installations are complete, to the MDE.

On 17 December 1991, His Majesty King Bhumibol Adulyadej officially bestowed the name on the first of the Company's satellites, namely "THAICOM". This name is symbolic of the linkage between Thailand and modern communications technology. Since its inception, THAICOM has launched 8 satellites, THAICOM's 1, 2 and 3 (now all de-orbited), THAICOM 4, 5, 6, 7, and most recently THAICOM 8 (launched into the orbit on 28 May 2016, Thai local time).

In 1997, the Company expanded its business operations to include internet services, while telephone services and DTV satellite television dish sales operations were added in 2000 and 2007 respectively.

The Company became a listed company on the Stock Exchange of Thailand on 18 January 1994. As of 25 October 2016, Intouch Holdings Public Company Limited., which is the Company's major shareholder, holds 41.14% of the Company's shares.

Significant Changes and Important Developments within the Group during the past 3 years*

2016

January

- On 19 January 2016, the Company has incorporated IPSTAR (India) Private Limited (IPI). The authorized share capital of IPI is INR 30 million, divided into 30 million ordinary shares of INR 1 par value. The capital is fully paid up. The Company holds 30 million shares, equivalent to 100% shareholding.

March

- At the Annual General Meeting of Shareholders of the Company held on 30 March 2016, a resolution was passed to approve the issuance of 1,074,300 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,371,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 16 May 2016.
- At the Annual General Meeting, the shareholders approved the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The dividend was paid to shareholders on 26 April 2016.

April

- On 4 April 2016, the Company has signed a long-term contract with Forever Group, Myanmar's leading media company and DTH operator, for 5 additional transponders from the existing 3 transponders on the Company satellite platform. The contract is a major milestone in increasing the utilization rate for the Company's satellites and was in line with the Company's business plan which aims to provide the satellite capacity in order to serve the fast growing of Asian broadcast and media industries.

* For further information and the progress and major developments of CS LoxInfo Plc. (CSL) (associate company held its share by DTV) please see CSL's Annual Registration Statements 2016 (Form 56-1) which is available for download at www.set.or.th

May

- On 25 May 2016, the Board of Directors' meeting of IPSTAR New Zeland Company Limited (IPNZ), had a resolution to approve the capital reduction from NZD 8.51 million to NZD 3.20 million. The return of capital payment of NZD 5.32 million was paid to its shareholders in June 2016.
- On 28 May 2016 (Thailand time), the Company successfully launched THAICOM 8 Satellite into the orbit using the Falcon 9 rocket by Space Exploration Technologies Corporation (SpaceX) from Cape Canaveral, Florida, USA. THAICOM 8 Satellite is one of the Company's strategies to create capacity and business expansion in order to serve customer's demand in both Thailand and overseas markets with additional transponders, supporting the technological transition to High Definition (HD) and Ultra-High Definition (Ultra HD) broadcasting.

June

- On 16 June 2016, the Company received an ISO 22301:2012 Certificate (Business Continuity Management System: BCMS) from the British Standard Institution (BSI). The certification recognized the Company's effective management of the risk of potential business disruption through preventative measures and contingency plans demonstrating the Company's ability to provide the continuous network connectivity needed to support economic growth as well as social and environmental sustainability.
- On 27 June 2016, the Company was recognized as one of Thailand's most outstanding companies in the 2016 rankings by FinanceAsia, a well-known finance and investment magazine in Asia, with 2 honors, which were the third rank for Best Mid-Cap and fourth rank for Best CSR. These reflected the Company's leadership and professional expertise in the satellite industry.

July

- On 27 July 2016, the Company accepted the prestigious "Investor's Choice 2016" award. The Company is a listed company that received a full score for 4 consecutive years (2013 – 2016). This is the third time the Company has received the "Investor's Choice" award, reflecting a spirit of commitment to its shareholders through excellent performance in its Annual General Meeting of Shareholders (AGM), transparent disclosures to shareholders, and the equitable treatment of shareholders.

August

- On 4 August 2016, the Company has signed the contract for providing services on THAICOM 8 Satellite with IPM Company Limited, a leading DTH provider in Thailand. This has affirmed "Hot Bird" position at 78.5 Degrees East, currently co-located with the THAICOM 5, THAICOM 6, and THAICOM 8.
- TRIS Rating has reaffirmed the Company and its senior unsecured debenture ratings for 2016 annual review at "A-" for 3 consecutive years. This reflects the Company established market position as the sole satellite communications service provider in Thailand and the market leader for broadband satellite service in the Asia-Pacific region. The ratings also take into consideration the Company's cash flow stability and sound financial flexibility. The "Stable" outlook reflects the ability to compete in the market and to maintain the good operating performance continuously.

September

- On 13 September 2016, the Company has partnered with Kantana Group Public company Limited to lead the trend in interactive applications, allowing television programs to engage their viewers in real time, with "Kantana Play" application. The application is designed to deliver a new and fun-filled experience to viewers though their smart devices which will go live in time for audiences to enjoy on The Face Thailand Season 3. This smart device application is a trend of broadcast industry's future which viewers can access to additional program-related content and personally invest in programs through their smartphones, tablets, or other smart devices.

October

- On 3 October 2016, the Board of Directors' meeting of IPSTAR Company Limited (IPSTAR), had a resolution to approve the appropriation of dividends of USD 21 million.
- On 11 October 2016, the Company has signed a contract with InfoSat-Laos, a leading Direct-to-Home (DTH) satellite TV operator in Laos, for the launch of its new DTH platform on THAICOM 8 satellite.
- On 20 October 2016, International Satellite Company Limited (ISC), a Company's subsidiary, has entered into a satellite procurement contract with China Great Wall Industry Corporation (CGWIC), the China's leader in satellite construction and commercial launch services. The satellite project is valued at approximately USD 208 million, or Baht 7,280 million. The Company has been entrusted to conduct a new satellite project for a business partner who leases all satellite capacity with advanced service fees, which will serve as the source of funding for the construction of the satellite. The project is expected to contribute an incremental revenue for the Company and to strengthen broadband and mobility services in the Asia-Pacific region. The satellite is expected to be launched around end of 2019.

November

- The Company was received a score in "Excellent" or "5 Star" corporate governance listed company for four consecutive years (2013-2016) by the Thai Institute of Directors (IOD), supported by the Securities and Exchange Commission (SEC) from the Corporate Governance Report of Thai Listed Companies 2016 : CGR.

December

- On 9 December 2016, the Company has incorporated TC Global Service Limited (TCGS). The authorised share capital of TCGS is USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. The capital is fully paid up. The Company holds 50,000 shares, equivalent to 100% of shareholding.
- At the Company's Board of Directors' meeting held on 14 December 2016, a resolution was passed to approve the liquidation of Spacecode LLC (SPACE), a subsidiary of the Company. SPACE has already returned its capital to shareholders, and the dissolution process is currently underway. The Company has restructured the operational process within the group by transferring any THAICOM 4 broadband business which was operated under SPACE to another subsidiary in order to reduce duplicated operational structure.

2015

January

- On 16 January 2015, the Committee of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) adopted the resolution that the Company has been already passed the certify process as a member of CAC, and the Company is a certified company no. 92.

February

- On 2 February 2015, the Company has received the certificate of Fully Membership of "Thailand's Private Sector Collective Action Coalition against Corruption" (CAC) from the Thai Institute of Directors Association (IOD). The certificate was the result from the Company's engagement in its business practices with transparency, integrity and fairness based on the corporate governance foundation in order to commit in anti-corruption.

March

- On 26 March 2015, at the Annual General Meeting of the Shareholders of the Company, a resolution was passed to approve the issuance of 1,085,300 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,426,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 8 May 2015.

June

- On 10 June 2015, the Company has developed and launched a "2nd Screen" application platform on smart devices which helped to create innovation to serve viewers' lifestyles while watching television or movies.

July

- On 13 July 2015, the Company, interm of revenue generating, was ranked the eighth of 2014 Top Fixed Satellite Service Operators by SpaceNews, a leading weekly newspaper and Website of the global space industry. This was higher than the tenth rank in 2013. The reasons were from the launch of THAICOM 6 and 7 Satellites into the orbit and an increase in THAICOM 4 Broadband Satellite's utilization rate.

August

- On 17 August 2015, the Ministry of Defense and the Company signed the Memorandum of Understanding (MOU) for collaboration of satellite communications and possibility in co-development of satellite project between government and the Company. This collaboration will create and develop the capability in human resource, technology, and management which will help to maximize the benefits for the country in term of national security and other government's operations.

October

- The Company has announced the appointment of Mr. Paiboon Panuwattanawong to take up the roles of Chief Executive Officer (CEO) and the authorized director of the Company, effective since 1O ctober 2015.
- On 16 October 2015, the Company was selected by the Stock Exchange of Thailand to be a "Thai Sustainability Investment" on the list of companies on Thailand Sustainability Investment 2015. The Company is one of the selected companies which pass 3 criteria specified by Global Reporting Initiative (GRIs); economic, social and environmental indicators.
- On 19 October 2015, the Company continued to maintain the standard of Corporate Governance Report in criteria "Excellence" for 3 consecutive years (2013 – 2015) in assessment resulted from the Corporate Governance Report of Thai Listed Companies 2015 by the Thai Institute of Directors Association, supported by the Stock Exchange of Thailand. The Company was 1 of 55 listed companies to be awarded in the same level, out of the total 588 listed companies.
- On 23 October 2015, Shenington Investment Pte Limited (SHEN) and Lao PDR's government 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, through Lao Telecommunications Co., Ltd. (LTC), a joint venture holding via SHEN. LTC obtains right to operate communication service in Lao PDR for a further period of 25 years until 2046.
- On 27 October 2015, the Company was shortlisted as one of the ASEAN TOP50 PLCs for the year 2015 and TOP2 CG Outstanding Achievement Awards of Thailand for the year 2015 by ASEAN Capital Markets Forum (ACMF). This reflected the Company's management efficiency and corporate governance standard.

November

- On 17 November 2015, the Company's Board of Directors was awarded "Board of the Year for Distinctive Practice" for the third straight years, and received an honor of "Board with Consistent Best Practices" from the Thai Institute of Directors Association. In addition, the Company's Audit Committee was as well recognized as "Audit Committee of the Year". With all these honorable awards received from leading organization, it has demonstrated the Company success and commitment in corporate governance to all stakeholders.

2014

January

- On 6 January 2014 by local time at Cape Canaveral, Florida, USA (Early morning of 7 January 2014 of Thai local time), the Company successfully launched its THAICOM 6 Satellite into orbit at 78.5 Degrees East. The satellite has a service life expectancy of around 15 years. The THAICOM 6 Satellite consists of 9 Ku-band transponders which provide service coverage of Thailand and Indo-China, and 24 C-band transponders which provide service coverage of Southeast Asia and Africa. However, on 31 January 2014, the Company completely transferred the right of the ownership of THAICOM 6 Satellite to the Ministry of Information and Communication Technology (currently Ministry of Digital Economy and Society).

February

- On 7 February 2014, IPSTAR Australia Pty Company Limited (IPA), the Company's subsidiary had acquired ordinary shares of Orion Satellite Systems Pty Ltd. (OSS) from Orion Satellite Investments Ltd. in the amount of 5.96 million shares for a total price of AUD 5.96 million. As a result of this transaction, IPA held OSS shares at a ratio of 100% of the OSS's registered capital.

March

- At the Annual General Meeting of the Shareholders of the Company held on 27 March 2014, a resolution was passed to approve the issuance of 1,197,700 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,988,500 to reserve for the exercise of the warrant for the Company and subsidiaries' directors and employees. The Company registered the increased share capital with the Ministry of Commerce on 21 April 2014.

April

- The Company started to broadcast digital satellite TV channels since the first day of the trial period. This was the initial important step of the transition of Thailand's broadcasting industry, which was in accordance with the National Broadcasting and Telecommunications Commission's Must Carry rule.

May

- IPSTAR Japan Company Limited (IPJ), a wholly-owned subsidiary of the Company, launched a maritime broadband service for vessels to Ocean Trans Co., Ltd., a Tokyo-based shipping company. It selected broadband service to provide its crew with reliable and cost-effective access to e-mail and the Internet, thus boosting crew morale and productivity while at sea.

June

- The Company acquired an additional 31,220 ordinary shares in IPSTAR Company Limited (IPSTAR) at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPSTAR, at a total price of USD 31,220. As a result of this acquisition, the Company owns interest in IPSTAR of 99.98%.

July

- The Company received a perfect score of 100 on the AGM checklist 2014 form the Assessment Program in 2 consecutive years for listed companies for the year 2014 by the Thai Investor Association.
- In the results of the corporate Governance survey of Thai Listed Companies, according to the ASEAN Corporate Governance Scored guideline for 2013/2014, the Company was shortlisted as one of the Top 50 publicly listed companies in Thailand.

August

- IPSTAR Australia Pty Limited (IPA), a wholly owned subsidiary, was selected by National Broadband Network Company Limited to expand additional Australian Government's National Broadband Network (NBN) project. IPA was ready to provide additional 9,000 NBN premises in order to cover families and businesses that could not currently access commercial broadband services.
- The Company acquired an additional 50,000 ordinary shares in IPSTAR at USD 1 per share, equivalent to 0.02% of the paid-up share capital of IPSTAR, at a total price of USD 50,000. As a result of this acquisition, the Company owns interest in IPSTAR of 100%.

September

- The Company successfully launched THAICOM 7 Satellite into orbit at 120 Degrees East on 7 September 2014. THAICOM 7 is the cooperation project between the Company and Asia Satellite Telecommunications Company Limited (AsiaSat), THAICOM 7 Satellite consists of 14 C-band transponders which provide service coverage of Asia-Pacific and Australia.
- On 18 September, 2014, the Board of Directors of the Company approved the establishment of International Satellite Company Limited (ISC) with a registered capital of 50,000 USD. The Company owns 100% of the shares in ISC.
- The Company issued 4 tranches of unsubordinated and unsecured of debentures not exceeding than 4,550,000 units or equivalent to Baht 4,550,000,000, offered to individuals and institutional investors. The main purposes of these debentures were for THAICOM 7's and THAICOM 8 investment.
- The Company had become the first in the Asia-Pacific region to provide In-Flight Wi-Fi Onboard service by using Thaicom's broadband satellite connecting with Wi-Fi. The Company and Nok Airlines Public Company Limited jointly provided Wi-Fi high speed internet via Ku-Band network to facilitate passengers in various flights.

October

- The Company received a score of "Excellent" in the Corporate Governance Report of Thai Listed Companies for the year 2014 (CGR 2014), published by the Thai Institute of Directors (IOD).

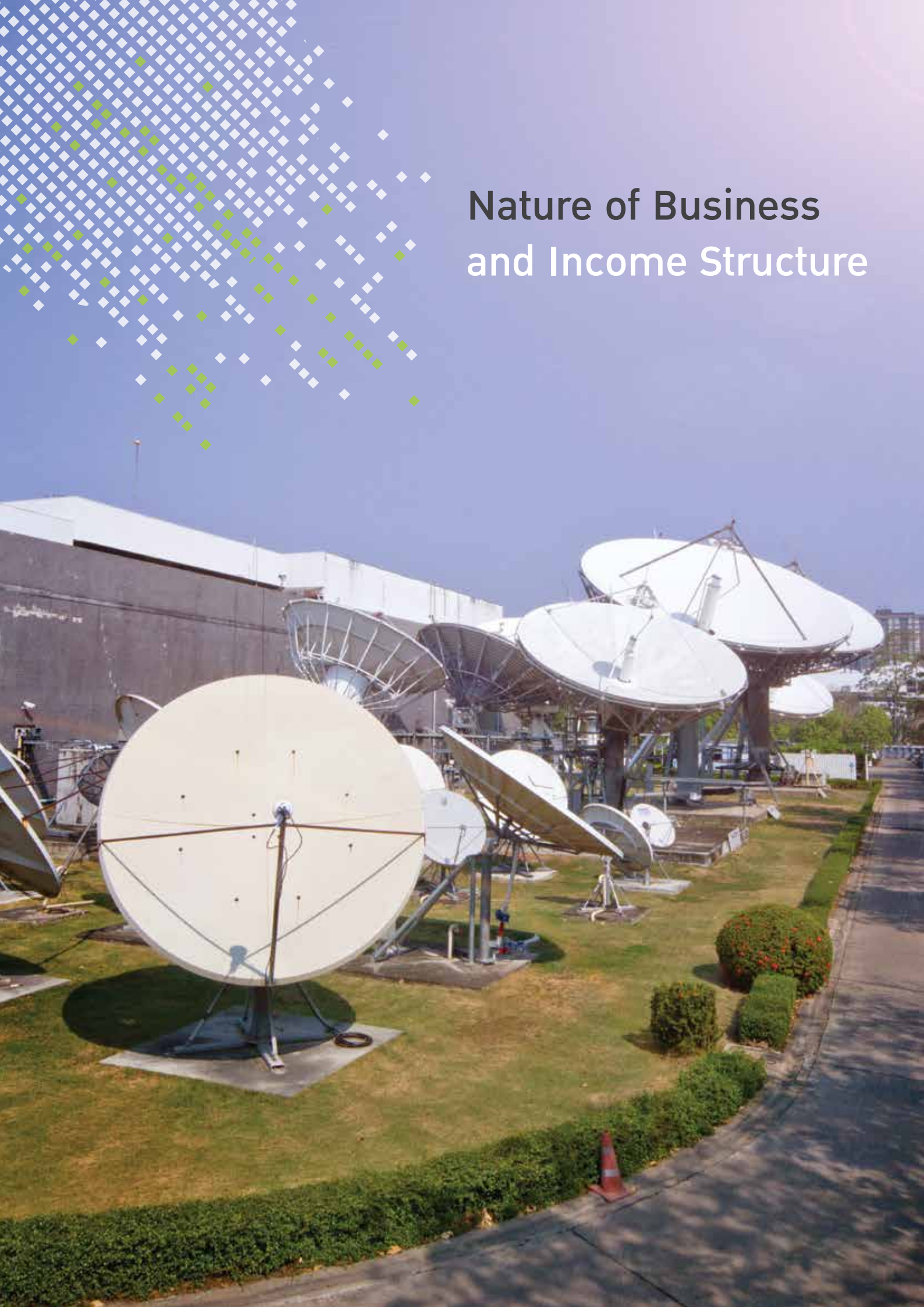
November

- The Company was shortlisted as one of 5 nominees in the Best Investor Relations category for the SET AWARDS 2014. The Company was recognized with an "Outstanding Investor Relations Awards" for a company with a market capitalization of between Baht 20-50 billion.

December

- The Company continued to establish and encourage social responsibility programs by being main sponsor of "NASA - A HUMAN ADVENTURE" exhibition which was the first world space exhibition in Southeast Asia. The Company, in co-operation with NASA, had the main purpose to create children's inspiration, imagination, and vision toward space and science.

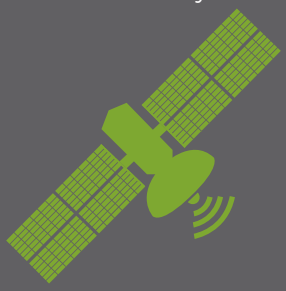
Nature of Business and Income Structure







Thaicom's business operations can be divided into 3 different main sectors as follows: (1) Satellite and Related Services (2) Internet and Media Services and (3) Telephone Business Abroad. Investment in all these businesses is considered long-term. Investment decisions are based primarily on the fundamentals of the particular business, including future business trends. The Company's investment policy is to be the major shareholder in its investments. The aim is to have overall management authority and to set the business direction of its subsidiaries and associated companies.



1. Satellite and Related Services

The Company has a 30-year Domestic Communications Satellite Operating Agreement with the Ministry of Information and Communication Technology (currently Ministry of Digital Economy and Society, or the Ministry), expiring in 2021, to operate the national satellite communications project. Since its inception, the Company has launched 8 satellites, THAICOM 1, 2, and 3 (all now de-orbited), THAICOM 4, 5, 6, 7 and, most recently, THAICOM 8.

The Company was also granted the following licenses from the National Broadcasting and Telecommunications Commission (NBTC) as follows:

- Telecommunications Business Type I License [(1)], valid for 5 years from 16 August 2016 to 15 August 2021.
- Telecommunications Business Type III License [(2)] to provide satellite network services by leasing satellite transponders for 20 years, valid from 26 June 2012 to 25 June 2032.
- Internet Services Type I License to provide mobile Internet services without own network via satellite to end users, valid for 5 years from 7 May 2015 to 6 May 2020.

Remarks

(1) Telecom Operation License Type I: a license granted to the telecommunications business operator who operates without its own network for telecommunications services which are deemed appropriate to be fully liberalized.

(2) Telecom Operation License Type III: a license granted to the telecommunications business operator who operates with its own network for telecommunications services intended for general public, or services which may cause a significant impact on free and fair competition or on public interest, or a service which requires special consumer protection.

The Company has established the following subsidiaries, associates, and joint ventu

Name	Type of Business
IPSTAR Company Limited	Providing THAICOM 4 transponder services
IPSTAR New Zealand Company Limited	Providing THAICOM 4 transponder services and sales of user terminals for THAICOM 4 in New Zealand
IPSTAR Australia Pty Limited	Providing THAICOM 4 transponder services and sales of user terminals for THAICOM 4 in Australia
Orion Satellites Systems Pty Limited	Providing satellite communications services and business solutions
IPSTAR International Pte Limited	Providing THAICOM 4 transponder services and sales of satellite equipment for THAICOM 4
IPSTAR Global Services Company Limited	Providing THAICOM 4 transponder services
IPSTAR Japan Company Limited	Providing THAICOM 4 transponder services and sales of user terminals for THAICOM 4 in Japan
IPSTAR (India) Private Limited	Providing technical support related to the satellite business and sales of satellite equipment
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunications services under following licenses granted by the NBTC: 1. License to operate network services to provide satellite TV broadcasting as a network provider without the use of frequency at the national level, valid for 15 years from 4 March 2013 to 3 March 2028 2. Telecommunication Services Type III to provide network and services, valid for 15 years from 10 November 2015 to 9 November 2030
International Satellite Company Limited	Providing THAICOM 7 and THAICOM 8 transponder services
TC Global Services Company Limited	Providing technology services
CS LoxInfo Public Company Limited	Providing uplink-downlink television transponder and Internet services via satellite under a concession agreement with CAT Telecom Public Company Limited (CAT, formerly the Communications Authority of Thailand), valid for 22 years from 9 August 1994 to 8 August 2016





2. Internet and Media Services

The Company provides Internet and media services through its subsidiaries, associated companies, and joint ventures described below:

Name	Type of Business
DTV Service Company Limited	Sales of direct television equipment, providing system integration consultancy services for broadband networks and broadband content services under the following licenses granted by the NBTC: 1. Internet Services Provider Type I [3], valid for 5 years from 18 October 2014 to 17 October 2019 2. License to operate network services to provide satellite TV broadcasting as a network provider without the use of frequency at the national level, valid for 15 years from 21 January 2013 to 20 January 2028 3. License to operate TV satellite services - TV channel
Cambodian DTV Network Limited	Sales of direct television equipment in Cambodia
Lao Telecommunications Company Limited	Providing Internet services in Lao People's Democratic Republic
CS LoxInfo Public Company Limited	Providing corporate customers with solutions for brand range of Internet-based services under the following licenses granted by the NBTC: 1. Internet Service Provider Type I [3], valid for 5 years from 8 September 2014 to 7 September 2019 2. Telecom Operation Type I [1], valid for 5 years from 11 October 2014 to 10 October 2019 3. Internet Service Provider Type II [4], valid for 5 years from 26 April 2012 to 25 April 2017 4. Telecom Operation Type III [2], valid for 15 years from 20 December 2007 to 20 December 2022

Name	Type of Business
Teleinfo Media Public Company Limited	Providing advertising platforms through print, website, PC, and mobile media for individual and business users
AD Venture Public Company Limited	Providing content through mobile phone and community portal services

Remarks

(1) Telecom Operation License Type I: a license granted to the telecommunications business operator who operates without its own network for telecommunications services which are deemed appropriate to be fully liberalized.

(2) Telecom Operation License Type III: a license granted to the telecommunications business operator who operates with its own network for telecommunications services intended for general public, or services which may cause a significant impact on free and fair competition or on public interest, or a service which requires special consumer protection.

(3) Internet Operation License Type I means Internet Service Providers who provide service without own network.

(4) Internet Operation License Type II represents a license to provide international gateway internet access services and internet networks which the service providers need to have their own telecommunication infrastructure.





3. Telephone Business Abroad

The Company provides telephone services through an investment in Shenington Investments Pte Ltd. (SHEN), a joint venture of the Company. SHEN is a holding company for investment in international telecommunications. Currently, SHEN is invested in one company:

Name	Type of Business
Lao Telecommunications Company Limited	A joint venture company with the government of the Lao People's Democratic Republic, this company has a 25-year license expiring in 2021. The government of Lao PDR and SHEN signed a new joint venture agreement to extend the concession for another 25 years, from 2021 to 2046, to provide fixed line, mobile phone, public phone, public international facilities and Internet services.

Revenue Structure

The revenue structure of the Company and its subsidiaries for the year 2014 – 2016 is as follows:

Unit: Million Baht

Type of Business	Operating Company	%Shares held by Thaicom	2014		2015		2016	
			Revenue	%	Revenue	%	Revenue	%
Satellite and related services	Thaicom, TC Broadcasting, and IPSTAR Group	-	8,783	71.45	9,258	73.82	8,414	69.72
Media services *	DTV Service and Cambodian DTV Network CS Loxinfo	99.99 100.00 42.07	3,230	26.28	3,272	26.09	3,185	26.39
			(120)	(0.98)	(77)	(0.61)	(82)	(0.68)
			72	0.59	(595)	(4.74)	152	1.26
			173	1.41	489	3.90	202	1.67
			154	1.25	194	1.55	198	1.64
Total revenue			**12,292**	**100.00**	**12,541**	**100.00**	**12,069**	**100.00**

* Include revenue from sales and services generated by DTV Service Co., Ltd. (DTV), Cambodian DTV Network Ltd. (CDN), and CS Loxinfo Public Company Limited (CSL).

Sales and services revenue by geographic area for the years 2014 – 2016:

Unit: Million Baht

Country	2014	2015	2016
Thailand	7,623	7,875	7,204
Australia	1,394	1,270	1,082
China	293	317	299
India	414	548	706
Japan	719	641	631
Myanmar	489	627	529
Others	961	1,175	1,066
Total	**11,893**	**12,453**	**11,517**

Nature of Business Operation

Thaicom's business operations can be divided into three different main sectors which are as follows:

1. Satellite and Related Services

1.1 Satellite Communications and Related Services by Thaicom Public Company Limited and IPSTAR Group

THAICOM satellites

Thaicom's satellite fleet can be divided into 2 types as follows: Conventional Satellite and Broadband Satellite

- Conventional Satellite

A conventional satellite is a satellite that provides fixed satellite services (FSS), whereby a signal is transmitted from an earth station, amplified, and retransmitted down to the other earth station(s) anywhere under the satellite's footprint – allowing broadcasters and telecommunications operators to benefit from the satellite's nationwide and cross-regional coverage.

- **Broadband Satellite**

A broadband satellite or High Throughput Satellite (HTS) is primarily designed to provide broadband Internet access services (point-to-point). By using high level frequency re-use and spot beam technology, HTS usually provides much more total throughput than a conventional satellite for the same amount of allocated orbital spectrum, thus significantly reducing cost per megabit per second (Mbps). In addition, HTS can offer services to government and enterprise markets, as well as to terrestrial cellular network operators.

The company currently operates four conventional satellites - THAICOM 5, THAICOM 6, THAICOM 7 and THAICOM 8 and one broadband satellite - THAICOM 4 (IPSTAR). The specifications of Thaicom's satellite fleet are as follows:

	THAICOM 4	THAICOM 5	THAICOM 6	THAICOM 7	THAICOM 8
Satellite Type	Broadband High Throughput Satellite (HTS)	Conventional	Conventional	Conventional	Conventional
Orbital Slot	119.50° East	78.50° East	78.50° East	120° East	78.50° East
Manufacturer	Space Systems Loral, (USA)	Aerospatiale (France)	Orbital Sciences Corporation (USA)	Space Systems Loral (USA)	Orbital ATK (USA)
Model	LS-1300S	Spacebus 3000	Star 2.3	LS-1300	Star 2.4
Design Life	15 years	15 years	15 years	15 years	15 years
Launch Date	August 2005	May 2006	January 2014	September 2014	May 2016

(to)

	THAICOM 4	THAICOM 5	THAICOM 6	THAICOM 7	THAICOM 8
Capacity / Transponder	84 Ku-Spot Beams 8 Ku-Spot Beams (Augment) 3 Ku-Shaped Beams 7 Ku-Broadcast Beams	25 C-band transponders 15 Ku-band transponders	24 C-band transponders 9 Ku-band transponders	14 C-band transponders	24 Ku-band transponders
Coverage Area	14 countries: Australia, Cambodia, China, India, Indonesia, Japan, Malaysia, Myanmar, New Zealand, Philippines, South Korea, Taiwan, Thailand and Vietnam	C-band Thailand, Greater Mekong Subregion, South Asia, Asia, Europe, Africa and Australia Ku-band Thailand and Greater Mekong Subregion	C-band Southeast Asia and Africa Ku-band Southeast Asia (Mainland)	C-band Thailand, Greater Mekong Subregion and Asia	Ku-band Thailand, Greater Mekong Subregion, South Asia and Africa

* Design Life regardless of the concession and license to operate satellite.

Nature of Product or Service

(1) Broadcast & Media

(1.1) Contribution & Distribution

The company provides end-to-end video contribution and distribution services in standard definition (SD), high definition (HD), and ultra-high definition (ultra-HD) formats to customers such as terrestrial TV operators, satellite TV operators and content providers to transmit their television programs or contents to receiving stations under Thaicom satellite's coverage area. Our contribution and distribution services are a good choice for operators to transmit their television programs and contents to their destinations such as repeater stations, Digital Terrestrial TV multiplexes and cable TV operators.

(1.2) Direct-to-Home (DTH)

The company provides effective end-to-end Direct-To-Home (DTH) broadcasting service in SD, HD and ultra-HD formats to pay-TV broadcasters and satellite TV operators to directly access to DTH viewers using small satellite antennas. In addition, to enhance our customers' capabilities and competitivenesses, the company provides variety of value-added services and channel options, including pay-per-view, video-on-demand, electronic program guides, advertising and home shopping.

Ground System

Teleport and DTH Center

A teleport or telecommunications port is a centralized location that provides access to advanced bandwidth services with a comprehensive range of broadcasting and telecommunications services. Certified under ISO 9002 and ISO 9001:2000, Thaicom Teleport and DTH Center are equipped with state-of-the-art facilities to support any domestic and international satellite broadcasting requirements. Through the Thaicom Teleport and DTH Center, the Company offers end-to-end services by bundling transponder bandwidth with value-added services such as satellite downlink, tape playout, digital signal compression in SD, HD and ultra-HD formats, satellite uplink, signal monitoring and logging as well as a new over-the-top (OTT) platform.

Thaicom is also in cooperation with two subsidiaries:

1) TC Broadcasting Co. Ltd., who provides multiplexing and encoding services for Thai content channels and
2) CS LoxInfo Plc (CSL), who provides uplink and downlink services.

(2) Broadband & Data

(2.1) IPSTAR Retail

The company enables Internet Service Providers (ISPs) to deliver satellite broadband services to a group of residents and small businesses in remote or rural areas in Asia-Pacific. IPSTAR Retail has been entrusted by service providers in many countries for its nationwide uniform quality of service (QoS) and cost advantages when compared to conventional satellite. The service allows ISPs to gain a competitive edge over rivals and to drive nationwide expansion of their subscriber base and residential and small business users.

The Company has expanded its retail market in the Philippines and Indonesia by cooperating with a world-class satellite ground system vendor. This cooperation is another step in Thaicom's Open Access Platform (OAP) strategy, which allows technology equipment vendors to access THAICOM 4 (IPSTAR) satellite, providing customers with more choices and flexibility to better serve their requirements. Thaicom also plans to deploy this strategy in other countries.

(2.2) IPSTAR Carrier

The Company provides cost-effective end-to-end satellite broadband services allowing mobile operators to backhaul their mobile traffics via satellite in the areas where terrestrial network cannot reach. IPSTAR Carrier solutions can support Base Transceiver Stations (BTS) of all sizes – from macro cells and micro cells to small cells, or IP-Node-Bs. IPSTAR Carrier can provide nationwide mobile network coverage to accommodate higher traffic loads or to cover more geographic areas quickly and economically. The company has a successful track record of providing mobile backhaul services in several countries, especially Japan, where the top three mobile operators – including SoftBank, NTT DOCOMO, and KDDI Corporation – have trusted and exploited IPSTAR Carrier service to connect their mobile networks for years.

(2.3) IPSTAR Business

IPSTAR Business allows small businesses and enterprises, who require dependable broadband connectivity to run or safeguard their operations against network failure and stay ahead of the competition. Whether you are an oil and gas company with multiple locations nationwide, a large retailer in need of an uninterrupted backup for vital online business applications, or a bank that requires a reliable network for credit and debit card transactions, IPSTAR Business provides a reliable service regardless of the number of business sites connected to the network. In addition, the company's Open Access Platform (OAP) strategy provides flexibility in choosing a satellite ground system with more capabilities to serve a wide range of business customer requirements.

(2.4) IPSTAR Government

Governments in Asia-Pacific can count on IPSTAR. IPSTAR Government service lets government administrations extend their reach nationwide and enables universal access to broadband Internet and cost-effective government sector communications. Whether it is disaster recovery or emergency communications for crisis-affected areas, distance learning for schools, community internet broadband, or reliable VPN networks for broadband Internet and e-Government services, IPSTAR is a proven solution for governments to extend communications reach on a nationwide scale.

(2.5) Mobility

The company adapts to changing consumer behavior which seeks greater access to information and communication anywhere anytime by developing mobility services both in the air and at sea.

(1) In-Flight Entertainment & Connectivity (IFEC) service, the company has been officially provided high speed broadband internet via a Ku-band satellite to Nok Air airline since 2014. In 2016, the company has installed IFEC equipment on additional three Nok Air aircrafts, making the total of six aircrafts. The company expects Nok Air to start launching its onboard wifi service on all six aircrafts in the early of 2017.

(2) Maritime service, the company has joined with Advanced Info Service Plc (AIS) to provide 3G 2100 MHz via a satellite on the Royal Thai Navy's H.T.M.S Krabi since 2014 for providing its crews with secure and reliable access to email and the internet while at sea. In addition, the company provides maritime service to Thai and Japanese commercial vessels. In 2016, the company increased installation on seven more commercial vessels in total of thirteen vessels.

IPSTAR Gateway

IPSTAR gateways have been designed to facilitate a variety of applications to enable broadband communications for corporate users, Internet Service Providers (ISP) and individual subscribers. IPSTAR is capable of delivering broadband Internet, intranet networks, video conferencing, multimedia broadcasting and multicasting, online transactions, and telephony. The services are supported via a wide-band forward link from the IPSTAR gateway to the IPSTAR user terminal and a narrow-band return link from the IPSTAR user terminal to the IPSTAR gateway. The size of IPSTAR gateways is scalable to accommodate high capacity demand. Currently, there are 15 active IPSTAR gateways in 11 countries in Asia-Pacific.

Industry Outlook, Competition and Strategies in 2017

(1) Broadcast and Media Industry Outlook

Northern Sky Research (NSR) expects broadcast services to remain the primary source of C-band and Ku-band transponder demand globally, contributing 61% of total demand in the next decade. In the meantime, the video contribution and distribution services are expected to contribute 37%, and Direct-to-Home (DTH) service is expected to contribute 23% of demand. (Source: Global Satellite Capacity Supply and Demand Study, 13th Edition).

Asia-Pacific

The C-band and Ku-band transponder demand in Asia-Pacific is expected to grow stedily in the next decade, which is in line with the global demand. Video contribution and distribution services are expected to contribute at 39% while Direct-to-Home (DTH) service is expected to contribute at 30% of the total demand.

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

Africa

The demand for video contribution and distribution services are expected to increase exponentially in the next ten years, contributed 35% of the total demand in the region due to high demand of African content localization. In addition, the demand for cellular backhaul services via satellite is being driven as a result of the rapid roll-out of mobile networks to expand service coverage to secondary urban and rural areas beyond the reach of terrestrial networks. In addition, enterprise and government markets are expected to continue rising in this region.

Conventional Satellite Competition

Asia-Pacific

In the Asia-Pacific region, Thaicom's major competitors include Asia Satellite Telecommunications, APT Satellite, and Asia Broadcast Satellite from Hong Kong, Eutelsat from France, Intelsat and SES Astra from Luxemburg, Measat Satellite Systems from Malaysia, and Vietnam Posts and Telecommunications from Vietnam. While the market remains competitive, the company believes that the effect from the competition will be minimized due to our long-term reputation, relationships with the customers, and the selective neighborhood channels on THAICOM satellites. In Thailand, at present, there are approximately 18.4 million households (or 73% of total population) receiving satellite TV and cable TV through our satellites at 78.5 degrees East, building barriers to entry for other satellite operators. For international markets, the company still owns a leading position in market share in Greater Mekong Subregion and the one of major satellite operators in South Asia. In the recent year, the company has strengthened our positioning in the region by providing more services in Myanmar and India.

Africa

Many satellite operators are interested and see opportunities to expand their target markets into Africa. Some of the major players in this market include Arabsat from Saudi Arabia, Eutelsat from France, and Intelsat and SES Astra from Luxembourg. There is intense market competition due to oversupply of satellite capacity. However, as the second largest continent in the world, with high population density but low penetration rate for telecommunications technology, Africa is full of potential demand. The Company believes that the effect from competition can be minimized by focusing on selected target markets including broadcasting and telecommunications services. Moreover, we will focus on building cooperation with strategic partners in order to address demands of prospective customers with precision.

Strategies in 2017

The Company will continue to drive our "Hot Bird" strategy by strengthening the broadcast platform at 78.5 degrees East-where the THAICOM 5, 6, and 8 satellites are co-located as a "Hot Bird" position in high demand based on the number of subscribers and number of satellite TV channels on the platform. As of 31 December 2016, the number of satellite TV channels transmitting from 78.5 degrees East increased to 897 channels (with 117 HD channels), up from 792 channels in 2015. The Company places importance on developing our broadcast service to help raise the overall quality of Thai broadcast industry by offering state-of-the-art solutions to support HD and ultra-HD broadcasting and value-added services to enhance the capabilities of satellite TV operators. Moreover, the Company plans to expand our broadcast services in emerging markets, especially in the Greater Mekong Subregion and South Asia, focusing on high quality and high power DTH broadcasting services to serve demands in the regions.

For the African market, our strategy is to differentiate ourselves from competitors by targeting specific countries and segments. The Company will adapt our expertise and experience in Asia-Pacific to this market, forming strategic partnerships to provide end-to-end broadcast and telecommunications services such as mobile backhaul, VSAT service and Internet trunking.

(2) Broadband and Data Industry Outlook

Northern Sky Research (NSR) expects global broadband service demand to exponentialy increase in the next decade where Asia-Pacific is the second biggest region after North America. Moreover, Asia-Pacific has the highest compound annual growth rate of 32%, compared with other regions in the world.

Broadband service demand in Asia-Pacific is expected to increase mainly from business market with contribution at 49%, followed by retail market at 44%. Meanwhile, mobility market has the highest compound annual growth rate at 61%, followed by government market at 48% and retail market at 40%. (source: Global Satellite Capacity Supply and Demand Study, 13th Edition)

Broadband Satellite Competition

In the previous year, the broadband satellite industry has become more competitive as more players entered into the market including major operators offering global High Throughput Satellite constellations and Australia's National Broadband Satellite (NBN Co Limited). However, the major operators serve different market segments, and need technical testings as well as landing right in each country in order to provide services locally. NBN Co Limited, however, provides services in Australia only. This causes THAICOM 4 (IPSTAR) to maintain its competiveness as the first mover who has been in the broadband market for over ten years with presence and landing rights in more than ten countries in the region.

Strategies in 2017

The company values the importance of bandwidth efficiency enhancement on both IPSTAR platform and business partners' platforms to increase the bandwidth utilization of THAICOM 4 (IPSTAR), especially in India, Indonesia, and the Philippines. The company also has plans to adjust sales and marketing strategies in order to substitute customers with soon-to-be-expired contracts in Thailand and Australia with new customers. Moreover, the company adapts to the consumer behavior change that is desired to access information and communication anywhere anytime and on any device, by developing platforms for mobility services which includes In-Flight Entertainment & Connectivity (IFEC) and maritime. Another solution is delivery service of video and other media over the Internet, Over-The-Top (OTT), which focused on 2nd Screen service. These solutions will serve different needs of different target customers to help enhancing their capabilities and opportunites to gain more revenues.

1.2 Satellite Communication Services and Related Services by CS LoxInfo Public Company Limited (CSL)

CSL provides an integrated uplink/downlink television transponder and Internet services via satellite under a concession agreements with CAT Telecom Public Company Limited (CAT) (Formerly the Communications Authority of Thailand (CAT)) for 22 years, from 9 August 1994 to 8 August 2016. Services include TV signal uplink/downlink, live broadcast, and tape playback (analog and digital). The services are provided both on a full-time basis with 24-hour operating staff, which is suitable for scheduled programming, and on an occasional basis, which is suitable for the broadcasting of live programs, news, or seasonal sports programs. The service is provided in cooperation with Thaicom Public Company Limited.

(For more information please see CSL's Annual Registration Statements (Form 56-1) for the year 2016, which is available for download at www.set.or.th)

1.3 Radio or Television Broadcasting Network Services not using radio frequencies operated by TC Broadcasting Company Limited (TCB)

Nature of Products or Services

The radio or television broadcasting network services offered by TCB will consist of gathering content from different sources, including such content as public announcements, news, programs or public information, multiplexes from providers of audio or television broadcasting contents, and the provision of encryption services for clients who have specific requirements for channel reception by end-users such as Conditional Access (CA), or BISS Key encryption before the broadcasting of the radio or television signals to receiving apparatus through the permitted satellite broadcasting network. In addition, TC Broadcasting Co., Ltd. has also expanded the services via IP networks, with service coverage in all areas of Thailand.

Type of Income

1. Income from the provision of Multiplex services
2. Income from the provision of encryption services, such as Conditional Access (CA) and BISS Key encryption service.
3. Income from the provision of IPTV Network services (Transcoding & Streaming service)

Future Service Plan

TCB has developed a business plan for radio or television broadcasting network services by preparing the new technologies in the satellite television broadcasting and the IP television brocasting, which is able to offer high quality audio and video signals in both SD and HD, in order to provide audiences with enhanced quality and support the growth of Thailand's broadcasting industry. In addition, TC Broadcasting Co., Ltd. has also developed a business plan to offer the services via other communication channel such as mobile applications and In Flight Connectivity.

Business Privilege and Restrictions

TCB has been granted a license by the National Broadcasting and Telecommunications Commission (NBTC) to operate a radio or television broadcasting network not using the radio frequencies at the national level for a period of 15 years, starting on 4 March 2013 and continuing until 3 March 2028. It has also been permitted to provide a service for Free Television Broadcasting via Satellite (must-carry rules) according to the notification of NBTC on criteria for free television broadcasting. Moreover, TCB has been permitted to expand services via IP networks all over Thailand.

1.4 Telecommunications network provider and service provider operated by TC Broadcasting Company Limited (TCB)

Nature of Products or Services

Telcommunication network provider and service provider offered by TCB consists of:

1. Satellite uplink/downlink service as transmission platform
2. Satellite uplink/downlink service
3. Satellite uplink/downlink service with hub station
4. Public very small aperture terminal (VSAT) service
5. Satellite Internet service with hub station

Through the services, users can connect to different formats of information such as data, audio and video via satellite network without geographical limitations.

Types of Income

1. Income from the provision of satellite uplink/downlink service as transmission platform
2. Income from the provision of satellite uplink/downlink service
3. Income from the provision of satellite uplink/downlink service with hub station
4. Income from the provision of public very small aperture terminal (VSAT) service
5. Income from the provision of satellite Internet service with hub station

Future Service Plan

TCB has developed a business plan to provide telecom services for broadcasting network service providers, telecommunications service providers, and individuals across the country, including mobility solutions for vehicles such as ships and aircrafts.

Business Privilege and Restrictions

TCB has been granted a type-three license by the National Broadcasting and Telecommunications Commission (NBTC) for a period of 15 years, starting from 10 November 2015 to 9 November 2030, to operate telecommunications network and services of:

1) Satellite uplink/downlink service as transmission platform
2) Satellite uplink/downlink Service
3) Satellite uplink/downlink service with hub station
4) Public very small aperture terminal (VSAT) service
5) Satellite Internet service with hub station

2. Internet and Media Services

2.1 Internet Access Services by CS LoxInfo Public Company Limited (CSL)

CSL operates ICT business by providing ICT services for corporate organizations leveraging its own ICT infrastructure-including Internet gateways, data centers, cloud computing, and network infrastructures of internet connections along with the prompt availability of professional engineering teams, which are capable of collaborating with both domestic and foreign business partners without adhering to any particular brand. CSL operates under the following licenses granted by the NBTC:

1) Internet Service Provider Type I, valid for 5 years from 8 September 2014 to 7 September 2019,

2) Telecom Operation Type I, valid for 5 years from 11 October 2014 to 10 October 2019,

3) International Internet Gateway Provider and Internet Exchange Type II with Own Network, valid for 5 years starting from 26 April 2012 to 25 April 2017, and

4) Telecom Operation Type III, valid for 15 years starting from 20 December 2007 to 20 December 2022.

(For more information, please see CSL's Annual Registration Statements (Form 56-1) for the year 2016, which is available for download at www.set.or.th)

2.2 Advertising Business by Teleinfo Media Public Company Limited (TMC)

TMC is 99.99% owned by CSL. TMC is Thailand's leading total solution directory publisher. Its database consists of all the products and services categories nationwide, including business information for business to business (B2B) and business to customers (B2C) as well as public agencies and others. TMC has also developed total services solutions for business in the digital era which are supported on smartphones and tablets (mobile responsive). The database is a valuable resource for the development of various products and services under the "Thailand YellowPages" brand. TMC aims to develop products in response to the transition toward the digital era and to be a data-centric leader that drives the digital economy under the government's policy Thailand 4.0 which will lead to a sustainable economy in the ASEAN region (AEC), and applies to SME owners with comprehensive services.

(For more information on TMC, please see CSL's Annual Registration Statements (Form 56-1) for the year 2016, which is available for download at www.set.or.th)

2.3 Mobile Content Provider and Community Portal by AD Venture Public Company Limited (ADV)

ADV is 99.99% owned by CSL and operates as a content aggregator. Mobile content, consisting of news and entertainment updates, is provided under the name of "Shinee.com." It also acts as a portal website providing online information under the name "hunsa.com." Moreover, ADV develops applications for smartphone users and can develop applications customized to customers' needs.

(For more information on ADV, please see CSL's Annual Registration Statements (Form 56-1) for the year 2016, which is available for download at www.set.or.th)

2.4 Internet Access and Related Services by DTV Service Company Limited (DTV)

Nature of Products or Services

(1) DTV Satellite Dish Sales

Nature of Product

DTV's products consist of satellite dishes and IRD boxes to receive signals from C-band and Ku-band transponders on THAICOM 5 and THAICOM 6. Customers may buy the equipment as a set (dish and box) or opt for only the IRD box. Compact in size and relatively inexpensive, the dish offers viewers an opportunity to view a wide variety of TV channels, including free-to-air and educational channels. The equipment is sold through satellite dish installation shops, electrical appliance shops, shopping malls, and other similar locations nationwide. The sales prices might cover equipment fees only or include an installation fee as well.

Type of Income

1. Income from sales of DTV satellite dishes (full set) and/or IRD Boxes
2. Income from sales of DTV equipment including accessories e.g. remote controls and LNB.

Future Service Plan

The company will continue to promote the installation of small satellite dishes in both urban and rural markets to enhance television viewing. At the same time, the company provides access to many outstanding satellite TV channels and programs, including news, documentaries, movies, cartoons, music, and several education channels. The Company will continue to develop new devices and adjust prices for competitiveness in the market, and develop new applications to expand its customer base and customer satisfaction. An example of these new developments includes an HDTV box to support high definition TV program viewing. As part of its market-building activities, DTV will also provide training to its dealers covering installation and benefits of new devices.

(2) Broadband and Television Network and System Integration Services both consultant and installation services

Nature of Service

The company will work with each customer to analyze the customer's needs and then devise solutions that utilize satellite communications or Internet media formats. Solutions provided can be divided as follows:

1. Platform services such as: IPTV, VDO Conferencing, Data Transfer, and Multimedia Online.
2. System integration to service network and software
   - Broadband Network Services

     For broadband networks, the company offers network and software services to meet customer demand for network connections to transfer data in different formats for both one-way and two-way transactions. The Company also arranges training to meet customer requirements.

     Customer Group – Business organizations or government agencies, state enterprises, and private sector operations with nationwide branches, direct sales businesses, or cooperatives where in-house conferences, trainings, or seminars are held regularly. Services can also be extended to various industrial sectors, such as tourism and hospitality, news agencies, TV stations, or major program producers. The relationship with the customers is a service user/provider relationship, and can be either contractual or non-contractual in nature.

   - Master Antenna TV Network Services

     This service offers antenna network solutions to meet the needs of customers who live in buildings, such as hotels, apartments, or condominiums. DTV can provide the service on a one-time investment by the building's owner or a monthly rental model.

     Customer Group - Owners or operators of multi-dwelling units (MDU) such as apartment buildings, condominiums, or hotels wanting to provide an in-house TV network to serve customers in their own building.

Type of Income

- Broadband Network Services
  1. Service charges collected for data transfer service team, broadcast service
  2. Income from sales of signal receiver kits
  3. Bandwidth fees (per use or monthly)
  4. Software fees calculated on a per use or monthly basis
  5. System installation fees
- Master Antenna TV Network Service
  1. Service charges on a one-time or monthly charge basis
  2. Income from sales of signal receiver kits in case of one-off sales

3. Rental fees for equipment and bandwidth charged in case of monthly service
4. Revenue from PC server to control 'right to view' in case of a monthly agreement
5. System installation fees

(3) Platform Service

Nature of Service

This service includes selling and leasing of platforms or systems developed by DTV such as IPTV Channel (Internet TV channel), or Multimedia Streaming Platforms used for broadcasting video or audio content via Internet networks, e.g. television or radio broadcast via Internet. The platforms and applications developed are ideal for broadband Internet application. This service also includes development of particular services to match customers' specific demands.

Type of Income

1. Income from individual sales of IPTV Channel Platforms, Video Streaming, or the purchase of various accessories.
2. Monthly income realized from the leasing of the platform service on a monthly basis.
3. Income from sales of equipment and installations for MDU/Digital TV Head End solutions.

Competition and Marketing

(1) Industry Outlook and Competition

- DTV Satellite Dish Sales Service

  A wide variety of TV receivers is available in the market, including satellite dishes, local cables, and Digital TV antennas. This availability creates fierce price competition, and new low-cost alternatives, which enters the market frequently. Nevertheless, DTV remains competitive with regards to price as well as in comparison to indirect competition from products such as AIS Playbox and AIS Fibre which connect to the Internet via routers.

- System Integration Service

  Currently there are several operators providing broadband network system integration services, each with their own particular technical expertise. DTV has placed emphasis on IP file transfer technology using the IPSTAR broadband satellite for in-house education and training.

  For master antenna TV network services, there are competitors in the market who provide TV channels via satellite just like DTV, while others provide TV channels via cable TV networks. DTV will focus on reaching new buildings, especially condominiums. DTV will stress the installation of TV networks with HDTV boxes inside customers' buildings, which will present viewers with higher quality viewing than regular boxes. Additionally, DTV will also market its DTV-IP Gateway Box to local cable operators to convert existing cable TV networks from analogue to digital.

- Platform Service

  DTV continues to provide services to its current customer groups with earnings being realized from existing equipment. The customer base has not been actively expanded, as similar platform services are widely available at low cost through other vendors, so customers are able to choose services, choose to invest on their own, or do it by themselves.

(2) Marketing and Sales

Marketing and sales can be divided into 2 groups as follows:

1. Direct Sales Group - This group comprises system integration services, which emphasizes on direct contact with customers to give product descriptions, gather customers' needs, demonstrate the products, or design network systems for buildings such as hotels, condominiums and apartment buildings. The majority of customers are organizations. This group is not likely to use mass media advertising, focusing on training seminars to teach about product knowledge and solutions.

2. Sales through Distributors – This group consists mainly of distributors of full DTV sets. Marketing activities are undertaken through point of sale support, training seminars for building operators and cable TV operators, and promotion of new products or sales support through social media marketing channels. There are also mass media campaigns from time to time and incentives for high-volume distributors. At present, however, the sales and marketing focus is increasingly on solutions for hotels, condominiums and apartment buildings as well as system integration.

Description of Customers and Relationship between DTV and its Customers

- Sales of DTV Satellite Dishes - Customers consist of distributors of electrical appliances or satellite dishes, including modern trades, end users, buildings, and other organizations nationwide. Customers in this group receive such after sales services as service delivery, marketing support, and technical and logistical advice, including equipment repair services.

- System Integration and Platform Services - Customers in this group include government agencies, state enterprises, and private organizations with branches nationwide or institutions, direct sales businesses where conferences, in-house training, or seminars are regularly organized, including various industrial sectors, such as the tourism and hospitality segments. Other potential customers include condominiums, apartment buildings, or hotels which require the design and installation of in-building TV systems whether through satellite TV or IPTV. Therefore, the market plan will focus on system integration (SI) services for potential customers, including hotels, condominiums, and apartment buildings, in order to manage cost and investment efficiently. The relationship with the customers is in the form of service user/service provider with emphasis on direct sales in project and other services leading to annual contracts.

Business Operating Rights and Restrictions

- Right to operate as an Internet Service Provider, License for Internet Service Type 1 (I) - DTV was granted a type 1 license by the National Broadcasting and Telecommunications Commission (NBTC) to provide Internet services for 5 years from 18 October 2009 to 17 October 2014. DTV has already submitted and application requesting the extension of the licenses for an additional 5-year period, commencing on 18 October 2014, and expiring on 17 October 2019. If the licensee does not materially or severely breach the conditions of the license, the NBTC will renew the license promptly.

- Right to operate Satellite TV Services, License to Operate Network Service - DTV has been granted a license by the National Broadcasting and Telecommunications Commission (NBTC) to operate a voice or TV broadcasting network not requiring the use of frequency. The license has been granted for a period of 15 years, commencing on 21 January 2013, and expiring on 20 January 2028.

- Right to operate Satellite TV Services, Broadcasting Operation License - DTV has been granted Broadcasting Operation Licenses by the National Broadcasting and Telecommunications Commission (NBTC) to provide TV Broadcasting services which comprises:

  1. License to operate TV Broadcasting for D-Channel, valid for 5 years from 28 January 2016 to 27 January 2021
  2. License to operate TV Broadcasting for TV Lao, valid for 2 years from 24 November 2015 to 23 November 2017
  3. License to operate TV Broadcasting for Lao Star, valid for 5 years from 28 January 2016 to 27 January 2021
  4. License to operate TV Broadcasting for Lao PSTV, valid for 2 years from 13 July 2016 to 12 July 2018
  5. License to operate TV Broadcasting for LNTV3, valid for 2 years from 13 July 2016 to 12 July 2018

6. License to operate TV Broadcasting for Bayon TV, valid for 2 years from 9 March 2016 to 8 March 2018

7. License to operate TV Broadcasting for TVK, valid for 2 years from 13 July 2016 to 12 July 2018

2.5 Sales of Satellite Receiver Sets and Related Services by Cambodian DTV Network Ltd. (CDN)

CDN sells satellite receiver sets (dishes and IRD boxes), satellite television platform services, and transponder leasing services for satellite TV operators in Cambodia.

Nature of Products or Services

(1) Sales of Satellite Receiver Sets

Nature of Service

The Company sells satellite TV reception sets (dishes and set-top boxes) to receive broadcast signals from THAICOM 4 Ku- Band transponders which can be sold as a complete set or just the set-top box. With high satellite signal quality, customers can watch Cambodian TV channels clearly, especially all Cambodia free TV and entertainment channels that only broadcast on Satellite Platform. CDN sells all products through an established dealer network which has many distribution outlets in all over Cambodia, including satellite shops, electrical appliances stores, and department stores.

Types of Income

1. Sales of satellite receiver dishes and set-top boxes, sold separately or as complete sets

2. Sales of satellite receiver accessories or spare parts such as remote controls and LNB units

(2) Lease of Satellite Channel for Television and Radio Service in Cambodia

Nature of Service

Leasing services are provided for television broadcasting or satellite radio via THAICOM 4 to satellite broadcasters in Cambodia for both Standard Definition (SD) and High Definition (HD) contents.

Types of Income

1. Income from service payments for transponder leasing on a per-use basis for broadcasts of irregular programs i.e. live broadcasts of events.

2. Monthly income from the leasing of satellite transponders for television and radio services on a yearly contract basis.

Future Service Plan

CDN will continue to target households located in urban and rural areas. CDN plans to offer more interesting channels, such as news, documentary, movie, cartoon, music and other channels, to make the platform stand out further. In 2013, CDN became the first broadcast provider to offer high definition (HD) channels in Cambodia. In 2017, CDN plans to broadcast from the new THAICOM 8 satellite in order to expand coverage area and reach 100% of Cambodia. With the advent of the ASEAN Economic Community, CDN also plans to expand its business into Thailand, Lao and Vietnam.

Competition and Marketing

(1) Industry Outlook and Competition

- Satellite Receiver Set Sales – Competition within the Cambodian market is very high, with several different receiver sets offering to customers. The TV broadcasters, including cable, satellite, and terrestrial TV, are competing based on pricing and the number of channels each can provide. In 2016, CDN has increased number of HD channel to 4 Channels (Hang Mea, Raksamay, PNNTV, Bayon HD) as well as broadcast popular channels CTN and MyTV. Other than that, CDN has developed Conditional Access System in order to protect the business from illegal Set Top Box and maintain its position as market leader.

- Lease of Satellite Channels Service – CDN changed its broadcasting system from DVB-S1 MPEG 2 to DVB-S2 MPEG 4 in order to support TV business expansion in Cambodia, especially for HD TV channels-the key strength that differentiates CDN from its competitors.

(2) Marketing and Sales

The marketing and sales activities can be divided into 2 service groups:

- Satellite Receiver Set Sales – CDN maintains distribution of satellite receiver sets through its distributors who have many outlets and installation teams located in every province in Cambodia. CDN also supports marketing and sales promotions to increase sales volumes. In 2016, CDN established 2 more outlets to be 28 outlets to cover more areas and sales growth.
- Lease of Satellite Channels Service – CDN will focus on direct communication with TV operators, (terrestrial, satellite and cable) and also focus on new content providers who would like to broadcast their content via our satellite, especially for operators who need to broadcast in HD.

Description of Customers and Relationship between CDN and its Customers

- Satellite Receiver Set Sales - Customers comprise distributors of electrical appliances or satellite dishes including modern trades and end users.
- Satellite Television Platform Service - Customers are television operators in Cambodia.

3. Telephone Business Abroad

The Company offers telephone services through its investment in Shenington Investments Pte Ltd. (SHEN), a holding company registered in Singapore. The only subsidiary under SHEN is Lao Telecommunications Co., Ltd. (LTC).

Lao Telecommunications Co., Ltd. (LTC)

Nature of Products or Services

Nature of Service

LTC has been granted a license to operate the following telecommunications services in Lao PDR:

- Digital Phone Service (GSM 900/1800/WCDMA 2100, LTE 1800 MHz)
- Public Switched Telephone Network (PSTN)
- Fixed Wireless Local Loop – GSM
- Broadband Internet: both fixed broadband and mobile broadband services such as leased line (DPLC and IPLC), IP Transit, ADSL, FTTH, and Internet SIM Card.
- International Roaming Service
- Value-added services for mobile phones

Types of Income:

- Local and international telephone service charges
- Monthly subscription fees
- Income from sales of handsets (Fixed Wireless Local Loop - GSM) and SIM cards
- Monthly Internet service charges, leased line service charges, prepaid Internet cards
- International Roaming (IR) charges and Inter-Connection Charge both of Domestic and International
- Value-added service charges

Competition and Marketing

(1) Industry Outlook and Competition

Currently, there are 3 fixed-line operators in Lao PDR, namely LTC, ETL, and UNITEL, and 4 cellular phone operators, namely LTC, ETL, BEELINE, and UNITEL. LTC holds the top rank in market share while UNITEL ranks second, ETL ranks third, and BEELINE ranks fourth. ETL was 100% government-owned, but in the fourth quarter of 2016 it officially announced a joint venture with Jiafu Holdings Limited, a Chinese company, in which Jiafu will hold 51% and the government of Lao PDR will hold 49% of shares in the company. Meanwhile, UNITEL is a joint venture between the government & Viettel. BEELINE is a private company owned by the Russian company VIMPELCOM. The six major Internet service providers are LTC, ETL, Planet Online, UNITEL, BEELINE, and Sky Telecom, with LTC holding over 50% of the market share.

Telecommunications systems in Lao PDR have developed and improved extensively over the past few years, with the introduction of state-of-the-art technology on par with global trends. LTC is the first mobile operator to provide 3G cellular phone service in Lao PDR, with the network now covering all provinces of the country and network quality continuing to improve. In particular, mobile broadband services underwent significant system improvement to allow for higher data usage by customers and high data business growth in 2016. LTC also continued to expand 3G and 4G service coverage and capacity in Vientiane and key economic provinces, providing coverage through 1,792 3G sites and 377 4G sites in 2016. While UNITEL followed LTC in launching 4G services in key provinces, at present ETL and BEELINE only provide 3G networks.

LTC has a total of 1,556,416 mobile phone subscribers. (Source: LTC information as of the end of December 2016).

For fixed wireless service, the current technology and system were developed to be used on the same network as Mobile GSM, separating the prefix number and numbering plan, and also limiting the coverage area within each province. As a result of fixed wireless tariffs which were typically lower than the postpaid and prepaid mobile service tariffs and affordable handset prices offered to customers, customers only needing to use voice services switched to fixed wireless instead of mobile, particularly in provincial and suburban areas. LTC has a total of 532,316 fixed wireless subscribers (Source: LTC information as of the end of December 2016).

Meanwhile, the Mobile Broadband Service (MBB) saw significant growth on the part of Internet SIM Cards, both in terms of subscribers and revenue in 2016. LTC has a total of 886,567 MBB subscribers (Source: LTC information as at end of December 2016).

Overall, wireless services consist of:

- Digital phone service
- Fixed Wireless local loop – GSM
- Mobile broadband Internet – Internet SIM

LTC has a total of 2,975,299 wireless subscribers (Source: LTC information as at end of December 2016).

The Ministry of Posts, Telecommunications and Communication (MPTC) maintains strict control over tariffs on telecom services and does not allow operators to give away free airtime to customers. However, the MPTC has relaxed regulations slightly. Operators are allowed to offer half-price promotions on domestic tariffs for periods of no longer than 7 consecutive days and no more than 90 cumulative days in any one calendar year. The MPTC has also announced that all mobile prepaid subscribers must register to use services, and there is a focus on improvement of network quality by operators to deliver best services to customers. LTC has continued to maintain its ARPU rates (average revenue per user), and ARPU for non-voice services continued to grow in 2016, contributing 44.5% of total revenue. The digital phone and fixed wireless local loop services combined have approximately 4.5 million subscribers (based on revenue generating numbers only). Approximately 94% of total mobile phone subscribers are in the prepaid system.

(2) Marketing

As competition grew stronger in the market, LTC placed greater emphasis on network expansion to ensure nationwide coverage. Meanwhile, LTC also focused on high service quality and continued creation of Partner Relationship Management and Customer Relationship Management, including efficient distribution channel management and expansion of customer service and call centres throughout the country to facilitate customer base growth for all services.

LTC has focused its marketing activities on specific customer segments while promoting a single brand, MPHONE. Localized marketing campaigns offer service packages tailor-made to customer lifestyles; other activities are aimed at new target groups, such as teenagers under 14 years old, entrepreneurs, and organizations. LTC has also focused on increasing data service usage. Internet network service systems were improved to support corporate customers who need high-speed Internet and home Internet services through leased line and fiber-to-the-home (FTTH) technology, IP Transit, and Total Telecommunication Solutions, as well as through service convergence for solutions that best serve customers' particular needs. LTC has also implemented

a business support system and has set up a Network Operation Center (NOC) to monitor systems and ensure network efficiency. In 2015, a Service Operation Centre (SOC) was established to monitor services and resolve customer issues.

(3) International Standard and Information Security

LTC continues to provide its customers with quality services and maintain its top rank in market share, while also achieving a quality service at an international standard and building customer satisfaction through team units set up to monitor and control network quality regularly. All these efforts have led LTC to receive the following recognition:

- ISO 9001-2008 for Digital Phone Services; received in 2006; the first operator in Lao PDR to be recognized
- ISO/IEC 27001: Information Security Management System (ISMS) for Telecommunications Network Monitoring Services; received in September 2015; the first operator in Lao PDR to be recognized
- ISO/IEC 27001: Information Security Management System (ISMS) for Mobile Operation and IT Department; received in September 2016

(4) Corporate Culture

In 2016, LTC began working to strengthen corporate culture and focus sustainable growth and development that maximizes benefits for stakeholders.

Description of Customers and Relationship with Customers

LTC's customers include the general public, international business organizations, general corporate users, government organizations, and internal and overseas partnerships. LTC places importance on all customers, from individual customers to large organizations, continually implementing Customer and Partner Relation Management programs.

Business Privileges and Restrictions

LTC is a joint venture with a 25-year license from the Joint Venture Agreement for Telecommunications Business Operation in the Lao PDR valid from 1996 to 2021. In the third quarter of 2015, the government of Lao PDR and SHEN signed a new joint venture agreement to extend the concession for another 25 years, from 2021 to 2046. Under the new joint venture contract, at the expiration of the 25-year term, SHEN is required to transfer all of its shares in LTC to the government of Lao PDR without any charges or compensation.

In 2016, LTC announced a dividend payment of USD 22 million to shareholders for LTC's 2015 performance. Over the last 19 years, through the end of 2016, LTC has fully paid dividends in the total amount of USD 193.5 million with no outstanding dividends as of the end of 2016.

Risk Factors

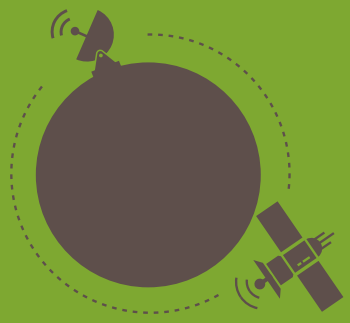


The Board of Directors realizes that its operations may face many risks, including economic, social, political, financial, innovation, technological, and climate changes. Currently, Thaicom Public Company Limited's business operations consist of 3 core areas: (1) Satellite and Related Services (2) Internet and Media Services and (3) Telephone Services Abroad. There are various risk factors, both internal and external, associated with each of the Company's areas of business operation.

The Board of Directors has established a Risk Management Committee to manage risks which affect the Company. The Risk Management Committee will evaluate both general and specific risk factors quarterly by summarizing and reporting all risks to the Board of Directors for consideration, review and determine risk prevention procedures.

The following information describes significant risk factors which might affect the Company's operations, financial status, or business performance. However, the Company has already prepared plans to deal with and mitigate the risks outlined below.





Satellite Construction takes roughly

2-3 years

Strategic Risk

1. Orbital slot reservation and associated licensing

When the Company plans to launch a satellite into a new orbital slot, it must first file a reservation with the International Telecommunications Union (ITU) through an administration in an ITU member state according to established processes such as filing submission and frequency coordination. In addition, the Company must also include any other relevant information related to the requested slot, including a satellite license to launch the satellite and begin commercial services.

Currently, the applicable authorities in Thailand - that is, the Ministry of Digital Economy and Society (the Ministry) and the National Broadcasting and Telecommunications Commission (NBTC) - are reviewing Thailand's regulatory framework governing the acquisition of orbital slot rights. As satellite construction takes roughly 2-3 years, waiting for the construction to be complete before beginning such processes could impair ability to meet business needs in a timely manner. In order to be able to launch satellites on time and meet set targets, the Company may initiate such licensing processes ahead of the actual satellite construction in some cases, particularly in project areas that can be realized in advance. This will also result in savings on investment funds when certain elements can be completed before the completion of frequency coordination or the acquisition of applicable permissions. To decrease the risk from licensing delays, the Company must carefully negotiate agreement conditions, such as hand over, timetable, construction payment, extension of agreement and invalid agreement conditions.

Due to the risks associated with uncertainty in the regulatory framework governing the acquisition of orbital slot rights and other licenses described above , it is imperative that the Compaby manage all critical regulatory, commercial, and technical aspects of a satellite project in parallel. By reducing completion time or finding alternatives for certain processes, booking satellite transponders before launch, negotiating to resolve customer issues in the event of delays, and entering into various types of partnerships with for carrying out satellite projects, the Company works to ensure that satellites are launched in timely manner to meet customer needs.

2. Competition from other satellite operators and terrestrial network operators

The global satellite industry is expected to be more competitive with the commercialization of global High Throughput Satellite constellations and recent national satellite projects. The Company must compete with other satellite operators, especially in international markets. The Company also competes with terrestrial and wireless network operators such as fiber optic, DSL, WiMAX, 4G LTE, terrestrial TV broadcasting and cable TV broadcasting providers. Generally, in urban areas, where terrestrial network infrastructures have been established, terrestrial services normally charge lower rates than satellite services. Therefore, the Company may lose existing customers to the terrestrial network operators or find difficulty attracting new customers. In order to mitigate risk, the Company focuses on a "Hot Bird" strategy, which is to create a high demand for its satellites based on number of subscribers, number of channels on the platform, and to offer end-to-end value-added services to customers. The Company has also entered into partnerships with operators of terrestrial and wireless networks to promote satellite services to enhance and back up terrestrial network infrastructures.

Operational Risk

1. Service life of satellites

Although satellites generally have no less than 15 years of service life, there are some factors that may decrease their life expectancy. These factors include the spacecraft quality, the sturdiness and durability of spacecraft components, the launch vehicle and efficiency of the launch process, satellite fuel consumption, and the operator's skill in controlling the satellite under different conditions. The Company might lose customers and revenue if the Company's satellites have shorter service lives than expected and the Company cannot launch replacement satellites in a timely manner.

Therefore, the Company's satellite engineering team regularly calculates the remaining service life of our satellites. If a satellite nears the end of its service life, the responsible department will be informed, and plans for a replacement satellite will be drawn up based on careful study of budget requirements, the source of funding and the return on investment.

In addition, to mitigate risk from shortened satellite service life, the Company has recruited professional staff and implemented operating procedures to maximize asset utilization. Even so, satellite operation requires technical know-how and expertise. The Company provides a comprehensive training process of at least 6 months to 1 year to ensure that its employees have the required skills and abilities to control and operate the satellites. However, there remains the possibility of human error. As such, the Company has pre-established procedures for dealing with engineering problems in the event an error should arise in sending commands to the satellites,

2. In-orbit failure

The satellite is a state-of-the-art piece of technology and engineering which, once launched into orbit, is subject to risk from possible system failure, solar discharges, or collision with other objects in space. These damages can affect the Company's services to its customers, temporarily or permanently. The Company may lose current customers and/or may not acquire new customers while replacing the damaged satellite.

However, all satellites are designed to withstand a certain amount of damage. The probability of satellites suffering severe damage to the point of complete failure is very low. Thaicom maintains a contingency plan to minimize the adverse effects on customers in the case of severe damage to the satellites by transferring as many customers as possible to available transponders on the remaining Thaicom satellites. The Company has also discussed agreements with other satellite operators for temporary leasing of transponders until the launch of a replacement satellite. Normally, the construction of a new satellite takes approximately 24 to 30 months depending on the complexity and size of the satellite.

The Company is aware of the potential risks to satellites in geostationary orbit; therefore, it minimizes such risks by fully insuring the Thaicom satellites. Under the Domestic Communications Satellite Operating Agreement, the Ministry of Information and Communication Technology (currently Ministry of Digital Economy and Society, MDE) and Thaicom are co-beneficiaries on the insurance. The Ministry is the owner of the satellite assets while the Company owns the right to operate them. The insurance policy is for full coverage with partial loss, meaning that the Company can immediately make a claim when the satellite is partially damaged. To make a claim, the Company has to submit a Notice of Loss and Proof of Loss to the insurers. After the insurers are in agreement with the Proof of Loss, the claim under the policy will be paid.

The insured value of each satellite is equal to the satellite's book value on the date the insurance takes effect. However, the insured value does not cover compensation for the loss of revenue to the Company or its customers due to the satellite's damage from the Company's operational performance.

However, the insurance policy shall not cover the damages to or the loss of the satellite caused by/or resulting from:

1. War, invasion, defense, acts leading to war made by the government, or military action
2. Anti-satellite equipment, atomic bomb, or nuclear-related equipment
3. Rebellion, uprising, riot, strike, revolution, civil war, or terrorism
4. Seizure by government agencies
5. Nuclear reaction or radiation from radioactive waste, which, directly or indirectly, causes loss of/damage to the satellite, except for radiation naturally occurring in the space environment
6. Electromagnetic or radio frequency interference
7. Intentional or willful acts of the insured or the authorized person(s) that cause loss of or failure of the satellite.



Financial Risk

1. Potential loss of major customers

The major source of the Company's revenue comes from several customers who provide telecommunications and broadcast services. If major customers face financial problems or have been approached by other satellite operators, they may cancel their services or may not renew contracts with the Company. These factors can affect the Company's financial performance, as it usually takes time to attract new customers. Historically, the Company's major customers have never defaulted on their payments, as they must continuously broadcast their programs for their viewers. Changing services to other satellite operators will bring technical hurdles as it requires relocating or repositioning the customer's antennas from their previous configuration for Thaicom's satellites, which can be very costly. The Company usually signs long-term contracts with its major customers, offering high-quality services with flexible technical and business solutions to help customers grow. In addition, the Company consistently maintains good relationships with its customers to ensure customer satisfaction and win-win cooperation.

2. Currency exchange rate fluctuations

Thaicom offers both domestic and international satellite communications services and international telecommunications services. Therefore, the Company faces the risk of foreign currency exchange, which will affect the Company's financial statements as well as cash flows.

Exchange rate risk arises from the foreign currency transactions that the Company performs during normal business operations related to foreign currencies, and may have an effect in terms of foreign exchange gains or losses. Significant factors that affect the movement of the exchange rate are as follows:

1. Changes in the global economic situation.
2. Changes in both Thai and foreign monetary and fiscal policies.

The Company has a hedging policy to manage such risk by controlling the net exposure of foreign-currency-dominated transactions. That is, the risk is managed by balancing the revenue and expense structure to maintain a currency balance to meet operational needs. In the event of an imbalance, the Company may use several hedging approaches such as foreign exchange forward, foreign exchange option, cross currency and interest rate swap, hedge accounting as well as partial prepayment of foreign currency loans when the Company has sufficient liquidity.



Compliance Risk

1. Status of THAICOM 7 and THAICOM 8

The Company is currently operating THAICOM 7 and THAICOM 8 under a telecommunications license granted by NBTC in accordance with the currently applicable laws, namely 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 (currently the Ministry of Digital Economy and Society, The Ministry) notified NBTC that authorization to use the orbital slots had been granted for the two satellites in question and NBTC then referenced said authorization in the license granted to the Company.

Subsequently, the Ministry entered into considerations for the establishment of a new framework for granting authorization to use orbital slots. The Ministry proposed both a long-term and transition framework for governing the communications satellite business in Thailand to the Prime Minister's Cabinet. The transition period would last until the end of the current concession, which is 10 September 2021. Under the proposed framework, any satellites operating during said transition period, including THAICOM 7, THAICOM 8, and any new satellites launched before the end of the concession, must be operated under the concession. After the end of the transition period, satellites would then be operated under a licensing system with terms and conditions to be agreed upon with the government.

However, in the Cabinet meeting on 30 August 2016, the following resolution was recorded:

"*Regarding the proposed framework for governing the communications satellite business both in the long-term and during the transition period, the Ministry should proceed to ensure that policies are fair, place priority on national interests, and comply with all relevant laws, namely the Private Investment in State Undertaking Act B.E.2556 and the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553.*"

On 17 November 2016, in response to the Cabinet resolution, the Minister of Digital Economy and Society appointed a working group composed of representatives from relevant agencies, legal experts, and technical specialists to review the framework for governing the communications satellite business. The Company has since engaged with the working group by sharing information and perspectives on the background of the two satellites in question, current competitive conditions in the global communications satellite industry, and future outlooks for the industry. Such information can support the Ministry in establishing a governing framework which is in line with the Cabinet's aforementioned resolution and will serve to maximize the benefits to all parties.

2. Domestic Communication Satellite Operating Agreement

The Company provides satellite communications services under the Domestic Communications Satellite Operating Agreement, dated 11 September 1991. The agreement was originally between the Ministry of Transport (currently the matter is under the supervision of the Ministry of Digital Economy and Society) and Shinawatra Computer and Communications Co., Ltd., now named Intouch Holdings Public Company Limited [1] (Intouch Holdings Plc). Intouch Holdings Plc is the major shareholder of the Company.

Risks related to allegations of breach of the terms of the Domestic Communications Satellite Operating Agreement may be divided into 2 main issues and summarized as follows:

(A) Shareholding ratio

Per the Domestic Communications Satellite Operating Agreement, Clause 4, Intouch Holdings Plc has to establish a new company (currently Thaicom Plc) to operate the satellite business under the agreement. This new company must have a registered capital of no less than Baht 1 billion, and Intouch Holdings Plc must not hold less than 51% of the shares in this Company. In 2005, the Company had to raise capital through a Public Offering (PO) of new shares, so Intouch Holdings Plc's proportional percentage of shareholding would have dropped below 51%. Before issuing the new PO, the Company consulted with the Ministry of Information and Communications Technology (currently Ministry of Digital Economy and Society) and asked it to review the agreement and adjust the shareholding ratio from at least 51% to at least 40%. Subsequently, the Ministry submitted

Remark:

[1] Intouch Holdings Public Company Limited, changed its name from Shin Corporation Public Company Limited

the matter to the Cabinet for consideration, but the Secretary General of the Cabinet notified the Ministry that the matter did not need to be submitted to the Cabinet. Furthermore, the Cabinet was working to decrease the number of matters to be considered by the Cabinet, subject to the Regulations of the Office of the Prime Minister, Section 22. The regulations did not specify any further procedure once a matter had been rejected for consideration. As the matter was not deemed to be an issue for consideration by the Cabinet, it was returned to the Ministry. The Ministry further requested the opinion to the Juridical Council (the Council of State) on this issue twice. The Juridical Council informed the Ministry that as the Secretary General of the Cabinet had informed the Ministry that the matter did not need to be considered by the Cabinet, the Ministry could make the final decision in the case. Previously, the Juridical Council had given the opinion that the Domestic Communications Satellite Operating Agreement could be amended, per the Company's request, because, regardless of the shareholding ratio, Intouch Holdings Plc still retained the same rights, duties, and obligations under the agreement. Further, although Intouch Holdings Plc's shareholding ratio might be reduced, its duties and commitments would remain in place, and the reduction in shareholding would not affect the benefits to be returned to the Ministry under this agreement.

Furthermore, the reduction in Intouch Holdings Plc's shareholding in the publicly listed company, Thaicom, from 51% to 40% of total shares issued, would also negate the classification of Intouch Holdings Plc as a controlling entity according to Section 247 of the Securities and Exchange Act B.E. 2535. In consideration of cases brought before it under the charge of Criminal Activity by Persons Holding Political Positions, the Supreme Court deliberated and made rulings regarding the change in Intouch Holdings Plc's shareholding ratio. However, the Company was not a party in the said court case, hence the final judgement of the Court is not binding and cannot be enforced on the Company. Regarding any amendments to the agreement, the Company proceeded properly in compliance with all its contractual and legal obligations, having received Ministry approval. The Ministry later appointed a committee under Article 72 of the Private Investment in State Undertaking Act B.E. 2556, in order to find a proper solution to this issue. The Company has coordinated with the Ministry and the recently established committee for further procedure.

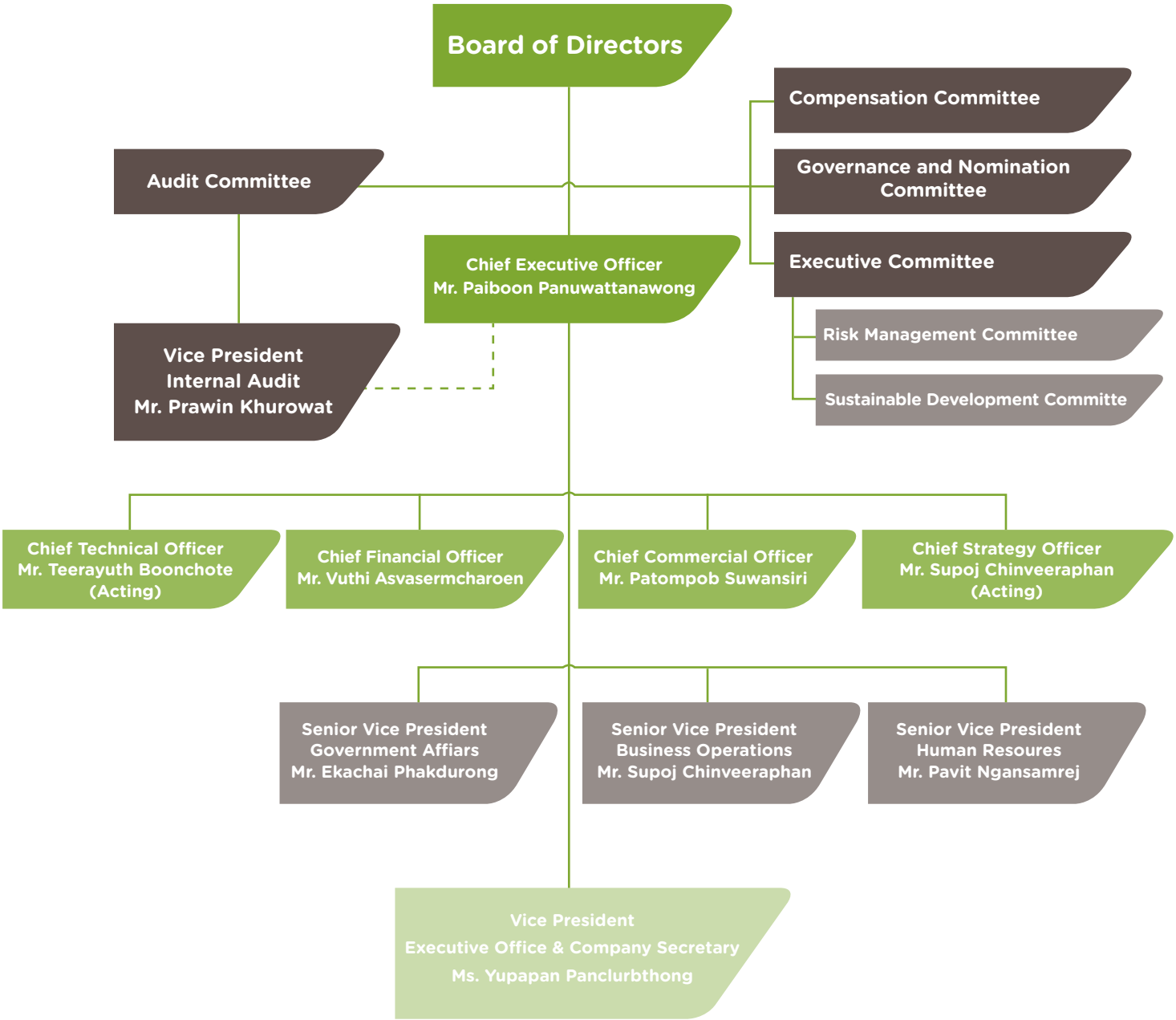
(B) Back-up satellite

According to the Domestic Communications Satellite Operating Agreement, the satellites provided under the obligation shall be agreed upon by the Ministry and the Company. This agreement will include the technical specifications of the satellites. Under this agreement any subsequent satellite shall not be of lower specifications than the initial main satellite. However, the number of transponders and frequency on the satellites will depend on the joint consideration of the Ministry and the Company.

Where the issue of THAICOM 4 is concerned, the Company performed in strict accordance to its obligations under the agreement. THAICOM 4 was approved by the Ministry and launched as a subordinate or back-up satellite. There is question as to whether or not the THAICOM 4 satellite should be considered a back-up satellite for THAICOM 3 since the technical specifications are not the same as those of THAICOM 3. In the Supreme Court's consideration of cases brought before it under the charge of Criminal Activity by Persons Holding Political Positions, there was mention of some facts related to THAICOM 4. However, the Company is not a party in the said court case, hence the final judgement of the Court is not binding and cannot be enforced on the Company. Regarding the Company's THAICOM 4 operations, the Company proceeded properly in compliance with all its contractual and legal obligations, having received Ministry approval. The Ministry has since appointed a committee under Article 72 of the Private Investment in State Undertaking Act B.E. 2556 to consider the most appropriate course of action. The Company has coordinated with the Ministry and the recently established committee for further procedure.

Corporate Governance and Management

Management Structure
Thaicom Public Company Limited



The next four executives succeeding Chief Executive Officer and a person holding equivalent position to the fourth executive according to definition of Notification of the Securities and Exchange Commission

*Management Structure as of 1 January 2017

1. Management Structure

1.1 Board of Directors

The Articles of Association of the Company specifies that the Company must have a Board of Directors which consists of no less than 5 persons with proper qualifications under the law. No less than half of the Board of Directors shall have residency in the Kingdom of Thailand. The Board of Directors shall perform their duties in conformity with the law, the Company's objectives and Articles of Association, and the resolutions of shareholder meetings.

As of 31 December 2016, the Company's Board of Directors comprises the following 10 members:

Name of Directors	Position	Date of Appointment [1]
1. Mr. Paron Israsena	Chairman and Independent Director	4 January 1994
2. Prof. Hiran Radeesri	Independent Director, and Chairman of the Audit Committee	20 March 2001
3. Mrs. Charintorn Vongspootorn	Independent Director, Member of the Audit Committee, and Chairman of the Compensation Committee	8 December 1999
4. Prof. Samrieng Mekkriengkrai	Independent Director, Member of the Audit Committee, Member of the Compensation Committee, and Member of the Governance and Nomination Committee	10 August 2007
5. Mrs. Patareeya Benjapolchai [2]	Independent Director, Member of the Audit Committee, and Chairman of the Governance and Nomination Committee	30 March 2016
6. Mr. Somprasong Boonyachai	Director	11 August 2006
7. Mr. Prasert Bunsumpun	Independent Director, and Chairman of the Executive Committee	1 October 2015
8. Mr. Kwek Buck Chye	Director, and Member of the Executive Committee	27 March 2015
9. Mr. Philip Chen Chong Tan [3]	Director, Member of the Compensation Committee, Member of the Governance and Nomination Committee, and Member of the Executive Committee	30 March 2016
10. Mr. Paiboon Panuwattanawong	Director, Member of the Executive Committee, and Chief Executive Officer	1 October 2015

Remarks

[1] Date of Appointment means the first date appointed as a Director of the Company.

[2] Mrs. Patareeya Benjapolchai was appointed as:
- Independent Director, by the resolution of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.
- Member of Audit Committee, by the resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.
- Chairman of the Governance and Nomination Committee in replacement of Mrs. Charintorn Vongspootorn by the resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

[3] Mr. Philip Chen Chong Tan was appointed as:
- Director, by the resolution of the 2016 Annual General Meeting of Shareholders held on 30 March 2016, effective from 30 March 2016.
- Member of the Compensation Committee and Member of the Governance and Nomination Committee in replacement of Mr. Somprasong Boonyachai by the resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.
- Member of the Executive Committee, by the resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

Authorized Directors of the Company

The directors who are authorized to sign on behalf of the Company are Mr. Philip Chen Chong Tan and Mr. Paiboon Panuwattanawong, who must jointly sign and affix the Company's seal.

Board of Directors' Attendance

In 2016, the Board of Directors (Board) held 11 regular and extra meetings, with the details of attendance for each director shown below:

Name of Directors	Meeting Attended / Total Meetings (Times)		Remarks
	AGM 2016	Board Meeting	
1. Mr. Paron Israsena	Present	11/11	
2. Prof. Hiran Radeesri	Present	11/11	
3. Mrs. Charintorn Vongspootorn	Present	11/11	
4. Prof. Samrieng Mekkriengkrai	Present	11/11	
5. Mrs. Patareeya Benjapolchai	-	5/7	Started 30 March 2016
6. Mr. Somprasong Boonyachai	Present	10/11	
7. Mr. Prasert Bunsumpun	Present	11/11	
8. Mr. Kwek Buck Chye	Present	11/11	
9. Mr. Philip Chen Chong Tan	-	7/7	Started 30 March 2016
10. Mr. Paiboon Panuwattanawong	Present	11/11	

1.2 Management

According to the Company's Management Structure as of 1 January 2017, the Company's management as defined by Notification of the Capital Market Supervisory Board, consists of the following 5 executives:

Name of Executives	Position
1. Mr. Paiboon Panuwattanawong	Chief Executive Officer
2. Mr. Vuthi Asvasermcharoen	Chief Financial Officer
3. Mr. Patompob Suwansiri	Chief Commercial Officer
4. Mr. Teerayuth Boonchote	Acting Chief Technical Officer
5. Mr. Supoj Chinveeraphan [1]	Acting Chief Strategy Officer

Remarks

[1] Mr. Supoj Chinveeraphan was appointed as Acting Chief Strategy Officer by resolution of the Board of Directors Meeting No. 11/2016 held on 14 December 2016, effective from 1 January 2017.

1.3 Company Secretary

Ms. Yupapan Panclurbthong has been serving as Company Secretary since being appointed by the Board of Directors on 12 November 2012. She has completed a company secretary training program and other relevant courses, and is an expert in good corporate governance, compliance, and secretarial functions, with many other qualifications which support the Company Secretary function.

The Company Secretary reports to the Board of Directors, sub-committees, and the Chief Executive Officer. Her duties include matters related to Board meetings, shareholders meetings, and the provision of support in monitoring the Company's adherence to good corporate governance guidelines.

The Company Secretary's responsibilities include:

1) Present any resolutions from the Board of Directors and shareholders to management for their acknowledgement; consult with and propose basic information to the Board of Directors and management on Company regulations and corporate governance guidelines.

2) Prepare and file documents including, but not limited to the following: Directors list, Board of Directors meeting invitations, shareholder meeting invitations, Board of Directors meeting minutes, shareholders meeting minutes and the Company's annual report.

3) File mutual benefits reports created by directors, executives, and other relevant persons as prescribed by law; keep records of the said documents; and forward copies to the Chairman of the Board and the Chairman of the Audit Committee.

4) Organize and arrange the meetings of the Board of Directors and other Committees as established in accordance with the law, Company Articles of Association, and the rules and governance guidelines of the Board of Directors and other Committees.

5) Disclose information and present reports within relevant areas of responsibility to the related authorities.

6) Communicate with shareholders to inform them of their rights as a shareholder.

7) Serve an administrative function for the Board of Directors and cooperate with executive management to provide information and news to the Board of Directors on events related to the Company's operations.

8) Arrange the evaluation process for the Board of Directors and sub-committees, including separate individual evaluations and proposal of the evaluation results to the Board.

9) Other operations as defined by the Securities and Exchange Commission and relevant regulations.

1.4 Remuneration of Directors and Executives

The Company established a remuneration scheme for directors and executives based on the following criteria:

1) The Company has formulated a remuneration policy for the Board of Directors to ensure proper compensation for Board members. Remuneration is compared with the results of regular surveys held by the Thai Institute of Directors (IOD), and is revised when a change occurs. The Company also takes into consideration the duties and responsibilities of Board members and provides additional remuneration when directors carry out additional duties on sub-committees.

2) The Company has formulated a remuneration policy for the Chief Executive Officer and executives which consists of salary, bonus, provident fund and other fringe benefits and is linked to the short-term and long-term performance of the Company, performance of each executive, and best practices among business leaders.

3) Non-monetary remuneration: The Company has implemented a project to allocate warrants to directors and employees. This is a long-term policy divided into 3 projects with a period of 5 years for each project. The policy was started in 2013 to provide employees with performance incentives.

1.4.1 Monetary Remuneration

(A) Directors' Remuneration

The directors of the Company shall be entitled to receive remuneration, such as monthly allowance, meeting allowance, allowance for food and other expenses and bonuses, which shall be approved at the shareholders meeting. At the 2016 Annual General Meeting of Shareholders, held on 30 March 2016, the shareholders approved total remuneration for the Board of Directors and sub-committees in an amount not exceeding Baht 25 million, increased from Baht 10 million in 2015. The policy of monetary remuneration for the Chairman, Independent Directors, and Non-Executive Directors includes monthly allowances, meeting allowances, annual remuneration, and other benefits as follows:

Position	Monetary Remuneration for 2016 (Baht)		
	Monthly Allowance	Meeting Allowance (per meeting)	Annual Remuneration
Board of Directors			
Chairman	200,000	x	✓
Director	50,000	25,000	✓
Audit Committee			
Chairman	25,000	25,000	✓
Members	x	25,000	✓
Executive Committee			
Chairman	25,000	25,000	✓
Members	x	25,000	✓
Other Sub-Committee			
Chairman	10,000	25,000	✓
Members	x	25,000	✓

Remarks

(1) The Chairman of the Board of Directors is not entitled to receive an allowance for Board of Directors or sub-committee meetings and also is not entitled to receive a monthly allowance for duties as Chairman of any sub-committees.

(2) The Chairman of the Board of Directors has received other benefits which include an office car with driver and health care expenses.

(3) Directors who are executives of the Company are not entitled to receive any allowance for their duties as Director.

(4) Each member of the Board is eligible for a per diem allowance while traveling for the Company's business, at the rate determined by the Company.

(5) Directors, except the Chairman of the Board, shall receive life insurance and an annual health insurance.

For 2016, the total monetary remuneration-consisting of monthly allowances, meeting allowances, annual remuneration and other benefit for the Chairman, Independent Directors and Non-Executive Directors totaled Baht 17,962,600. Executive Directors of the Company do not receive any remuneration for their duties as Company Director. The table below summarizes payments made to each individual:

Directors	Monthly and Meeting Allowances					Annual Remuneration	Total
	Board of Directors	Audit Committee	Compensation Committee	Governance and Nomination Committee	Executive Committee		
1. Mr. Paron Israsena	2,250,000	-	-	-	-	975,000	3,225,000
2. Prof. Hiran Radeesri	875,000	625,000	-	-	-	975,000	2,475,000
3. Mrs. Charintorn Vongspootorn	875,000	325,000	270,000	68,000	-	750,000	2,288,000
4. Prof. Samrieng Mekkriengkrai	875,000	300,000	150,000	75,000	-	750,000	2,150,000
5. Mrs. Patareeya Benjapolchai	575,000	175,000	-	127,000	-	567,600	1,444,600
6. Mr. Kwek Buck Chye	875,000	-	-	-	475,000	750,000	2,100,000
7. Mr. Prasert Bunsumpun	875,000	-	-	-	730,000	975,000	2,580,000
8. Mr. Somprasong Boonyachai	850,000	-	75,000	25,000	-	750,000	1,700,000
Total							17,962,600

In 2016, Mr. Prasert Bunsumpun, Independent Director of the Company, also holds a position of Independent Director at Intouch Holdings Public Company Limited (Intouch), which is the Company's parent company. He received remuneration from Intouch in the amount of Baht 4,220,500.

(b) Management Remuneration *

In 2016, the total remuneration for the 10 members of the Company's management was Baht 60.33 million, consisting of salary and bonus which are based on the Company's operations and performance as well as each individual's performance.

1.4.2 Other Remuneration for Directors and Management

(A) Warrants program to purchase the Company's ordinary shares for directors and employees of the Company and/or its Subsidiaries (Warrants Program)

In 2013, the Company issued and offered warrants for the purchase of the Company's ordinary shares to directors and employees of the Company and its Subsidiaries as part of a Performance Share Plan to motivate employees and retain valuable personnel to ensure continued advantage and sustainable growth for the Company and its Subsidiaries.

The program only allows designated members of the Company's management and staff to allocate a certain amount of their annual bonus to request warrants for the Company's shares. Warrants are allocated on pre-set criteria, as are bonus payments to employees, depending on the conditions, criteria, and targets set by the Company. The Company has allocated warrants under the aforementioned scheme 3 times, the details of which are as follows:

Remark

* Management means the executives as defined the Notification of the Capital Market Supervisory Board (based on the Company's management structure as of 1 January 2016, i.e. Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Technical Officer, and Senior Vice President).

Directors/Executives	Number of Allocated Warrants in 2016		Number of Allocated Warrants in 2015		Number of Allocated Warrants in 2014		Number of Allocated Warrants in 2013	
	Units	%	Units	%	Units	%	Units	%
1. Mr. Paiboon Panuwattanawong	154,500	14.38	88,728	8.18	116,400	9.72	77,122	11.31
2. Mr. Vuthi Asvasermcharoen	70,328	6.55	70,963	6.54	84,600	7.06	70,022	10.27
3. Mr. Patompob Suwansiri	96,738	9.00	97,611	8.99	116,400	9.72	32,111	4.71
4. Mr. Teerayuth Boonchote	140,193	13.05	54,156	4.99	48,200	4.02	35,722	5.24
5. Mr. Supoj Chinveeraphan(1)	48,351	4.50	29,000	2.67	25,300	2.11	16,422	2.41

Remark

(1) Mr. Supoj Chinveeraphan was appointed as Acting Chief Strategy Officer by resolution of the Board of Directors Meeting No. 11/2016 held on 14 December 2016, effective from 1 January 2017.

(B) Provident Fund

The Company has implemented a Provident Fund. In 2016, the Company paid a total of Baht 3.44 million into the provident fund for 10 executives.*

1.5 Personnel

As of 31 December 2016, the Company and its affiliated companies had a total of 3,428 employees divided by type of business as follows:

Type of Business	Number of Employees
Internet and Media Services	51
Satellite Transponder Services	649
Telephone Services	2,728
Total	**3,428**

The remuneration for employees of the Company and its subsidiaries includes salary, provident fund contributions, and other benefits. In 2016, compensation paid to the Company's employees totaled Baht 1,619.31 million.

Human Resources Development Policy

The Company believes that its employees are the most essential element to building continued success, outstanding results, widespread professional recognition, and operational excellence that drives competitive advantage for the Company. As such, the Company seeks to apply the best tools to develop its people and enable them to achieve at higher levels. In addition to developing knowledge and capabilities, the Company also aims to build a culture and working environment that includes and motivates each employee. In these efforts, the Company holds the following Human Resources Policy:

1. Recruit and select qualified professionals to work with the Company according to the needs of each department and in accordance with the Company's core values.

Remark

* Management means the executives as defined the Notification of the Capital Market Supervisory Board (based on the Company's management structure as of 1 January 2016, i.e. Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Technical Officer, and Senior Vice President).

2. Comply with all occupational health, safety, and environment laws, regulations and other requirements related to the Company's business operations. It also encourages work practices which prevent any action that could to be harmful to the body, mind, or health. The Company employs a safety specialist to oversee occupational health, safety, and environmental matters, maintain effective operational regulations and plans, collect data, and continually monitor and evaluate performance. In addition to the prevention and control of risks that could lead to loss due to accident, injury, or illness caused by improper work practices and other errors that may occur, effective alarm and security systems are also provided in the office and workplace in sufficient quantity and quality. The Company also builds awareness by distributing information to all Company members and stakeholders. Arrangements are in place to handle any crisis that could cause an interruption in business which might cause damage to the image or reputation of the Company. In 2015, there were no work-related accidents that led to necessary leave or loss of life reported by employees at either of the 2 stations: Thaicom Satellite Station (Kae Rai) and Thaicom Teleport and DTH Center (Lad Lum Kaew).

3. Maintain guidelines to ensure wages, salary, and benefits are provided at fair rates which are comparable to leading companies, with a suitable wage rate structure and reasonable compensation rates which are competitive within the industry. The salary structure is regularly compared with and examined against that of the industry segment. In addition, employee benefits are set with consideration of diversity in culture, nationality, language, and region in order to assess ability to compete in both domestic and foreign labor markets without resorting to corruption in any form. Apart from salary, bonuses, and a provident fund for the employees, the Company has strategic policies and incentives in place for employees in both monetary and non-monetary forms.This includes Flexible Benefits (the opportunity to select the appropriate medical package), scholarships for children of employees, and clubs for activities to help relieve stress such as yoga, badminton, football and photography.

4. Develop employee potential: The Company places importance on training and development which allow employees to enhance their knowledge and abilities in the performance of their duties. In 2016, the Company set out development plans appropriate for employees at various levels, covering managerial & leadership skills as well as professional skills. Trainings were facilitated by experienced and knowledgeable internal trainers as well as by outside experts.



Employee Level	Objective	Courses
All levels	• Support excellence in functional performance	• English and public speaking skills • Data analysis and strategic analysis skills • Leadership skills
Staff	• Provide specialized skills and readiness for individuals' professional growth	• Advanced & Macro Microsoft Access • Data Mining • Cisco Certified Design Associate (CCDA) • IP Network • Video Baseband • Safety for Working in High Places
Management and Senior Executives	• Develop stronger management skills and provide opportunities to exchange ideas with leaders in Thailand and abroad • Provide opportunities to make professional connections	• Executive Education Program (EDP) and Director Certification Program (IOD) • Director Certification Program (IOD) • Thailand National Defence College • Innovation for Growth: Strategies and Best Practices (Wharton, Pennsylvania, USA)

To support continual self-learning, the Company created an E-learning platform which employees can learn about compliance-related issues, such as the Corporate Governance Policy, IT security, and fraud risk. Employees can learn from easy-to-understand multimedia modules and then take a test to check their understanding and show that they have acknowledged the Company's major policies.

In addition to short courses, the Company also supports higher education by providing selected employees with scholarships for masters-level study at leading institutions both in Thailand and abroad. Scholarships are focused on those wishing to study less common fields which are related to the Company's current and future business needs, such as Satellite Communications Engineering or System Design and Management.

Executive development

Executives play important roles in achieving the goals of the organization. Therefore, the Company plans to support executive leadership development programs both domestically and abroad. Various activities and events are also arranged to continually expose executives to new ideas, helping them to develop and expand their thinking on management issues and to build relationships and network with other executives in both the public and private sectors.

Talent Development Group employees and successors

The Company carries out a systematic procedure to define the framework and objectives of selection, individual development plans, and readiness for succession every year.

In 2016, the Company provided training for employees throughout the year. The number of training hours averaged 24.95 hours per person.

Year	2016	2015	2014
Training hours/person/year	24.95	27.94	24.88

The Company also places importance on the environment and provides both internal and external environmental training opportunities for employees. Environmental trainings have also been added as a fixed part of the yearly training plan. In 2016, the following relevant courses were provided:

Course Name	Employees Attending	Note
1. Green Procurement	2	External Course
2. Efficient Use and Maintenance of Equipment for Energy Conservation	4	External Course
3. Energy Conservation Assessment (Operational)	2	External Course
4. Energy Conservation Awareness	27	Internal Course

5. Uphold human rights. The Company maintains a Human Rights Policy. The policy stipulates that all employees must strictly adhere to the law relating to one's own duties and responsibilities, and if in doubt, seek advice from the legal department or legal advisor rather than acting based on their own interpretation. When working abroad, employee should study the law, customs, traditions, and culture of that country before undertaking any activities. The Company promotes and respects the protection of human rights and ensures that the Company's business is on the side of human rights in issues concerning forced labor or child labor. The Company treats all stakeholders fairly, with human dignity and without discrimination on the basis of origin, race, gender, age, skin color, religion, physical state, or socio-economic status. The Company monitors its human rights compliance and encourages subsidiaries, investors, business partners, and all stakeholders to observe international standards for human rights. In addition, stakeholders affected by the violation of their rights as a result of the Company's operations will be compensated at a rate equal to or above the rate stipulated by law.



2. Corporate Governance

2.1 Corporate Governance Policy

The Board of Directors (Board) realizes the importance of the principles of good corporate governance as a crucial factor in the Company's sustainable growth and, as it firmly believes, the long-term maximization of value and returns to shareholders and all stakeholders. On 12 November 2002, the Board therefore prescribed and approved the Company's Corporate Governance Policy in writing to promote transparency in the management of business affairs and to protect the rights of minority shareholders and other stakeholders, while also encouraging them to participate in the supervision of the management of the Company's affairs. The policy also aims to ensure proper management of risks to ensure the stability and security of the Company's business. At the same time, the policy describes the Company's business philosophy and ethics, and takes into account the Company's social responsibility in the conduct of its business.

Formulation of the Corporate Governance Policy

The Board has formulated the Corporate Governance Policy in writing as a guideline for directors, executives and staff to follow. The Policy upholds the good corporate governance principles and the Stock Exchange of Thailand's (SET) best practices on corporate governance, covering the following five areas:

1. Rights of Shareholders

2. Equitable Treatment of Shareholders

3. Roles of Stakeholders

4. Information Disclosure and Transparency

5. Responsibilities of the Board of Directors

The Board of Directors reviews and revises the Corporate Governance Policy on an annual basis and the latest revision was issued on 8 August 2016 to enhance the Company's corporate governance standards and to ensure alignment with the CG principles of the SET, the Securites and Exchange Commission (SEC) and the Thai Institute of Directors (IOD).

Communication of the Corporate Governance Policy

The Company also issued a Corporate Governance and Code of Business Ethics Handbook. The handbook consists of 3 main parts-Part 1 Corporate Governance Policy, Part 2 Code of Conduct, and Part 3 Anti-Corruption Policy-communicated to all directors, executives, and staff as guidelines to be strictly followed in the performance of duties. Each recipient is required to sign an acknowledgement form stating that they will adhere to the Company's Corporate Governance Policy, Code of Conduct, and Anti-Corruption Policy. All new employees are also given the handbook and required to sign the acknowledgement form stating that they will adhere to the policies and guidelines presented in the handbook.

(For further information please visit the Company's website at www.thaicom.net under the tabs for Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Corporate Governance Policy)

In 2016, the Board remains committed to ensuring that the Company will strictly comply with corporate governance policies and best practice guidelines. The Board will continue to focus on developing and improving corporate governance to ensure international compliance, particularly with the corporate governance requirements of the ASEAN region. This compliance will also ensure that the Company can maintain its goal of sustainable growth and contributions to its shareholders and stakeholders in all sectors. Focusing on maintaining standards and improving governance, as well as promoting a corporate culture of good governance, the Company has taken the following actions:

- Created and published a Corporate Governance and Code of Business Ethics Hnadbook for employees to read and pledge to follow. This has continued since 2013 and is helpful in allowing new employees to develop a better understanding of the Company as they pledge to follow the code.

- Arranged a new employee orientation to provide advice and information on corporate culture and governance, as well as the Code of Conduct and the purpose of the Company's Anti-Corruption Policy.

- Developed e-learning courses for employees in order to provide them with access to and education on the Company's Corporate Governance Policy, Anti-Corruption Policy and Code of Conduct, as well as other topics. This aimed to encourage employees to understand the importance of good corporate governance and proper conduct in order to strengthen the corporate culture and maintain sustainable growth.

- Announced the application of guidelines for suppliers to promote mutual understanding between the Company and suppliers that these guidelines will be used when conducting business. These guidelines will be used as an essential element when selecting and evaluating suppliers for the Company. The Company has notified all suppliers of these guidelines and requested that each supplier sign in acknowledgement and agreement to follow these guidelines as a mutual standard.
- Added a channel for communicating law, regulations, and Company policies to employees by publishing an e-magazine entitled "Keeping Up with Compliance" to ensure employees of all level receive up-to-date compliance information monthly.
- Required that all employees complete a report on conflicts of interest which they, their family members, or any related juristic person may have. Employees are also required to report any changes to said conflicts of interest in a timely manner to ensure that all Company transactions are carried out transparently, reasonably, and with primary consideration for the highest benefit of the Company.
- Conducted a training course in the topic of "Catching up with HQ" to ensure employees working overseas have a common understanding of anti-corruption practice.
- Promoted corporate values ("EPIC").

Corporate Governance Awards

In 2016, the Company was recognized for its excellence in Corporate Governance as follows:

- The Company's 2016 Annual General Meeting of Shareholders was evaluated by the Thai Investors Association under the AGM Assessment Program and was awarded a perfect score of 100  for the 4th year in a row.
- The Company received the 2016 Investor's Choice Award from the Thai Investors Association, earning a full score of 100 points for the 4th year in a row for excellent performance in the Annual General Meeting of Shareholders (AGM), transparent disclosures to shareholders, and the equitable treatment of shareholders.
- In the Corporate Governance Report of Thai Listed Companies 2016 (CGR 2016) conducted by the Thai Institute of Directors (IOD), the Company recieved a score of "Excellent"  for the 4th year in a row.

Adherence to Corporate Governance Best Practice Policy

A review of the Corporate Governance Policy in 2016 by the Board showed strict compliance with the relevant policies and guidelines. However, some principles held by the Company are different from the Principles of Good Corporate Governance for Listed Companies 2012 recommended by the Stock Exchange of Thailand. The differences are detailed as follows:

Principles/guidelines from Stock Exchange of Thailand	Company statement
1. The company has limited the term of office of independent directors to a maximum of 3 consecutive 3-year terms, or 9 years. If the board of directors sees it necessary that certain independent directors, who have served on the board for 3 consecutive terms, or 9 years, should continue to hold the position, the board of directors has the right to extend the term of offices of said independent directors.	As the satellite business requires special expertise, directors have to clearly understand the Company's business operation and administration, management of investments that requires large funds, and the varying social and political climates for business operations abroad. The Company believes that long-term involvement supports all directors' responsibilities. Furthermore, the Company conducts a director evaluation process every year and in the year 2015, the Company will use a professional search firm for the director evaluation process to confirm that there are not any conflicts of interest and also that the director selection process has been considered and approved by the Governance and Nomination Committee.
2. The corporate governance committee and nomination committee should consist entirely of independent directors.	On 31 December 2016, independent directors constituted 66.7% of the Governance and Nomination Committee. The Board believed that was the appropriate portion for the business and the Company's structure.

The Board of Directors closely adheres to good corporate governance guidelines for listed companies in performing its various duties to ensure maximum benefits and returns to the Company's shareholders and other stakeholders. The Board also supports a number of activities to promote the implementation of and adherence to good corporate governance practices within the Company, including the establishment of a Corporate Governance Committee, dissemination of corporate governance best practice through a CG day, the publication of a CG policy and Code of Conduct handbook periodically, and preparation of e-learning materials to provide employees with insights into the Corporate Governance Policy. The activities undertaken can be divided into the following 5 categories:

Section 1 Rights of Shareholders

Shareholders own the company, controlling it by appointing the Board of Directors (Board) to act as their representatives. Shareholders are eligible to make decisions on any significant corporate change. Therefore, the Board's policy is to encourage, promote and facilitate shareholders in exercising their rights, especially the following basic shareholder rights:

- Right to buy, sell, or transfer shares of the Company;
- Right to receive correct, adequate, and timely information regarding the Company's operations and activities. Furthermore, the Company has a policy to prevent obstruction of communication between shareholders and the Company;
- Right to attend shareholder meetings, express his/her opinions, give recommendations, and be involved in decision making for significant matters;
- Right to appoint and remove directors at shareholder meetings;
- Right to appoint Company Auditors and set their remuneration;
- Right to acquire profits of the Company in the form of a dividend;
- Right to acquire share certificates, transfer shares, and return share on the Company's behalf;
- Right to stipulate, change, add, or delete clauses from the Company's Articles of Association;
- Other rights as prescribed by law and the Company's Articles of Association, and other relevant regulations.

Shareholder Meeting

In 2016, the Company's Annual General Meeting of Shareholders (AGM) was held on 30 March 2016. The Company took actions pursuant to good corporate governance regarding rights of shareholders as follows:

1. The Company encouraged all shareholders, including institutional ones, to attend the Company's shareholder meeting.
2. The Company granted minor shareholders the right to propose items for inclusion on the agenda of the AGM at least 3 months in advance of the AGM, On 29 September 2015, the Company informed shareholders through the news portal of the SET. At the same time, the Company also provided the guidelines and procedures on how to propose items for inclusion on the agenda of the meeting on the Company's website: www.thaicom.net begining on 29 September 2015. The shareholders were able to propose agenda items to the Company from 1 October 2015 to 31 December 2015.
3. The Company sent invitation letters to attend the AGM to shareholders no less than 21 days in advance of the meeting date. For the 2016 AGM, the Company sent the invitation letter to all shareholders on 9 March 2016. The invitation letter consisted of all necessary information such as date, time, venue, agenda, objective, and the Board's opinions as well as any other relevant information required.
4. The Company posted the 2016 invitation letter on the Company's website at www.thaicom.net in both Thai and English beginning on 25 February 2016. This provided shareholders enough time to acknowledge and study the information no less than 30 days in advance of the meeting date.
5. The Company allowed shareholders to send their questions to the Company prior to the meeting date via the Company Secretary Office located at Thaicom Satellite Station 63/21 Rattanathibet Rd., Nonthaburi, Thailand 11000, or via email at comsec@thaicom.net from 25 February 2016 to 22 March 2016.
6. The Company enclosed the Proxy Form (A), Proxy Form (B), and Proxy Form (C) with the AGM invitation letter. This form may be used by shareholders who are unable to attend the meeting in person. The shareholders may complete this form to authorize another representative or an independent director appointed by the Company as a Proxy for Shareholders, to submit their votes on the day of the meeting.

7. The Company encouraged shareholders to attend the shareholder meeting. The meeting shall be arranged at the Vibhavadee Ballroom, Lobby Floor, Centara Grand Hotel at Central Plaza Ladprao Bangkok, 1695 Phahonyothin Rd., Chatuchak, Bangkok, where it is convenient for shareholders to attend the Meeting, with convenient forms of transportation nearby.

8. The Company ensures that sufficient staff and the necessary technology are available for checking relevant documents, registering meeting attendace, and counting and showing the votes for each agenda item. In addition, the Company provided ballot papers for voting through a secret ballot on each agenda item as it was transparent and easy to verify. For an agenda item with multiple voting items. For example, election of directors-a secret ballot was applied to each sub-issue. A barcode system is supplied and operated by Inventech System Company Limited.

9. All directors attended the shareholders meeting in addition to the chairmen of the sub - committees, Chief Executive Officer, top executives and auditor. Shareholders were able to ask questions directly to the person responsible for any specific issue.

10. The Company appointed an external lawer from Weerawong, Chinnavat & Peangpanor Ltd. to inspect the vote counting process. The scrutineer was disclosed at the meeting and recorded in the minutes.

11. The Company also provides opportunities for shareholders to submit their opinions and questions related to the Company's operations. The questions asked and the answers are duly recorded in the minutes.

12. After the meeting, the Company will post the resolutions of the shareholders meeting and outcome of the voting on each agenda item on the SET website as well as the Company's website within the day.

13. The minutes of the AGM record a description of the voting and vote tabulation procedures used, declaring both before the meeting proceeds, including an opportunity for shareholders to ask questions or raise issues, question and answers, resolutions, voting results of each agenda, and a list the board members who attended or missed the meeting. The Company posted the minutes of the AGM on the Company's website within 14 days after the AGM, and informed shareholders and investors through the SET website on 12 April 2016.

Section 2 Equitable Treatment of Shareholders

The Company respects the rights that shareholders have according to the law and the Company's Articles of Association. The Company has a duty to protect the benefits of every shareholder equitably, regardless of whether they are a retail, foreign, institutional, or wholesale investor. Moreover, the Company shall treat each and every shareholder equally regardless of gender, age, disability, race, nationality, religion, belief, or political opinion, with details as follows:

1. Every shareholder shall have the right to propose suitable candidates for selection as directors at least 3 months in advance of the AGM. In the 2016 AGM, the Company informed shareholders through the SET and disclosed guidelines and procedures on how to propose directors for nomination via the Company's own website at www.thaicom.net on 29 September 2016. Shareholders were able to propose the names of director candidates from 1 October 2015 to 31 December 2015.

2. The Company prepares and discloses the 2016 AGM invitation letter in both Thai and English so that all shareholders can access information equally.

3. At the AGM, the Company informs shareholders of the regulations and methodologies that will be applied throughout the meeting, voting and counting process, and voting rights attached to each class of shares.

4. The Company will not add items to the meeting agenda or change significant information without prior notice to the shareholders.

5. To ensure transparency, the Company will provide the opportunity for shareholders and institutional investors to vote for and appoint directors individually.

6. The Company has a Security Trading Policy and internal practices to prevent use of Company or Group inside information - especially information that is material to changes in the prices of securities and which has not yet been disclosed to the public - by the directors, executives, or employee for personal or third party interests. The Company regularly communicates with and monitors the directors, executives, and employees in relation

to this policy and relevant practices and presents a summary to the Company Secretary who then reports to the Board quarterly.

7. The Board and executives must disclose conflict of interest information as well as information about related persons (Form 89/14) to ensure transparency in the consideration of the Company's business transactions. Directors and executives holding stakes in any transaction must not take part in the decision making process for said transaction. All transactions will proceed according to the Company's approval process for related transactions.

Section 3 Rights and Equitable Treatment of Stakeholders

The Company and its Board take into account the rights of all stakeholder groups and consistently abide by corporate governance principles, best practices, and other supporting guidelines, including our Code of Conduct, to ensure equal and proper treatment of all stakeholders. This takes into account, although not exclusively, employees, shareholders, customers, business partners, competitors, creditors, communities in which we operate, society as a whole, and the environment. Furthermore, the Company abides by international human rights principles and anti-corruption guidelines to promote the development of society.

The Company issued an ethics manual, and distributed this manual to directors, executives, and staff for their acknowledgment and strict adherence to the guidelines published in this manual to ensure fundamental rights are well protected. The Company has also developed a disciplinary framework in case of violation or misconduct. The Code of Conduct is disclosed on the Company's website www.thaicom.net in the section on Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Code of Conduct. The manual, upon distribution to the Board, management, and staff, was duly acknowledged and signed by each recipient. The Company has also authorized the Internal Audit Department, Human Resources Department, the Ethics Committee, the CG Committee or the Audit Committee to report any infractions or non-compliance with the ethics guidelines.

In addition, the Company arranged an orientation and activities for new employees, with supporting activities to promote awareness and understanding of good corporate governance, anti-corruption practices and the Code of Conduct among the Board, management, and staff. These activities and others aim to build a strong culture of good corporate governance within the organization regularly and consistently. In addition, online tests are conducted regularly for all employees in order to assess their understanding of the Code of Conduct and corporate governance.

The Corporate Governance Policy, Code of Conduct, and other related policies cover the following areas:

1. Responsibility to shareholders

The Company takes into account the rights and equitable treatment of stakeholders in line with the Company's Corporate Governance Policy and Code of Conduct. The Company is determined to operate its businesses in a manner that ensures the greatest shareholder satisfaction. This includes long-term growth in the Company's value, consistent returns, and transparent and trustworthy disclosure of data to shareholders.

2. Responsibility to customers

The Company has a quality policy as well as the ISO 9001:2008 quality system dedicated to creating customer satisfaction and allowing customers to trust that they are receiving high quality products and services at reasonable prices. The Company aims to maintain good customer relations and is dedicated to ensuring that any customer complaints are dealt with fairly and efficiently. The Company will also safeguard any customer data that should not be divulged, unless such customer information must be disclosed to third parties under the Sustaiable Development Policy and Code of Conduct on responsibility to customers.

3. Responsibility to business partners and creditors

The Company acts in accordance with its policy on fairness and responsibilities towards business partners and/or creditors in addition to the Code of Conduct which both stipulate fair and equitable treatment of business partners and creditors. In terms of business partner selection, the Company places importance on good reputation, ethical conduct, and professionalism. The Company also firmly observes contractual agreements and strictly

follows the conditions of such agreements, in order to maintenant long term relationship. Moreover, the Company is committed to conducting business transparently and in consideration of mutual benefit and growth, whilst avoiding situations which could give rise to conflicts of interest, damage to the Company's reputation, or illegal actions, as follows:

- The Company shall do its best to endeavor to comply with any contract, agreement, or various conditions concluded with business partners and/or creditors. If compliance with the conditions cannot be achieved, the Company shall promptly inform business partners and/or creditors within a reasonable time in order to determine sound and reasonable remedial actions.
- The Company shall provide business partners and/or creditors with adequate data, and shall not provide any false, distorted, or incomplete data which, in turn, can cause business partners and/or creditors to have a misunderstanding and impact decisions.
- The Company shall conduct financial management in a way that business partners and/or creditors shall have confidence in its financial status and ability to pay Company debt.
- The Company shall by no means, ask for, receive, or grant any trade benefits to business partners and/or creditors with dishonesty. If dishonest behavior occurs, the Company shall notify business partners and/or creditors of all details and cooperate with them to correct the problem with speed as well as take measures to prevent recurrence.
- Deals with business partners and/or creditors shall be conducted in a good manner without damage to the Company's reputation or any illegal activity. Conduct should be on a basis of equality, fairness, and mutual benefits.

The Company has disclosed its policy on fairness and responsibilities towards business partners and/or creditors on www.thaicom.net in the Section of Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Other Policy

4. Responsibility to community, society and the environment

The Company realizes that it has duties and responsibilities toward the country. The Company is an integral part of the country's business and social fabric, and as such must help and lend support to local activities in the communities where the Company has business operations. Moreover, the Company urges its staff to look after the environment and conserve resources by promoting efficiency and maximizing benefits from resources in an environmentally friendly manner as described in the Sustainable Development Policy and Code of Conduct as follows:

- For society and communities, the Company believes in the idea of creating a shared value between the business and social sectors and implements it as a guideline for business conduct. It is Company policy to build relationships and collaboration with the communities surrounding the Company's location and in other areas. It aims to raise the quality of life in the communities by meeting their needs and engaging in their activities. For example, the Companyencourages its employees to have a volunteer spirit and provides them with an opportunity to take part in the Company-funded "Project V", which utilizes employees' unique talents and expertise in various projects to benefit the society.
- For education, the Company believes that education is an important and fundamental element in efforts to develop a nation, its society, and its communities, as well as business. The Company actively supports the utilization of its products, services, resources, and employees in providing educational support and in improving education for youth, communities, and the areas in which the Company has active business operations. The Company focuses its efforts on creating and developing community knowledge centers to help improve standards of living. The Company provides and installs satellite receiver dishes for local schools with in rural communities and areas with a chronic lack of teachers. This project aims to provide equal educational opportunities to children in rural communities where access to education is scarce,

- For social responsibility, the Company views it as an important duty to supply telecommunications services to areas that have been impacted by disasters if those areas fall within the Company's service ability. The Company will work with its business partners and customers, as well as reevant organizations and authorities, to establish and provide first-responder telecommunications services whenever the need arises.

- For the environment, there is an operational policy which emphasizes environmental preservation and encourages using natural resources for the highest benefit. The Company also emphasizes Company culture and promotes activities to maintain the internal and external environment, and to prevent and control any operation which has ecological impacts as follows:

    1. The Company initiated the iSave Project which aims to encourage its employees to appreciate resources as well as their efficient utilization and to raise awareness on the environmental impacts on both the community and the Company itself. The Company also seeks cooperation in energy conservation and alternative energy.

    2. The Company strictly regulates and monitors its radio signal equipment to ensure that frequencies are well within the regulations. Moreover, the Company regularly monitors the weather and the environment within the vicinity of both satellite stations to ensure that the tools and equipment are not polluting the environment or nearby communities.

In addition, the Company also prepares a Sustainability Report on an annual basis, showing its dedication to fostering a sustainable society via its products and services as well as showing its dedication to conserving the environment (for further information please see Sustainability Report).

5. Responsibility to employees

Our employees are our most valuable asset. Therefore, there are policies to foster advancement of employees, driven by procedures for human resource improvement including the provision of both professional and general improvement training courses on a regular basis. Also, the Company values equal and fair treatments of its employees. Other policies exist to determine appropriate remuneration and other benefits for employees in line with the Company's performance both in the short and long terms. The Company is also focused on creating a strong corporate culture and providing a good atmosphere and safe working environment for all employees. The Company strictly complies with labor laws as addressed in the Sustainable Development Policy, Policy concerning safety, occupational health and work environment and Code of Conduct.

The Company has Policy on Occupational Safety, Health, and Environment as follows:

- All employees throughout all levels of the Company are responsible for maintaining the safety, health, and environment conditions in the workplace by cooperating to ensure the safety of life and property.

- The administration of occupational safety, health, and environment procedures is carried out in accordance with all applicable laws, regulations, and other relevant provisions throughout the Company's business operations.

- The Company maintains procedures as well as a working plan concerning occupational safety, health, and environment, including review of the plan and continual follow up and assessment of results. The Company also establishes preventative measures to control risk which may give rise to loss from accident, injury, or iillness due to improperly following procedures or any errors which may occur.

- The Company promotes and supports performance of duties by personnel in a manner which does not create danger to life, body, mind, or health.

- The Company communicates and distributes information regarding occupational safty, health, and environment to company personnel as well as to stakeholders involved in the Company's operations, in an appropriate manner.

There is an environmental policy which includes caring for the work environment. This involves the Big Cleaning Day where employees cooperate

to clean out old paper and other unused items. It is held at least twice a year to support the 5S policy. There are fire drills and safety alarm testing. The Company also promotes teamwork, respects individuality and privacy, and creates equal opportunities for all. Occupational health and safety are of prime concern, and the Company aims to create a safe and suitable work environment. The Company constantly monitors industry standards for remuneration and benefits and implements such changes when necessary. Regulations and laws governing working hours, freedom of association and bargaining rights, as well as those banning forced labor and child labor, are stringently upheld by the Company.

6. Human Rights

The Company supports and respects human rights and will operate its business based on the principles and intentions of the Universal Declaration of Human Rights under the auspices of the United Nations. Under no circumstance will the Company take part in any action which is against the principles of human rights. The Company has also specified compensation measures in its "business ethics" manual for cases where stakeholders incur damage from a violation of stakeholders' legal rights as addressed in the Sustainable Development Policy and Code of Conduct. In addition, the Company has a Human Rights Policy with details as follows:

- The Company respects and supports human rights and prohibits involvement in activities violating such rights, including forced labor and child labor.
- The Company respects stakeholders and treats them accordingly with dignity and without discrimination, embracing people of different backgrounds, races, gender, religions, physical appearances, status, and bloodlines.
- The Company always ensures compliance with human rights and encourages its subsidiaries, joint venture partners, suppliers, and all stakeholders to abide by these rights in order to meet international standards.
- The Company is responsible for any damage or loss to stakeholders resulting from its misconduct. Resulting compensation will not be less than the rate specified by law.

Furthermore, the Company will operate its business based on the principles and intentions of the Universal Declaration of Human Rights under the auspices of the United Nations. Under no circumstances will the Company take part in any action which is against the principles of human rights or the policy against human rights violation. The Company has disclosed a Human Rights Policy on www.thaicom.net in the Section of Sustainability > Corporate Governance > Good Corporate Governance Policy of Thaicom > Other Policy

7. Business Competition Policy

It is the Company policy to support and promote free and fair competition in business in pursuant to the rules of fair competition. It is against the aforementioned policy to resort to any form of business competition in which information from competitors is acquired in an unlawful or unethical manner or which intentionally aims to destroy the reputation of competitors with groundless slander as described in the Code of Conduct.

8. Anti-corruption practices

The Company opposes all forms of corruption and complies with all anti-corruption laws in Thailand as well as in any other countries or territories where the Company may have business interests or operations. The Company has an Anti-Corruption Policy and put in place an internal compliance and control program to prevent and monitor corruption risk. All directors, executives, and employees must acknowledge and adhere strictly to the policy.

The Anti-Corruption Policy exists for the following purposes:

- To demonstrate the Company's position against fraud of all kinds
- To set up rules and guidelines that prevent the Company and employees from violating anti-corruption law
- To establish procedures for monitoring and determining compliance with the policy
- To encourage employees to observe and report any fraud through secure communication channels

According to this policy, fraud refers to the abuse of power acquired through position and any act of giving, accepting, receiving, or authorizing assets or benefits to and from government officials, state agencies, private officials, or private agencies to allow them to seek personal gain from Thaicom, unless they are not prohibited by the provisions of laws, customs, or traditions. Fraud also refers to bribery and corruption.

In 2016, the Company complied with Anti-Corruption Policy through the following:

- The Company implemented the policy strictly. The Board of Directors assigned the Audit Committee to the Anti- Corruption Policy to ensure the Company's compliance with the laws and Code of Conduct.
- The CG Committee is responsible for implementing the aforementioned policy and communicating such policy to all employees as well as following up on its outcomes. All directors are required to ensure that their subordinates understand such policy. The Company shall also provide adequate training for employees regularly.
- The Company has also set guidelines for disbursement procedures to comply with the Anti-Corruption Policy. The employees must fill out the following application forms through the request system:

  (1) Charity and/or sponsorship

  (2) Recreation or entertainment

  (3) Giving or receiving gifts

The employees must provide details such as the names of recipients of donation or sponsors, recreational activity participants, gift receivers, and nature of business relationships. Once the forms are completed, the system will send them to the authorized person for approval. The system shall then prepare a report from the aforementioned data, in which such report may be utilized as a guideline to evalulate the anti-corruption efforts. The report and the evaluation results shall then be proposed to the Board for their consideration.

- The Compliance Office is responsible for regularly monitoring its executives and employees to evaluate the work under their responsibilities and whether they are in compliance with the Anti-Corruption Policy.
- The Company also regulary provides training and communication of its Anti-Corruption Policy and guidelines to its employees. New employees are required to attend orientation on such topic and employees working abroad are also required to attend training annually. Electronic magazines on such topic are also available to ensure that all employees have the same understanding of the Anti-Corruption Policy.
- The Company's Risk Management Committee also conducts a fraud risk assessment in which employees are tasked with assessing the risks of fraud from corruption separately from other fraud risks to propose to the Board for its consideration and approval. The report shall then be included in the Company's risk management plan. For further information please see the Risk Factors section.
- The Company also specified principles of corporate governance with an internal compliance and control program to prevent and monitor corruption risk.
- The Company has an Anti-Corruption Policy to provide channels for reporting and to encourage all employees to report any information of misconduct and or fraud occurring in the Company and to prevent and suppress any misconduct or fraud which may occur in the organization and help detect and reduce damage from misconduct and fraud. If an employee has any cause for concern over matters relating to misconduct or fraud, they must immediately report their concerns to their immediate supervisor verbally, in writing or through a channel specified in this policy. Responsible executives, upon receiving notification of misconduct or fraud, must report to the Internal Audit Department of the Company immediately.

- The Company will provide protection and not allow executives to threaten, take any disciplinary action against or dismiss employees who provide information during an investigation. The Company may provide additional protection as required and determined by the severity and importance of the complaint.
- Any person who engages in misconduct or fraud will be disciplined according to the Company's rules and regulations.
- The Company requires all directors and executives, as defined by notification of SEC, to report on conflicts of interest as ordered by the law, and has extended this requirement to all employees to prevent conflicts of interest which may lead to corruption.
- The Company has set up channels to report misconduct via the Company's website www.thaicom.net in the section on Sustainability > Corporate Governance > Whistle-Blowing

The Company has also promoted activities that encourage all staff to follow the policy. The Company has disclosed an Anti-Corruption Policy on www.thaicom.net in the Section of Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Anti-Corruption.

In 2013, the Company agreed to sign the declaration of Thailand's Private Sector Collection Action Against Corruption (CAC) with the Thai Institute of Directors (IOD) to realize transparency of business operations and ensure that there are regulatory audits.

Moreover, the Board of Directors meeting on 17 December 2014 called for the submission of a self-evaluation form. The Board of Directors had reviewed the data and participated in the verification of the members of the private sector alliance in an attempt to combat fraud in the fourth quarter of 2014. The Company was certified by the Private Sector Collective Action Coalition Against Corruption Council on 16 January 2015.

9. Observance of the law, rules, and regulations

Directors, executives and staff must operate the business in agreement with the Company's Articles of Association, applicable laws, rules, and regulations. They must not, under any circumstances, knowingly participate in or take any action that is in violation of the following regulations:

- Thoroughly understand and strictly obey the law relating to one's own duties and responsibility. If in doubt, seek advice from the legal department or a legal advisor. Avoid acting based on one's own interpretation.
- When working abroad, study the law, customs, traditions, and cultures of that country before undertaking any activity concerning the Company's business so violations will not occur.

10. Political activities

The Company has a policy against political bias which must be acknowledgment and strictly followed by directors, executives, and staff of the group in accordance with the sections of the Anti-Corruption Policy relating to political sponsorship, as well as in accordance with the Company's Code of Conduct, as follows:

- Company policy is to maintain neutrality in politics, not showing loyalty towards any particular parties or politicians.
- Directors, executives, and staff have freedom as individuals under the constitution and relevant laws, but must not use the status of the Company or take any assets, equipment, or instruments from the Company for use in proceeding with any political actions which may give rise to the understanding that the Company is supporting or showing any loyalty towards any political party. However, proceeding in private time and on individual expenses is permitted.
- Employees should refrain from supporting political activities whether in the form of cash or any other forms given to a political party, politician, or candidate for political election. The restriction also includes lending or donating equipment for use in providing technological services free of charge as well as taking time away from the office.
- Directors, executives, and staff must first resign from the Company and effectively leave the service of the Company prior to taking up any political position or applying to be a political candidate in a local or national election.

11. Conflicts of interest

The Board of Directors realizes that working for the Company can lead to situations whereby personal interests of directors, executives, and staff may be in conflict with the Company's interests. Such conflicts may come in many forms and make it impossible to act in a manner that ensures fairness to partners, stakeholders, or other entities. Therefore, the Board has considered and approved the Conflict of Interest Policy contained in the Company's Code of Conduct as follows:

1. Taking money or emoluments

Directors, executives and staff must not take money or any emoluments in private from customers or business partners of the Company or any person as a result of working for the Company.

Directors, executives, and staff must not lend, borrow, or solicit money or any object from customers or those who conduct business with the Company, with the exception that the borrowing is from a commercial bank or financial institution as a customer of said commercial bank or financial institution.

2. Conducting other businesses outside the Company

Conducting private business by directors, executives, and staff must not affect them in performing their duties and working hours. Conducting business or taking part in competition with the business of a company in the Group is prohibited without regards to whether directors, executives, or staff receive direct or indirect benefits.

3. Conducting any businesses with companies in the Group

Conducting any business with companies, whether in one's own name, the name of a family member, or any juristic person, in which executives or staff stand to gain or lose requires the disclosure of the status in standing to gain or lose prior to conducting the business.

Directors, executives, and staff with the status in standing to gain or to lose are prohibited from approving any transaction agreement or taking any action on behalf of the Company.

The person who conducts a transaction on behalf of the Company has the duty to check as to whether or not the business partner is in anyway related to the Company's directors, executives, or staff prior to conducting the transaction in order to prevent any possible conflicts of interest from arising. Furthermore, for any contract with a business partner, the Company employs the Contract Management System to verify whether any conflicts of interest between the Company and such business partner exist.

In 2016, the Company stipulated that its staff to report any conflicts of interest of the staff, their families and related juristic persons and also to report on any changes of such conflicts via the aforementioned system. This is in pursuant to the Company's principles of good corporate governance, ensuring that all transactions are carried out with transparency, reasonableness and with the greatest benefit of the Company in mind.

4. Holding directorships in companies outside Group

It is not Company policy to release executives to be directors in other companies outside Group. Company executives holding PG 13 status and up require approval from an authorized person in the Company prior to holding a directorship in another company.

Holding the mentioned directorship must not be against any clause in the law or regulations related to the business operations of the Company. Neither can the executives use the position in the Company as a reference to promote business outside the Company. Request for approval on holding the directorship requires the following approval authority:

Position	Approve by
Executive Level PG 13-15	Chairman of the Executive Committee
Executive Level UC up	Executive Committee

5. Accepting gifts and attending business receptions

Directors, executives, and staff should refrain from accepting gifts, whether in the form of cash or not, from business partners or persons relevant to the Company's business. The exception is accepting a gift as a seasonal or traditional practice, yet the value of gifts must not exceed 3,000 baht and recipients must adhere to the Anti-Corruption Policy.

Directors, executives, and staff can attend business receptions within the boundaries of the policy, as well as appropriate value, and should refrain from attending receptions with nature above normal relationship from other persons related to the Company or those likely to become business partners in the future.

6. Trips for seminars and study tours

All directors, executives, and staff can accept invitations to seminars, business events, and company visits where the traveling expenses are sponsored by suppliers, customers, creditors, or any other person they are dealing with on behalf of the Company. However, the aforementioned activities must benefit the Company's business and be authorized by the relevant supervisor. The Company will pay all transportation, accommodation, and other related expenses as specified in the Company's regulations. All directors, executives, and employees must not accept spending money or other benefits provided by the above persons for these events.

12. Protecting and looking after Company assets

Directors, executives and staff at every level have a duty and responsibility to safeguard the Company's assets for the best interest of the Company. They must appropriately control confidential data and sensitive information that they may possess or become aware of as part of their responsibilities. They must not communicate such information to other work units or outsiders as addressed in the policy concerning responsibility for Company assets and the Code of Conduct as follows:

- Employees must keep the Company assets in good condition and available at appropriate times consistent with the lifetime of the assets, as well as prevent them from any damage or loss.
- Employees must use the Company assets in a sparing and appreciative manner to optimize the benefits for the Company, while showing concern for the environment and energy conservation.
- Employees must not use the Company assets wrongfully for personal gain, either directly or indirectly.
- If any damage or loss of the Company assets occurs under employees' or individuals' responsibility, the individuals will be responsible for the consequences as stated by the Company rules, regulations, or other policies.
- Upon leaving the employment of the Company, employees must return the Company assets and all forms of information used in operations, work, and inventions back to the Company. Making copies or distribution for personal gain without Company permission is prohibited.

13. Intellectual property rights

The Company has an Intellectual Property Rights Policy in its Code of Conduct. Directors, executives, and staff must respect the lawful intellectual property rights of others as stated in the policy.

The intellectual property rights of the Company includes various copyrights, patents, trademarks, and secrets which are essential in maintaining the Company's competitive advantage. Directors, executives, and staff have a duty to protect, keep, and defend the rights of the Company toward all intellectual property, and to exercise those rights with responsibility.

The Company's Intellectual Property Rights Policy is as follows:

- It is Company policy to protect and respect intellectual property of others. In this context, the Company shall not support any actions which represent a violation of intellectual property of others without regard to it being a copyright, patent, sub-patent, trademark, trade secret, or other type of intellectual property.
- The Company shall support and promote creativity and encourage innovation without repeating, modifying, copying, duplicating, or conducting other actions in violation of the intellectual property of others.

- The Company shall carefully check on the use of data, documents, and various printed matters including other works which have intellectual property rights, to ascertain whether or not the proper permission has been received from the legal owner of the rights, prior to using such a work, including making reference to the source of data or referring to the data orginator who possesses the intellectual property.
- The Company shall support and take part in various activities to protect the intellectual property of others. The support includes promoting knowledge and conscience among staff regarding due respect of the intellectual property of others on a regular basis.
- All intellectual property works created and/or developed by employees under the Company's instruction and/or employee's duty shall be the intellectual property of the Company.

14. Use of inside Information and trading of the Company's securities

The Company has a Securities Trading Policy for directors, executives, and staff to prevent the use of inside information that is not disclosed to the public for the benefit of their own or others as follows:

- All directors, executives, and employees must comply with the insider trading prohibition as defined in the Securities and Exchange Act, B.E. 2535.
- Directors, executives, and employees who have access to the Company's inside information are prohibited from trading Thaicom Group's securities for a period of 30 days prior to the disclosure or publication of the quarter and annual financial statements, or any other period that the Company might specify from time to time. There may be an exception if they have a severe financial hardship or have to meet law and regulation requirements, especially under a court order.
- The Compliance Department will publish the date of the blackout period in advance in order to help the designated persons comply with this requirement.
- All directors, executives, and employees who have access to the Company's inside information must report their holdings of Thaicom Group securities to the Company Secretary in one of the forms below.

  (1) Report of Directors and Executives Interest and Personal Information (Form 89/14), which must be submitted within 7 business days of appointment in the case of directors and executives;

  (2) Report of Securities Holding in Thaicom Group, which must be submitted within 7 business days of notification by the Company Secretary in the case of those other than directors and executives.
- Directors, executives, and employees who have access to the Company's inside information must report any change in their holdings of Thaicom Group securities to the Company Secretary within 7 business days of the trading date.
- All directors and executives are responsible for preparing and disclosing their holdings of that company's securities as well as any change in their holding to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act, B.E. 2535.
- The Company Secretary must submit copies of the securities holding report to the Chairman of the Board, Chairman of the Audit Committee, and Chairman of the Executive Committee within 7 business days of receipt and report the details at the next board meeting.

15. Giving information or interviews to the press or the public

Any information about the Company to be supplied to outside sources must be factual and accurate, and presented with care. This policy has been included in the Code of Conduct. Those who do not have relevant duties or receive assignment cannot give information or interviews to the press or public in reference to the Group in any way. This prohibited action can give rise to undesirable impact on the reputation and business operations of the Company.

In 2016, the Company established Social Media Guildlines to effectively and safely manage the information of its staff on social media relating to the Company.

In 2016, the Company held the following press conferences and activities for shareholders:

Meeting with Shareholders and Analysts	Frequency (per year)
Analyst Meeting	3
Opportunity Day	4
Road Show	2
Company Visit	2

16. Transactions between related companies

In case of transactions between related companies, the Board of Directors will consider the benefits of the Company to be of foremost importance, and the priciples and process in their approval shall be followed accordingly. This is in pursuant with the policy included in the Company's Code of Conduct and the Company's Transactions between related companies Policy as follows:

- All related party transactions made by the Company and its subsidiaries must comply with relevant laws and regulations.
- All related party transactions made by the Company and its subsidiaries must be deemed as settled transactions with independent third parties and conducted on arm's length basis in order to create the highest benefit for the Company.
- In entering into related party transactions, which are normal business transactions with general trading conditions as determined by the regulatory agencies, such as advertising, computer, mobile and internet services, 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.

17. Whistle-blowing Policy

The Board has approved the Company's "Whistle-blowing Policy" which allows for investigation and protection of alleged wrong-doers and the whistleblowers. The Company has provided channels to report misconduct or corrupt behavior that may have occurred within the Company. The Company has also specified a process of fair and transparent investigation.

Report of Non-Compliance with Code of Conduct

Upon the witnessing of any act of wrongdoing, fraud, or any other action which is against the Code of Conduct, such staff is responsible for reporting such action. The report or provision of information on the wrongdoing must be done honestly through the following process and principles:

- Employees can send a report to supervisors, senior executives, Internal Audit Department, Human Resources Department, or Audit Committee depending on the case. This can also be done through the Ethics Hotline system via the intranet or Whistle-blowing channel on the Company's website.
- Stakeholders (e.g., shareholders, suppliers, customers, and creditors) can send a report using the Whistle-blowing channel on the Company's website or to the Company Secretary, as detailed in the section on communication channels with the Board of Directors and Company Secretary.

The Board of the Directors has approved issuing the Whistle-blowing Policy. The policy determines further duties and responsibilities in the investigation process and whistleblower protection mechanisms to prevent, detect, and reduce fraud and misconduct within the organization.

Procedure upon Receipt of the Whistle-blowing Report

Upon the receipt of any report of wrongdoing or fraud via the Whitstle-blowing Channel, the Company shall preliminarily assess and verify the information of such report. Should the report on such issue be deemed factual, the Company shall investigate according to its Misconduct & Fraud Investigation Policy. After such investigation is concluded, the Investigation Committee shall prepare the investigation report to be proposed to the Chairman of the Board, CEO and other related departments to determine the penalty for such wrongdoing. The Internal Audit Department shall report on any progress and the result of the investigation to the whistle-blower.

Contacting the Company's Board of Directors or Company Secretary

The Company has provided channels for stakeholders to communicate their opinions, including reporting the cases of finding or receipt of unfair treatment due to illegal acts or acts in violation of business ethics of officers or employees of the Company, by making a report or complaint in writing and sending it to any one or more independent directors of the Company, or the Company Secretary at:

Company Secretary
Thaicom Public Company Limited
63/21 Rattanathibet Road,
Nonthaburi, Thailand 11000

Furthermore, stakeholders outside the organization can communicate through the Company's website, by telephone, or by e-mail to the Investor Relations Department at ir@thaicom.net, and the Company Secretary at comsec@thaicom.net, including the Internal Auditor Department.

The Company also makes channels of communication available to stakeholders inside the organization through the Ethics Hotline on the Company's intranet system. Information will pass through the Heads of the Internal Audit and Human Resources Departments as well as the Company Secretary Office.

In 2016, the Company received 4 complaints. The complaints were duly investigated, and it was found that none of the 4 cases were related to fraud.

Section 4 Information Disclosure and Transparency

The Company values accurate, complete, thorough, and timely disclosure of financial, operational, and other relevant information for investors and concerned persons to use in investment decisions. The Company issued its Market Disclosure Policy in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). The objective of the policy is to ensure transparency and accountability and the provision of financial information, corporate performance, and other related information. This disclosure is made through communication channels via the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), and the Company's website www.thaicom.net. All important information is provided in both Thai and English-language versions for the convenience of interested parties.

In addition, the Company's Investor Relations Department acts as a portal for access to the Company's performance results. The department is responsible for communicating useful information to shareholders, investors, and analysts as well as preparing policies and handbooks for investor relations activities and information disclosure to the Stock Exchange in order to ensure that the Company fully complies with laws, rules, and regulations.

The disclosed information is transparent and provided on a regular basis in both Thai and English in accordance with the Company's policy and guidelines, as well as the regulations of the SEC outlined as follows:

1. The Company discloses information in accordance with the laws such as the Company's overall performance together with a commentary and analysis from the executives, as well as supporting documentation for analysts and investors. The Company releases its operational performance on a regular basis, at least 4 times per year to investors, analysts, and other interested parties at scheduled meetings that are attended by the Company's management. The meetings are intended to provide an opportunity for participants to raise questions about the Company's performance, and for the Company to provide detailed explanations

on its operational performance. For people interested in receiving additional information, the Company's Investor Relations Department can be contacted by telephone, or by visiting the Company's website at: www.thaicom.net under the Investor Relations heading.

2. The Company emphasizes the importance of financial reports in order to reflect its accurate financial status and performance. It has prepared quality information that is complete, meeting generally accepted accounting standards, and audited by an independent auditor as well as an experienced and capable Audit Committee. The Company has also conducted reports on the Board's responsibilities in the financial reports along with the auditor's report in the annual report. The Company prepares a Management Discussion and Analysis (MD&A)report for each quarterly financial statement.

3. The Company reveals auditing fees and other service fees paid to its auditors in Form 56-1 and the annual report.

4. The Company discloses roles and responsibilities of the Board of Directors and subcommittees, number of meetings, attendance of each member in 2016, as well as trainings and knowledge development activities of the Board in Form 56-1 and the annual report.

5. The Company discloses remuneration of directors and senior executives, indicating forms and types of remuneration, in Form 56-1 and the annual report.

6. The Company maintains a policy requiring directors to disclose/report security trading/holdings in the Company every quarter and/or every time there is a change in their holdings.

7. In addition to disclosing information as specified in regulations through the SET, the Company has disclosed important Company information, both in Thai and English, to the public on the Company's website. All disclosed information is up-to-date and includes the following:

    - The Company's vision and mission
    - Nature of Business
    - List of members of the Board of Directors, Sub-committees, and executives
    - Financialstatements, financial status and performance, MD&A reports, and related transactions (current and at least one prior year)
    - Downloadable Annual Registration Statements (Form 56-1) and Annual Report
    - Shareholders structure and the Company structure
    - List of major shareholders
    - Securities holdings of directors and executives
    - Invitation letters for shareholder meetings, other relevant documents and minutes of shareholder meetings
    - Articles of Association and Affidavit
    - Corporate Governance Policy, Code of Conduct, Anti-Corruption Policy, Risk Enterprise Management Policy as well as other policies
    - Internal control system and risk management efforts by the Company
    - Sub-committee charters
    - Contact information for Investor Relations
    - Other information and documents for analysts, fund managers, and mass media

8. The Company's Investor Relations Department acts as a portal for access to the Company's performance results. The Department is responsible for communicating useful information to shareholders, investors, analysts. Meanwhile, the Compliance Office is responsible for preparing policies and handbooks for investor relations activities and information disclosure to the SET in order to ensure that the Company fully complies with laws, rules and regulations. The Investor Relations Department also presents Company information at road shows, both domestically and abroad, to interested parties. For people who would like more information on the Company's operations, please contact the Assistant Vice President of Investor Relations (Ms. Metinee Isarachinda) via telephone: 02-596-5072-3, or email at: metineei@thaicom.net, or Investor Relations:

Investor Relations
Thaicom Public Company Limited
63/21 Rattanathibet Road,
Nonthaburi, Thailand 11000
Tel. 02-596-5072-3
Fax 02-591-0705
Email ir@thaicom.net

Section 5 Duties and Responsibilities of the Board of Directors

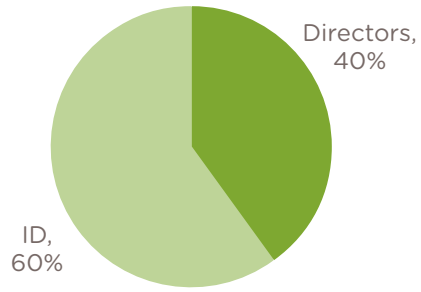
The Board plays an important role in corporate governance for the best interest of the Company's shareholders and stakeholders, and as such will continue to perform the following functions to ensure sustainable and long-term business performance.

1. Structure of the Board of Directors

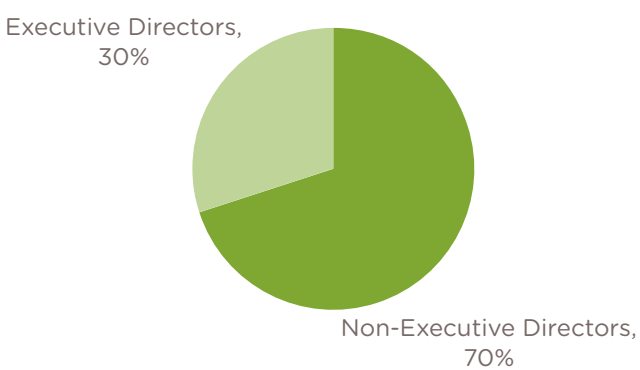
1.1 Composition of the Board of Directors

- The Board shall be composed of both men and women who are experts with a wide range of experience in various fields. The Company has to additionally consider knowledge, ability, experience, and management expertise of that person (Board Diversity). The Company's Board shall consist of no less than 5 persons, and may consist of more in keeping with the size of the Company's activities. The Board shall have one Chairman and the remaining members shall be directors. All independent directors are neither connected nor affiliated with the Company in any way, including independence from the Company's management, the Company's business operations or any other connection which may give rise to a conflict of interest. Independent and non-executive directors must constitute a majority of the Board to ensure balance between executive and non-executive directors. At least one third of the total number of directors on the Board, and not less than three persons, must be independent directors.
- As of 31 December 2016, the Board of Directors, as per affidavit of the Company, consisted of the following 10 people; including 6 independent directors or 60% of the entire the Board of Directors, which can divided into 3 executive directors and 7 non-executive directors.

Proportion of Independent Directors (ID)



Proportion of Non-Executives Directors



- The Company has a policy on segregation of duties between the Chairman of the Board and the Chairman of the Executive Committee, that they shall not be the same person, in order to maintain a balance of power between direction and management functions.
- The Chairman of the Board of Directors is the leader of directors and is responsible for monitoring and supervising management functions of the Executive Committee in accordance with the approved business plan. The Chairman also acts as the Chairman of the Board at shareholder meetings.
- The Chairman of the Executive Committee is the head of the Executive Committee and responsible for supervising the Executive Committee in

carrying out the duties that were assigned by the Board. The Chairman is also responsible for considering each agenda item before proposing it to the Committee and also for approving the procedures of the Company's ordinary business operations.

- The Chief Executive Officer (CEO) is the head of the Company's management team, responsible to the Board for achieving the approved business plans and reporting the business performance (if any) to the Executive Committee and the Board. The assignment shall be done by designation of the Board.

1.2 Qualification of Directors

The Company's directors must hold qualifications and no record of illegal actions according to the Public Limited Companies Act B.E.2535 and shall not have characteristics indicating a lack of appropriateness in respect of trustworthiness in managing business whose shares are held by public shareholders pursuance to the laws on securities and exchange. Additionally, the Company has to consider knowledge, ability, experience, and management expertise of that person, including demonstrated capability, integrity, carefulness and abidance to ethical business practices. Directors must have adequate time to devote their knowledge and abilities to performing duties for the Company.

1.3 Qualification of Independent Directors

Independent directors shall have all the q ualifications stipulated by the Capital Market Supervisory Board. Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflicts of interest that may arise. They shall be able to attend Board meetings and independently express their comments and opinions.

Independent directors shall have the following qualifications:

(1) Holds no more than 0.1% of total voting stocks of the Company, its parent Company, its subsidiaries, its associated companies, major shareholder or controlling persons who may have conflicts of interest, including stocks held by connected persons of the independent director.

(2) Is not or has never been an executive director, employee, staff, or advisor who receives salary of a controlling person of the Company, its parent Company, its subsidiaries, its associated companies, same-level subsidiaries, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing status has ended for more than 2 years before the date of appointment as independent director. The above restrictions do not apply to the appointment of an independent director who was a Government official or civil servant or consultant to a Government entity which was a major shareholder in the Company or which had a control over the Company.

(3) Is not a person related by blood or legal registration, such as father, mother, spouse, sibling or child, including spouse of children, management, major shareholders, controlling persons, or persons to be nominated as management or controlling person of the Company or its subsidiaries.

(4) Does not have or has not had a business relationship with the Company, its parent Company, its subsidiaries, its associated companies or controlling persons who may have conflicts of interest, in a manner that may interfere with his independent judgment, or is not or has never been a major shareholder or controlling persons of any person having business relationship with the Company, its parent Company, its subsidiaries, its associated companies a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.

The term 'business relationship' mentioned under paragraph one 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 applicant or his counterparty being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the applicant or 20 million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of Capital Market Supervisory Board concerning Rules on Connected Transactions. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which the business relationship with the person commences.

(5) Is not or has never been an auditor of the Company, its parent Company, its subsidiaries or its associated companies who may have conflicts of interest and is not a major shareholder, or partner of an audit firm which employs auditors of the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest unless the foregoing relationship has ended for more than 2 years prior to appointment as independent director.

(6) Is not or has never been any professional advisor including legal or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its parent Company, its subsidiaries, its associated companies, a major shareholder or controlling persons who may have conflicts of interest, and is not a major shareholder, controlling persons or partner of the professional advisor unless the foregoing relationship has ended for more than 2 years appointment as independent director.

(7) Does not represent the Company's or its major shareholder's board member or a shareholder who is related to the Company's major shareholder.

(8) Is not an entrepreneur in any business similar to or materially competing with the Company or its subsidiaries or not being the material partner in partnership, executive director, employee, staff, or advisor who receives salary or holds more than 1% of total voting stocks of the Company similar to or materially competing with the Company or its subsidiaries.

(9) Has no characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business.

After being appointed as an independent director per clauses 1 to 9, an independent director could be authorized by Board of Directors to make any decisions on the Company business operations and that of its subsidiaries or major shareholders or controlling persons through authorization in the form of a collective decision only.

The Company may appoint a person who has or used to have business dealings with the Company or provided professional advice receiving an annual service fee exceeding that prescribed in (4) or (6) if the Board agrees that an appointment of such person has no effect on performing their duty and expressing an independent opinion. This information shall be disclosed in the invitation letter for the AGM in the agenda item related to the appointment of independent directors, and contain the following:

a) Characteristics of the person's business affairs or professional services which might cause the disqualification of such a person.

b) Reason and necessity for maintaining or appointing such person as independent director.

c) Opinion of the Board on nominating such person as independent director.

1.4 The Selection of Directors

(1) The Board has appointed the Governance and Nomination Committee to select qualified persons using the Board Skill Matrix in order to nominate qualified people for the post of director based on their qualifications

and by considering other skills they may possess which may be lacking on the Board and aligned with the company's strategic directions. Shortlisted candidates will be presented to the Board for initial approval, before approval is sought at the shareholder meeting.

(2) In determining whether to recommend a director for re-election, the Governance and Nomination Committee will consider relevant factors such as the director's performance, history of attendance at and participation in meetings, and other contributions to the activities undertaken by the Board.

(3) To identify director candidates, the Governance and Nomination Committee may use the following sources:

(3.1) The directors may propose a candidate

(3.2) An external consultant

(3.3) The Thai Institute of Directors (IOD) list of Chartered Directors in line with the qualifications identified by the Securities and Exchange Commission, and the Stock Exchange of Thailand

(3.4) Allow minority shareholders to propose a qualified person through the Company's website in accordance with the criteria and procedures specified by the Company.

(4) The appointment of members of the Board shall comply with the Company's Articles of Association and all relevant laws in Thailand. Selection of the directors shall be transparent and clear, and processed through the Governance and Nomination Committee.

1.5 Directors' Terms

(1) The term of directors is three years and the directors can be reappointed. The Company has no regulation forbidding a director who is retired by rotation from being re-elected as director, nor is the age of the director a disqualifying factor. The Board will take into account the abilities of directors in performing duties when making selections.

(2) The term which directors will serve is based on the Company's Articles of Association. At each AGM, one-third of the directors shall be retired by rotation. The Directors with the longest term shall be retired by rotation and then can be re-elected

(3) In case of vacancy or vacancies due to other reasons, the Board of Directors, by a vote in which three fourths of its members agree, shall elect someone who has the prerequisite qualifications and is not subject to prohibited conditions according to Clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board of Directors can thereby appoint him/her as a director in the next meeting. An exception is the case of a term with less than 2 months remaining, where the term of the newly appointed director shall expire at the same time as the preceding director.

(4) Independent directors shall not hold office continuously for more than 3 consecutive terms or 9 years, whichever is longer, unless the Board of Directors considers it necessary for such independent directors to continue in office, in which case the Board can extend the term.

1.6 Directorship in other Companies

Directors can hold the position of board member in no more than 5 listed companies simultaneously, provided that these appointments do not interfere or cause conflicts of interest with their performance and duties for the Company.

2. The Sub-Committees

The Board has established 6 Committees to study and screen tasks and reduce the workload of the Board. Each of these committees has a clear scope of duties, responsibilities and authority as follows:

(1) Audit Committee

(2) Compensation Committee

(3) Governance and Nomination Committee

(4) Executive Committee

(5) Risk Management Committee

(6) Sustainable Development Committee

3. Roles, Duties, and Responsibilities of the Board of Directors

The Board, as a representative of the shareholders, has the duty to oversee that the management will perform in accordance with Company objectives, policies, procedures, rules, regulations and resolutions from the shareholder meeting with honesty and loyalty, and meticulously takes care of shareholders' interest including other stakeholders.

The Board of Directors has the following duties and responsibilities:

- To establish policies, strategize and assign the business direction for the Company and its subsidiaries in order to maximize benefit to shareholders and drive continuous improvement. The Board must also review the objectives and vision of the Company once a year.
- To monitor the implementation of policy and the corporate strategy approved by the Board. The Committee regularly reports its performance to the Board.
- To consider and decide on significant issues related to the business operations of the Company and subsidiaries, such as business policies, business plans, asset acquisition and disposal, project investments, connected transactions, levels of authority and other issues as required by law, and to monitor the performance of management in terms of efficiency for the best interest of the Company and its subsidiaries by establishing accounting systems, reliable financial reporting and auditing, including evaluation processes for effectiveness and efficiency of internal control systems, risk management and appropriate follow up procedures.
- To oversee matters to prevent conflicts of interest among the Company's stakeholders and approve related transactions and transactions in which conflicts of interest are incurred.
- To ensure business operations are in accordance with good corporate governance and ethics guidelines, and to review the Corporate Governance Policy and evaluate compliance with the Corporate Governance Policy at least once a year;
- To evaluate performance of all committees and individuals at least once a year.

The Board of Directors may delegate power to any individual to conduct business on specific cases or other matters. The delegation of power shall not include power to execute conflicts of interest or transactions in the Company or subsidiaries as prescribed in the Company's Articles of Association or as regulated by the Securities and Exchange Commission or the Stock Exchange of Thailand, except in cases which are in compliance with the policy or the criteria approved by the Board of Directors.

4. Approval Authority of Board of Directors

- The Company's Policies
- Business plan, annual budget, strategy and KPI
- Investment in subsidiaries, associates, and joint ventures regarding investment in new business, changing the Company's business, increase or decrease of capital, and appointment of directors and authorized directors in the Company and its subsidiaries.
- Entering into, amendment or termination of a material contract or any contract which would have a material exposure or liability impact or involve significant financial or technological commitments or would create of amplify significant risks for the Company.
- Transfer or renounce the Company's rights regarding its interest or claims against any person who causes damage to the Company regardless of whether such rights are related to the Company's or its subsidiaries' assets.
- Changes in accounting policy or early adoption of new accounting standards.
- Litigation/out of court settlement/arbitration and lawsuits related to the Company's reputation and image.
- Organizational structure and manpower
- Merit increase, bonus, incentive payments, position, and salary structure
- HR rules and regulations

- Opening and closing deposit accounts with financial institutions or banks
- External loans, changing conditions of credit facilities, and utilizing credit facilities.
- Hedging policy

5. The Meeting of the Board of the Directors

The Board performs its duties through Board meetings as follows:

(1) The Board's meetings are officially scheduled throughout the year and well in advance. Board members are informed of these meeting in advance.

(2) A minimum of 6 Board meetings are scheduled in one year, although the number may be increased as necessary.

(3) The Meeting quorum is not less than half of the number of Board members.

(4) A minimum quorum of the meeting requires at least 2/3 of members for Board decisions.

(5) In the Board meeting, the Chairperson shall allocate sufficient time for Management to propose documents and information to discuss significant problems and for the Board to discuss important issues adequately. All members of the Board can express their opinions and propose agenda items for meetings independently.

(6) Company Secretary's duty is to make meeting appointments, prepare all meeting documents, and submit those documents along with invitation letters at least 7 days before the meeting date so that Board members have sufficient time to read and study the materials ahead of the meeting. The secretary is also responsible for recording minutes in writing and proposes those minutes to the Chairman and the Board members for consideration and approval. The Company Secretary shall keep all minutes and all relevant materials for filing and future verification.

(7) Directors who have a personal interest in an agenda item must not be present in the meeting when such agenda item is discussed. The Executive Committee shall write a monthly performance report for the Board.

(8) The non-management directors shall have an internal meeting at least once a year to discuss problems related to management which attracts attention and then inform the Chairman about the results of meeting.

The details of each director's attendance at meetings is provided in section 1.1 Board of Directors.

6. Company Secretary Office

The Company appointed the Company Secretary according to the laws of the Securities Exchange Commission and the Stock Exchange of Thailand. The Company Secretary is tasked with safekeeping documents and minutes of meetings, including reports on interests of directors and executives and other relevant issues. The Company Secretary shall perform these duties in accordance to the relevant laws and regulations: Organize and arrange the meetings of the Board of Directors and other Committees as established in accordance with the law, Company Articles of Association and the rules and governance guidelines of the Board of Directors and other committees; Present any resolutions from the Board of Directors and shareholders to management for their acknowledgment; Consult with and propose basic information to the Board of Directors and management on Company regulations and Corporate Governance guidelines.

7. Evaluation of the Board of Directors' Performance

The company regards self-evaluation as an essential step to the best practices and development of good corporate governance. Therefore, the Company shall evaluate the performance of the Board and all sub-committees, as well as individual members of the Board and subcommittee, on an annual basis. The results of the evaluation will show whether or not the Board has fulfilled its mandate to the fullest of its ability, and will also serve to provide information and support to the Company's management in improving management efficiency and suitability.

The evaluation criteria and process include:

1. Governance and Nomination Committee has tasked the Company Secretary with distributing self-assessment forms to the members of the Board and sub-committees to complete an evaluation. For these self-assessment forms, the

company uses the performance evaluation form provided by the Stock Exchange of Thailand as a guideline and improves the form as suggested by the Governance and Nomination Committee to suit the Company's nature of business. The forms are provided in the three following types:

A. The entire board performance evaluation form

B. The sub-committee performance evaluation form

C. The individual self-evaluation form

2. The Company Secretary will collect all the performance evaluation forms, summarize all scores, including criteria and processes of evaluation and present the results to the Governance and Nomination Committee for consideration.

3. The Governance and Nomination Committee will present the complete evaluation to the Board for review and use as guidelines in improving the Board management and potential for individual directors.

In addition, the Company will engage and independent outside consultant to undertake the evaluation of the Board every 3 years. A consultant can set up criteria and provide recommendation for tranperency and reliable evaluation.In 2015, the Company engaged AON Hewitt, an external advisor, to evaluate the entire Board for the first time.

In 2016, the Company Secretary sent the entire board performance evaluation form and the individual self-evaluation form to the Board and all subcommittees for individual self-evaluation for the year 2016. The criteria and results are detailed as follows:

Type of Committee and Type of Evaluation Form	Evaluation Result
Board of Directors	
Entire board evaluation Criteria of the evaluation consist of 7 topics (1) Board Policy (2) Structure and Characteristics of Board (3) Roles and Responsibilities of the Board (4) Board meeting preparation and procedure (5) The Board's performance of duties (6) Relationship with management (7) Self-development of Directors and Executives Development	3.76 / 4.00
Individual self-evaluation Criteria of the evaluation consist of 5 topics (1) Background of the Board's Duty (2) The Organization Knowledge (3) The Boards' Meeting (4) Relationship with Executives (5) Individual Personal Performance as a Board Member	3.82 / 4.00
Audit Committee	
Entire committee evaluation Criteria of the evaluation consist of 2 topics (1) Role of the Audit Committee (2) Duty of the Audit Committee with consists of (2.1) To review company's financial report (2.2) To review Internal Control and independent of Corporate Audit Department (2.3) To review rules and regulations of the company (2.4) To consider, select and nominate an independent person to be auditor of the company (2.5) To consider connected transaction or conflict of interest accordance with rules and regulations (2.6) Disclose audit committee report in annual report	2.93 / 3.00

Type of Committee and Type of Evaluation Form	Evaluation Result
Audit Committee	
<u>Individual self-evaluation</u> Criteria of the evaluation consist of 3 topics (1) Committee structure and qualifications with consists of (1.1) Knowledge and experience of a member is fit with business (1.2) Knowledge and experience are appropriate to the assigned duties and responsibilities (2) The committee meeting with consists of (2.1) A member prepares and studies information prior to the meeting (2.2) Opinions of a member are useful for the business (2.3) Particular member does not attend the meeting and abstains from voting on a particular agenda in which he or she has a conflict of interest (2.4) Chairman or an assigned person can conduct efficient meetings (3) Roles, duties and responsibilities of the Committee with consists of (3.1) A member complies with related rules, laws and charter, and performs his duty well (3.2) A member devotes time for his duties (3.3) A member does not intervene the normal operation carried out by management team (3.4) A member properly supervises and monitors management's operation (3.5) A member is enthusiastic about continuous development	3.59 / 4.00
Compensation Committee	
<u>Entire committee evaluation</u> Criteria of the evaluation consist of 5 topics (1) Preparation of the Committee (2) Policy Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Compensation Committee (5) Roles and Responsibilities of the Committee	2.94 / 3.00
<u>Individual self-evaluation</u> Criteria of the evaluation consist of 10 topics (1) Performance of the Committee (2) Understanding of the Committee's roles and responsibilities as specified in the charter (3) Clearly defined in the Committee's role and responsibilities (4) Relationship within the Committee (5) The consideration procedure, regarding the remuneration determination (6) Appropriate for evaluation the Chairman of Executive Committee (7) Spend sufficient time on considering the criteria of remuneration and appropriate for the consideration procedure (8) Spend sufficient time on considering in problem-solving (9) Preparation before the meeting (10) Each member can express their opinion freely	4.37 / 5.00
Governance and Nominations Committee	
<u>Entire committee evaluation</u> Criteria of the evaluation consist of 5 topics (1) Preparation of the Governance and Nominations Committee (2) Policy Determination and Consideration of Procedure (3) Monitoring and Evaluation (4) The Meeting of the Governance and Nominations Committee (5) Roles of Chairman of the Committee	2.93 / 3.00
<u>Individual self-evaluation</u> Criteria of the evaluation consist of 9 topics (1) Performance of the Committee (2) Understanding of the Committee's roles and responsibilities as specified in the charter (3) Clearly defined of the Committee's role and responsibilities (4) Relationship within the Committee (5) The consideration procedure, regarding the nomination of directors (6) The Committee has review Corporate Governance policy and other related regularly (7) Spend appropriated time on considering the criteria of Corporate Governance Policy (8) Preparation before the meeting (9) Each member can express their opinion freely	4.59 / 5.00
Executive Committee	
<u>Entire committee evaluation</u> Criteria of the evaluation consist of 4 topics (1) Composition and qualification of the Executive Committee (2) Meeting arrangement (3) Roles, duties and responsibilities (4) Knowledge and skill in specialized analysis	3.58 / 4.00

Type of Committee and Type of Evaluation Form	Evaluation Result
Executive Committee	
Individual self-evaluation Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction with the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding the Company's Strategy (5) Relationship among the Committee (6) Clearly defined of the Committee's roles and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the Company appropriately (9) Spend sufficient time on considering the Company's operational appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion (13) Impartial to express opinion (14) Chairman has given the opportunity and encourage all members to express opinion independently	3.64 / 4.00
Risk Management Committee	
Entire committee evaluation Criteria of the evaluation consist of 5 topics (1) Composition and Quality (2) Understanding the business and associated risks (3) Process and Procedure (4) Monitoring Activities (5) Communication Activities	3.10 / 4.00
Individual self-evaluation Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding the Company's Policy on Enterprise Risk Management (5) Relationship among the Committee (6) Clearly defined of the Committee's roles and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the risk assessment of the Company appropriately (9) Spend sufficient time on considering the Company's risk, treatment plan appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all member to express opinion independently	4.17 / 5.00
Sustainable Development Committee	
Entire committee evaluation Criteria of the evaluation consist of 6 topics (1) Preparation of the Sustainable Development Committee (2) Determination and Consideration of the Company's Strategy (3) Risk Management (4) Sustainable Development Framework (5) The Meeting of the Sustainable Development Committee (6) Roles, Duties and Responsibilities of the Chairman of the Sustainable Development Committee	2.76 / 3.00
Individual self-evaluation Criteria of the evaluation consist of 14 topics (1) Overall satisfaction of the performance (2) Satisfaction the process of problem-solving (3) Understanding of the Committee's roles duties and responsibilities as specified in the charter (4) Understanding of the Sustainable Development strategy (5) Relationship among the Committee (6) Clearly defined of the Committee's roles and responsibilities (7) Appropriate for the criteria of performance evaluation (8) Spend sufficient time on considering the policy and direction of the Company's sustainable development appropriately (9) Spend sufficient time on considering the sustainable development report and other performance results appropriately (10) Spend sufficient time on considering in direction of problem-solving if undefined with determined direction appropriately (11) Preparation before the meeting (12) Independently to express opinion freely (13) Independently to express opinion without bias (14) Chairman has given the opportunity and encourage all members to express opinion independently	4.22 / 5.00

8. Remuneration for Directors and Management

The Company has developed a clear Remuneration Policy for its directors, and the Compensation Committee is in charge of reviewing and presenting director and management remuneration proposals to the Board of Directors for approval by the Board and the Company's shareholders at the general meeting of shareholders. Compensation for the Company's directors is in line with the duties, responsibilities, and capabilities of said persons, and is based on comparisons with compensation paid by companies in the same industry as well as results from surveys performed by the Thai Institute of Directors (IOD). Compensation is sufficient and attractive enough to retain the Company's directors.

(1) Directors who are staff or hold executive management positions within the Company have no right to receive any per diems, meeting allowances, or remuneration in the performance of their duties as directors or sub-committee members.

(2) The remuneration of executives comprises salary, bonus, provident fund, and other benefits which are linked to the performance of the Company and criteria for executives.

(3) Non-Monetary Consideration: The Company maintains a warrant allocation program for directors and executive management of the Company. The program was launched in 2013 to motivate them.

Details of remuneration of directors and executives appear in section 1.4 Remuneration of Directors and Executives

9. Orientation and Knowledge Development of Board of Directors and Management

The Company has created a handbook for directors that includes information on the Company, the Articles of Association of the Company, the Company's Corporate Governance policies, as well as the Anti-Corruption Policy and other regulations related to the duties and responsibilities of the directors so that they may familiarize themselves with their duties and the manner of performing those duties efficiently.

For newly appointed directors, the Company also provides an introduction session to the Company, its operations, and the businesses of its subsidiaries. In addition, the Company provides directors with opportunities to attend special training courses and seminars related to their specific duties, particularly those seminars and training sessions organized by the Thai Institute of Directors (IOD), or the Stock Exchange of Thailand.

In 2016, directors and management applied for and participated in the following courses provided by the IOD:

Director / Management	IOD Course
1. Prof. Hiran Radeesri (Independent Director and Chairman of the Audit Committee)	• CG Forum 3/2016
2. Mrs. Charintorn Vongspootorn (Independent Director and Chairman of the Compensation Committee)	• BMD : Board that Makes a Difference 3/2016 • IOD : Compensation Survey 2016
3. Prof. Samrieng Mekkriengkrai (Independent Director, Member of the Audit Committee, and Member of the Governance and Nomination Committee)	• BMD : Board that Makes a Difference 3/2016 • CG Forum 3/2016
4. Mr. Kwek Buck Chye (Director and Executive Committee Member)	• IOD Breakfast Talk 1/2016 "The Power of Culture: From Performance Culture to Winning Culture"
5. Mr. Philip Chen Chong Tan (Director, Member of the Compensation Committee, Member of the Goverrnance and Nomination Committee, and Member of the Executive Committee)	• IOD Breakfast Talk 1/2016 "The Power of Culture: From Performance Culture to Winning Culture"

Director / Management	IOD Course
6. Mrs. Patareeya Benjapolchai (Independent Director, Chairman of the Governance and Nomination Committee, and Member of the Audit Committee)	• ITG 2/2016 : Driving Company Success with IT Governance
7. Mr. Patompob Suwansiri (Member of the Executives Committee)	• CG Forum 3/2016
8. Ms. Yupapan Panclurbthong (Company Secretary)	• BMD : Boards that Make a Difference 3/2016 • IOD Breakfast Talk 2/2016 "How increased investor interest in non-finacial information is shaping the future of Sustainability Reporting"

10. Evaluation of the Chief Executive Officer

The Board, excluding executive directors or members of the Compensation Committee, should assess the performance of the Managing Director or Chief Executive Officer annually in keeping with pre-agreed standards and performance criteria covering the Company's financial performance as well as other strategic objectives.

The evaluation criteria are divided into 7 parts:

Part 1 Evaluation of Leadership Competency Corporate Governance Policy-2015 Revised Edition Page 24 from 25

Part 2 Evaluation of Financial Management

Part 3 Evaluation of Skills and Attitudes

Part 4 Evaluation of successful completion of important tasks over a period of time longer than the last 12 months

Part 5 Evaluation of decision making on significant matters in the last twelve months.

Part 6 Evaluation of preparation to meet significant new challenges in the future.

Part 7 Evaluation of any other related criteria. The results of the evaluation will be used to formulate a compensation package for the CEO for the following year.

The results of the evaluation will be used to formulate a compensation package for the CEO for the following year.

11. Contact with Management

The Board supports the participation of executives in meetings of the Board when such persons are responsible for giving a presentation on a specific agenda item for that meeting. Such participation will allow members of the Board to learn about specific elements of the Company's operations, and will allow the executives to learn of the Board's point of view on specific topics and issues. Members of the Board should be able to contact executives directly if necessary, but such contact should not interfere or create conflicts with the work of the executives.

12. Management Succession

The Board realizes that human resources management is a major factor in ensuring the success of an organization. Therefore, the Board authorized the Governance and Nomination Committee to annually review and study the executive management succession plan for the Company. The Committee is responsible for considering the succession plan of senior management from EVP level upwards who report directly to the CEO.

2.2 Sub-committees

To fit the Company's operational structure, the Board of Directors also approved 6 more sub-committees including the Audit Committee, Compensation Committee, Governance and Nomination Committee, Executive Committee, Risk Management Committee and Sustainable Development Committee. Sub-committees' roles and responsibilities are detailed as follows:

1. Audit Committee

The Audit Committee comprises at least 3 independent directors, all of which must be independent directors who meet the criteria set out by the Securities and Exchange Commission of the Stock Exchange of Thailand..At least one director shall have sufficient knowledge and experience in accounting or finance to be able to audit the reliability of financial statements. The Board of Directors shall appoint one member of the Committee as the Chairman. The head of the internal audit unit shall be the Secretary to the Committee.

Committee members shall hold 3-year terms and may be reappointed at the end of their term, but for no more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

As of 31 December 2016, the Audit Committee consists of 4 members, all of whom are independent directors:

Committee Members	Position
1. Prof. Hiran Radeesri (1)	Chairman of the Audit Committee
2. Mrs. Charintorn Vongspootorn (1)	Member of the Audit Committee
3. Prof. Samrieng Mekkriengkrai	Member of the Audit Committee
4. Mrs. Patareeya Benjapolchai (1) (2)	Member of the Audit Committee

Remarks:

(1) Prof. Hiran Radeesri, Mrs. Charinton Vongspootorn, and Mrs. Patareeya Banjapolchai have the prerequisite knowledge and experience to review and audit the Company's financial statements.

(2) Mrs. Patareeya Benjapolchai was appointed as Member of Audit Committee, by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

The Audit Committee shall meet at least 8 times a year and not less than one-half of the Committee shall constitute a quorum for the transaction of business. In 2016, the Committee met 13 times and presented subsequent proposals to the Board of Directors.

Roles, Duties, and Responsibilities of the Audit Committee

The Audit Committee performs its duties in accordance with the regularly reviewed Audit Committee Charter presented below:

- To ensure that the Company has accurate, complete, and credible financial reports.
- To ensure that the Company has appropriate and effective internal control systems and internal auditing activities, and the Internal Audit Department's performance will also be evaluated to meet the international standard regarding budget sufficiency, personnel, independence and approval for appointing, transferring, crediting, dismissing the Head of Internal Audit or other offices in charge of the internal audit.
- To maintain a protective system to ensure higher performance, efficiency and effectiveness of the Internal Audit Department.
- To ensure that the Company complies with the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) as well as all rules and regulations related to the Company's business.
- To test the accuracy and effectiveness of the information technology system used in financial reporting and complying with the law and regulations.
- To consider, select, nominate and terminate independent persons as the Company's auditor, propose the audit's remuneration and attend a non-management meeting with auditor at least once a year.
- To ensure the independence of the auditors and consider other alternative services rather than auditing from the same audit office, as well as coordinate between the auditors and the Internal Audit Department.

- To consider connected transactions or transactions that may lead to conflicts of interest whether it complies with all rules and regulations of the SET and SEC and ensure the transactions are appropriate and provide the best interest to the Company.
- To consider the acquisition and disposal of the assets comply with the laws and regulations subject to the Securities and Exchange Act and to consider to disclose information in relevance with the connected transactions or any conflict of interest transaction, including the acquisition and disposal of the assets
- To assure that the Company has appropriate and effective risk management processes.
- To implement a process to receive information from employees on illegal activities or questionable entries in the Company's balance sheets and accounts. Review the summary report on investigation of fraud and establish internal preventive measures.
- To review and oversee improvement of internal control systems on the preparation of the Company's financial reports to ensure accuracy.
- To prepare the Audit Committee's report and disclosure in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and include at least the following comments.
    1. Accuracy, completeness, and credibility of the Company's financial reports
    2. Adequacy of the Company's internal control system
    3. Compliance with the laws of SEC, SET and regulations and other laws relevant to the Company's business
    4. Suitability of the external auditor
    5. Transactions that may cause conflicts of interest and fraud
    6. An opinion on channels that may lead to fraud
    7. Number of committee meetings and attendance of each member
    8. Other concerns that have arisen as the Audit Committee performed its duties as defined in the Committee's charter
    9. Anything else which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.
- To report activities of the Audit Committee to the Board of Directors at least 4 times a year.
- To review scope, authority and responsibility and conduct self-evaluation on an annual basis.
- In carrying out the Audit Committee duties and responsibilities, if there are unusual transactions or the following activities which may have material impact on the financial position and operating results of the Company, the Audit Committee must report to the Board of Directors to take corrective action within a reasonable period of time.
    1. Conflict of interest transactions
    2. Fraud or unusual transactions or significant deficiency in the internal control system
    3. Violations under the laws of the SEC or SET, or regulations or other laws relevant to the Company's business.

    If the Board of Directors has not taken corrective actions within the period of time specified in the first paragraph, any member of the Audit Committee might report that there is an action specified in the first paragraph to the SEC or the SET.
- If the auditor discovers any suspicious activities or irregularities performed by a director, manager or any person responsible for the operation of the Company, the auditor will report to the Audit Committee and the Audit Committee will investigate such activities without delay. The Audit Committee shall report the preliminary inspection results to the SEC office and the auditor within 30 days from the notification date of the auditor. The circumstances that shall be reported and the procedures for acquiring the facts related to such circumstances shall comply with the notifications of the Capital Market Supervisory Board.

- The Audit Committee should receive regular and continuous training and knowledge development on the Committee's tasks and duties.
- To carry out any assignment by the Board of Directors that is agreed upon by the Audit Committee.

The Audit Committee has the authority to hold discussion among executives, supervisors or employees, or query them, as well as to appoint external consultants to provide advice and counseling if necessary according to the Company's regulations.

The Audit Committee works under the authority and responsibilities assigned by the Board which is directly responsible for the Company's performance towards the shareholders, stakeholders and common individuals.

Details of the Audit Committee's performance in 2015 can be found in Attachment 5.

2 Compensation Committee

The Compensation Committee shall consist of at least 3 members, of which more than one-half must be independent directors and the Chairman of the Committee must be an independent director appointed by the Board of Directors. The Company Secretary shall act as the Secretary of the Compensation Committee unless the Committee considers and assigns otherwise.

The members of the Compensation Committee shall hold office for a term of 3 years and may be reappointed at the end of their term, but for no more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

As of 31 December 2016, the Compensation Committee consists of the following 3 members:

Committee Members	Position
1. Mrs. Charintorn Vongspootorn	Chairman of the Compensation Committee
2. Prof. Samrieng Mekkriengkrai	Member of the Compensation Committee
3. Mr. Philip Chen Chong Tan [1]	Member of the Compensation Committee

Remark

[1] Mr. Philip Chen Chong Tan was appointed as Member of the Compensation Committee in replacement of Mr. Somprasong Boonyachai by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

The Compensation Committee shall meet at least twice a year. At a meeting of the Compensation Committee more than half of the Committee members shall be present to form a quorum. In 2016, the Committee met 6 times and presented results to the Board.

Roles, Duties, and Responsibilities of the Compensation Committee

The Compensation Committee performs its duties in accordance to the Compensation Committee Charter which is regularly reviewed by the Board of Directors. The Charter is presented below:

- Fix appropriate remuneration, both monetary and non-monetary, in order to be an incentive for members of the Board, the Committee, and high level executives to remain with the Company;
- Prescribe criteria and policy for determining the remuneration of the Board and executives for the Board' or the shareholders' consideration, as the case may be;
- Consider and approve the annual remuneration of directors and submit its recommendation to the Board and for the shareholder meeting for approval;
- Review the Company's performance in order to determine the KPI bonus and merit-based increase in salary for executives (above 15th Grade) and propose to the Board for approval;
- Review the special bonus adjustment requisition for executives (above 15th Grade) and propose to the Board for approval;
- Consider and approve the EV Bonus Plan (Economic Value Bonus Plan) and prescribe criteria for implementation of the EV Bonus Plan, including consideration and the allocation of annual EV Bonus to the Company's executives and submit its recommendations to the Board for approval;

- Supervise the implementation of the EV Bonus Plan and to give final determination in case there are problems or controversies in the implementation of the EV Bonus Plan and report to the Board;
- Consider and approve the evaluation of performance for determining the annual EV Bonus and salary increase for the Company's CEO and submit its recommendation to the Board for approval;
- Review the salary structure and remuneration package for executives (above 15th Grade) and propose to the Board for approval;
- Consider and give consent for the early retirement program for executives (above 15th Grade) and propose to the Board;
- Consider and give consent for employment and remuneration adjustment for executives (above 15th Grade) which includes hiring, personal grade adjustment, salary and remuneration package adjustment and propose to the Board for approval;
- In the event there is a proposal to issue new shares (or stock option), to be made part of the director and employee remuneration package, the Compensation Committee should consider and propose guidelines so that will be attractive for directors and employees to work in the long-term interest of the Company's shareholders, and to ensure that valuable employees will remain with the Company, while at the same time being just to the Company's shareholders. Furthermore, if a member of the Board or an employees is to be awarded more than 5% of the total stock option to be issued, the Compensation Committee should review the appropriateness of such a decision and recommend the approval or disapproval of such a decision. Under no circumstances should one of the Committee's members have a say or vote on the issuance of stock options if that particular Committee member stands to receive more than 5% of the total stock option to be issued;
- The Compensation Committee is responsible to the Board of Directors and has a duty to provide reasons/answers relating to the remuneration of directors at the shareholder meeting;
- Engage consultants or independent persons to give opinions or advice as necessary and in accordance with the Company's regulations;
- Review and assess the adequacy of the Charter of the Compensation Committee and recommend to the Board if any change or amendment is needed;
- Report the performance of important tasks to the Board on a regular basis and important issues for the Board' knowledge;
- Report the Committee's activities of previous year, in accordance with the Committee Charter, and to include such a report in the Company's Annual Report and to answer shareholders' questions at the Annual General Meeting. The Committee is also responsible for disclosing policies governing the directors' remuneration in the Company's Annual Report;
- Annually review its performance
- The Committee has the authority to require the management, executives or concerned persons to give opinions, provide information, or participate in meetings;
- Carry out any other duties assigned by the Board.

3. Governance and Nomination Committee

The Governance and Nomination Committee shall be composed of at least 3 directors, of which not less than 50 percent must be independent directors. The Chairman of the Committee shall be appointed by the Board of Directors. The Company Secretary shall act as secretary of the Committee unless the Committee considers and assigns otherwise.

The members of the Committee shall hold office 3-year terms and may be reappointed, but shall not serve more than 3 consecutive terms unless the Board of Directors considers it necessary for the member to continue in office.

As of 31 December 2016, the Governance and Nomination Committee consists of the following 3 members:

Committee Members	Position
1. Mrs. Patareeya Benjapolchai [1]	Chairman of the Governance and Nomination Committee
2. Prof. Samrieng Mekkriengkrai	Member of the Governance and Nomination Committee
3. Mr. Philip Chen Chong Tan [2]	Member of the Governance and Nomination Committee

Remarks

[1] Mrs.Patareeya Benjapolchai was appointed as Chairman of the Governance and Nomination Committee in replacement of Mrs.Charintorn Vongspootorn by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

[2] Mr.Philip Chen Chong Tan was appointed as Member of the Governance and Nomination Committee in replacement of Mr.Somprasong Boonyachai by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

The Governance and Nomination Committee shall meet at least twice a year. The presence of more than half the total number of members shall constitute a quorum. In 2016, the Committee met 3 times and made subsequent presentations to the Board.

Roles, Duties, and Responsibilities of the Governance and Nomination Committee

The Committee shall have the following authorities, duties, and responsibilities:

Consideration and Selection

- To establish the criteria and policy for Board membership including Board membership of subsidiaries.
- To evaluate and propose candidates to the Board and shareholders for election as members of the Board as well as for re-election or removal. The GNC may use professional or recruiter services and/or search from among the IOD chartered directors.
- Consider qualified candidates to be Chairman of Executive Committee and Chief Executive Officer (CEO) in relevant vacant positions and present for the Board's consideration and appointment.
- Nominate qualified persons to be directors and chairmen of sub-committees for the Board's consideration;
- Nominate qualified persons to be appointed as directors of the subsidiaries, affiliates, and joint ventures for the Board's consideration.
- The Committee shall disclose the policies and selection procedures in the Annual Report.

Corporate Governance

- Set policy on compliance with good corporate governance, annually review the Company's Corporate Governance Policy and recommend any amendments or revisions for the Board's consideration.
- Arrange an orientation for new directors and encourage all directors to attend seminars to develop their skills to increase capability to perform their duties efficiently.
- Consider and specify the criteria of the succession plan for executive management (UC Level) that report directly to the Chief Executive Officer (CEO) and further propose to the Board for consideration and approval annually.
- Carry out the annual evaluation of the performance of the Board, the Board's committees (including its own performance) and of each member of the Board, review the results of the evaluation of each of the Board's committees and report to the Board.
- Carry out the annual evaluation of the Chief Executive Officer (CEO) and report results to the Board.
- Engage consultants or independent persons to give opinions or advice as necessary and in accordance with the Company's regulations.
- Review and assess the adequacy of this charter and recommend to the Board if any change or amendment is needed.
- Report the performance of important tasks to the Board on a regular basis and bring up important issues for the Board's knowledge.
- To perform such other duties and responsibilities enumerated in and consistent with this Charter.

4. Executive Committee

The Company's Executive Committee consists of at least 5 qualified and experienced members. The Chairman of the Committee shall be appointed by the Board of Directors. The Secretary of the Board of Directors shall also be the secretary of the Executive Committee unless the Committee designates otherwise.

The Executive Committee members must be knowledgeable, capable, and honest, with business ethics and sufficient time to devote their knowledge and capability to the Company's business operations, and must not have any disqualifications as prescribed by the Public Limited Companies Act. In addition, no member shall be a partner in any ordinary partnership or hold a position in the juristic entity of the same nature as or in competition with that of the Company, whether for his own benefit or that of others, unless receiving approval from the Board of Directors.

The Executive Committee is responsible for setting business operation directions to meet targets set by the Board of Directors. The Committee reports to the Board of Directors.

As of 31 December 2016, the Executive Committee consists of the following 6 members:

Committee Members	Position
1. Mr. Prasert Bunsumpun	Chairman of the Executive Committee
2. Mr. Kwek Buck Chye	Member of the Executive Committee
3. Mr. Paiboon Panuwattanawong	Member of the Executive Committee
4. Mr. Anek Pana-apichon	Member of the Executive Committee
5. Mr. Patompob Suwansiri	Member of the Executive Committee
6. Mr. Philip Chen Chong Tan [1]	Member of the Executive Committee

Remarks

[1] Mr. Philip Chen Chong Tan was appointed as Member of the Executive Committee, by the resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

The Executive Committee shall meet at least once a month. A majority of the members comprising the Committee shall constitute a quorum for the transaction of business. In 2016, the Committee met 19 times and made subsequent presentations to the Board.

Roles, Duties, and Responsibilities of the Executive Committee

The Executive Committee performs its duties in accordance with the Executive Committee Charter which is regularly reviewed by Board of Directors. The Charter is presented below:

- Formulate the Company's goals, strategic direction, management structure, and annual business plan and budget for the Board of Directors' approval; guide and control the Company's business operations to ensure that they are in keeping with the overall vision, commitments, strategies and policies of the Company's Board of Directors, related laws, regulations and Articles of Association of the Company;
- Develop and manage the direction of the Company's business operations to ensure the Company's growth and development is in keeping with the vision, commitments, strategies, policies and decisions of the Board of Directors;
- Supervise and monitor the operating results and financial standing of the Company and report the business performance, along with the remedial actions to be taken in case the business performance of the Company fails to meet the target, to the Board of Directors every month;

- Identify and evaluate new business opportunities;
- Review and make recommendations to the Board of Directors regarding the Company's dividend policy;
- Review and approve all transactions concerning investments and disposal of assets, human resources management, finance and treasury, general administration and any other transactions related to the Company's business within the limits of authority granted by the Board of Directors;
- Appoint Company management members to fill all necessary management areas within the Company per the Human Resources Authority Table, and screen potential candidates for appointment as UC-level management team members, the first appointment of which requires the approval of the Board of Directors;
- Review matters that require the Board of Directors' approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
- Consider and review the Company's risk management and control system;
- The Committee may delegate its authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's Articles of Association and Notifications of the Securities Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board and regulatory bodies;
- Engage consultants or independent persons to provide opinions or advice if necessary;
- The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
- Report to the Board of Directors on a monthly basis regarding the material actions taken by the Committee under the Chief Executive Committee Report agenda;
- Annually review its own performance and assess the adequacy of the charter of the Executive Committee, which may be done in conjunction with the annual evaluation of the Board and its other committees, conducted under the oversight of the Governance and Nomination Committee;
- Take any other action or assume any other powers and responsibilities that may from time to time be assigned or delegated to the Committee by the Board.

5. Risk Management Committee

The Risk Management Committee consists of no fewer than 7 members chosen from among directors and executives who are knowledgeable, capable, honest, and able to dedicate adequate time to their position on the Committee in order to achieve the Company's goals. The Committee is tasked with developing proper procedures and guidelines for analyzing and mitigating risks for the Company. The Ccommittee must also regularly review the Company's policies in relation to risk management to ensure that they are sufficient and cover all areas. Additionally, the Committee is responsible for overseeing all risk management activities as tasked by the Company's Board of Directors.

As of 31 December 2016, the Risk Management Committee consists of the following 13 members:

Committee Members	Position
1. Mr. Paiboon Panuwattanawong	Chairman of the Risk Management Committee
2. Mr. Vuthi Asvasermcharoen	Member of the Risk Management Committee
3. Mr. Patompob Suwansiri	Member of the Risk Management Committee
4. Mr. Wichai Kittiwittayakul	Member of the Risk Management Committee
5. Mr. Teerayuth Boonchote	Member of the Risk Management Committee
6. Mr. Theerawat Kusalanggoorawat	Member of the Risk Management Committee
7. Mr. Ekachai Pakdurong	Member of the Risk Management Committee
8. Mr. Pramook Chaiwongwutthikul	Member of the Risk Management Committee
9. Mr. Supoj Chinveeraphan [1]	Member of the Risk Management Committee
10. Mr. Pavit Ngansamrej	Member of the Risk Management Committee
11. Ms. Yupapan Panclurbthong	Member of the Risk Management Committee
12. Mr. Salil Charuchinda	Member of the Risk Management Committee
13. Mr. Prawin Khurowat	Member of the Risk Management Committee

Remark

[1] Mr.Supoj Chinveeraphan was appointed as Member of the Risk Management Committee, effective from 13 January 2016.

The Risk Management Committee shall meet at least once a quarter as well as upon request. The presence of more than half the total number of members shall constitute a quorum. In 2016, the Risk Management Committee held 4 meetings in total and subsequent reports were presented to the Board.

Roles, Duties, and Responsibilities of the Risk Management Committees

The Risk Management Committees' scope of duties is set in writing under the authority of the Risk Management Committee Appointment, approved by the Board of Directors as follows:

- To establish rules, policies, and procedures to assess and manage the risks which affect the Company and annually review the adequacy of risk management policy and risk management process;
- To provide risk assessment, risk prioritization, establishment guidelines and strategies for risk management to ensure that risks are in the risk appetite, and manage the risk with appropriate cost;
- To manage and monitor the operations according to the Risk Management Policy, and follow the guidelines and policies which are approved by the Board;
- To encourage top management and employees to understand and acknowledge their role in the Risk Management;
- Report to the Board, Audit Committee, and Executive Committee regularly about the management, operations, Company's risk status, various changes, and the improvement and corrective actions in accordance with the defined policies and strategies;

6. Sustainable Development Committee

The Sustainable Development Committees consist of at least 5 members, chosen from among the directors and executives who are knowledgeable, capable, honest, and able to dedicate adequate time to their position on the Committee in order to drive the Company's sustainable development goals in alignment with the Company's business direction. The Chairman of the Sustainable Development Committee shall be appointed by the Board of Directors. The Assistant Vice President of Corporate Communications shall act as the Secretary of the Sustainable Development Committee unless the Board of Directors assigns otherwise.

As of December 2016, the Sustainable Development Committee consists of the following 10 members:

Committee Members	Position
1. Mr. Paiboon Panuwattanawong	Chairman of the Sustainable Development Committee
2. Mr. Vuthi Asvasermcharoen	Member of the Sustainable Development Committee
3. Mr. Patompob Suwansiri	Member of the Sustainable Development Committee
4. Mr. Teerayuth Boonchote	Member of the Sustainable Development Committee
5. Mr. Teerawat Kusalanggoorawat	Member of the Sustainable Development Committee
6. Mr. Ekachai Phakdurong	Member of the Sustainable Development Committee
7. Mr. Salil Charuchinda	Member of the Sustainable Development Committee
8. Mrs. Kuntima Uawithya	Member of the Sustainable Development Committee
9. Ms. Yupapan Panclurbthong	Member of the Sustainable Development Committee
10. Mr. Pavit Ngansamrej [(1)]	Member of the Sustainable Development Committee

Remarks

[(1)] Mr.Pavit Ngansamrej was appointed as Member of the Sustainable Development Committee on 4 April 2016.

[(2)] Ms.Thitipa Laxanaphisuth resigned as Member and Secretaty of the Sustainable Development Committee on 9 December 2016.

The Sustainable Development Committees shall meet at least twice a year as well as upon request. The presence of more than half the total number of members shall constitute a quorum. In 2016, there were 3 meetings in total and subsequent reports were presented to the Board.

Roles, Duties, and Responsibilities of the Sustainable Development Committees

The Sustainable Development Committees' scope of duties is set in writing under the authority of the Sustainable Development Committee Appointment, approved by the Board of Directors as follows:

- Review and set the Company goals, policies, strategies and an action plan for sustainable development to align with the business direction of the Company economically, socially, and environmentally;
- Clearly define time frame and people responsible for tasks;
- Monitor implementation of the sustainable development policies, strategies, and action plans through the Sustainable Development Working Group;
- Define materiality and provide appropriate recommendations regarding sustainable development policies aligning with the Company's guidelines for good corporate governance to the Board of Directors for approval;
- Authorize requests for other persons to attend its meetings or provide pertinent information as necessary;
- Authorize appointments to the Sustainable Development Working Group (SWG) in order to take responsibility for and drive sustainable activity that shall require the further approval of the Board of Directors;
- Review, provide recommendations for, and approve the Sustainability Report, which shall require the further approval of the Board of Directors;
- Report the performance to the Board of Directors at least once a year and provide an annual performance report at the end of the fiscal year;
- Evaluate its own performance and the overall performance of the Committee, including assessment of the adequacy of this charter, annually; and
- Perform such other duties and responsibilities as to ensure success of sustainable development goals and carry out any duties assigned by the Board of Directors.

The meetings of the sub-committees in the year 2016

Committee Members	Attendance of Meeting/Total of Meetings (Times)					
	Audit Committee	Compensation Committee	Governance and Nomination Committee	Executive Committee	Risk Management Committee	Sustainable Development Committee
1. Prof. Hiran Radeesri	13/13					
2. Mrs. Charintorn Vongspootorn [1]	13/13	6/6	1/1			
3. Prof. Samrieng Mekkriengkrai	12/13	6/6	3/3			
4. Mrs. Patareeya Benjapolchai [2]	7/8		2/2			
5. Mr. Somprasong Boonyachai [3]		3/3	1/1			
6. Mr. Philip Chen Chong Tan [4]		3/3	2/2	10/10		
7. Mr. Prasert Bunsumpun				19/19		
8. Mr. Kwek Buck Chye				19/19		
9. Mr. Anek Pana-apichon				19/19		
10. Mr. Paiboon Panuwattanawong				19/19	4/4	2/3
11. Mr. Patompob Suwansiri				19/19	4/4	1/3
12. Mr. Vuthi Asvasermcharoen					3/4	2/3
13. Mr. Wichai Kittiwittayakul					3/4	
14. Mr. Teerayuth Boonchote					4/4	3/3
15. Mr. Theerawat Kusalanggoorawat					4/4	3/3
16. Mr. Ekachai Phakdurong					4/4	3/3
17. Mr. Pramook Chaiwongwutthikul					4/4	
18. Mr. Supoj Chinveeraphan [5]					2/3	
19. Mr. Pavit Ngansamrej [6]					3/4	0/2
20. Ms. Yupapan Panclurbthong					4/4	2/3
21. Mr. Salil Charuchinda					4/4	3/3
22. Mr. Prawin Khurowat					4/4	
23. Mrs. Kuntima Uawithya						3/3
24. Ms. Thitipa Laxanaphisuth [7]						3/3

Remarks

[1] Mrs.Charintorn Vongspootorn resigned as Chairman of the Governance and Nomination Committee, effective from 10 May 2016.

[2] Mrs.Patareeya Benjapolchai was appointed as Member of the Audit Committee and Chairman of the Governanc and Nomination Committee in replacement of Mrs. Charintorn Vongspootorn by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

[3] Mr.Somprasong Boonyachai resigned as Member of the Compensation Committee and Member of the Governance and Nomination Committee, effective from 10 May 2016.

[4] Mr.Philip Chen Chong Tan was appointed as Member of the Compensation Committee and Member of the Governance and Nomination Committee in replacement of Mr. Somprasong Boonyachai, and was appointed as Member of the Executive Committee by resolution of the Board of Directors Meeting No. 6/2016 held on 10 May 2016, effective from 10 May 2016.

[5] Mr.Supoj Chinveeraphan was appointed as Member of the Risk Management Committee, effective from 13 January 2016.

[6] Mr.Pavit Ngansamrej was appointed as Member of the Sustainable Development Committee, effective from 4 April 2016.

[7] Ms.Thitipa Laxanaphisuth resigned as Member and Secretaty of the Sustainable Development Committee on 9 December 2016.

2.3 The Selection of Directors and Management Executives

(1) The Selection of Independent Directors

The criteria to propose and to elect independent directors and the qualifications required for such directors can be found in Section 5: The Role and Responsibility of the Board of Directors > 1. Structure of the Board of Directors > 1.3 Qualification of Independent Directors

(2) The Selection of Directors and Management

The Selection of Directors

The Board of Directors has appointed the Governance and Nomination Committee, which consists mainly of independent directors, to select and screen the nominees for selection and appointment to positions on the Board under the Company's director selection policy. In the selection stage, appropriate ratio, number, and diversity of Board members are considered in a variety of areas, including skills and specific expertise needed and alignment with the Company's strategic directions. Board members should be prepared to dedicate their time to fully performing their role on the Board and not possess any characteristics which would disqualify them under the law. Good corporate governance for registered companies includes selection policies and committee selection procedures as follows:

1. Selection criteria

   The Governance and Nomination Committee can use the Board Skill Matrix in order to nominate qualified people for the post of director based on their qualifications and by considering other skills they may possess which may be lacking on the Board and are aligned with the Company's strategic directions.

2. Selection procedures

   Candidates for director may be selected via the following methods:

   - Directors may propose a candidate.
   - Minority shareholders may be allowed to propose a qualified person through the Company's website prior to the Annual General Meeting of Shareholders pursuant to the rules specified by the Company.

     On 16 January 2016, the Company notified the Stock Exchange of Thailand that at the expiration of the period for proposing directors by minority shareholders, no proposals had been received from shareholders.

   - An external professional search firm may be used to pre-select qualified candidates.
   - The Company Secretary will present the list of qualified candidates per the qualifications identified by the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Institute of Directors (IOD) Chartered Directors guidelines.

3. Selection

   The Governance and Nomination Committees will assess the initial qualifications of the nominated applicants and select the ones considered appropriate.

4. Appointment

   The Governance and Nomination Committees will propose a list of qualified candidates to the Board of Directors' meeting for concurrence before presenting the list in the shareholder meeting for a vote on each individual, when appointing new directors in place of directors whose terms have expired.

If a Board seat is vacant because of reasons other than term expiration, the matter of re-appointment should be proposed in the Board of Directors' meeting.

Director selection must follow the rules and regulations specified in the Articles of Association of the Company as follows:

1. According to the Articles of Association, the term of one third of the directors shall end at every Annual General Meeting of Shareholders. The longest serving directors shall be due first, and may be re-elected to resume duty.

2. At the Annual General Meeting of Shareholders, directors should be chosen in the following manner:

   2.1 Each shareholder shall have a number of votes equal to the number of shares held.

2.2 Each shareholder may exercise all the votes he/she has under item 1 to elect one or several persons as director or directors. If several persons are to be elected as directors, the shareholder may not allocate his/her votes in different numbers to different persons.

2.3 The candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until all of the directorships are filled. When there is a tie in the votes cast for candidates in descending order, which would otherwise cause the number of directors to exceed the limit, the Chairman is entitled to cast the deciding vote.

3. In case of vacancy or vacancies due to other reasons, the Board of Directors, by a vote in which three-fourths of its members agree, shall elect someone who has the prerequisite qualifications and is not subject to prohibited conditions according to clause 68 of the Public Companies Act, B.E. 2535 (1992). The Board of Directors can thereby appoint him/her as a director in the next Meeting. An exception is the case of a term with less than 2 months remaining, where the term of the newly appointed director shall expire at the same time as the preceding director.

The Selection of Management

The selection of management is disclosed in Section 5: The Role and Responsibility of the Board of Directors, Clause 11 Selection of Management Executives

2.4 Corporate Governance Concerning Subsidiaries and Associated Companies

The Board of Directors uses its authority to oversee and manage the Company's subsidiaries and joint venture companies according to the Company's objectives and Articles of Association, as well as in compliance with any resolutions passed at shareholder meetings. This management and oversight is performed through the appointment of management executives, or by authorizing a sub-committee or any other persons if necessary, to perform the business operations in compliance with the directions set by the Board of Directors to ensure good corporate governance and maximum benefits for the Company.

The Company will authorize directors and/or management to be its representatives in subsidiaries or joint venture companies. The authorization of such persons shall be approved by the Company's Board of Directors. The Board of Directors will authorize the Governance and Nomination Committee to select eligible persons for such positions, and propose them to the Board of Directors for consideration and approval.

The nominated person shall operate and/or oversee the activities of the subsidiary or joint-venture Company in keeping with the Company's policies and in line with Corporate Governance Best Practices as outlined by the Securities and Exchange Commission and the Stock Exchange of Thailand, and the Company's own Code of Conduct to ensure to maximum profit for shareholders.

2.5 Internal Control Information

The Company is committed to carrying out its business with customers, partners, and shareholders in an ethical manner with integrity and honesty. A Code of Conduct has been developed and issued to all employees to guide corporate behavior at all levels. Disclosure of inside information by employees or management to others or for their own interest or involvement in activities that may lead to conflicts of interest is considered severe misconduct and may subject them to the highest disciplinary action.

In addition, the Company prohibits employees and management who work in a department or business unit that has access to inside information from buying or selling the Company's securities for a period of one month prior to the disclosure of financial statements to the public.

The Company also educates directors and management on their duties to report their, as well as their spouse or minor children's, holdings or changes in holdings of the Company's securities to the Securities Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535, and the SET regulations. Regarding the sharing of supporting data or documents within the group of companies, data rules have been issued to prevent the leak of information.

These rules include requesting a letter of confidentiality or non-disclosure agreement, and the prohibition of making photo copies without permission.

In 2016, the Company revised its Regulation on handing of Classified Information, with reference to the ISO 27001 as the base in making such revision to ensure that the guideline meets international standards and provides proper protection of information. In addition, the Company also utilized the Policy Statement on the Security of the Information System in its principles alongside the Regulation on handing of Classified Information.

2.6 Auditor Fees

In 2016, the Company and its subsidiaries paid auditor fees as detailed below:

(1) Audit Fees

The Company and its subsidiaries paid auditor fees to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as follows:

Company	Audit Fees (Million Baht)
Thaicom Public Company Limited	1.86
Subsidiaries and associates	5.90
Total audit fees	7.76
Out-of-pocket	0.03
Total audit fees and out-of-pocket	**7.79**

(2) Non-Audit Fees

The Company paid other compensation for special audit and consultant service which not related to auditing to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. in the amount of Baht 3.20 million.



3. Internal Control and Risk Management

3.1 Summary of the Board of Directors' Opinion towards the Internal Control System of the Company

For 2016, the Board of Directors has evaluated the effectiveness of internal control systems through the Evaluation Form developed by the Office of the Securities and Exchange Commission (SEC) under the framework of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) Framework, May 2013 revision. The Board has concluded that the internal control was appropriately and adequately undertaken and risk management measures were appropriately developed.



Internal Control and Internal Auditing

The Company has established the internal control systems according to the standards set by SEC and the Stock Exchange of Thailand in conformance to the Committee of Sponsoring Organizations of the Treadway Commission or COSO Internal Control Integrated Framework. The Internal Control Framework has five components, which are as follows:

1. Control Environment: The Company has separated duties between the Board of Directors and Management and has reserved clear authorization for the Board of Directors. The management has appropriately set up clear organization structure, reporting line, authorization and responsibility to support achievement of Company's objectives under oversight duty of the Board of Directors which is based on basis of good corporate governance, integrity & ethics and business code of conduct including anti-all types of corruption. In addition, the Company has continually implemented talents' retention and development program including succession planning for key positions.

2. Risk Assessment: The Company has formed a Risk Management Committee and developed a risk management system based on the Enterprise Risk Management Integrated Framework of COSO, by customizing to align with the Company's business, assessed risk and managed risk continuously which include fraud risk assessment. For the year 2016, the Company has started implementing risk assessment and risk management process to cover the Company's subsidiaries overseas for conformity throughout organization.

3. Control Activities: The Company has developed control mechanisms for management and executives by adopting the Quality Management System of the ISO for the effectiveness and efficiency of operations and other control activities which emphasized the reliability and security of information, safeguarding of assets and compliance with rules and regulations internally and externally. Moreover, the Company has appropriately and sufficiently established and implemented internal controls for accounting & finance, operations, corporate governance and information technology. For year 2016, the Company has developed its Control Self - Assessment System to be adopted for business units and subsidiaries to further enhance effectiveness of internal control activities.

4. Information and Communication: The Company upholds the importance of its information system and the distribution of information both internally and externally through its internal and external website for stakeholders in case of reporting suspicion of fraud and corruption. The Company has reliable and quality information to support execution of internal controls as per defined objectives.

5. Monitoring: Management has followed up the performance according to the plan approved by the Board of Directors and reported on a quarterly basis. Internal Auditing Office conducted the audit plan based on Company's risk and report to the Audit Committee on a quarterly basis as well. In case of any fraud indicators suspected with a total value of more than Baht 1 million, the internal auditor has to report immediately.

The Audit Committee and the Board of Directors have assessed sufficiency of Company's internal control system using five various measures, comprising control environment, risk assessment, control activities, information systems and communication, and monitoring including its 17 principles substantiated by reasons and explanations as well as reporting from internal and external auditors. This ensures that the Company has sufficient and effective control system, particularly the management control system to safeguard Company's assets from improper usage and unauthorized sales or disposal, and undertake transactions in accordance with approval authority and recorded properly to ensure reliability and accuracy of financial statements. The Company maintained documentary systems for information to be readily available for auditing processes by external auditors and regulatory authorities.

Furthermore, to assure an effectiveness and continuous development of the internal control system and important document filing, the Company has established an independent Internal Auditing Office, directly reporting to the Audit Committee with an approved charter. The Internal Audit Charter specifies duties and responsibilities of Internal Audit Office clearly and is reviewed annually. The Internal Auditors were certified by internationally accepted internal auditing, auditing institutions or associations such as Certified Internal Auditors (CIA), Certified Information System Auditor (CISA) and Certified Public Accountant (CPA). The Internal Auditing Office has unlimited access to information, personnel and all departments to achieve auditing activities, and report its results to the Audit Committee, the Board of Directors and Chairman of Executive Committee and CEO for corrective and preventive actions, as well as continuous improvement in a timely manner.

In 2016, the Internal Auditing Office combined result of risk management from management and internal auditing assessment as a basis of information to prepare its risk-based audit plan for 2016-2020, which covered the reliability of accounting and finance information, operational efficiency and effectiveness, effective use of resources, regulatory compliance, safeguarding of assets, information technology, corporate governance and anti-fraud and corruption.

Moreover, Internal Audit Office provided consultancy service for the improvement of work process and information system that management could implement to improve efficiency and effectiveness in achieving the business objectives. For an instance, system development under ISO requirements for subsidiaries, risk assessment and risk management, control self - assessment system, corporate governance and anti – fraud & corruption activities. In addition, the Internal Auditing Office encouraged and trained internal auditors to continuously obtain more qualifications in line with the Institute of Internal Auditors standards. The result of internal auditing performance, thus, indicated that more than 85% of audit issues raised by internal and external auditors have been corrected and improved due to the cooperation of management.



Risk Management

The Company has adopted the INTOUCH Group's Risk Management Policy to correspond with the Company's environment by communicating to all employees at all levels and conducted trainings and workshops, as well as established Risk Management Committee, which composed of executives and management from different levels.

The Risk Management Committee designed risk management guidelines in line with COSO Framework, the Securities and Exchange Commission and the Stock Exchange of Thailand, and the Company's business operations. The risk management policy was applied in defining the Company's vision by analyzing internal and external factors affecting the Company's vision,

determining its mission and objectives, formulating strategies and key performance indicator of operations at all levels, analyzing potential risk and significance of impact, planning of risk mitigation and internal control improvement; for the management to control and manage the risk effectively and efficiently, and monitoring process to report with the Audit Committee and Board of Directors. In conclusion, the Company's risk management process has been supported continuously by all levels.

In 2016, Company's subsidiaries had conducted risk assessment and risk management in line with group risk management methodology in order to enhance effectiveness of Enterprise Risk Management.

3.2 Internal Audit and Auditors Opinion

The Internal Audit Office and Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd, the auditor who certified the Company's Financial Statements for the Year 2016, found no significant deficiencies and weaknesses in the control of Company documents or internal control. The Auditors found that the Company had sufficient and effective internal control systems in place.

3.3 Information on the Head of Internal Audit and Head of Compliance

1. The Head of the Internal Audit Office is Mr. Prawin Khurowat, whose official position is Vice President of Internal Audit. He has been appointed to the role since May 14, 2015 which the Audit Committee has concurred that Mr.Prawin is an eligible person with the proper education, professional qualifications and work experiences to effectively perform the duties required of this position.

The Head of the Compliance Office is Ms. Yupapan Panclurbthong, whose official position is Vice President of Executive Office & Company Secretary.

2. The Audit Committee Charter addresses the proper procedure for appointments, removals, transfers, and evaluations the Head of Internal Audit that must be agreed and approved by the Audit Committee. The Audit Committee Charter shall be reviewed annually to ensure relevance.

Related Transactions

During the year 2016, the Company and its subsidiaries have the following lists of related transactions with connected persons. Details of related transactions are as follows:

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Intouch Holdings Public Company Limited (INTOUCH) / The major shareholder hold 41.14% shares of the Company with joint directors. • A holding company acquiring the controlling interest in various companies.	1. Expense • Seminar and training expense, application consulting and maintenance services	1.38	The Company attended seminar and training course, application consultation and maintenance services provided by INTOUCH for conducting to the policy of the company group.
	2. Other receivables	0.23	
CS LoxInfo Public Company Limited (CSL) / The indirectly subsidiary of the Company (a subsidiary of DTV) holds 42.07% shares with joint director • Provides internet data center service and satellite uplink-downlink services	1. Revenues • Revenue from providing TV signal uplink services	10.76	The Company is the provider of TV signal uplink services. Service fee was charged under normal contracts and conditions on an arm's length basis.
	• Dividend income	105.04	
	• Other income	0.23	
	2. Expense • The Company paid for uplink, internet service charges and other expenses	16.02	The Company used uplink, internet services and other services under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	3. Trade accounts receivable and accrued income	12.59	
	4. Other current assets	0.09	
	5. Trade accounts payable and accrued expenses	4.69	

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
IT Applications and Services Co., Ltd. (ITAS) / INTOUCH holds 99.99% shares. • Provides system software and related services.	1. Expenses • The Company used accounting software and consultancy service	4.30	The Company used software programs for accounting data processing including consultancy service, which supported the ordinary course of business. Service fee was charged at prices close to those of other companies that conduct the same nature of business.
	2. Trade accounts payable and accrued expenses	0.25	
	3. Other accounts payable	0.01	
Codespace Inc. / The Company and Codespace Inc. jointly hold shares in Spacecode LLC at 70%: 30%. • Provides engineering and development services on communication technology and electronics.	1. Expenses • Royalty cost of satellite	21.40	STNU, a subsidiary, cooperated with Codespace to provide technology for satellite and have to pay for royalty cost of satellite by contract.
	• The Company hired Codespace to develop products for IPSTAR project	15.54	Such transactions supported the ordinary course of business. Service fee was charged at an hourly rate plus actual expenses.
	2. Trade accounts payable and accrued expenses	13.58	

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Shenington Investments Pte Ltd. (SHEN) / The Company and Asia Mobile Holdings Pte Ltd. (AMH) jointly hold shares in SHEN at 51%: 49%. • A holding company investing in telecom service business	1. Other income • Interest income	86.55	The Company provided financial support in the form of shareholder loan. The interest rate was charged at the actual cost of financing plus margin on an arm's length basis.
	• Income from providing consultancy services. SHEN paid consultancy and service fees on a monthly basis. Service fee was charged based on the cost of executives and employees providing the service in order to support business course of the Company.	8.42	This is the Company's supervision policy on subsidiaries to enable maximum benefits over the supervision.
	2. Short term loan	18.19	
	3. Long term loan	2,145.95	
	4. Other receivables	124.04	
Mfone Co., Ltd. (Mfone) / SHEN holds 100% shares. • Provides telecom services in Cambodia. (Mfone is proceeding the liquidation under the laws of Cambodia)	1. Trade accounts payable	1.53	

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Lao Telecommunication Co., Ltd. (LTC) / SHEN and Lao People's Democratic Republic jointly hold shares at 49%: 51%. • Provides telecom services in Lao People's Democratic Republic.	1. Expenses • Gateway operation and maintenance service fee	6.52	IPIN, a subsidiary, paid for gateway operating fee and maintenance service fee for IPSTAR gateway in Laos. The service was under ordinary course of business and charged under normal contracts and trade conditions on an arm's length basis.
	2. Other receivables	0.10	
	3. Trade accounts payable and accrued expense	0.33	
	4. Other current liabilities	0.01	
Advanced Wireless Network Co., Ltd. (AWN) / a subsidiary of AIS group • Provides telecommunication and network services	1. Revenue • Revenue from sales satellite equipment	27.32	The Company sold satellite equipment. Price was charged under normal contracts and trade conditions on an arm's length basis.
	• Revenue from transponder leasing on THAICOM satellite	66.14	The Company is the service provider of transponder leasing under ordinary course of business.Service fee was charged under normal contracts and trade conditions on an arm's length basis
	• Revenue from satellite equipment operating services	11.45	TCB, a subsidiary, provided satellite equipment operating services under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis
	• Revenue from advertising service	0.99	DTV, a subsidiary, provided advertising service under ordinary course of business. Service fee was charged on an arm's length basis.

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Advanced Wireless Network Co., Ltd. (AWN) / a subsidiary of AIS group • Provides telecommunication and network services	2. Expense • The Company paid for mobile phone services, seminar and training expenses of its executives and employees.	1.46	The Company used mobile phone services to support the ordinary course of business. In addition, The Company attended seminar and training course. Service fee was based on market price on an arm's length basis.
	3. Trade accounts receivable and accrued income	15.28	
	4. Trade accounts payable and advance receipt and accrued expenses	4.05	
MIMO Tech Co., Ltd. (MMT) / a subsidiary of AIS group • Provider of IT operator and content aggregator.	1. Revenue • Revenue from sales satellite equipment	9.27	The Company sold satellite equipment. Price was charged under normal contracts and trade conditions on an arm's length basis.
High Shopping Co., Ltd. (High Shopping) / INTOUCH and Hyundai Home Shopping Network Corporation (Hyundai Home Shopping) jointly hold shares in High Shopping at 51%: 49% • Operates a home shopping business in Thailand.	1. Revenue • Providing the broadcasting service and TV guide service	35.90	DTV, a subsidiary, provided the broadcasting service and TV guide service. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	• Other income	0.12	

Related Companies/ Relationship	Transactions	Value of Related Transactions At December 31, 2016 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Other related parties	1. Revenues		
	• Internet wireless services	0.01	The Company, provided internet wireless services under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis.
	• Other income	0.02	
	2. Expense		
	• The Company paid for mobile phone services	0.31	The Company used mobile phone services to support the ordinary course of business. Service fee was based on market price on an arm's length basis.
	3. Other current liabilities	0.16	

Necessity and Justification of Transactions

In 2016, Thaicom Plc and its subsidiaries (the Company) had related transactions as shown in Note 4 of the 2016 audited financial statements. The auditor's remarks on related transactions stated that those transactions which the Company had undertaken with INTOUCH group and Singtel group e.g. its subsidiaries, Joint venture, executives and other businesses on which INTOUCH and Singtel and the Company had significant influence, whether directly or indirectly, were shown as related transactions.

The Company set the sale and purchase prices for goods and services with related parties under normal contracts and trade conditions on an arm's length basis. Crucial transactions required adhering to the rules set forth by the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) had been examined and approved of justification and necessity to the Company by the Audit Committee.

Methods of Related Transactions

Thaicom Plc is a listed company in the Stock Exchange of Thailand. Its business target is to create maximum benefits to its shareholders with a policy to sufficiently disclose information to investors and abide by the rules, regulations and laws of the country where the Company undertakes business. To enable transparent proceedings on related transactions, lessen conflicts of interest and conform with good governance principles as well as the laws, rules and regulations of such related supervisory units as the SET and the Office of the SEC in order to provide sufficient information for investment decision, the Company has set up criteria for related transactions as follows:

The Company proceeds related transactions with connected persons on an arm's length basis for the Company's maximum interest under fair prices and business conditions which shall not create conflicts of interest. Where there is doubt whether related prices are based on an arm's length basis or not, the Company is required to submit such transactions to the Audit Committee for approval prior to the proceeding.

The Company has authorized its executives a certain limit of budget for endorsement in accordance with their ranks. Nevertheless, the approval authority is prohibited to those directors and executives who have stakes or may have personal conflicts of interest over the transactions. Additionally, these directors and executives, having no voting right shall not attend meetings related to the transactions. The Audit Committee shall examine the related transactions of the Company and its subsidiaries with connected persons to ensure the conformity with the rules and regulations of the SET. However, the related transactions between the Company and related parties with less than 10% of shares will not be examined by the Audit Committee pursuant to the Notification of the SET Re: Disclosure of Information of Related Transactions.

The related transactions shall be conducted as usual since they are practiced under normal course of business and in accordance with trade conditions on an arm's length basis with prices or remuneration fees within the rate approved in accordance with the Company's financial practices. The vendor selection process is required to be regularly reviewed to ensure fair competition from outside vendors who may offer greater benefits to the Company and also serve as external sources for comparison of price and trading terms.

The Company discloses information on related transactions in compliance with Article 24 (revised 2015) of the Thai Generally Accepted Accounting Principles regarding disclosure of information on related parties, and in accordance with the regulations of the Office of the SEC and the SET. The Legal and Compliance Department and the Accounting Department shall submitthe related transactions or those which may cause conflicts of interest to the Audit Committee for examination and comments on necessity and justification for the Company's maximum benefits before forwarding to the Board of Directors. In addition, related transactions shall be submitted by the Accounting Department on a monthly basis to comply with the rules and regulations of the SET and the Office of the SEC.

Future Policy or Trends of Related Transactions

In the future, the Company may have to do related transactions through both customary and non-customary business transactions under reasonable prices and conditions that yield maximum benefits to the Company. Further, the Company will fully abide by the laws on securities and stock exchange, as well as rules, notifications orders or regulations of the SET including regulations and practices relevant to disclosure of related transactions, acquisition or disposal of major assets of listed companies and subsidiaries. The related transactions will be disclosed in the notes to the financial statements audited by the auditor.

Sustainability Report



The goal of Thaicom is to build and develop communication network services for building opportunities and future to sustainable development attentive operation in the process for creating innovation that can respond to demands of living and support the growth and services providing of digital era. In addition, it also ensures that everyone can obtain the opportunity on communication and data accessibility equally as well as obtain good quality of life in daily life. According to these benefits, Thaicom has strived to offer network services for communication to sustainable development for over two decades.

With our intention to operate communication network business, Thaicom has strived to build opportunities and future for reaching sustainable development upon 'Thaicom Sustainability Goals' under the Sustainable Development Framework of communication technology and innovation by emphasizing on the operation for promoting educational quality while reducing the problem on disparity and improving potential of space and satellite industry by considering on economic, social, and environmental effects.

To achieve Thaicom Sustainability Goals under the "Connectivity for Sustainability" Framework which is aim to create opportunities and future to sustainable development, Thaicom continually places priority on effective management through the 4 areas of our Sustainable Development Framework through Strategies to Thaicom Sustainability Goals including:



1. **"Connectivity"** to ensure sufficient and complete coverage with uninterrupted service and thus provide everyone with continuous access to communication, even in remote areas and during times of crisis or natural disaster.

2. **"Responsibility"** to take responsibility for providing complete and valuable products and services for upgrading service quality by considering on reinforcing environment while reducing effects efficiently as well as to give support for leading to sustainable societies.

3. **"Innovation"** to strive for innovative product and service that meets the needs of its various target groups, including individual customers, households, organizations, and public sector as well as to collaborate with educational institutions, innovation on business operation, and space resource management for the ultimate effectiveness.

4. **"Corporate Governance"** to emphasize on fair business practices throughout the value chain by focusing on human resource management and supporting transparency, honesty, and fairness for stakeholders from all sectors in order to drive Thaicom to reach sustainability goals.

Thaicom Sustainable Development Report is the Company's fourth report created for publicizing our concepts and performance on sustainable development to all groups of stakeholders on the dimensions of economy, society, and environment through the guidelines for the operation under 4 dimensions of sustainable development framework. To manage issues on sustainable development to be suitable and consistent with urgency and promptness of organizations factors, Thaicom has collected and prioritized the issues of sustainable development that have relationship with business operation that shall be reported based on GRI (Global Reporting Initiative), G4 Edition, and its content is also consistent with criteria ('in accordance' criteria) in the Core format.

In this year, the Company also applied some universal principles as the guidelines to be consistent with the Company's goals and strategies on our corporate's operation upon 17 sections of "The Global Goals for Sustainable Development" of United Nations or UN SDGs .

(For more information please visit and download for Thaicom Sustainability Report 2016 at www.thaicom.net)

Management's Discussion and Analysis

1. Overview

Performance overview

Thaicom Plc ("the Company")'s consolidated revenue from sales of goods and rendering of services for 2016 were Baht 11,517 million, decreased by Baht 936 million or 7.5% from Baht 12,453 million for 2015, mainly contributed by revenue drop from both satellite business and Internet and media businesses, together with the increase of costs and expenses relating to the THAICOM 8 Satellite commercialized at the beginning of Q3/2016. As a result, an operating profit (EBIT) for 2016 was Baht 1,938 million, down by Baht 1,043 million or 35.0% from Baht 2,981 million for 2015. The Company reported a consolidated net profit of Baht 1,612 million or Baht 1.47 per share, a decrease of Baht 510 million or 24.0% from Baht 2,122 million or Baht 1.94 per share for 2015.

In the separate financial statements, the Company had revenue from sales of goods and rendering of services for 2016 of Baht 7,077 million, a decrease of Baht 577 million or 7.5%, compared to Baht 7,654 million in 2015. However, the Company had a net profit of Baht 3,028 million or Baht 2.76 per share, up by Baht 2,234 million or 281.4%, compared to Baht 794 million or Baht 0.72 per share in 2015. This was a result of the dividend received from subsidiaries total of Baht 2,144 million, indicating the efficiency in cash management within the group. Such dividend was managed partly for the repayment of the loan and also was planned for the future investments.

The Company repaid all short-term loans for both the satellite business and the loan for Lao Telecommunications Co., Ltd. (LTC)'s concession extension fee, improving the current ratio to 2.53x from 1.83x as at the end of 2015 and also reducing the net borrowings to equity ratio to 0.54x from 0.65x as at the end of 2015. This would reduce interest burden of the Company in the future.

2. Business Summary

Satellite and related business

On 11 October 2016, InfoSat-Laos, a leading Direct-to-Home (DTH) satellite TV operator in Lao has signed a multi-year transponder agreement for Ku-band capacity on the THAICOM 8 satellite to launch its new DTH platform. The deal emphasizes Thaicom's ASEAN Economic Community (AEC) strategy and commitment to provide the region with premium satellite services. The platform has more than 15 channels available in both standard definition (SD) and high definition (HD) formats.

On 7 November 2016, the Thai Institute of Directors Association (IOD), being supported by the Stock Exchange of Thailand, has ranked the Company as "Excellence" or 5-Star for its Corporate Governance for 4 years in a roll (2013-2016). This survey was performed among 601 Thai listed companies for their Corporate Governance Report of Thai Listed Companies 2016 (CGR). The Company's scoring is among the Top Quartile of the group of listed companies with market capital ≥ Baht 10,000 million. This success is the result of the Company's focus on sustainability development with good and transparent corporate governance to add value to all the stakeholders.

On 29 November 2016, the Company has signed a contract with iSAT Africa, the fast growing Broadcasting, Data and Internet service provider with teleports in Africa and Europe, to expand its C-band Multi Channel Per Carrier (MCPC) broadcast platform and service into Africa. The service will facilitate distribution of TV channels on the THAICOM 6 satellite.

Internet and media business

Revenue from Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses by CS Loxinfo Plc (CSL) have continuously declined due to changes of consumer behavior and technology. However, the Company has adjusted strategically to be more careful in the selection of products and services, and the development and improvement of its products, together with cost management.

For ICT business, CSL has also continued to expand Internet broadband in condominiums, resulting in the number of subscribers as the end of 2016 of 10,620 subscribers, the growth of 134.6% compared to that of 2015. Moreover, the revenue from Internet Data Center (IDC) service has also continued to grow from corporate customer base.

Telephone business abroad

On 8 December 2016, LTC received the Medal of Labour, First Class, from the government of Lao PDR. The company was honored for its outstanding business performance and the value it has created through the development and expansion of telecommunications networks throughout Lao PDR. The Ministry of Posts and Telecommunications submitted a proposal for the Lao government to honor LTC with the medal. The Prime Minister approved the nomination and appointed His Excellency Dr. Thansamay Kommasith, Minister of Posts and Telecommunications, to present the medal to LTC. Such recognition demonstrates the close relationship of cooperation between LTC and Lao government as they continue to work towards further development together.

As of the end of 2016, LTC's total mobile subscribers was 2,059,104 subscribers, continuing to increase from 1,947,996 subscribers as at the end of 2015, and still ranked No.1 with 53.7% mobile's market share, up from 52.0% as at the end 2015. The revenue also continued to increase, especially from data business from both mobile and Internet SIM.

3. Consolidated Operating Results

Selected financial information on THCOM

Unit: MBt	Amount		Change YoY(%)
	2016	2015	
Revenue from sales of goods and rendering of services	11,517	12,453	-7.5%
Cost of sales of goods and rendering of services	7,354	7,354	0.0%
SG&A expenses	2,225	2,118	5.1%
EBIT from continuing operations*	1,938	2,981	-35.0%
EBITDA from continuing operations **	4,860	5,758	-15.6%
Share of profit (loss) of investment in joint venture	198	194	2.1%
Profit for the period	1,783	2,305	-22.6%
Profit attributable to: non-controlling interest	171	183	-6.6%
Profit attributable to: owner of the Company	1,612	2,122	-24.0%
Earnings per share (Baht)	1.47	1.94	-24.2%

* EBIT = Sales and service income – Cost of sales and service – SG&A
** EBITDA = EBIT + Depreciation and Amortization

Revenue from sales of goods and rendering of services

Consolidated revenue from sales of goods and rendering of services for 2016 was Baht 11,517 million, a decrease of Baht 936 million or 7.5% from Baht 12,453 million for 2015. This was mainly due to the decrease of revenue from both satellite business and Internet and media businesses.

Revenue from sales of goods and rendering of services	2016	2015	%YoY
Satellite and related services	8,414	9,258	-9.1%
Internet and media services*	3,185	3,272	-2.7%
Consolidation eliminations	(82)	(77)	6.5%
Total	**11,517**	**12,453**	**-7.5%**

* Include revenue from sales and services generated by DTV Service Co., Ltd. (DTV), Cambodian DTV Network Ltd (CDN), and CSL

Satellite and related services

Revenue from satellite and related services for 2016 was Baht 8,414 million, a decrease of Baht 844 million or 9.1% from Baht 9,258 million for 2015. This was mainly from the decrease of both revenue from conventional satellite and the THAICOM 4 Broadband Satellite businesses.

Satellite and related services	2016	2015	%YoY
Conventional*	4,414	5,031	-12.3%
THAICOM 4 Broadband	4,000	4,227	-5.4%
Services	3,731	3,910	-4.6%
Sales	269	317	-15.1%
Total	**8,414**	**9,258**	**-9.1%**

* Include the THAICOM 5 6 7 and 8 Satellites

- Revenue from the Thaicom conventional satellite business for 2016 was Baht 4,414 million, dropped by Baht 617 million or 12.3% from Baht 5,031 million for 2015, due mainly to:
  - Overall transponder utilization rate decreased since one of the Thai major customers ceased to operate its business, together with revenue drop from retail customers following economic recession,
  - The decrease of transponder utilization also resulting in a drop of revenue from value-added services, e.g. teleport services such as digital signal compression.
  - The decrease of sales from satellite equipment to satellite broadcasting operators, which incurred occasionally based on customers' demand, offsetting with
  - The increase of service revenue from the THAICOM 8 Satellite.
- Revenue from the THAICOM 4 Broadband Satellite business was Baht 4,000 million for 2016, down by Baht 227 million or 5.4% from Baht 4,227 million for 2015. This was mainly contributed by:
  - Service revenue decreased in Australia following the decrease of bandwidth usage from the National Broadband Network (NBN) contract, together with service price adjustment to reflect market price for some customers according to new contracts, offsetting with the increase of service revenue from increasing bandwidth usage in India and Philippines,
  - The decrease of satellite equipment sales, which incurred occasionally based on customers' demand.

Internet and media services

The Company's revenue from Internet and media services for 2016 was Baht 3,185 million, down by Baht 87 million or 2.7% compared to Baht 3,272 million for 2015, mainly contributed by:

- Revenue decreased from CSL by Baht 44 million or 1.5% compared to that of 2015 from Media and Advertising on YellowPages and Voice Info Services and Mobile Content businesses, offsetting with higher revenue from ICT services,
- The decrease of sales revenue from CDN by Baht 46 million or 16.0% from decreasing sales of satellite receiver sets, offsetting with
- Revenue increase from DTV by Baht 3 million or 6.0% from D Channel Platform services.

Cost of sales of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for 2016 of Baht 7,354 million, equal to that of the previous year.

Cost of sales of goods and rendering of services	2016	2015	%YoY
Satellite and related services	5,419	5,302	2.2%
Internet and media businesses*	2,019	2,115	-4.5%
Consolidation eliminations	(84)	(63)	33.3%
Total	**7,354**	**7,354**	**0.0%**

* Include cost of sales and services generated by DTV, CDN, and CSL

Cost of satellite and related services

Cost relating to satellite and related services for 2016 was Baht 5,419 million, an increase of Baht 117 million or 2.2% from Baht 5,302 million for 2015. The gross margin of the satellite business decrease from 43% in 2015 to 36% in 2016 due to the increase of cost relating to the THAICOM 8 Satellite, together with the increase of operating fee, which is the revenue sharing under Agreement for Operation of Domestic Communication Satellites (Concession Agreement) to Ministry of Digital Economy and Society (formerly known as Ministry of Information and Communication Technology) from 20.5% to 22.5% (maximum rate) since 11 September 2016 according to the terms and conditions of the Concession Agreement.

Satellite and related services	2016	2015	%YoY
Conventional*	2,529	2,557	-1.1%
THAICOM 4 Broadband	2,890	2,745	5.3%
Total	**5,419**	**5,302**	**2.2%**

* Include the THAICOM 5 6 7 and 8 Satellites

- Cost relating to the conventional satellite business for 2016 was Baht 2,529 million, decreased by Baht 28 million or 1.1% from Baht 2,557 million for 2015. This was mainly caused by:
    - The decrease of equipment cost following the decrease of equipment sales,
    - The decrease of operating fees, the revenue sharing, following revenue drop, offsetting with
    - The depreciation and in-orbit insurance of the THAICOM 8 Satellite.
- Cost relating to the THAICOM 4 Broadband Satellite business for 2016 was Baht 2,890 million, increased by Baht 145 million or 5.3% from Baht 2,745 million for 2015, primarily due to:
    - The recognition of the warranty expense for UT in Australia. The Company was sued and the Court gave its judgement that the Company shall compensate for the damage on UT equipment amounted to AUD 5.3 million with interest. The Company's subsidiary currently is considering to appeal the verdict.
    - The increase of operating fees, the revenue sharing, following increase of concession fee rate,
    - The decrease of cost of broadband equipment following the sales drop.

Cost of Internet and media services

Costs relating to the Internet and media services for 2016 were Baht 2,019 million, the decrease of Baht 96 million or 4.5% from Baht 2,115 million for 2015, due mainly to the decrease of:

- Cost of sales and service of CSL by Baht 27 million or 1.5%, due to the decrease of ICT and Media and Advertising on YellowPages business costs, offsetting with the increase of the content and application development cost from Voice Info Services & Mobile Content Business,
- Cost of CDN of Baht 39 million or 18.0% from lower cost of sales following sales revenue drop,
- Cost of sale from DTV by Baht 32 million or 41.6% from DTV's sales promotion in Q3/2015, contrasting with higher cost of service following the increase of revenue from D Channel Platform services.

Selling and administrative expenses

SG&A expenses, including directors and management benefit expenses, were Baht 2,225 million for 2016, an increase of Baht 107 million or 5.1% from Baht 2,118 million for 2015, due mainly to:

- The increase of provision for doubtful debts for the satellite business, mainly from a customer under rehabilitation, amounting to Baht 84 million in Q1/2016,
- The decrease of reversal of provision for obsolete inventory of satellite receiver sets sold by DTV which was recognized in 2015, Offsetting by
- The decrease of staff and marketing expenses.

Gain on exchange rate

In 2016, the Company reported a gain on foreign exchange of Baht 152 million. This was largely impacted by the revaluation of USD borrowings for the satellite business and for Shenington Investments Pte Ltd (SHEN) to support LTC's business as a result of the appreciation of the Thai Baht against the US Dollar.

Finance costs

The total finance costs were Baht 359 million for 2016, up by Baht 53 million or 17.3% from Baht 306 million for 2015, due mainly to interest expense of the THAICOM 8 project which has commercialized since Q3/2016.

However, in 2016, the Company repaid all short-term loans for both the satellite business and the loan for LTC's concession extension fee total of Baht 3,854 million. This would reduce interest burden for the Company in the future.

Share of profit of investment in joint venture

Share of profit of investment in joint venture in telephone business for 2016 was Baht 198 million, up by Baht 4 million or 2.1% from Baht 194 million for 2015.

Net profit

The Company reported a profit attributable to the owner of the Company of Baht 1,612 million for 2016, a drop of Baht 510 million or 24.0% from Baht 2,122 million for 2015. This was mainly contributed by:

- The decrease of revenue from sales of goods and rendering of services from both satellite business and Internet and media businesses,
- The increase of costs and expenses relating to the THAICOM 8 Satellite,
- The increase of percentage of operating fee under the Concession Agreement to Ministry of Digital Economy and Society,
- The increase of warranty expenses from the damage of UT equipment in Australia, offsetting with
- A gain on exchange rate, and
- Share of profit of investment in joint venture in telephone business.

In the separate financial statements, the Company had a net profit of Baht 3,028 million or Baht 2.76 per share, up by Baht 2,234 million or 281.4%, compared to Baht 794 million or Baht 0.72 per share in 2015. This was from the dividend received from subsidiaries total of Baht 2,144 million, offsetting with IPSTAR Australia Pty Limited (IPA) impairment amounted to Baht 92 million, which was a result of the recognition for warranty expense of UT in Australia.

4. Financial Position

As at the end of 2016, the Company reported total assets of Baht 32,840 million, the decrease of Baht 752 million or 2.2% from Baht 33,592 million as at the end of 2015. This was mainly because of:

- The decrease of cash and cash equivalents from short-term loans repayment,
- Depreciation and amortization of PP&E and intangible assets under operating agreements for 2016, offsetting with
- The increase of current investments, mostly short-term deposits at financial institutions as a result of profit generated from operating activities,
- The increase of PP&E, mostly were the additional assets from the THAICOM 8 project.

THCOM's asset components

Assets	December 31, 2016		December 31, 2015	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	9,127	27.8%	8,005	23.8%
Property, plant and equipment	9,347	28.4%	9,032	26.9%
Intangible assets under operating agreement	9,205	28.0%	11,227	33.4%

Trade accounts receivable and accrued income

As at the end of 2016, the Company had net trade accounts receivable and accrued income of Baht 2,103 million (or 6.4% of total assets), comprising of receivables from other parties and related parties, representing 94.7% and 5.3% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 352 million or 19.4% of total trade accounts receivable, mainly from the provision for doubtful debt for a customer under rehabilitation. As a result, the allowance for doubtful account increased from Baht 231 million or 13.4% as at the end of 2015. Trade and other accounts receivable and accrued income as at the end of 2016 increased by Baht 11 million from the end of 2015.

Liquidity

As at the end of 2016, the Company had a current ratio of 2.53x, up from 1.83x as at the end of 2015, due mainly to:

- The increase of current investments from the profit of 2016,
- The decrease of short-term loans from the total repayment of the THAICOM 8 project loan and the repayment of LTC's loan for concession extension fee, offsetting with
- The increase of current portion of long-term loans for the satellite business,
- The decrease of cash and cash equivalents from the short-term loans repayment.

Property, plant and equipment

Property, Plant and Equipment (PP&E) as at the end of 2016 was Baht 9,347 million, the increase of Baht 315 million or 3.5% from Baht 9,032 million as at the end of 2015. This was due mainly to;

- Additions to PP&E for the assets of the THAICOM 8 project, offsetting by
- Depreciation and amortization of PP&E in 2016.

Borrowings and Shareholders' equity

The Company's net borrowings as at the end of 2016 were Baht 10,225 million, the decrease of Baht 1,525 million or 13.0% from Baht 11,750 million as at the end of 2015, mainly attributable to the short-term loan repayment for both the satellite business and the loan for LTC's concession extension fee.

The Company's shareholders' equity as at the end of 2016 was Baht 18,921 million, increased by Baht 810 million or 4.4% from Baht 18,111 million as at the end of 2015, reflecting from the net profit for 2016 of Baht 1,612 million, offsetting with dividend payment to owners of the Company and CSL of Baht 712 million and Baht 145 million, respectively (CSL declared the dividend payment amounting to Baht 250 million, payable proportionately to THCOM of Baht 105 million and others shareholders of Baht 145 million).

As at the end of 2016, the ratio of net borrowings to equity was 0.54x, down from 0.65x as at the end of 2015.

Cash flows

Net cash provided by operating activities for 2016 was Baht 4,711 million, the decrease of Baht 18 million or 0.4% from Baht 4,729 million for 2015, due mainly to the decrease of net operating profit.

Net cash used in investing activities for 2016 was Baht 2,694 million, most of which were short-term deposits at financial institutions and private funds, together with the payment for the assets of the THAICOM 8 project.

Net cash used in financing activities for 2016 was Baht 2,734 million, mainly comprising repayment of short-term loans of the THAICOM 8 and LTC for concession extension fee, and dividend payment to shareholders.

The Company had ending cash and cash equivalents of Baht 2,684 million as at the end of 2016.



This document contains certain forward-looking statements. They refer to future events and to the future financial performance of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe" or "continue." Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it can give no assurance that such expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Thaicom Public Company Limited's separate financial statements and Thaicom Public Company Limited and its subsidiaries' consolidated financial statements, including the financial information presented in this annual report. The aforementioned financial statements are prepared in accordance with generally accepted accounting principles, using careful judgment and the best 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 and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to protect its assets and uncover any weaknesses that may be presented in order to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee to be responsible for reviewing the accounting policy, financial reports, internal controls, internal audit and risk management system. The Audit Committee has also reviewed a disclosure of related party transactions. All their comments on these issues have been included in the Audit Committee Report which is presented in this annual report.

The separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries have been examined by an external auditor, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, the auditor was provided with all of the Company's records and related data as requested. The auditor's opinion is presented in the auditor's report as part of this annual report.

The Board of Directors believes that the Company's overall internal control system has functioned up to a satisfactory level and rendered credibility and reliability to Thaicom Public Company Limited's separate financial statements and Thaicom Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2016. The Board of Directors also believes that all these financial statements have been prepared in accordance with generally accepted accounting principles and related regulations.



Mr.Paron Israsena
Chairman of the Board



Mr. Paiboon Panuwattanawong
Director, Member of the Executive Committee and Chief Executive Officer

Report Of The Independent Certified Public Accountants

To The Shareholders And Board Of Directors Thaicom Public Company Limited

Opinion

We have audited the consolidated financial statements of Thaicom Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Thaicom Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2016, 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 the notes to the 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 Thaicom Public Company Limited and its subsidiaries and of Thaicom Public Company Limited as at December 31, 2016, and financial performance and 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 under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to 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 judgement, 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	Key Audit Procedures

Recognition of revenue from rendering of services
 	
The Group has many service agreements which have different terms and pricing conditions. Therefore, the key audit matter is accuracy of recognition of revenue from rendering of services whether the revenue from rendering of services has been recorded in accordance with TFRSs.
 	
Accounting policy of revenue recognition and detail of revenue from rendering of services were disclosed in the Note 3.17 and Note 23 to the financial statements.
	Key audit procedures included:
	• Understand the revenue recognition process related to rendering of services and related internal control procedures
	• Review the design and implementation of the internal control procedures
	• Perform the operating effectiveness testing over the internal control procedures around revenue recognition process related to rendering of servcies including related information and technology system, and
	• Perform substantive testing as follows:
	  • Review 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
	  • Perform substantive analytical procedures relating to the revenue from rendering of services.

Key Audit Matters	Key Audit Procedures

Impairment of investment in subsidiaries and goodwill
 	
The consideration of impairment of investment in subsidiaries and goodwill is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation of investment in subsidiaries and goodwill and impairment of investment in subsidiaries and goodwill has been recognized in accordance with TFRSs.
 	
Accounting policies of investments, intangible assets and impairment and detail of investments in subsidiaries and intangible assets were disclosed in the Note 3.7, Note 3.11, Note 3.12, Note 9, and Note 12 to the financial statements, respectively.
	Key audit procedures included:
	• Understand the impairment consideration process and related internal control procedures
	• Review the design and implementation of the internal control procedures
	• Perform the operating effectiveness testing over the internal control procedures around impairment consideration process, and
	• Perform substantive testing as follows:
	  • Examine the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries
	  • Assess the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries.

Other Matter

The consolidated financial statements of Thaicom Public Company Limited and its subsidiaries and the separate financial statements of Thaicom Public Company Limited for the year ended December 31, 2015, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 10, 2016 expressed an unmodified opinion on those statements.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, we have received such other information in the annual report that has been prepared for issuance before 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 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.

We have read other information in the annual report that has been prepared for issuance, we did not find any material inconsistency therein which we have to report.

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 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 judgement 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 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 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 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.

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.



Chavala Tienpasertkij
Certified Public Accountant (Thailand) Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
February 1, 2017

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position

At 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	5	2,683,685,053	3,401,140,969	477,958,084	1,253,746,837
Current investments	6	3,537,888,499	1,645,152,691	3,540,581,148	1,574,220,655
Trade and other receivables	7	2,427,969,689	2,417,498,479	1,721,754,705	1,361,316,236
Amounts due from related parties	4	124,368,293	82,402,936	302,799,910	211,886,621
Short-term loan to a joint venture	4	18,185,988	168,520,658	18,185,988	168,520,658
Inventories	8	323,878,790	229,799,487	235,029,321	160,423,960
Other current assets		11,373,239	60,603,544	15,681,612	32,865,381
Total current assets		**9,127,349,551**	**8,005,118,764**	**6,311,990,768**	**4,762,980,348**
Non-current assets					
Long-term loans to related parties	4	2,145,946,584	2,161,864,194	2,175,946,584	2,161,864,194
Investments in subsidiaries	9	-	-	1,152,571,284	1,460,031,422
Investments in a joint venture	9	1,417,200,767	1,210,350,988	137,638,749	137,638,749
Property, plant and equipment	11	9,347,159,923	9,031,833,653	8,441,135,667	8,073,204,433
Intangible assets under operating agreement	12	9,204,747,659	11,227,186,999	9,204,747,659	11,227,186,999
Deferred charges	12	17,650,218	19,652,871	17,650,218	19,667,859
Intangible assets	12	710,771,623	829,134,657	422,338,668	515,934,767
Deferred tax assets	13	310,411,352	240,035,956	83,079,497	86,460,112
Other non-current assets	14	558,527,020	866,580,447	519,167,622	838,416,858
Total non-current assets		**23,712,415,146**	**25,586,639,765**	**22,154,275,948**	**24,520,405,393**
Total assets		**32,839,764,697**	**33,591,758,529**	**28,466,266,716**	**29,283,385,741**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position (Continued)

At 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	15	230,000,000	1,650,520,587	-	1,460,520,587
Trade and other payables	16	1,406,068,143	1,225,857,976	672,516,846	581,435,796
Accounts payable - property and equipment		11,050,114	92,463,112	11,047,174	92,454,418
Amounts due to related parties	4	49,369	224,004	2,262,237	2,539,821
Current portion of long-term borrowings	15	728,871,183	69,063,419	667,991,230	7,992,543
Short-term borrowings from related party		-	-	-	1,126,768,104
Advance receipts from customers		805,729,858	733,956,359	277,360,149	676,917,443
Accrued operating agreement fee		316,222,960	333,401,729	316,222,960	333,401,729
Income tax payable		32,836,808	161,902,384	7,156,197	55,972,634
Other current liabilities	17	81,346,770	112,541,535	77,519,267	72,919,034
Total current liabilities		**3,612,175,205**	**4,379,931,105**	**2,032,076,060**	**4,410,922,109**
Non-current liabilities					
Long-term accounts payable - property and equipment		248,417,250	250,151,220	248,417,250	250,151,220
Long-term borrowings	15	9,265,989,310	10,030,358,222	9,202,060,708	9,905,129,460
Employee benefits obligations	18	429,770,347	404,259,941	207,511,871	208,848,138
Other non-current liabilities	19	362,240,425	416,277,287	338,461,308	392,876,579
Total non-current liabilities		**10,306,417,332**	**11,101,046,670**	**9,996,451,137**	**10,757,005,397**
Total liabilities		**13,918,592,537**	**15,480,977,775**	**12,028,527,197**	**15,167,927,506**

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position (Continued)

At 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Liabilities and equity (Continued)					
Equity					
Share capital	20				
Authorised share capital		5,499,884,200	5,494,512,700	5,499,884,200	5,494,512,700
Issued and paid-up share capital		5,479,969,700	5,479,687,700	5,479,969,700	5,479,687,700
Premium on ordinary shares	20	4,305,387,362	4,301,989,672	4,305,387,362	4,301,989,672
Retained earnings					
Appropriated					
Legal reserve		549,988,420	549,451,270	549,988,420	549,451,270
Unappropriated		7,614,333,524	6,715,451,453	6,081,939,772	3,767,092,570
Other components of equity		559,927,100	637,244,902	20,454,265	17,237,023
Equity attributable to owners of the Company		**18,509,606,106**	**17,683,824,997**	**16,437,739,519**	**14,115,458,235**
Non-controlling interests		411,566,054	426,955,757	-	-
Total equity		**18,921,172,160**	**18,110,780,754**	**16,437,739,519**	**14,115,458,235**
Total liabilities and equity		**32,839,764,697**	**33,591,758,529**	**28,466,266,716**	**29,283,385,741**

Thaicom Public Company Limited and its Subsidiaries

Statements of profit or loss

For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Income	4				
Revenues from sale of goods and rendering of services	23	11,516,630,196	12,453,089,955	7,076,757,129	7,653,798,891
Construction revenue under operating agreement		105,000	543,915	105,000	543,915
Net foreign exchange gain		152,107,209	-	162,693,134	-
Other income	24	202,027,427	489,105,936	2,474,814,092	689,901,811
Total income		**11,870,869,832**	**12,942,739,806**	**9,714,369,355**	**8,344,244,617**
Expenses	4				
Cost of sale of goods and rendering of services		6,296,848,591	6,287,173,476	3,867,990,052	3,815,117,464
Construction cost under operating agreement		105,000	543,915	105,000	543,915
Operating agreements fee		1,057,053,328	1,066,618,826	1,057,053,328	1,066,618,826
Selling expenses		316,743,615	338,451,733	155,421,301	167,041,702
Administrative expenses		1,793,271,872	1,676,992,895	796,922,540	798,084,481
Impairment loss on investment in subsidiary		-	-	92,000,000	453,508,587
Directors and management benefit expenses		115,665,059	102,593,824	87,800,291	72,871,517
Net foreign exchange loss		-	595,024,208	-	631,945,714
Finance costs		358,781,093	306,037,479	337,745,898	283,757,455
Total expenses		**9,938,468,558**	**10,373,436,356**	**6,395,038,410**	**7,289,489,661**
Share of profit of investment in a joint venture		198,469,354	193,659,781	-	-
Profit before income tax expense		**2,130,870,628**	**2,762,963,231**	**3,319,330,945**	**1,054,754,956**
Income tax expense	27	(347,609,167)	(458,280,748)	(291,592,678)	(260,699,622)
Profit for the year		**1,783,261,461**	**2,304,682,483**	**3,027,738,267**	**794,055,334**
Profit attributable to:					
Owner of the Company		1,611,773,136	2,122,147,081	3,027,738,267	794,055,334
Non-controlling interest		171,488,325	182,535,402	-	-
Profit for the year		**1,783,261,461**	**2,304,682,483**	**3,027,738,267**	**794,055,334**
Earnings per share (Baht)	28				
Basic earnings per share		1.47	1.94	2.76	0.72
Diluted earnings per share		1.47	1.94	2.76	0.72

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income

For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Profit for the year		**1,783,261,461**	**2,304,682,483**	**3,027,738,267**	**794,055,334**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Defined benefit plan actuarial gains (losses)		-	(19,743,251)	-	13,960,062
Share of other comprehensive loss of investment in a joint venture		-	(157,897,336)	-	-
		-	**(177,640,587)**	**-**	**13,960,062**
Items that maybe reclassified to profit or loss					
Foreign currency translation differences for foreign operations		(74,763,946)	334,925,885	-	-
Unrealised loss from increase in shareholding in subsidiary		-	(216)	-	-
Changes in fair value of available-for-sale investment transfers to profit or loss		11,257,263	(335,334,101)	-	-
Changes in fair value of available-for-sale investment		(18,361,763)	(458,294,533)	(1,333,402)	-
Income tax on other comprehensive income		266,680	-	266,680	-
		(81,601,766)	**(458,702,965)**	**(1,066,722)**	**-**
Other comprehensive income for the year, net of income tax		**(81,601,766)**	**(636,343,552)**	**(1,066,722)**	**13,960,062**
Total comprehensive income for the year		**1,701,659,695**	**1,668,338,931**	**3,026,671,545**	**808,015,396**
Total comprehensive income attributable to:					
Owners of the Company		1,530,171,800	1,500,883,965	3,026,671,545	808,015,396
Non-controlling interests		171,487,895	167,454,966	-	-
Total comprehensive income for the year		**1,701,659,695**	**1,668,338,931**	**3,026,671,545**	**808,015,396**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended 31 December 2016

		Consolidated financial statements											
				Retained earnings		Other components of equity							
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappro-priated	Other reserve for sharebased payment	Cumulative gain on dilution of investment in a subsidiaries	Foreign currency translation differences	Changes in fair value of available for-sale investments	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2015													
Balance at 1 January 2015		5,479,687,700	4,301,989,672	544,154,995	5,469,863,284	9,298,469	328,844,872	(45,876,845)	799,399,732	1,091,666,228	16,887,361,879	397,267,351	17,284,629,230
Transactions with owners, recorded directly in equity													
Share-based payment transactions	20	-	-	-	-	7,938,554	-	-	-	7,938,554	7,938,554	-	7,938,554
Dividends to owners of the Company	29	-	-	-	(712,359,401)	-	-	-	-	-	(712,359,401)	(137,766,560)	(850,125,961)
Total transactions with owners, recorded directly in equity		-	-	-	(712,359,401)	7,938,554	-	-	-	7,938,554	(704,420,847)	(137,766,560)	(842,187,407)
Comprehensive income for the year													
Profit	28	-	-	-	2,122,147,081	-	-	-	-	-	2,122,147,081	182,535,402	2,304,682,483
Other comprehensive income		-	-	-	(158,903,236)	-	(216)	331,268,970	(793,628,634)	(462,359,880)	(621,263,116)	(15,080,436)	(636,343,552)
Total comprehensive income for the year		-	-	-	1,963,243,845	-	(216)	331,268,970	(793,628,634)	(462,359,880)	1,500,883,965	167,454,966	1,668,338,931
Transfer to legal reserve		-	-	5,296,275	(5,296,275)	-	-	-	-	-	-	-	-
Balance at 31 December 2015		5,479,687,700	4,301,989,672	549,451,270	6,715,451,453	17,237,023	328,844,656	285,392,125	5,771,098	637,244,902	17,683,824,997	426,955,757	18,110,780,754

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity (Continued)

For the year ended 31 December 2016

		Consolidated financial statements											
				Retained earnings		Other components of equity							
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappro-priated	Other reserve for sharebased payment	Cumulative gain on dilution of investment in a subsidiaries	Foreign currency translation differences	Changes in fair value of available for-sale investments	Total other components of equity	Equity attributable to owners of the Company	Non-controlling interests	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2016													
Balance at 1 January 2016		5,479,687,700	4,301,989,672	549,451,270	6,715,451,453	17,237,023	328,844,656	285,392,125	5,771,098	637,244,902	17,683,824,997	426,955,757	18,110,780,754
Transactions with owners, recorded directly in equity													
Shares options exercised	20	282,000	3,397,690	-	-	(3,679,690)	-	-	-	(3,679,690)	-	-	-
Share-based payment transactions	20	-	-	-	-	7,963,654	-	-	-	7,963,654	7,963,654	-	7,963,654
Dividends to owners of the Company	29	-	-	-	(712,353,915)	-	-	-	-	-	(712,353,915)	(144,654,426)	(857,008,341)
Capital return from liquidation of a subsidiary		-	-	-	-	-	-	-	-	-	-	(42,223,602)	(42,223,602)
Total transactions with owners, recorded directly in equity		282,000	3,397,690	-	(712,353,915)	4,283,964	-	-	-	4,283,964	(704,390,261)	(186,878,028)	(891,268,289)
Comprehensive income for the year													
Profit	28	-	-	-	1,611,773,136	-	-	-	-	-	1,611,773,136	171,488,325	1,783,261,461
Other comprehensive income		-	-	-	-	-	-	(74,763,946)	(6,837,820)	(81,601,766)	(81,601,766)	-	(81,601,766)
Total comprehensive income for the year		-	-	-	1,611,773,136	-	-	(74,763,946)	(6,837,820)	(81,601,766)	1,530,171,370	171,488,325	1,701,659,695
Transfer to legal reserve		-	-	537,150	(537,150)	-	-	-	-	-	-	-	-
Balance at 31 December 2016		5,479,969,700	4,305,387,362	549,988,420	7,614,333,524	21,520,987	328,844,656	210,628,179	(1,066,722)	559,927,100	18,509,606,106	411,566,054	18,921,172,160

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statement of changes in equity

For the year ended 31 December 2016

Separate financial statements									
				Retained earnings		Other components of equity			
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappro-priated	Other reserve for share-based payment	Changes in fair value of available-for-sale investments	Total other components of equity	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2015									
Balance at 1 January 2015		**5,479,687,700**	**4,301,989,672**	**544,154,995**	**3,676,732,850**	**9,298,469**	**-**	**9,298,469**	**14,011,863,686**
Transactions with owners, recorded directly in equity									
Share-based payment transactions	20	-	-	-	-	7,938,554	-	7,938,554	7,938,554
Dividends to owners of the Company	29	-	-	-	(712,359,401)	-	-	-	(712,359,401)
Total transactions with owners, recorded directly in equity		**-**	**-**	**-**	**(712,359,401)**	**7,938,554**	**-**	**7,938,554**	**(704,420,847)**
Comprehensive income for the year									
Profit	28	-	-	-	794,055,334	-	-	-	794,055,334
Other comprehensive income		-	-	-	13,960,062	-	-	-	13,960,062
Total comprehensive income for the year		**-**	**-**	**-**	**808,015,396**	**-**	**-**	**-**	**808,015,396**
Transfer to legal reserve		-	-	5,296,275	(5,296,275)	-	-	-	-
Balance at 31 December 2015		**5,479,687,700**	**4,301,989,672**	**549,451,270**	**3,767,092,570**	**17,237,023**	**-**	**17,237,023**	**14,115,458,235**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of financial position (Continued)

For the year ended 31 December 2016

		Separate financial statements							
				Retained earnings		Other components of equity			
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappro-priated	Other reserve for share-based payment	Changes in fair value of available-for-sale investments	Total other components of equity	Total equity
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Year ended 31 December 2016									
Balance at 1 January 2016		5,479,687,700	4,301,989,672	549,451,270	3,767,092,570	17,237,023	-	17,237,023	14,115,458,235
Transactions with owners, recorded directly in equity									
Shares options exercised	20	282,000	3,397,690	-	-	(3,679,690)	-	(3,679,690)	-
Share-based payment transactions	20	-	-	-	-	7,963,654	-	7,963,654	7,963,654
Dividends to owners of the Company	29	-	-	-	(712,353,915)	-	-	-	(712,353,915)
Total transactions with owners, recorded directly in equity		**282,000**	**3,397,690**	**-**	**(712,353,915)**	**4,283,964**	**-**	**4,283,964**	**(704,390,261)**
Comprehensive income for the year									
Profit	28	-	-	-	3,027,738,267	-	-	-	3,027,738,267
Other comprehensive income		-	-	-	-	-	(1,066,722)	(1,066,722)	(1,066,722)
Total comprehensive income for the year		**-**	**-**	**-**	**3,027,738,267**	**-**	**(1,066,722)**	**(1,066,722)**	**3,026,671,545**
Transfer to legal reserve		-	-	537,150	(537,150)	-	-	-	-
Balance at 31 December 2016		**5,479,969,700**	**4,305,387,362**	**549,988,420**	**6,081,939,772**	**21,520,987**	**(1,066,722)**	**20,454,265**	**16,437,739,519**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows

For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit for the year		1,783,261,461	2,304,682,483	3,027,738,267	794,055,334
Adjustments for					
Depreciation of property and equipment	11	773,279,858	618,756,522	542,608,146	390,382,861
Amortisation of intangible assets under operating agreements	12	2,022,544,340	2,022,697,586	2,022,544,340	2,022,697,586
Amortisation of deferred charges	12	2,002,650	25,038,947	2,017,642	25,023,170
Amortisation of intangible assets	12	127,039,726	135,551,462	95,111,935	96,131,055
Impairment on assets		23,289,922	(42,202,254)	23,289,922	(42,984,186)
Impairment loss on investment in subsidiary	9	-	-	92,000,000	453,508,587
Investment income		(130,344,693)	(413,554,874)	(2,276,220,030)	(506,497,013)
Share-based payment	20	7,963,654	7,938,554	7,963,654	7,938,554
Finance costs		358,781,093	306,037,479	337,745,898	283,757,455
(Gain) loss on exchange rate		(125,457,532)	269,756,156	(20,512,752)	158,523,087
Amortisation of borrowing costs	15, 25	1,065,891	1,065,891	1,065,891	1,065,891
Bad and doubtful debts expense	7	138,114,229	61,686,173	116,272,388	29,376,863
(Reversal of) allowance for obsolete inventory		15,749,802	(49,956,287)	16,016,830	(1,639,603)
Gain on disposal of property and equipment	24	(10,132,316)	(3,464,432)	(17,749,925)	(7,462,636)
Write-off property and equipment		566,630	25,864,490	113,995	25,163,609
Write-off intangible assets		523,335	5,265,187	6,472	5,256,633
Loss on write-off investment in subsidiary		-	-	9,771,705	-
Share of profits of investment in a joint venture	9	(198,469,354)	(193,659,781)	-	-
Income tax expense		347,609,167	458,280,748	291,592,678	260,699,622
		5,137,387,863	5,539,784,050	4,271,377,056	3,994,996,869

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows (Continued)

For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Changes in operating assets and liabilities					
Trade and other receivables		(121,871,376)	(507,531,468)	(472,554,387)	(241,869,583)
Amounts due from related parties		(41,810,316)	(11,060,619)	(94,348,010)	(66,414,266)
Inventories		(109,830,084)	73,667,168	(90,658,712)	13,731,770
Other current assets		25,275,538	(5,380,731)	14,939,591	(15,451,421)
Other non-current assets		278,195,231	(16,304,734)	289,391,042	(16,318,830)
Trade and other payables		82,639,729	(80,372,259)	(5,082,593)	(133,858,822)
Amounts due to related parties		(174,635)	(231,187)	129,385	4,336,003
Advance receipts from customers		71,773,499	(49,458,190)	(399,557,294)	(12,966,031)
Accrued operating agreement fee		(17,178,769)	47,702,801	(17,178,769)	47,702,801
Other current liabilities		(26,138,244)	27,554,216	9,656,752	(4,408,662)
Other non-current liabilities		(42,365,234)	1,668,716	(42,743,642)	5,240,787
Defined benefit obligations		11,642,956	29,638,859	597,824	19,185,559
Income tax paid		(536,516,788)	(321,032,123)	(336,761,820)	(126,608,914)
Net cash from operating activities		**4,711,029,370**	**4,728,644,499**	**3,127,206,423**	**3,467,297,260**
Cash flows from investing activities					
Interest received		135,818,555	73,346,642	129,476,850	63,274,326
Dividends received		-	-	2,147,194,820	434,208,879
Current investments		(1,911,097,571)	(364,637,489)	(1,967,693,895)	(774,220,655)
Payment for property and equipment		(1,075,377,355)	(1,247,044,720)	(914,012,339)	(1,095,731,911)
Proceeds from sale of property and equipment		15,712,680	5,249,401	31,047,884	14,575,359
Proceeds from short-term loan to a joint venture	4	150,199,775	137,214,949	150,199,775	137,214,949
Proceeds from long-term loan to subsidiary	4	-	-	-	9,843,840
Long-term loan to related parties		-	(1,972,424,724)	(30,000,000)	(2,069,568,372)
Purchase of intangible assets		(9,268,896)	(9,539,366)	(1,409,907)	(741,035)
Proceeds from capital return of subsidiaries		-	-	211,724,581	-
Net cash outflow on investment in subsidiaries		-	-	(16,110,143)	-
Net cash used in investing activities		**(2,694,012,812)**	**(3,377,835,307)**	**(259,582,374)**	**(3,281,144,620)**

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Statements of cash flows (Continued)

For the year ended 31 December 2016

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht	Baht	Baht	Baht
Cash flows from financing activities					
Dividends paid to owners of the Company	29	(856,999,270)	(850,125,380)	(712,353,915)	(712,353,200)
Proceeds from short-term financial institutions	15	2,433,672,383	1,351,393,541	1,793,672,383	1,011,393,541
Repayments of short-term financial institutions	15	(3,854,192,970)	(657,305,743)	(3,254,192,970)	(277,305,743)
Proceeds from long-term borrowings		-	3,768,146,233	-	3,746,090,159
Repayments of long-term borrowings	15	(72,076,314)	(4,038,021,583)	(10,585,231)	(3,976,243,423)
Proceeds from short-term loan from related party		-	-	-	1,103,643,420
Repayment of short-term loan from related party		-	-	(1,126,768,104)	-
Capital return of shareholder from liquidation of a subsidiary		(41,921,918)	-	-	-
Interest paid		(342,963,191)	(290,293,793)	(333,172,929)	(268,362,176)
Net cash from (used in) financing activities		**(2,734,481,280)**	**(716,206,725)**	**(3,643,400,766)**	**626,862,578**
Net increase (decrease) in cash and cash equivalents		**(717,464,722)**	**634,602,467**	**(775,776,717)**	**813,015,218**
Cash and cash equivalents at 1 January		3,401,140,969	2,769,147,544	1,253,746,837	443,266,569
Effect of exchange rate changes on balances held in foreign currencies		8,806	(2,609,042)	(12,036)	(2,534,950)
Cash and cash equivalents at 31 December	5	**2,683,685,053**	**3,401,140,969**	**477,958,084**	**1,253,746,837**
Non cash transactions					
Acquisition of property and equipment through credit		21,361,200	41,156,368	10,119,873	28,488,844
Finance lease liabilities		43,369,654	52,104,847	38,561,099	45,805,209

The accompanying notes are an integral part of these financial statements.

Thaicom Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2016

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These notes form an integral part of the financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on 1 February 2017.

1. General information

Thaicom Public Company Limited, the "Company", is incorporated in Thailand and has its registered office at 414 Phaholyotin Road, SamsenNai, Phayathai, Bangkok 10400.

The Company was listed on the Stock Exchange of Thailand in January 1994.

The Company's parent company during the financial year was Intouch Holdings Public Company Limited (41.14% shareholding) which is incorporated in Thailand.

The Company, its subsidiaries and a joint venture (collectively referred to as "the Group") are primarily involved in transponder service is for domestic and international communications, sale of user terminal of iPSTAR, broadband content services, sale of direct television equipment, internet data center services, internet services, satellite uplink-downlink services, providing technical support in relation satellite business, broadcasting television service, telecommunication, printing and publishing of business telephone directories, banner advertising, telephone network services, mobile contents, and engineering and development services on communication technology and electronics, which are mainly operated under agreements for operation.

The Group has operations in 11 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, the United States of America, Mauritius, the British Virgin Islands, Japan and India.

The Company obtained agreements for operation from the Ministry of Transport and Communication for a period of 30 years to operate and administer satellite projects and to render transponder services for domestic and international communications as well as the right to collect, for a 30-year period, service charges from users of the transponders. These agreements for operation have been transferred to the Ministry of Digital Economy and Society and will expire in 2021.

The Company received a license from the National Broadcasting and Telecommunications Commission ("NBTC"), to provide telecommunication services on its network for domestic and international communications. The license has a term of 20 years and will expire in 2032.

Details of the Company's subsidiaries and a joint venture as at 31 December 2016 and 2015 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2016 (%)	2015 (%)
Direct subsidiaries				
	Sale of direct television equipment, providing system integration consultancy service for broadband network and broadband content services	Thailand	99.99	99.99
	Providing Thaicom 4 transponder services	The British Virgin Islands	100	100

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2016 (%)	2015 (%)
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics	The British Virgin Islands	100	100
Spacecode LLC	Providing engineering and development services, technology and electronics	The United States of America	-	70
IPSTAR International Pte Limited	Providing Thaicom 4 transponder services and sale of satellite equipment of Thaicom 4	Singapore	100	100
IPSTAR Global Services Company Limited	Providing Thaicom 4 transponder services	Mauritius	100	100
Cambodian DTV Network Limited	Sale of direct television equipment	Cambodia	100	100
IPSTAR Australia Pty Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Australia	Australia	100	100
TC Broadcasting Company Limited	Providing broadcasting, television and telecommunication services	Thailand	99.99	99.99
IPSTAR Japan Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in Japan	Japan	100	100
IPSTAR New Zealand Company Limited	Providing Thaicom 4 transponder services and sale of user terminal of Thaicom 4 in New Zealand	New Zealand	100	100
International Satellite Company Limited	Providing Thaicom 7 and Thaicom 8 transponder services	Mauritius	100	100
IPSTAR (India) Private Limited	Sale of satellite equipment and providing technical support in relation satellite business	India	100	-
TC Global Services Company Limited	Providing technology service	Mauritius	100	-

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2016 (%)	2015 (%)
Indirect subsidiaries				
	Providing internet data center service, internet and satellite uplink-downlink services	Thailand	42.07	42.07
	Providing satellite communication services and business solutions in Australia	Australia	100	100
Joint venture				
	Holding company for investment in international telecommunications	Singapore	51	51
Joint ventures of Shenington Investments Pte Limited				
	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	Lao PDR	24.99	24.99

Material intercompany transactions between the Company and its subsidiaries have been eliminated from this consolidated financial statements. The consolidated financial statements for the year ended 31 December 2016 have included the subsidiaries' financial information for the ended 31 December 2016 which were audited.

2. Basis of preparation of the financial statements

2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Group or the Company.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 35.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

2.3 Functional and presentation currency

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded to the nearest thousand unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(1) **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 9	Classification of the joint venture
Note 9	Consolidation: whether the Group has de facto control over an investee

(2) **Assumptions and estimation uncertainties**

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 7	Allowance for doubtful accounts
Note 8	Realisable value of inventory
Note 9	Key assumptions used in discounted cash flow projections
Note 11	Estimated useful lives and measurement of the recoverable amounts of property and equipment
Note 12	Estimated useful lives and measurement of the recoverable amounts of intangible asset under operating agreements and other intangible assets.
Note 13	Deferred income tax
Note 18	Measurement of employee benefits
Note 20	Measurement of share-based payment
Note 30	The measurement of fair values of foreign currency forward contracts
Note 31 and 32	Provisions and contingencies

3. Significant accounting policies

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

3.1 Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognized 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.

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.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

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.

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

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

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognised as part of share premium. Any cash paid for the acquisition is recognised directly in equity.

Subsidiaries

Subsidiaries are entities controlled by the 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 are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees is interests in a joint venture.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

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 associates and jointly-controlled entities are eliminated against the investment to the extent of the 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.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (Baht) at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the foreign exchange rates ruling at the dates of the transactions.

Foreign entities

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are stated at exchange rates ruling on the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at the weighted average foreign exchange rates for the year.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, 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.

3.3 Derivative financial instruments

Derivative financial instruments are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value.

The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price at the reporting date for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

3.4 Cash and cash equivalents

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are a component of operating activities for the purpose of the statement of cash flows.

3.5 Trade and other receivables

Trade and other receivables 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 deposit from customers. Bad debts are written off when incurred.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase and costs directly attributable to the acquisition of the inventory, such as taxes 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 based on normal operating capacity, 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.

3.7 Investments

Investments in subsidiaries and joint ventures

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

Investments in other debt and equity securities

Debt securities and marketable equity securities held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Debt securities that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less any impairment losses. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised in other comprehensive income. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.8 Property, plant and equipment

Owned assets

Property, plant and equipment are stated 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.

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

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 and equipment, and are recognised net in profit or loss.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets for rent

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

Subsequent costs

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 the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised as expenses in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment or, if shorter, the lease term. The estimated useful lives are as follows:

	30 years
	5-10 years
	5-18 years
	5-18 years
	3-5 years
	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.9 Intangible assets under operating agreement

Intangible assets under operating agreement comprise 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.

3.10 Deferred charges

Deferred charges principally represent bond issuing and long-term borrowing costs and are amortised on the straight-line basis over the period of time to maturity of the bond or long-term loan agreement.

3.11 Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

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.

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.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

The cost of other intangible assets comprises the development of IPSTAR technology, expenditure on acquired software, patents, trademarks and licenses and is amortised using the straight-line method over their period of their benefits of related assets for a period of 5 to 15.75 years.

Specific software is recognised as assets when acquired and operated to intend purposes and is amortised using the straight-line method over their expected benefits for a period of 3 - 5 years.

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

3.12 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year, at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated 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. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 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 with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

3.14 Trade and other payables

Trade and other payables are stated at cost.

3.15 Employee Benefits

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed at least one in three years by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any application minimum funding requirements.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognized immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

3.16 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. 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.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical expense related to warranty data and a weighting of all possible outcomes against their associated probabilities.

3.17 Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. 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.

Revenue and cost of sales of gateway equipment with installation are 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 said services are provided to customers and there are certainties regarding recovery of the consideration due.

Revenue from leases on equipment is recognised over the period and at the rate of the leasing contract.

Revenue arising from royalties is recognised on an accrual basis in accordance with the substance of the relevant agreements.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

3.18 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, dividends on preference shares classified as liabilities, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments 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.

3.19 Lease payment

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.20 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax 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 is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint venture to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised

4. Related parties

Related parties are enterprises and/or individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Joint ventures and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by Intouch Holdings Public Company Limited ("Intouch") (incorporated in Thailand), which owns 41.14 % (2015: 41.14%) of the Company's shares. Transactions with Intouch Group and shareholders of the Intouch Group are recognised as related party transactions of the Group.

Sales and service transactions with related parties were conducted under normal commercial terms and conditions, which were the same as for other customers. Consulting and management services were charged at an agreed percentage of assets. Transactions between the Company and Codespace, Inc.; an other related company, were conducted based on hourly rates plus reimbursement of actual expenses.

Significant transactions for the years ended 31 December 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Revenue				
Revenue from sale of goods and rendering of services				
Parent	896	1,000	-	-
Subsidiaries	-	-	2,053,628	1,922,014
Related parties under common control	447,431	430,864	102,140	117,316
Other related party	1,892	2,460	-	-
Other income				
Subsidiaries	-	-	2,296,008	597,869
Joint venture	94,973	45,583	94,973	45,583
Related parties under common control	139	2,126	19	815
Total revenue	**545,331**	**482,033**	**4,546,768**	**2,683,597**
Expenses				
Purchases of goods and services				
Parent	140	125	-	-
Subsidiaries	-	-	197,791	89,361
Joint venture	6,518	5,859	-	-
Related parties under common control	16,868	18,450	38	28
Other related party	44,627	49,993	15,535	15,220
Selling and administrative expenses				
Parent	1,691	958	1,379	692
Subsidiaries	-	-	10,879	12,774
Related parties under common control	11,822	27,984	5,667	8,925
Director and management benefit expenses	116,578	103,586	88,336	73,564

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Finance cost				
Subsidiary	-	-	15,644	6,637
Total expenses	**198,244**	**206,955**	**335,269**	**207,201**

Balance as at 31 December 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables and accrued income				
Trade receivables				
Parent	293	41	-	-
Subsidiaries	-	-	359,741	87,468
Related parties under common control	33,544	98,351	8,080	67,952
Other related parties	60,053	61,110	2,904	2,926
Total	**93,890**	**159,502**	**370,725**	**158,346**
Accrued income				
Subsidiaries	40	-	270,409	215,702
Related parties under common control	37,949	36,009	5,097	5,125
Total	**37,989**	**36,009**	**275,506**	**220,827**
Total trade receivables and accrued income	**131,879**	**195,511**	**646,231**	**379,173**
Less allowance for doubtful accounts	(59,526)	(59,955)	(2,904)	(2,926)
Net	**72,353**	**135,556**	**643,327**	**376,247**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Other receivables				
Parent	232	-	232	-
Subsidiaries	-	-	178,432	171,708
Joint venture	124,136	40,179	124,136	40,179
Other related party	-	42,224	-	-
Total	**124,368**	**82,403**	**302,800**	**211,887**
Loan to related parties				
Short-term loan				
Joint venture	18,186	168,521	18,186	168,521
	18,186	**168,521**	**18,186**	**168,521**
Long-term Loans				
Subsidiary	-	-	30,000	-
Joint venture	2,145,947	2,161,864	2,145,947	2,161,864
	2,145,947	**2,161,864**	**2,175,947**	**2,161,864**
Total	**2,164,133**	**2,330,385**	**2,194,133**	**2,330,385**

The short-term loan to a joint venture bears interest rate at the rate of LIBOR + 2.50 and is repayable upon request.

The term of the long-term loan to subsidiary is 2 years. As at 31 December 2016, the interest rate at the rate of 4.92% per annum.

The term of the long-term loan to a joint venture is 10 years with the interest rate at the rate of LIBOR + 3.

Movements during the year ended 31 December 2016 and 2015 of loans to subsidiary and a joint venture were as follow:

	Consolidated and Separate financial statements	
	2016	2015
	Baht'000	Baht'000
Short-term loans to a joint venture		
At 1 January	168,521	291,144
Decrease	(150,200)	(137,215)
Net foreign exchange gain (loss)	(135)	14,592
At 31 December	**18,186**	**168,521**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term loans				
Subsidiary				
At 1 January	-	-	-	9,844
Increase	-	-	30,000	-
Decrease	-	-	-	(9,844)
At 31 December	**-**	**-**	**30,000**	**-**
Joint venture				
At 1 January	2,161,864	-	2,161,864	-
Increase	-	2,069,568	-	2,069,568
Unrealised gain (loss) on exchange rate	(15,917)	92,296	(15,917)	92,296
At 31 December	**2,145,947**	**2,161,864**	**2,145,947**	**2,161,864**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Other current assets				
Subsidiaries	-	-	560	560
Related party under common control	2	-	1	-
Other related party	17	17	-	-
Total	**19**	**17**	**561**	**560**
Trade payables				
Parent	-	28	-	-
Subsidiaries	-	-	44,773	61,067
Joint venture	333	832	333	332
Related party under common control	4,998	6,046	-	196
Other related parties	4,082	5,000	1,243	2,458
Total	**9,413**	**11,906**	**46,349**	**64,053**
Other payables				
Subsidiaries	-	-	2,258	2,384
Related party under common control	49	224	4	156
Total	**49**	**224**	**2,262**	**2,540**
Advance receipts from customers				
Parent	32	35	-	-
Subsidiaries	-	-	10,357	366,762
Related party under common control	3,989	8,899	3,948	3,941
Total	**4,021**	**8,934**	**14,305**	**370,703**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Accrued expenses				
Subsidiaries	-	-	125,583	3,504
Joint venture	-	-	-	-
Related party under common control	350	442	320	379
Other related party	12,318	13,545	-	-
Total	**12,668**	**13,987**	**125,903**	**3,883**
Other current liabilities				
Subsidiaries	-	-	14,359	5,334
Related party under common control	160	6,854	160	4,832
Total	160	6,854	14,519	10,166
Short-term borrowing from a subsidiary	**-**	**-**	**-**	**1,126,768**

Movements during the year ended 31 December 2016 and 2015 of short-term borrowing from a subsidiary was as follows:

For the year ended 31 December	Separate financial statements	
	2016	2015
	Baht'000	Baht'000
At 1 January	1,126,768	-
Increase	-	1,103,643
Decrease	(1,126,768)	-
Unrealised gain on exchange	-	23,125
At 31 December	**-**	**1,126,768**

Key management personnel compensation

Key management personnel compensation comprised:

For the year ended 31 December	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term benefits	107,927	96,583	80,723	67,359
Other long-term benefits				
- Current service costs, included in administrative expenses	1,671	2,591	1,010	2,092
- Interest on obligation, included in finance costs	913	992	536	693
- Share-based payment	6,067	3,420	6,067	3,420
Total	116,578	103,586	88,336	73,564

From time to time directors of the Group, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by the Group with employees or customers.

Directors' remuneration

The directors' remuneration represents monthly compensation, annual remuneration, and meeting fees. The directors' remuneration was approved by the shareholders of the Company at their annual general meetings. The directors' remuneration was presented as part of directors and management benefit expenses presented in the statement of income.

Significant agreements with related parties

1. The Company and subsidiary entered into agreements with a subsidiary, under which the Company and subsidiaries were committed to pay royalty fee at 1% of revenue from sale or lease of IPSTAR gateway, 1% of revenue from sale or lease of IPSTAR user terminal and 3% of revenue from sale or service of Thaicom 4.
2. The Company entered into agreements with subsidiaries and related parties under common control, under which the Company was committed to provide transponder service and advisory service. Subsidiaries and related parties under common control were committed to pay the Company for the service of the agreements at approximately USD 25.50 million and Baht 20.78 million (2015: approximately USD 45.16 million and Baht 49.58 million). The service fees of contracts vary to the actual used or number of installed user terminal at the rate stated in the contract.
3. The Company had entered into agreements with a certain related party, under which the related party was committed to maintain accounting program service. The company was not committed to pay for the service in respect of the agreements as at 31 December 2016 (2015: approximately Baht 5.63 million).
4. The Company had entered into agreements with a subsidiary, under which a subsidiary was committed to provide broadcasting, television and telecommunication service. The Company was committed to pay for the service in respect of the agreements at USD 6,480 per channel/ per year.

5. Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	35,675	7,044	25,673	867
Current accounts and saving deposits	2,164,755	2,424,685	452,285	982,880
Highly liquid short-term investments	483,255	969,412	-	270,000
Total	**2,683,685**	**3,401,141**	**477,958**	**1,253,747**
The weighted average interest rate of saving deposits and fixed deposits	**0.59%**	**0.75%**	**0.29%**	**0.70%**

6. Current investments

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Current investments				
Short-term deposit and bill of exchange	2,933,732	1,609,221	2,837,554	1,574,221
Debt securities available for sale	604,156	-	703,027	-
Equity securities available for sale	-	35,932	-	-
Total	**3,537,888**	**1,645,153**	**3,540,581**	**1,574,221**

As at 31 December 2016, short-term deposit and bill of exchange have interest rates of 0.87% to 1.70% per annum (2015: 1.45% to 1.80% per annum) and mature within 1 year.

Movements during the years ended 31 December 2016 and 2015 of marketable equity securities available for sale was as follow:

	Consolidated financial statements	
	2016	2015
	Baht'000	Baht'000
Available-for-sale securities		
At 1 January	35,932	936,196
Decrease	(18,260)	(447,562)
Valuation adjustment	(17,672)	(455,315)
Unrealised gain on exchange rate	-	2,613
At 31 December	**-**	**35,932**

7. Trade and other receivables

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables					
Related parties	4	93,890	159,502	370,725	158,346
Other parties		1,718,528	1,564,532	777,490	520,976
Total		**1,812,418**	**1,724,034**	**1,148,215**	**679,322**
Accrued income					
Related parties	4	37,989	36,009	275,506	220,827
Other parties		605,001	557,310	387,834	381,282
Total		**642,990**	**593,319**	**663,340**	**602,109**
Other receivables					
Prepaid expenses		174,554	114,248	47,328	30,178
Advance payments		76,805	152,887	31,981	105,247
Others		73,701	64,389	11,835	9,196
Total		**325,060**	**331,524**	**91,144**	**144,621**

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Total trade receivables accrued income and other receivables		**2,780,468**	**2,648,877**	**1,902,699**	**1,426,052**
Less allowance for doubtful accounts		(352,498)	(231,379)	(180,944)	(64,736)
Net		**2,427,970**	**2,417,498**	**1,721,755**	**1,361,316**
Bad and doubtful debts expenses for the year ended 31 December		**138,114**	**61,686**	**116,272**	**29,377**

Aging analyses for trade receivables were as follow :

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Related parties				
Within credit terms	33,160	86,859	355,851	141,443
Overdue::				
Less than 3 months	860	11,285	2,036	5,755
3 - 6 months	-	505	6,761	17
6 - 12 months	-	153	2,274	-
Over 12 months	59,870	60,700	3,803	11,131
	93,890	**159,502**	**370,725**	**158,346**
Less allowance for doubtful accounts	(59,526)	(59,955)	(2,904)	(2,926)
	34,364	**99,547**	**367,821**	**155,420**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Other parties				
Within credit terms	404,072	384,534	132,528	121,344
Overdue:				
Less than 3 months	459,331	621,342	256,790	245,310
3 - 6 months	497,663	349,595	130,536	61,313
6 - 12 months	166,604	77,051	156,638	47,705
Over 12 months	190,858	132,010	100,998	45,304
	1,718,528	**1,564,532**	**777,490**	**520,976**
Less allowance for doubtful accounts	(292,972)	(171,424)	(178,040)	(61,810)
	1,425,556	**1,393,108**	**599,450**	**459,166**
Net	**1,459,920**	**1,492,655**	**967,271**	**614,586**

The normal credit term for general customers were granted by the Group ranging 15 - 120 days.

8. Inventories

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Raw material and supplies	51,598	53,225	47,812	50,701
Work in process	116,525	3,764	104,671	-
Finished goods	237,747	216,225	140,158	127,827
Goods in transit	596	23,590	-	23,491
	406,466	**296,804**	**292,641**	**202,019**
Less allowance for decline in value	(82,587)	(67,005)	(57,612)	(41,595)
Net	**323,879**	**229,799**	**235,029**	**160,424**

9. Investments in subsidiaries and a joint venture

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
At 1 January	1,210,351	1,082,914	1,597,670	2,051,179
Addition	-	-	16,110	-
Capital return	-	-	(231,570)	-
Share of profits of investments in a joint venture - equity method	198,469	193,660	-	-
Allowance for impairment	-	-	(92,000)	(453,509)
Defined benefit plan actuarial losses	-	(157,897)	-	-
Foreign currency translation adjustments	8,381	91,674	-	-
At 31 December	**1,417,201**	**1,210,351**	**1,290,210**	**1,597,670**

Investments in subsidiaries and joint venture as at 31 December 2016 and 2015 and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements									
	Ownership interest		Paid-up capital		Cost		Equity		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Joint venture										
			SGD	SGD						
Shenington Investments Pte Limited	51.00	51.00	15 million	15 million	138	138	1,417	1,210	-	-
					138	**138**	**1,417**	**1,210**	**-**	**-**

None of the Company's joint venture is publicly listed and consequently do not have published price quotations.

	Separate financial statements											
			Paid-up capital		Cost		Impairment		Cost - net of impairment		Dividend income	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	%	%			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Subsidiaries												
DTV Service Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	-	-	399	399	100	120
Spacecode LLC	-	70.00	-	USD 4 million	-	118	-	-	-	118	-	-
iPSTAR Company Limited	100.00	100.00	USD 2 million	USD 2 million	157	157	-	-	157	157	1,561	-
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	-	-	-	-	36	-
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	-	-	1	1	70	175
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	-	-	1	1	-	36
Cambodian DTV Network Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	-	-	21	21	-	-
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	971	971	(546)	(454)	425	517	-	75
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	-	-	-	-	-	4
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	-	-	33	33	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 3.20 million	NZD 8.51 million	98	211	-	-	98	211	30	28
International Satellite Company Limited	100.00	100.00	USD 50,000	USD 50,000	2	2	-	-	2	2	347	-
IPSTAR (India) Private Limited	100.00	-	INR 30 million	-	16	-	-	-	16	-	-	-
TC Global Services Company Limited	100.00	-	USD 12,500	-	-	-	-	-	-	-	-	-
Total					**1,699**	**1,914**	**(546)**	**(454)**	**1,153**	**1,460**	**2,144**	**438**
Joint venture												
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	**138**	**138**	**-**	**-**	**138**	**138**	**-**	**-**

Joint Venture

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. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in these companies.

	Reporting date	Ownership	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net assets	Total revenues	Net profit	Other comprehensive income (loss)	Total other comprehensive income
		(%)	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
2016											
Shenington Investments	31										
Pte Limited	December	51.00	26,977	7,378,625	(248,448)	(4,263,853)	2,893,301	1	389,156	165,196	554,352
Total			**26,977**	**7,378,625**	**(248,448)**	**(4,263,853)**	**2,893,301**	**1**	**389,156**	**165,196**	**554,352**
2015											
Shenington Investments	31										
Pte Limited	December	51.00	33,150	7,007,203	(76,803)	(4,590,415)	2,373,135	74	379,725	(130,971)	248,754
Total			**33,150**	**7,007,203**	**(76,803)**	**(4,590,415)**	**2,373,135**	**74**	**379,725**	**(130,971)**	**248,754**

Significant movements in investments in subsidiaries and joint ventures for the year ended 31 December 2016 were as follows:

Subsidiaries

1. The incorporation of IPSTAR (India) Private Limited ("IPI")

   On 19 January 2016, the Company has incorporated IPSTAR (India) Private Limited. The authorised share capital of IPI is INR 30 million, divided into 30 million ordinary shares of INR 1 par value. The capital is fully paid up. The Company holds 30 million shares, equivalent to 100% shareholding.

2. Capital reduction of IPSTAR New Zealand Company Limited ("IPN")

   At the Board of Directors' meeting of IPN, on 25 May 2016, the directors approved the capital reduction from NZD 8.51 million to NZD 3.20 million. The return of capital payment of NZD 5.32 million was paid its shareholder in June 2016.

3. The incorporation of TC Global Services Company Limited ("TCGS")

   On 9 December 2016, the Company has incorporated TC Global Services Company Limited. The authorised share capital of TCGS is USD 50,000, divided into 50,000 ordinary shares of USD 1 par value. The Company holds 50,000 shares, equivalent to 100% shareholding.

4. The liquidation of Spacecode LLC ("SPACE")

   At the Board of Directors' meeting of the company, on 14 December 2016, the directors approved the liquidation of Spacecode LLC. It is a subsidiary of the Company and such company already returned the capital to its shareholder and is under the dissolution process.

Commitments

According to the joint venture agreement between the Group and the Government of the Lao People's Democratic Republic, the Group must transfer all of LTC's shares to the Government of the Lao People's Democratic Republic, without any charges or compensation, on the expiration date of the joint venture agreement in 2046 (Note 31.2).

10. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries (CS Loxinfo Public Company Limited ("CSL")) that has a material non-controlling interest, before any intra-group eliminations:

As at 31 December	CSL	
	2016	2015
	Baht'000	Baht'000
Non-controlling interest percentage	57.93%	57.93%
Current assets	943,834	946,465
Non-current assets	954,512	961,768
Current liabilities	(923,361)	(917,422)
Non-current liabilities	(261,961)	(333,995)
Net assets	**713,024**	**656,816**
Carrying amount of non-controlling interest	411,566	380,494

For the year ended 31 December	CSL	
	2016	2015
	Baht'000	Baht'000
Non-controlling interest percentage	57.93%	57.93%
Revenue	2,917,862	2,963,844
Profit	305,905	315,097
Other comprehensive income	-	(32,345)
Total comprehensive income	**305,905**	**282,752**
Profit allocated to non-controlling interest	171,488	182,535
Other comprehensive income allocated to non-controlling interest	171,488	163,798

11. Property, plant and equipment

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cost					
At 1 January 2015	667,043	6,439,118	1,303,264	4,085,310	12,494,735
Additions	22,999	242,075	90,267	932,860	1,288,201
Transfers	9,593	8,082	17,222	(54,854)	(19,957)
Disposals	(367)	(80,009)	(60,896)	-	(141,272)
Write-offs	(6,197)	(132,536)	(2,466)	(193)	(141,392)
Foreign currency translation adjustments	(5,247)	20,671	1,867	51	17,342
At 31 December 2015 and 1 January 2016	**687,824**	**6,497,401**	**1,349,258**	**4,963,174**	**13,497,657**
Additions	29,829	233,055	61,291	772,422	1,096,597
Transfers	441	5,831,134	4,525	(5,693,983)	142,117
Disposals	-	(63,374)	(63,276)	-	(126,650)
Write-offs	(2,833)	(65,538)	(2,875)	(49)	(71,295)
Foreign currency translation adjustments	(3,884)	(2,264)	(480)	(23)	(6,651)
At 31 December 2016	**711,377**	**12,430,414**	**1,348,443**	**41,541**	**14,531,775**

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation and impairment loss					
At 1 January 2015	306,345	2,977,982	857,777	-	4,142,104
Depreciation for the year	52,005	446,806	119,946	-	618,757
Transfers	842	(3,166)	(74)	-	(2,398)
Disposals	(324)	(79,521)	(60,642)	-	(140,487)
Write-offs	(5,367)	(150,898)	(2,246)	-	(158,511)
Foreign currency translation adjustments	(3,518)	9,423	453	-	6,358
At 31 December 2015 and 1 January 2016	**349,983**	**3,200,626**	**915,214**	**-**	**4,465,823**
Depreciation for the year	52,495	601,871	118,914	-	773,280
Transfers	-	148,724	(4,516)	-	144,208
Disposals	-	(62,444)	(58,627)	-	(121,071)
Write-offs	(2,472)	(65,533)	(2,723)	-	(70,728)
Foreign currency translation adjustments	(3,678)	(2,685)	(534)	-	(6,897)
At 31 December 2016	**396,328**	**3,820,559**	**967,728**	**-**	**5,184,615**
Net book value					
At 1 January 2015					
Owned assets	360,698	3,461,136	416,016	4,085,310	8,323,160
Assets under finance leases	-	-	29,471	-	29,471
	360,698	**3,461,136**	**445,487**	**4,085,310**	**8,352,631**

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2015 and 1 January 2016					
Owned assets	337,841	3,296,775	388,911	4,963,174	8,986,701
Assets under finance leases	-	-	45,133	-	45,133
	337,841	**3,296,775**	**434,044**	**4,963,174**	**9,031,834**
At 31 December 2016					
Owned assets	315,049	8,609,855	346,914	41,541	9,313,359
Assets under finance leases	-	-	33,801	-	33,801
	315,049	**8,609,855**	**380,715**	**41,541**	**9,347,160**

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 December 2016 amounted to Baht 2,939.20 million (2015: Baht 3,063.85 million).

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cost					
At 1 January 2015	116,444	4,979,234	220,099	4,050,055	9,365,832
Additions	20,719	176,364	51,382	875,756	1,124,221
Transfers	-	(19,977)	(9)	-	(19,986)
Disposals	(367)	(70,138)	(20,835)	-	(91,340)
Write-offs	(5,657)	(82,005)	(693)	-	(88,355)
At 31 December 2015 and 1 January 2016	**131,139**	**4,983,478**	**249,944**	**4,925,811**	**10,290,372**
Additions	29,409	158,267	17,717	718,626	924,019
Transfers	-	5,644,251	-	(5,644,437)	(186)
Disposals	-	(101,183)	(44,948)	-	(146,131)
Write-offs	-	(10,855)	(659)	-	(11,514)
At 31 December 2016	**160,548**	**10,673,958**	**222,054**	**-**	**11,056,560**

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation and impairment loss					
At 1 January 2015	65,661	1,789,597	164,349	-	2,019,607
Depreciation for the year	13,711	349,519	27,153	-	390,383
Transfers	-	(2,413)	(7)	-	(2,420)
Disposals	(324)	(63,203)	(20,701)	-	(84,228)
Write-offs	(5,134)	(100,367)	(674)	-	(106,175)
At 31 December 2015 and 1 January 2016	**73,914**	**1,973,133**	**170,120**	**-**	**2,217,167**
Depreciation for the year	18,982	497,437	26,189	-	542,608
Transfers	-	(117)	-	-	(117)
Disposals	-	(91,577)	(41,257)	-	(132,834)
Write-offs	-	(10,855)	(545)	-	(11,400)
At 31 December 2016	**92,896**	**2,368,021**	**154,507**	**-**	**2,615,424**
Net book value					
At 1 January 2015					
Owned assets	50,783	3,189,637	30,939	4,050,055	7,321,414
Assets under finance leases	-	-	24,811	-	24,811
	50,783	**3,189,637**	**55,750**	**4,050,055**	**7,346,225**

	Consolidated financial statements				
	Land Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
At 31 December 2015 and 1 January 2016					
Owned assets	57,225	3,010,345	39,999	4,925,811	8,033,380
Assets under finance leases	-	-	39,825	-	39,825
	57,225	**3,010,345**	**79,824**	**4,925,811**	**8,073,205**
At 31 December 2016					
Owned assets	67,652	8,305,937	37,322	-	8,410,911
Assets under finance leases	-	-	30,225	-	30,225
	67,652	**8,305,937**	**67,547**	**-**	**8,441,136**

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 December 2016 amounted to Baht 1,574.97 million (2015: Baht 1,491.49 million).

Borrowing costs for the year ended 31 December 2016 in the amount of Baht 82.89 million (2015: Baht 134.09 million), arise on financing specifically entered into for assets under construction.

Capital expenditure commitments

Capital expenditure contracted but not provided at December 31, 2016 and 2015 were as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		thousands	thousands	thousands	thousands
THAICOM 8 Project	USD	-	18,554	-	18,554
Internet network	Baht	22,325	1,778	-	-
Total equivalent to Thai Baht		**22,325**	**674,413**	**-**	**672,635**

12. Intangible assets under operating agreement, deferred charges and intangible assets

	Consolidated financial statements				
			Intangible assets		
	Intangible assets under operating agreement	Deferred charges	Goodwill	Other intangible assets	Total intangible assets
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Cost					
1 January 2015	26,422,840	673,832	980,209	1,828,010	2,808,219
Additions	-	-	-	10,860	10,860
Transfer	544	540	-	(29)	(29)
Disposal	-	-	-	(958)	(958)
Write-offs	-	-	-	(5,299)	(5,299)
Foreign currency translation adjustment	-	-	(10,043)	11,456	1,413
At 31 December 2015 and 1 January 2016	**26,423,384**	**674,372**	**970,166**	**1,844,040**	**2,814,206**
Additions	-	-	-	9,411	9,411
Transfer	(148,737)	-	-	6,503	6,503
Disposal	-	-	-	(707)	(707)
Write-offs	(41,737)	(654,139)	-	(6,269)	(6,269)
Foreign currency translation adjustment	-	-	(1,182)	(1,652)	(2,834)
As at 31 December 2016	**26,232,910**	**20,233**	**968,984**	**1,851,326**	**2,820,310**

	Consolidated financial statements				
			Intangible assets		
	Intangible assets under operating agreement	Deferred charges	Goodwill	Other intangible assets	Total intangible assets
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Amortisation and impairment loss					
1 January 2015	13,173,499	629,468	825,930	1,015,471	1,841,401
Amortisation for the year	2,022,698	25,039	-	135,551	135,551
Impairment loss	-	-	-	1,781	1,781
Transfers	-	212	-	(22)	(22)
Disposals	-	-	-	(965)	(965)
Write-offs	-	-	-	(33)	(33)
Foreign currency translation adjustment	-	-	-	7,358	7,358
At 31 December 2015 1 January 2016	**15,196,197**	**654,719**	**825,930**	**1,159,141**	**1,985,071**
Amortisation for the year	2,022,544	2,003	-	127,040	127,040
Impairment loss	-	-	-	-	-
Transfers	(148,842)	-	-	4,516	4,516
Disposals	-	-	-	(705)	(705)
Write-offs	(41,737)	(654,139)	-	(5,745)	(5,745)
Foreign currency translation adjustment	-	-	-	(639)	(639)
At 31 December 2016	**17,028,162**	**2,583**	**825,930**	**1,283,608**	**2,109,538**
Net book value					
At 1 January 2015	**13,249,341**	**44,364**	**154,279**	**812,539**	**966,818**
At 31 December 2015 and 1 January 2016	**11,227,187**	**19,653**	**144,236**	**684,899**	**829,135**
At 31 December 2016	**9,204,748**	**17,650**	**143,054**	**567,718**	**710,772**

	Separate financial statements		
	Intangible assets under operating agreement	Deferred charges	Other intangible assets
	Baht'000	Baht'000	Baht'000
Cost			
1 January 2015	26,232,261	674,316	1,421,530
Additions	-	-	2,062
Transfers	544	-	-
Write-offs	-	-	(5,286)
At 31 December 2015 and 1 January 2016	**26,232,805**	**674,316**	**1,418,306**
Additions	-	-	1,523
Transfers	105	-	-
Disposals	-	-	(20)
Write-offs	-	(654,139)	(25)
As at 31 December 2016	**26,232,910**	**20,177**	**1,419,784**
Amortisation and impairment loss			
1 January 2015	12,982,920	629,625	806,269
Amortisation for the year	2,022,698	25,023	96,131
Write-offs	-	-	(29)
At 31 December 2015 and 1 January 2016	**15,005,618**	**654,648**	**902,371**
Amortisation for the year	2,022,544	2,018	95,112
Disposals	-	-	(20)
Write-offs	-	(654,139)	(18)
At 31 December 2016	**17,028,162**	**2,527**	**997,445**
Net book value			
At 1 January 2015	**13,249,341**	**44,691**	**615,261**
At 31 December 2015 and 1 January 2016	**11,227,187**	**19,668**	**515,935**
At 31 December 2016	**9,204,748**	**17,650**	**422,339**

13. Deferred tax

Deferred tax assets and liabilities determined after appropriate off-setting are included in the statement of financial position as follow:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	310,411	240,036	83,079	86,460
	310,411	**240,036**	**83,079**	**86,460**

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.

The subsidiaries have tax losses carried forward to offset future taxable income, which are not recognised in the consolidated financial statements as follows:

	2016	2015
	Baht'000	Baht'000
Year expired		
2016	-	24,369
2017	82,924	82,924
2018	34,652	34,652
2019	68,589	68,589
2020	45,717	45,717
2021	13,615	-
Total	**245,497**	**256,251**

Movements in total deferred tax assets and liabilities during the year were as follows:

	Consolidated financial statements			
	At 1 January 2016	(Charged)/credited to:		At 31 December 2016
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Loss carry forward	31,681	39,754	(11,378)	60,057
Allowance for doubtful accounts	10,359	2,697	(50)	13,006
Allowance for obsolete inventory	9,028	3,866	(15)	12,879
Deposits	43,085	(6,389)	-	36,696
Advance receipts from customers	4,454	(16,323)	195	(11,674)
Employee benefit obligations	79,720	3,711	-	83,431
Accrued expenses	19,113	48,600	(1,105)	66,608
Prepaid expenses	21,832	9,374	(424)	30,782
Others	20,764	(3,568)	1,430	18,626
Total	**240,036**	**81,722**	**(11,347)**	**310,411**

	Consolidated financial statements			
	At 1 January 2016	(Charged)/credited to:		At 31 December 2016
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Loss carry forward	28,474	4,975	(1,768)	31,681
Allowance for doubtful accounts	10,175	189	(5)	10,359
Allowance for obsolete inventory	9,184	(150)	(6)	9,028
Deposits	42,966	119	-	43,085
Advance receipts from customers	51,634	(45,065)	(2,115)	4,454
Employee benefit obligations	66,674	8,451	4,595	79,720
Accrued expenses	21,332	(1,688)	(531)	19,113
Prepaid expenses	(20,503)	40,761	1,574	21,832
Others	38,232	(17,303)	(165)	20,764
Total	**248,168**	**(9,711)**	**1,579**	**240,036**

	Separate financial statements			
	At 1 January 2016	Separate financial statements		At 31 December 2016
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Allowance for obsolete inventory	8,319	3,203	-	11,522
Deposits	43,085	(7,264)	-	35,821
Employee benefit obligations	41,770	(268)	-	41,502
Others	(6,714)	682	266	(5,766)
Total	**86,460**	**(3,647)**	**266**	**83,079**

	Separate financial statements			
	At 1 January 2015	(Charged)/credited to:		At 31 December 2015
		Profit or loss (Note 27)	Other comprehensive income	
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets				
Loss carry forward	23,900	(23,900)	-	-
Allowance for obsolete inventory	8,647	(328)	-	8,319
Deposits	42,966	119	-	43,085
Employee benefit obligations	39,814	5,446	(3,490)	41,770
Others	5,902	(12,616)	-	(6,714)
Total	**121,229**	**(31,279)**	**(3,490)**	**86,460**

14. Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Withholding taxes receivable	340,319	623,564	336,032	619,009
Tax assessment's deposits	229,661	235,358	229,661	235,358
Others deposit	39,368	39,446	15,694	15,838
Others	11,398	7,141	-	7,141
	620,746	905,509	581,387	877,346
Less accumulated impairment loss	(62,219)	(38,929)	(62,219)	(38,929)
Total	**558,527**	**866,580**	**519,168**	**838,417**

15. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Current				
Short-term loans				
Short-term loans from financial institution	230,000	1,650,521	-	1,460,521
Total short-term loans	230,000	1,650,521	-	1,460,521
Current portion of long-term borrowings				
Loans from financial institutions	720,664	60,000	660,664	-
Loans from others	8,207	9,063	7,327	7,992
Total current portion of long-term borrowings	728,871	69,063	667,991	7,992
Total current interest-bearing liabilities	958,871	1,719,584	667,991	1,468,513
Non-current				
Long-term borrowings				
Loans from financial institutions	4,684,647	5,442,203	4,624,647	5,322,203
Loans from others	35,162	43,041	31,234	37,813
Total long-term borrowings	4,719,809	5,485,244	4,655,881	5,360,016
Long-term debentures	4,546,180	4,545,114	4,546,180	4,545,114
Total non-current interest-bearing liabilities	9,265,989	10,030,358	9,202,061	9,905,130
Total	**10,224,860**	**11,749,942**	**9,870,052**	**11,373,643**

Long-term debentures

As at 31 December 2016, the Company has two tranches totaling Baht 4,550 million, with a par value of Baht 1,000 each, unsubordinated and unsecured withhaving registered and bond holders' representative debentures as follow:

Issue date	No. of units (Million)	Amount (Million Baht)	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 December 2016 Million Baht
29 September 2014	2.275	2,275	4.28%	Semiannually	Entirely redeemed on 2 October 2019	2,275
29 September 2014	2.275	2,275	4.68%	Semiannually	Entirely redeemed on 2 October 2021	2,275
Total debentures						4,550
Less bond issuing cost						(4)
Net						**4,546**

The movements in the borrowing can be analysed as follows:

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
For the year ended 31 December					
Opening net book value		11,749,942	11,100,970	11,373,643	10,644,949
Proceeds from short-term borrowings		2,433,672	1,351,394	1,793,672	1,011,393
Proceeds from long-term borrowings, net of financial costs		3,341	3,794,135	3,341	3,772,079
Repayment of short-term borrowings		(3,854,193)	(657,306)	(3,254,193)	(277,306)
Repayment of long-term borrowings		(72,076)	(4,038,022)	(10,585)	(3,976,243)
Amortisation of finance costs	25	1,066	1,066	1,066	1,066
(Gain) loss on exchange rate		(36,892)	197,705	(36,892)	197,705
Closing net book value		**10,224,860**	**11,749,942**	**9,870,052**	**11,373,643**

The group has to maintain the financial ratios restricted in the long-term loan agreements.

The interest rate exposure of the borrowings of the Group is as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Total borrowings:				
- at fixed rates	4,819,549	4,597,219	4,584,741	4,590,919
- at floating rates	5,405,311	7,152,723	5,285,311	6,782,724
Total	**10,224,860**	**11,749,942**	**9,870,052**	**11,373,643**
Weighted average interest rates:				
- Loans	3.39%	2.47%	3.43%	2.42%
- Debentures	4.48%	4.48%	4.48%	4.48%

The periods to maturity of long-term borrowings and long-term debentures net of financial costs were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Later than 1 year but not later than 2 years	729,239	797,325	668,437	673,666
Later than 2 years but not later than 5 years	6,554,758	4,299,375	6,551,632	4,297,805
Later than 5 years	1,981,992	4,933,658	1,981,992	4,933,659
Total	**9,265,989**	**10,030,358**	**9,202,061**	**9,905,130**

The Group has to maintain the financial ratios restricted in the long-term borrowing agreements and to comply with certain restrictions and maintain certain financial ratios under the terms and conditions of the debentures.

Credit facilities

As at 31 December 2016 available credit facilities for loans from local and overseas banks are Baht 5,959.42 million and USD 90.80 million (2015: Baht 5,106.94 million and USD 90.80 million).

16. Trade and other payables

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Trade payables					
- Related parties	4	9,413	11,906	46,349	64,053
- Other parties		544,165	571,095	213,601	197,219
Total		**553,578**	**583,001**	**259,950**	**261,272**
Other payables					
- Accrued expenses		759,153	559,668	388,380	269,942
- Others		93,337	83,189	24,187	50,222
Total		**852,490**	**642,857**	**412,567**	**320,164**
Total trade and other payables		**1,406,068**	**1,225,858**	**672,517**	**581,436**

17. Other current liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term deposits from customers	35,069	20,822	36,951	22,474
Other taxes	43,968	89,596	40,564	50,428
Others	2,310	2,124	4	17
Total	**81,347**	**112,542**	**77,519**	**72,919**

18. Employee benefit obligations

The statement of financial position obligations was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of unfunded obligations	429,770	404,260	207,512	208,848
Statement of financial position	**429,770**	**404,260**	**207,512**	**208,848**

Movements in the present value of the employee benefit obligations:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Employee benefit obligations at 1 January	404,260	337,041	208,848	199,067
Benefits paid by the plan	(32,362)	(2,962)	(155)	(2,153)
Include in profit or loss:				
Current service costs and interest	57,872	45,842	26,890	29,384
Curtailment gain from transferred of employee to subsidiary	-	-	(28,071)	-
	57,872	**45,842**	**(1,181)**	**29,384**
Included in other comprehensive income:				
Actuarial (gain) loss recognised in the year	-	24,339	-	(17,450)
	-	**24,339**	**-**	**(17,450)**
Employee benefit obligations at 31 December	**429,770**	**404,260**	**207,512**	**208,848**

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	%	%	%	%
Discount rate	3.50	3.50	3.50	3.50
Future salary increases	7.00-8.00	7.00-8.00	8.00	8.00

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Consolidated financial statements		Separate financial statements	
	Baht'000	Baht'000	Baht'000	Baht'000
Defined benefit obligation 31 December 2016	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(52,884)	63,132	(25,613)	30,376
Future salary growth (1% movement)	59,578	(51,164)	28,600	(24,738)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

19. Other non-current liabilities

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term deposits from customers	215,575	263,388	207,074	256,225
Others	146,665	152,889	131,387	136,652
Total	**362,240**	**416,277**	**338,461**	**392,877**

20. Share capital and and share-based payment transaction

	Par value per share (Baht)	2016		2015	
		Number	Amount	Number	Amount
		Share'000	Baht'000	Share'000	Baht'000
Authorised					
At 1 January					
- ordinary shares	*5*	1,098,902	5,494,513	1,097,817	5,489,086
Increase of new shares	*5*	1,075	5,371	1,085	5,427
At 31 December					
- ordinary shares	***5***	**1,099,977**	**5,499,884**	**1,098,902**	**5,494,513**
Issued and paid-up					
At 1 January					
- ordinary shares	*5*	1,095,938	5,479,688	1,095,938	5,479,688
Issue of new shares from exercise warrants	*5*	56	282	-	-
At 31 December					
- ordinary shares	***5***	**1,095,994**	**5,479,970**	**1,095,938**	**5,479,688**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

At the annual general meeting of the shareholders of the Company held on 30 March 2016, a resolution was passed to approve the issuance of 1,074,300 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,371,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 16 May 2016.

At the annual general meeting of the shareholders of the Company held on 26 March 2015, a resolution was passed to approve the issuance of 1,085,300 ordinary shares at the par value of Baht 5 per share, in total of Baht 5,426,500 to reserve for the exercise of the warrant. The Company registered the increased share capital with the Ministry of Commerce on 8 May 2015.

Issue of new ordinary share under ESOP schemes as of 31 December 2016

	Exercise of warrants	Exercise price per share	Issue of ordinary shares	Par value per share	Share premium	Registration date with the Ministry of Commerce
	(unit)	(Baht)	(shares)	(Baht)	Baht'000	
ESOP Grant I	158,157	23.266	56,400	5	3,397	23 June 2016
Total	**158,157**		**56,400**		**3,397**	

Share-based payment transaction

1. Information of project

The issuance and offering of warrants to purchase ordinary shares to directors and employees of the Company and its subsidiaries. The warrants are offered directly to employees who are full-time employed and qualify for the Performance Share Plan project ("Project"). Major information is listed below

	Project I	Project II	Project III	Project IV
Issued date:	28 March 2013	27 March 2014	26 March 2015	30 March 2016
Issued:	682,000 units	1,197,700 units	1,085,300 units	1,074,300 units
Exercise price:	23.266 Baht/Share	38.265 Baht/Share	37.626 Baht/Share	25.918 Baht/Share
Number of reserved shares:	682,000 shares	1,197,700 shares	1,085,300 shares	1,074,300 shares
Offer period:	5 years after first time to offered the warrant			
Offer price per unit:	Baht 0 (zero Baht)			
Exercise ratio:	One unit of warrant per one ordinary share			

Movements in the number of warrants outstanding are as follows:

	1 January 2016	Issue during the period	Return during the period	Exercise during the period	31 December 2016
	thousand unit	thousand unit	thousand unit	thousand unit	thousand unit
ESOP - Grant I					
Directors	77	-	(45)	(11)	21
Employees	437	-	(275)	(45)	117
Total	**514**	**-**	**(320)**	**(56)**	**138**
ESOP - Grant II					
Directors	115	-	-	-	115
Employees	860	-	(106)	-	754
Total	**975**	**-**	**(106)**	**-**	**869**
ESOP - Grant III					
Directors	89	-	-	-	89
Employees	691	-	(89)	-	602
Total	**780**	**-**	**(89)**	**-**	**691**
ESOP - Grant IV					
Directors	-	155	-	-	155
Employees	-	741	-	-	741
Total	**-**	**896**	**-**	**-**	**896**
Grand Total	**2,269**	**896**	**(515)**	**(56)**	**2,594**

2. Fair value measurement

The measurement is in reference to the fair value of the offered ordinary shares issued at the grant date using Monte Carlo Simulation techniques. The assumptions are as below:

	Project I	Project II	Project III	Project IV
Fair value at grant date	Baht 35.037	Baht 27.864	Baht 20.424	Baht 12.475
Share price at grant date	Baht 35.750	Baht 40.500	Baht 36.500	Baht 27.000
Exercise price	Baht 23.266	Baht 38.265	Baht 37.626	Baht 25.918
Expected volatility	55.392%	41.562%	39.894%	36.534%
Expected dividend	1.119%	1.111%	1.781%	2.407%
Risk-free interest rate	3.074%	3.082%	2.340%	1.721%

Reconciliation of other reserve-shared-base payment:

For the year ended 31 December	Consolidated and separate financial statements	
	2016	2015
	Baht'000	Baht'000
At 1 January	17,237	9,298
Total expense recognised during period in the statement of profit and loss	7,963	11,323
Decrease during the year	(3,679)	(3,384)
At 31 December	**21,521**	**17,237**

Share premium

Section 51 of the Public 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"). Share premium is not available for dividend distribution.

21. Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

The Public Companies Act B.E. 2535 Section 116 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.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprise the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

22. Segment information

Segment information is presented in respect of the Group's business and geographic segments. The primary format, business segments / geographic segments is based on the Group's management and internal reporting structure.

Business segments

The Group comprises the following main business segments:

Segment 1	Services relating to the satellite business and the transponder services segment
Segment 2	Sales and services relating to the internet and media business
Segment 3	Sales and services relating to the telephone network business

Geographic segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers. The areas of operation in Thailand are principally satellite business services, internet and media services and printing and publishing of business telephone directories services. Lao PDRs' main activities are sales and services relating to telephone network business and satellite business services. Australia, China, India, Japan and Myanmar main activities are sales and services relating to satellite business. Australia, China, India, Japan and Myanmar main activities are sales and services relating to satellite business.

The Group comprises the following main geographic segments:

Segment 1	Thailand
Segment 2	Australia
Segment 3	China
Segment 4	India
Segment 5	Japan
Segment 6	Myanmar
Segment 7	Others

Revenue and results, based on business segments, in the consolidated financial statements for the years ended 31 December 2016 and 2015 were as follows:

For the year ended 31 December	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Revenues	8,414	9,258	3,185	3,272	-	-	(82)	(77)	11,517	12,453
Construction revenue under operating agreement	-	1	-	-	-	-	-	-	-	1
Shares of profit of investment in joint venture	-	-	-	-	198	194	-	-	198	194
Cost of sales and services	(5,419)	(5,302)	(2,019)	(2,115)	-	-	84	63	(7,354)	(7,354)
Construction cost under operating agreement	-	(1)	-	-	-	-	-	-	-	(1)
Selling and administrative expenses	(1,486)	(1,413)	(746)	(720)	-	-	7	15	(2,225)	(2,118)
Segment results	1,509	2,543	420	437	198	194	9	1	2,136	3,175
Other income									202	489
Net gain (loss) on foreign exchange									152	(595)
Profit before finance cost and income tax									2,490	3,069
Finance costs									(359)	(306)
Operating profit									2,131	2,763
Income tax expense									(348)	(458)
Non-controlling interests									(171)	(183)
Net profit									**1,612**	**2,122**

For the year ended 31 December	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Consolidated financial statements	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Segment assets	27,756	28,533	2,143	2,157	-	-	(640)	(639)	29,259	30,051
Loan to related parties	2,164	2,331	-	-	-	-	-	-	2,164	2,331
Investment in joint venture	-	-	-	-	1,417	1,210	-	-	1,417	1,210
Total assets									**32,840**	**33,592**
Segment liabilities	2,834	2,803	940	1,009	-	-	(80)	(81)	3,694	3,731
Borrowings	9,870	11,374	355	384	-	-	-	(8)	10,225	11,750
Total liabilities									**13,919**	**15,481**

Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2016 and 2015 were as follows:

	2016	2015
	Baht'000	Baht'000
Segment revenue		
Thailand	7,203,542	7,875,557
Australia	1,082,362	1,269,932
China	298,854	316,591
India	706,017	548,255
Japan	631,047	640,596
Myanmar	529,294	626,621
Others	1,065,514	1,175,538
Total	**11,516,630**	**12,453,090**

Major customer

For the year ended 31 December 2016 and 2015, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

Other non-current assets based on geographical segments in the consolidated financial statements as at 31 December 2016 and 2015 were as follows:

	2016	2015
	Baht'000	Baht'000
Other non-current assets		
Thailand	19,458,766	21,558,796
Australia	189,224	183,583
China	11,453	18,243
India	24,636	19,076
Japan	32,203	48,486
Myanmar	106	178
Others	3,685,616	3,518,242
Total	**23,402,004**	**25,346,604**

23. Revenues from sale of goods and rendering of services

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues from sale of goods	911,022	1,227,772	205,667	377,287
Revenues from rendering of services	10,605,608	11,225,318	6,871,090	7,276,512
Total	**11,516,630**	**12,453,090**	**7,076,757**	**7,653,799**

24. Other income

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Gain (loss) on sale available for sale securities		(11,257)	335,334	-	-
Dividend income	9	-	-	2,143,545	437,859
Consulting and management fees		-	-	150,128	158,677
Interest income		141,570	78,221	132,675	68,638
Gain on sale of equipment		10,132	3,464	17,750	7,463
Others		61,582	72,087	30,716	17,265
Total		**202,027**	**489,106**	**2,474,814**	**689,902**

25. Expenses by nature

The statements of income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	Baht'000	Baht'000	Baht'000	Baht'000
Depreciation of property and equipment	773,280	618,757	542,608	390,383
Amortisation of intangible assets under the agreements for operations, deferred charges and intangible assets	2,022,544	2,183,288	2,022,544	2,143,852
Amortisation of finance costs	1,066	1,066	1,066	1,066
Staff costs	1,619,308	1,730,894	767,788	930,032

26. Provident funds

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 7% of their basic salaries and by the Group at rates ranging from 3% to 7% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

27. Income tax expense

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		Baht'000	Baht'000	Baht'000	Baht'000
Current tax expense		(429,331)	(448,570)	(287,946)	(229,421)
Deferred tax expense					
Movement in temporary differences	13	81,722	(9,711)	(3,647)	(31,279)
Total		**(347,609)**	**(458,281)**	**(291,593)**	**(260,700)**

Reconciliation of effective tax rate

	Consolidated financial statements			
	2016		2015	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit for the year		1,783,261		2,304,682
Total income tax expense		347,609		458,281
Profit before total income tax expense		2,130,870		2,762,963
Income tax using the Thai corporation tax rate	20	(426,174)	20	(552,593)
Effect of different tax rates in foreign jurisdictions		120,801		77,188
Income not subject to tax		-		713
Effect of the income recognised in different periods for account and tax purposes		7,333		(98)
Expenses not deductible for tax purposes and expense recognised in different periods for accounting and tax purposes		(32,970)		19,359
Recognition of previously unrecognised tax losses				
Current year losses for which no deferred tax asset was recognised		(5,652)		(1,754)
Others		(10,947)		(1,096)
Total	**16**	**(347,609)**	**17**	**(458,281)**

	Separate financial statements			
	2016		2015	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit for the year		3,027,738		794,055
Total income tax expense		291,593		260,700
Profit before total income tax expense		3,319,331		1,054,755
Income tax using the Thai corporation tax rate	20	(663,866)	20	(210,951)
Income not subject to tax		428,709		87,572
Effect of the income recognised in different periods for account and tax purposes		7,294		(119)
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes		(76,831)		(137,202)
Others		13,101		-
Total	**9**	**(291,593)**	**25**	**(260,700)**

Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 grants the reduction to 20% of net taxable profit for the accounting period 2015 which begins on or after 1 January 2015.

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

The Group has applied the tax rate of 20% in measuring deferred tax asset and liabilities as at 31 December 2016 and 2015.

28. Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years by weighted average method as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht/thousand share)			
For the year ended 31 December				
Profit attributable to ordinary shareholders of the Company (basic)	1,611,773	2,122,147	3,027,738	794,055
Number of ordinary shares outstanding	1,095,994	1,095,938	1,095,994	1,095,938
Earnings per share (basic) (in Baht)	1.47	1.94	2.76	0.72

Diluted earnings per share

The calculations of diluted earnings per share for the years ended 31 December 2016 and 2015 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
	(in thousand Baht/thousand share)			
For the year ended 31 December				
Profit attributable to ordinary shareholders of the Company (diluted)	1,611,773	2,122,147	3,027,738	794,055
Weighted average number of ordinary shares outstanding (basic)	1,095,994	1,095,938	1,095,994	1,095,938
Effect of exercise of shares options	(22)	160	(22)	160
Weighted average number of ordinary shares outstanding (diluted)	1,095,972	1,096,098	1,095,972	1,096,098
Earnings per share (diluted) (in Baht)	1.47	1.94	2.76	0.72

29. Dividends

At the annual general meeting of the shareholders of the Company held on 30 March 2016, the shareholders approved the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The dividend was paid to shareholders on 26 April 2016.

At the annual general meeting of the shareholders of the Company held on 26 March 2015, the shareholders approved the appropriation of dividend of Baht 0.65 per share, amounting to Baht 712 million. The dividend was paid to shareholders on 23 April 2015.

30. Financial instruments

Financial risk management policies

The principal financial risks faced by the Group are interest rate risk and exchange rate risk. The Group borrows at fixed and floating rates of interest for capital expenditure. Certain sales, purchases and a portion of borrowings are denominated in foreign currencies. In order to manage the risks arising from fluctuations in exchange rates and interest rates, the Group makes use of derivative financial instruments.

The objectives of using derivative financial instruments are to reduce uncertainty over future cash flows arising from movements in interest and exchange rates, and to manage the liquidity of cash resources. 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. Decisions on the level of risk undertaken are governed by corporate policy, which has established limits by transaction type and by counterparty.

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 Treasury Department. Management reports contain detail of cost and market value for all derivative financial instruments including outstanding forward contracts and cross currency and interest rate swap. An analysis of exposures against the limits established by the management is also provided. These limits principally cover the maximum permitted exposure in respect of short-term investment regarding to guideline to short-term investment policy.

Capital management

The primary objective of the Company's capital management is to provide good returns to shareholders and benefits to other stakeholders and 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 the whole group.

Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

At 31 December 2016 and 2015, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements			
	2016		2015	
	Foreign currency	Baht	Foreign currency	Baht
	million	million	million	million
Assets				
US Dollars	91.46	3,261.01	85.79	3,082.04
India Rupee	448.23	222.28	448.39	227.87
New Zealand Dollars	0.10	2.44	1.76	43.45
Total		**3,485.73**		**3,353.36**
Liabilities				
US Dollars	161.84	5,826.80	207.72	7,530.70
Singapore Dollars	-	-	0.05	1.32
India Rupee	235.38	130.82	239.65	138.40
New Zealand Dollars	0.32	8.09	1.91	47.29
Total		**5,965.71**		**7,717.71**

Foreign currency assets mainly represent cash in bank and accounts receivable. Foreign currency liabilities mainly represent trade payables, accounts payable - property and equipment and borrowings.

Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high quality financial institutions.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations, including finding short term credit facility from various banks for reserve in case of necessary and to mitigate the effects of fluctuations in cash flows.

Determination of Fair values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying amount of cash and cash equivalents, short-term investments, trade receivables, amounts due from related parties, short-term loans and advances to related parties, trade creditors, accounts payable-property and equipment, amounts due to related parties, and borrowings are assumed to approximate their fair value due to the short maturities of these instruments.

Fair values of interest-bearing liabilities, together with the carrying amount values shown in the balance sheets as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
As at 31 December 2016					
Current					
Equity securities available for sale	604,156	-	604,156	-	604,156
Short-term loan to a joint venture	18,186	-	-	18,186	18,186
Short-term loans from financial institution	230,000	-	-	230,000	230,000
Current portion of longterm borrowings	728,871	-	-	728,871	728,871
Non - current					
Long-term loan to a joint venture	2,145,947	-	-	2,153,803	2,153,803
Long term loans	4,719,809	-	-	4,758,095	4,758,095
Debentures	4,546,180	-	4,850,600	-	4,850,600
As at 31 December 2015					
Current					
Equity securities available for sale	35,932	35,932	-	-	35,932
Short-term loan to a joint venture	168,521	-	-	168,521	168,521
Short-term loans from financial institution	1,650,521	-	-	1,650,521	1,650,521
Current portion of long term borrowings	69,063	-	-	69,063	69,063
Non - current					
Long-term loan to a joint venture	2,161,864	-	-	1,832,930	1,832,930
Long-term loans	5,485,244	-	-	5,457,992	5,457,992
Debentures	4,545,114	-	4,693,457	-	4,693,457

	Carrying amount	Separated financial statements			
		Fair value			
		Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
As at 31 December 2016					
Current					
Equity securities available for sale	703,027	-	703,027	-	703,027
Short-term loan to a joint venture	18,186	-	-	18,186	18,186
Current portion of longterm borrowings	667,991	-	-	667,991	667,991
Non - current					
Long-term loan to a joint venture	2,145,947	-	-	2,153,803	2,153,803
Long term loans	4,655,881	-	-	4,693,779	4,693,779
Debentures	4,546,180	-	4,850,600	-	4,850,600
As at 31 December 2015					
Current					
Short-term loan to a joint venture	168,521	-	-	168,521	168,521
Short-term loans from financial institution	1,460,521	-	-	1,460,521	1,460,521
Long-term loan from related parties	1,126,768	-	-	1,126,768	1,126,768
Current portion of longterm borrowings	7,992	-	-	7,992	7,992
Non - current					
Long-term loan to related parties	2,161,864	-	-	1,832,930	1,832,930
Long term loans	5,360,016	-	-	5,331,969	5,331,969
Debentures	4,545,114	-	4,693,457	-	4,693,457

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/ Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group determines Level 2 fair values for debentures have been determined based on quoted selling prices from The Thai Bond Market Association at the close of the business on the reporting date.

The Group determines Level 3 fair values for borrowing have been estimated using discounted cash flows based on the Group's incremental borrowing rates for similar types of borrowings.

31. Commitments with non-related parties

31.1 Agreement for operation of domestic communication satellite

The Company 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, the Company must pay an annual fee to MDE based on a percentage of certain service incomes or at the minimum level specified in the agreement, whichever is higher. As at 31 December 2016, the remaining minimum fee is Baht 405 million (2015: Baht 479 million). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations

31.2 Shareholder agreement

Lao Telecommunications Company Limited ("LTC") is a joint venture, which was established under the terms of a Joint Venture Contract dated 8 October 1996, signed by the Government of the Lao People's Democratic Republic ("LAOGOV") and Intouch Holdings Public Company Limited (formerly named Shinawatra Computer and Communications Public Company Limited), 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. Currently, Shenington Investments Pte Company Limited ("SHEN"), which is a joint venture of the Company, owns 49% of LTC's registered shares. After the end of the 20th year, in 2016, LAOGOV shall have the right to consider purchasing all LTC's shares at a market price. And after the end of 23rd year, in 2019, the Group has a right to submit a proposal to LAOGOV to consider the extension of the term of agreement. Otherwise at the end of the 25th year, in 2021, the Group has to transfer all of LTC's shares to LAOGOV without any charges (Note 9). 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 LAOGOV 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.

31.3 Agreements for operation of a company and subsidiary companies for the satellite uplinkdownlink and Satellite Internet services and Internet services in Thailand

Currently, the National Broadcasting and Telecommunications Commission ("NBTC") (previously termed the National Telecommunications Commission ("NTC")) is responsible for granting licenses to provide telecommunication services and internet access services in Thailand. The Company and its subsidiaries operate the business to provide internet, broadcasting and telecommunication services under licenses granted by NBTC as follow:

Type of license	Issued Date	Period
License of the Company		
Telecom Operation License Type I	16 August 2016	5 years
Telecom Operation License Type III	26 September 2012	20 years
Internet Operation License Type I	7 May 2015	5 years
License of DTV Service Company Limited		
Broadcasting Operation License	21 January 2013	15 years
Broadcasting Operation License (LAO STAR)	28 January 2016	5 years
Broadcasting Operation License (D-Channel)	28 January 2016	5 years
Broadcasting Operation License (Bayon TV)	9 March 2016	2 years
Broadcasting Operation License (LAO PSTV)	13 July 2016	2 years
Broadcasting Operation License (LNTV 3)	13 July 2016	2 years
Broadcasting Operation License (TVK)	13 July 2016	2 years
Broadcasting Operation License (TV LAO)	24 November 2015	2 years
License of TC Broadcasting Company Limited		
Broadcasting Operation License	4 March 2013	15 years
Telecom Operation License Type III	10 November 2015	15 years
Licenses of CS Loxinfo Public Company Limited		
Internet Operation License Type I	8 September 2014	5 years
Telecom Operation License Type I	11 October 2014	5 years
Internet Operation License Type II	26 April 2012	5 years
Telecom Operation License Type III	20 December 2007	15 years

Revenue of the Company under the NBTC's regulation

Revenue from rendering of services and equipment rentals of the Company for the years ended 31 December 2016 and 2015 was classified as follows:

	Separate financial statements	
	2016	2015
	Baht'000	Baht'000
Telecom Operation License Type I	46,538	-
Telecom Operation License Type III	408,619	303,146
Other service income	6,621,600	7,350,653
Total	**7,076,757**	**7,653,799**

31.4 Operating lease commitments

Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		thousands	thousands	thousands	thousands
Within one year	THB	72,593	71,472	24,807	14,917
	YEN	1,392	5,131	-	-
	USD	243	628	227	57
	INR	695	4,170	695	4,170
	MYR	-	56	-	56
	PHP	30	246	30	246
	CNY	-	745	-	745
	AUD	180	163	-	-
	NZD	307	230	-	-
Total equivalent Baht		94,506	112,941	33,381	24,242

	Currency	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		thousands	thousands	thousands	thousands
After one year but within five years	THB	52,413	100,097	25,634	28,935
	YEN	5,500	-	-	-
	USD	113	201	113	-
	INR	-	695	-	695
	AUD	375	4	-	-
	NZD	843	-	-	-
Total equivalent Baht		88,953	108,233	29,716	29,336
After five years	THB	-	2,373	-	2,373
Total equivalent Baht		-	2,373	-	2,373
Grand total equivalent Baht		**183,459**	**223,547**	**63,097**	**55,951**

31.5 Other commitments

The Group has commitments with banks, whereby the banks issued letters of guarantee, letters of credit and other guarantees in respect of business contracts, for the following amounts:

	Currency	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
		thousands	thousands	thousands	thousands
Minimum operating agreement fee payable to Ministry of Digital Economy and Society	THB	57,750	48,667	57,750	48,667
Satellite space leasing by customers	USD	3,077	3,707	3,077	3,707
	THB	446,827	433,750	446,827	433,750
	AUD	5,000	5,000	-	-
Others	THB	41,653	46,283	14,519	12,696

32. Contingent liabilities

Assessment for income tax in India

The Tax Authority in India ('the Tax Authority'), has held that the payments received by the Company 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 the Company considered income from Transponder Services to be business income, and as the Company does not have permanent establishment in India, such income is not taxable in India.

The Tax Authority still insisted on its consideration and raised the tax demand including surcharge, education tax and interest aggregating to INR 859.4 million (approximately Baht 451 million) against the said payment received by it from the customers and also levied penalty of INR 566.1 million (approximately Baht 298 million) for the Assessment Year ('AY') 1998-1999 to 2012-2013 (1 April 1997 to 30 March 2012).

So far, the Company had received Withholding Tax Certificates ('WTC') from its customers until Assessment Year ('AY') 2012-2013 net amounting to INR 593.8 million (approximately Baht 312 million), in which part of the amount is substituted and paid by the customer on behalf of the Company. The Company had also deposited INR 480.4 million (approximately Baht 253 million). The deposit is presented as non-current assets in the statements of financial position.

On 4 March 2011 Income Tax Appellate Tribunal (ITAT) gave its decision that the Company's income from transponder services in India was not a royalty and, as the Company has no permanent establishment in India, such income was not taxable in India.

As the consequence, the Company 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 year 1998-1999, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 made by the Revenue Department of India against the Company 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 the Company against the penalty for the Assessment Year ('AY') 1998-1999 to 2001-2002 and interest, aggregating to INR 162.4 million (approximately Baht 85 million.)

Further to ITAT decision as stated in the preceding paragraphs, the Company 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, the Company will forward the Customer the amount they substituted on behalf of the Company.

On September 28, 2011, the Tax Authority has filed an appeal against the decision of High Court on 17 February 2011 which decided that the Company'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 the Company's tax consultant of the appeal. Currently, the matter is in process, awaiting the Supreme Court of India's consideration.

33. Other events

33.1 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 or 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.

33.2 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 Digital Economy and Society ("MDE") (previously named the Ministry of Information and Communication Technology ("MICT")) in the Central Administrative Court ("CAC") on the ground that the three state agencies neglected to perform their duties in overseeing whether the Company has been carrying on its telecommunications business lawfully after the sale of Shin Corporation Public Company Limited's shares to the new shareholder.

CAC issued an order dated 8 April 2009 making the Company the fourth respondent in order to allow the Company to file the Reply to the petitioner's claim including evidence, documentary or otherwise to CAC and the Company filed the Reply and supporting evidence in July 2009. On 10 June 2011, 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 SAC.

On 23 September 2011, the Company has filed an argument against appeal with the Supreme Administrative Court ("SAC").

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 the Company has fully complied with the terms and conditions of the operating agreement.

33.3 On 26 December 2015, Golden Town Film Company Limited ("Plaintiff") has filed the Intellectual Property Court a lawsuit against Thaicom Public Company Limited ("THAICOM" or "the Company"), Directors of the Company, and a customer of the Company ("Defendant"), and claimed that Defendant has broadcasted a movie through satellite TV channel leased from THAICOM infringing the movie copyrights owned by Plaintiff.

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. At present, the Plaintiff got a permission from the Court to file the appeal of the Court Order within 8 November 2016. On 19 December 2016, THAICOM has filed an argument against appeal to Court. Currently, the matter is in process, awaiting the Supreme Court.

33.4 A subsidiary of the company was being sued and claimed for the damages of satellite equipment in Australia since 2011. On 22 December 2016 the Court gave its judgement that the subsidiary shall compensate for damages of 5.3 million Australian dollars with interest. The subsidiary is considering to appeal the verdict. However, the impact of such expense was recorded in the financial statement.

33.5 THAICOM and its partner have a different interpretation of certain clauses of the cooperation agreement. As a result, THAICOM and such company have submitted the case to the arbitrator to consider and find a solution for such different view. Currently each party is delivering the supporting document before hearing which is expected in mid of year 2017.

34. Events after the reporting period

34.1 Proposed dividend payment of the Company

At the Board of directors' meeting of the Company held on 1 February 2017, the directors passed a resolution to approve the appropriation of dividend of Baht 0.70 per share, amounting to Baht 767 million. The proposed dividends must be approved by the shareholders at their meeting.

34.2 Proposed dividend payment of CS Loxinfo Public Company Limited ('CSL")

At the meeting of the Board of Directors of CSL held on 1 February 2017, the directors approved the appropriation of dividend of Baht 0.22 per share, amounting to Baht 131 million. The proposed dividend must be approved by the shareholders at their meeting.

35. Thai Financial Reporting Standards (TFRS) not yet adopted

The FAP has announced accounting standards, TFRS, TSIC Interpretation, TFRIC Interpretation and accounting practice that become effective for annual financial periods beginning on or after 1 January 2017. However, The Group has not adopted the new and revised TFRS as of the reporting date but are not yet effective. Those interpretations that may be applicable to the Group, which become effective for the financial report on or after 1 January 2017 are as follows:

Thai Accounting Standards (TAS)	
TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events After the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements

Thai Accounting Standards (TAS)	
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings Per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 105 (revised 2016)	Troubled Debt Restructuring
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

Thai Financial Reporting Standards (TFRS)	
TAS 2 (revised 2016)	Share-based Payment
TAS 3 (revised 2016)	Business Combinations
TAS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued
TAS 8 (revised 2016)	Operating Segments
TAS 10 (revised 2016)	Consolidated Financial Statements
TAS 11 (revised 2016)	Joint Arrangements
TAS 12 (revised 2016)	Disclosure of Interests in Other Entities
TAS 13 (revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (TSIC)	
TAS 15 (revised 2016)	Operating Leases – Incentives
TAS 25 (revised 2016)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TAS 27 (revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TAS 29 (revised 2016)	Disclosure – Service Operating Arrangements
TAS 31 (revised 2016)	Revenue – Barter Transactions Involving Advertising Services
TAS 32 (revised 2016)	Intangible Assets – Web Site Costs

Thai Financial Reporting Interpretations (TFRIC)	
TAS 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TAS 4 (revised 2016)	Determining Whether an Arrangement Contains a Lease
TAS 5 (revised 2016)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TAS 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies

Thai Financial Reporting Interpretations (TFRIC)	
TAS 10 (revised 2016)	Interim Financial Reporting and Impairment
TAS 12 (revised 2016)	Service Operating Arrangements
TAS 13 (revised 2016)	Customer Loyalty Programmes
TAS 14 (revised 2016)	IAS 19 (revised 2016) Employee Benefits – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TAS 15 (revised 2016)	Agreements for the Construction of Real Estate
TAS 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TAS 18 (revised 2016)	Transfers of Assets from Customers
TAS 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TAS 21 (revised 2016)	Levies

Accounting Guidance

Accounting guidance for de-recognition of financial assets and financial liabilities

The Group and the Company's management will adopt such TFRSs in preparation of the Group and the Company's financial statements when it becomes effectives. The Group and the Company's management has assessed the impact of this TFRS and believes that it will not have material impact on the financial statements for the period in which it is initially applied.

Dividend Policy

a. Dividend policy of the Company

The Board of Directors of the Company may recommend annual dividends, subject to the approval of the Company's shareholders, at an Annual General Meeting. From time to time, the Company's Board of Directors may declare interim dividends. The current policy of the Board of Directors of the Company is to recommend to our shareholders a dividend of not less than 40% of stand-alone net profits, and shall not exceed the retained earnings as shown in the Company's Financial Statement. However, the dividend payment shall not materially affect our investment plans and operations, and depends on cash flows as well as any other future obligations of the Company and subsidiaries and any obligations with the financial institutions.

b. Dividend policy of the subsidiaries and associated companies

The Company's subsidiaries and associated companies have dividend policies in line with that of the Company. The Board of Directors of the Company and those of its subsidiaries and associated companies will consider and propose dividend payments to shareholders for approval, subject to their investment plans and financial needs or unless the payment of dividends would materially affect their operations.

Glossary

3G

Third-generation, up-and-coming digital wireless technology delivers high-speed data, voice, audio, and video through cellular networks.

4G

Fourth-generation, up-and-coming digital wireless technology delivers higher-speed (4 - 10 times of 3G) data, voice, audio, and video through cellular networks.

Analog

A variable signal continuous in both time and amplitude.

Backhaul

Transporting traffic between distributed sites (typically access points) and more centralized points of presence.

Bandwidth

A range of frequencies occupied by an electronic signal. Bandwidth also refers to data (information) transmission rates when communicating over certain media or devices.

Broadband

A type of high-speed data transmission through Internet Protocol (IP).

Broadcast Beam

A group of transponders aimed at the Earth's surface as a result of combining of a number of SPOT Beams.

C-band

The frequency range from 4 - 8 GHz, covers large foot-print. C-band needs a large dish to receive signals. It is suitable for general telecommunication services such as audio, video or data transmission.

CCTV

Closed-circuit television.

Code Division Multiple Access (CDMA)

A digital cellular technology that uses spread-spectrum techniques. Individual conversations are encoded with a pseudo-random digital sequence. CDMA allows more subscribers to connect at any given time.

Compression

A way of squeezing more data through a transponder.

Compressed Video

A digital transmission process used to transmit a video signal. When the vast amount of information in a video transmission is compressed into a fraction of its former bandwidth by a codec, the resulting compressed video can be transmitted more economically and through existing phone lines.

Digital Broadcasting

Converting TV pictures to numbers when transmitting and re-converting them to pictures when they are received.

Digital Direct-to-Home (DTH)

Digital signals transmitted directly to the customer's home.

Digital Subscriber Line (DSL)

A technology that provides digital data transmission over the wires of a local telephone network. Typically, the download speed of consumer DSL services ranges from 256 kilobits per second (Kbps) to 24,000 Kbps, depending on DSL technology, line conditions and service level implemented.

Downlink

After a ground station send the signal to the satellite, the antenna on the spacecraft will transmit data and voice signals and repeat to the desired location on Earth within the footprint coverage, called "Downlink".

Downloading

A procedure for transferring or retrieving a file from a distant computer.

Femto cell

A device used to improve mobile network coverage in small areas. Femto cells connect locally to mobile phones and similar devices through their normal GSM, CDMA, or UMTS connections, and then route the connections over a broadband internet connection back to the carrier, bypassing the normal cell towers that are arrayed across the countryside.

Fiber Optics

A technology that uses glass (or plastic) threads (fibers) to transmit data.

Free-to-Air

A term used to describe television (TV) and radio services broadcast in unencrypted form, allowing person with the appropriate receiving equipment to receive the signal without ongoing cost.

Gateway

Two meanings:

1. In Networking: a gateway is a medium of data transmission from one network to other networks.
2. In a satellite system (including IPSTAR): a gateway is a main earth station that links the satellite system to the ground system (i.e. the Internet).

High Definition Television (HDTV)

An improved television system which provides approximately twice the vertical and horizontal resolution of existing television standards. It also provides audio quality approaching that of compact discs.

High Throughput Satellite (HTS)

Broadband satellite

Integrated Services Digital Network (ISDN)

A circuit-switched telephone network system, designed to allow digital transmission of voice and data over ordinary telephone copper wires.

Internet Protocol Television (IPTV)

A system where a digital television service is delivered using packets over a network infrastructure. For residential users, IPTV is often provided in conjunction with Video on Demand and may be bundled with Internet services such as Internet access and VoIP. Despite its name, IPTV typically does not come to consumers over the Internet, but over carrier owned fiber optic, or coaxial cables.

Ka-band

The frequency range from 18 - 31 GHz covers a very small footprint. Small dishes are enough to receive signals from the satellite for home users. It is normally used in communicating to and from the satellite, such as transmissions from the IPSTAR gateway to the THAICOM 4 (IPSTAR) satellite.

Ku-band

The frequency range from 12 - 18 GHz, suitable for DTH video broadcasting or internet services.

Leased Line

A symmetric telecommunication line connecting two locations together.

Local Multipoint Distribution Service (LMDS)

A broadband wireless access technology that uses microwave signals operating between 26 - 29 GHz. LMDS is point-to-multipoint, fixed wireless technology for the last mile.

Multi-Channel Per Carrier (MCPC)

A type of data transmission by blending multiple channels into a common carrier, as in blending television signals into a common carrier to be transmitted to a satellite.

Point-to-Multipoint

A specific type of multipoint link which consists of a central connection endpoint (CE) that is connected to multiple peripheral CEs. Any transmission of data that originates from the central CE is received by all of the peripheral CEs while any transmission of data that originates from any of the peripheral CEs is only received by the central CE.

Point-to-Point

A dedicated link that connects exactly two communications facilities.

Shaped Beam

A satellite signal that is modified to have a suitable shape for different geographic area. Mostly used in two-way communication service in an open and less populated area.

Spot Beam

A satellite signal that is specially concentrated in power so that it will cover only a limited geographic area. When seen from the satellite, the Spot Beam covers the service areas in multiple, narrowed, circular-shaped footprints connected in a shape of a cellular network. It is a suitable beam type for two-way communications services over a densely populated area.

Streaming

Playing video or sound in real time as it is downloaded over the Internet.

Teleport

A teleport (telecommunication port) is an earth station providing a comprehensive range of television and radio broadcasting and telecommunication services, including networking service and high quality internet service to users in remote area.

Terminal

The end point of a network. In the IPSTAR system, it refers to the satellite modem (internal unit) and the satellite dish, and cables (external unit).

Transponder

An electronic device inside a satellite that uses the satellite dish to receive signals from the teleport, lowers the signals' frequency, amplifies them, and then retransmits them to a ground teleport. Two or three transponders aimed at a target area are called a beam, i.e."Indian Beam", a group of transponders that cover India.

Turnaround Service

The act of receiving signals from other satellites and re-sending them to Thaicom satellite.

Turnkey Service

An integrated service that is readily usable by buyer.

TTC & M

The abbreviation of Telemetry, Tracking, Command and Monitoring, which is an operation system for satellite control.

Universal Service Obligation (USO)

The practice of providing a baseline level of telecommunication services to every resident of a country.

Uplink

The act of transmitting a signal up to a satellite. The communications satellite acts as a repeater to a ground station.

Uploading

A transfer of copies of files from one computer to a remote database or another computer. It is a reverse of "Downloading".

Very Small Aperture Terminal (VSAT)

A system that provides sound, data and pictures by sending and receiving computer data and other telecommunication data via satellite.

WiFi

A broadband transmission system that transmits over the air at frequencies between 2.4 - 5 GHz. The higher frequency allows the signal to carry more data. WiFi transmits and receives in short distances of about 100 feet.

WiMAX

WiMAX is a wireless broadband transmission system known as "IEEE 802.16e". WiMAX may reach three miles or more. WiMAX may be accessed by cell phones and notebook computers.



Other Reference Persons

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THAICOM is listed on the Stock Exchange of Thailand (SET)

	THCOM
Reuters	THCOM.BK
Bloomberg	THCOM TB

Foreign limit : 40%

Fiscal year ends : December 31

External Auditor : Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

For additional information, please visit the Company's Form 56-1 at www.sec.or.th or the Company's website.

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