



## TRANSFORMATION TO THE DIGITAL ERA

**ANNUAL**  
REPORT  
2 0 1 7





*Long Live the King*







## **TRANSFORMATION TO THE DIGITAL ERA**

- Organization & People
- Business Model
- Products & Services
- Partnership Model



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**“To be a leading Asian satellite and digital platform operator”**

Thaicom aims to be a leading Asian satellite and digital platform 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.



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



**Excellence in Technology**



**Passion to Challenge**



**Initiative in Innovation**



**Commitment to Contribute**



## **Operational Strategies**

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

### **(1) Business strategy**

The Company formulates its business strategy as a framework to deliver products and services in response to customer demand, 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 advance the Thai broadcast industry by offering state-of-the-art solutions to support high definition and ultra-high definition broadcasting as well as value-added services to enhance the capabilities 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 regional demands.

**Broadband Service:** The Company values the importance of enhancing bandwidth efficiency on both the IPSTAR platform and business partners' platforms to increase the bandwidth utilization of THAICOM 4 (IPSTAR), especially in Thailand, India, and the Philippines. The Company is also diversifying its broadband business from wholesale into retail in potential markets where the Company has a competitive advantage, such as in Australia and New Zealand.

## 2. Strategy for Innovative Services

The Company aims to develop new businesses that respond to current consumer behavior which demands accessibility to content and information anytime, anywhere and on any device. The company aims to create communication platforms at the consumer level (i.e. B2C) rather than focusing only on business customers (i.e. B2B). The platforms leverage satellite's unique ability to reach users anytime and anywhere while integrating the internet and applications with value-added services to meet customers' needs. For example, the LOOX TV Application Platform allows people to access TV content on both TV and on mobile devices, and the Mobility Platform provides connectivity at sea (maritime service) and in the air (in-flight connectivity).

## 3. Business Diversification

The Company places importance on both vertical and horizontal business expansion on a regional scale. Vertically, the Company is to expend its services downstream in the value chain through areas such as retail broadband internet and maritime services. Horizontally, the Company will focus on satellite-related businesses, such as digital platforms for broadcast content, as well as businesses with high potential to substitute services in the value chain. The Company has established this business expansion plan in both dimensions to enhance its competitiveness and ensure sustainable growth.

## (2) Human resources strategy

The Company is a Thai company that operates primarily in Thailand and strives to act and grow sustainably. We strongly believe that human resources are our most valuable asset and the key indicator of our competitive advantage. The role our employees play in the organization is even more important now in our drive towards sustainable growth and success. Our goal is to strengthen employee engagement, competency, and business ethics in order to leverage staff capabilities, drive business growth, and enhance competitiveness. We aim to recruit, retain, motivate, and develop the most talented people we can find. We also strive to create sustainable success and maximize individual capabilities while promoting the organization's corporate culture and values.

## (3) Sustainable development strategy

To achieve its "Thaicom Sustainability Goals" under the "Connectivity for Sustainability" concept, 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

Emphasizing the provision and services of satellite networks and providing everyone with continuous access to communication in every situation for security and harmony among stakeholders and economic growth in both normal and emergency situations.

- 1.1 Communications Networks for Sustainable Development
- 1.2 Emergency Communications Capabilities

### 3. Innovation

Formulating innovation through our products and services in order to respond to the needs of individual, household, organizational, and government customers, cooperating with educational institutes, and engaging in business process innovation and space management.

- 3.1 Product and Service Design Innovation
- 3.2 Business Strategic Innovation
- 3.3 Business Process Innovation

### 2. Responsibility

Demonstrating responsibility for our products and services by providing valuable products and services and improving quality of service. The Company has efficiently supported and reduced the impact on the environment and cultivate a sustainable society.

- 2.1 Responsible Service
- 2.2 Support for a Sustainable Society
- 2.3 Environmental Resource Management and Impact Mitigation

### 4. Corporate Governance

Managing with good governance throughout the value chain and emphasizing personnel development to encourage transparency, integrity and fairness towards all stakeholders to drive a sustainable business.

- 4.1 Fairness throughout the Value Chain
- 4.2 Human Resources Management

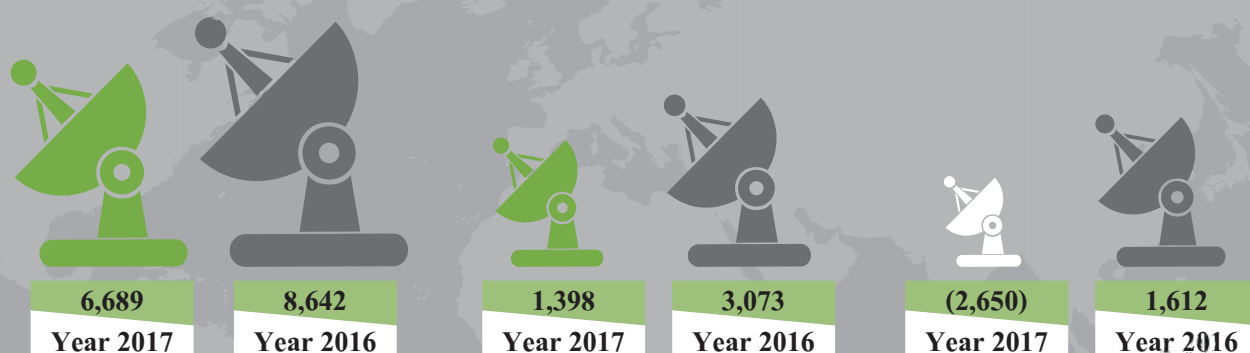
In addition, the Company operates on the basis of good corporate governance, maintaining and strictly adhering to a number of policies including its Anti-Corruption Policy. As a result, the Company has consistently received outstanding scores on corporate governance assessments at both the national and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



# Financial Highlights

	2017	2016 (Restated)
<b>Operating Results</b>		
Total revenue	7,228	8,981
Revenues from sale of goods and rendering of services	6,689	8,642
Gross profit	1,398	3,073
Operating profit (loss)	(3,594)	1,562
Profit (loss) attributable to owner of the Company	(2,650)	1,612
<b>Financial Position</b>		
Total assets	25,939	32,840
Total liabilities	10,659	13,919
Total equities	15,280	18,921
<b>Financial Ratios</b>		
Current Ratio (Times)	3.22	2.53
Interest Bearing Debt to Equity Ratio (Times)	0.49	0.54
Gross Profit Margin	21%	36%
Operating Profit Margin	-50%	17%
Net Profit Margin	-37%	18%
Return on Asset	-10%	5%
Return on Shareholders' Equity	-17%	9%
Earning (loss) per share (Baht)	(2.42)	1.47
Book Value per Share (Baht)	13.94	17.26

## Operating Results

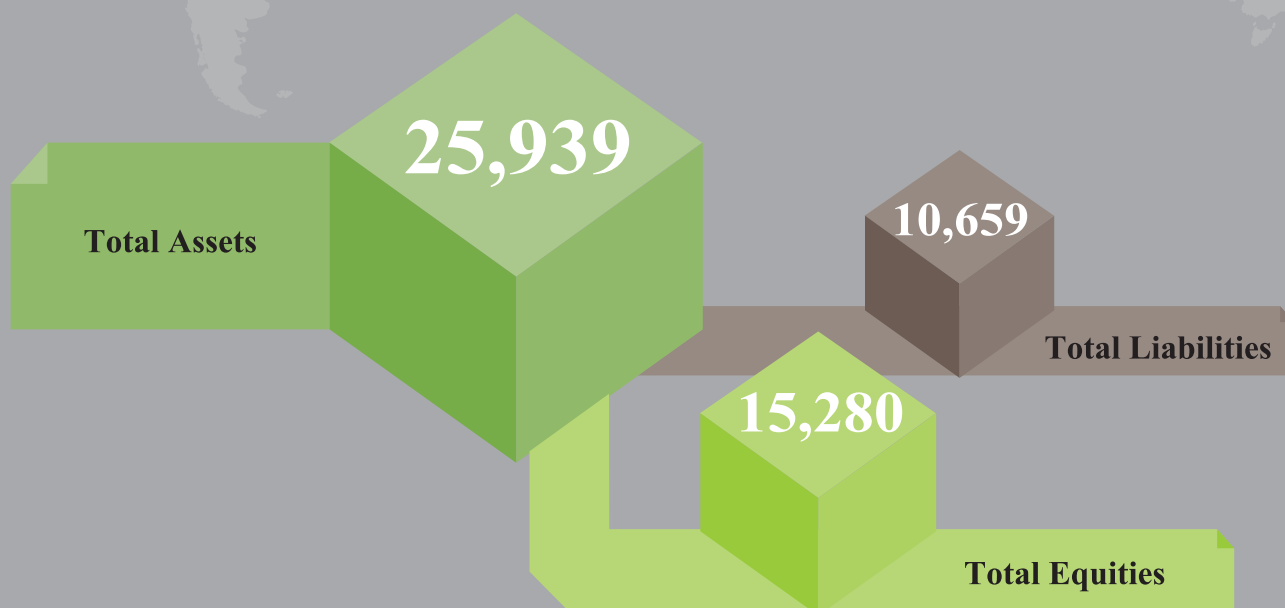


Revenues from sale of goods  
and rendering of services

Gross profit

Profit (loss) attributable  
to owner of the Company

## Financial Position 2017



Satellite Revenue

**6,475** Million Bant

of Revenue **68%**

from sales and services



# Corporate Social Responsibility

Thaicom is committed to its business practice responsible to promote a sustainable society through product and services which meet the needs of our customers and consumers under the growth of the digital era, while maintaining appropriate resources management and reduce impact to the environment.

## Responsible Services

Thaicom further develops technologies to ensure that there are no limitation to the quality of products and services by emphasizing technology as an integrated part of life to meet demand of the rapidly growing online social communication, under which the Company emphasizes responsible product and services presentation through the following process and steps;

- o Enhancement and development of products and services in order to bring about new experience and options to meets all expectation.
- o Testing of services prior to delivery, ensuring optimal experience.
- o Maintain customer satisfaction to create lasting impression and connect customers with products and services.
- o Compile feedback and suggestions regarding products and services in order to analyze and improve the quality.
- o Communication and suggestion channel improvements to facilitate and support the current lifestyle trend.
- o Increase awareness of sustainable business in customers to demonstrate the intention to achieve long-term sustainability in the chain of business.

## Support for a Sustainable Society

With belief that all human should equally receive education and access to data and also that education is the basis for the development of a sustainable society, Thaicom aims to improve education quality through various projects including;

- **Long Distance Learning through satellite communication**  
 “Thai Kids Thaicom” project, a continuous project running since 2009 under the Company’s vision to



use the Thaicom Satellite to promote learning and reduce disparity in information access and increase learning channels for children in rural communities and in area with shortage of education personnel and to help Thai children develop their potentials by giving “Satellite Communication Equipment” to schools in rural areas or to other schools in need, including dispatchment of teams to help install satellite dishes and provide training in the use and maintenance of the equipment, to efficiently utilize the equipment. In addition, the Company also provides knowledge regarding assembly and installation of satellite television to vocation students, border patrol police, specialize soldiers units and teachers and students in the non-formal education program. The Company has continuously supports the Satellite Dish Installation Competition for Vocational Students with the aim to create professional standard which can be beneficial to future career paths.





- **Knowledge and Experience Sharing**

- **“SpaceBox STEP-1: Thailand’s CubeSat for the Next Generation” Project**

This is the second year for the project to study and development small-size satellite under the principle of Connectivity for Sustainability with cooperation from King Mongkut’s Institute of Technology Ladkrabang, King Mongkut’s University of Technology Thonburi, Darunsikkhalai School for Innovative Learning and researchers from the SpaceBox Laboratory which aims to give inspiration in the field of Space to Thai Children. It is also a project which pushes the innovation boundary of in Satellite Development and advance in the Thai Space Industry for future generation.

- **Thaicom Space & Satellite Pavilion**

Thaicom construct this learning center and location for Space Exhibition with the hope that it will become a place of learning of Thai Children and for all persons interested in learning about satellite and space. In addition to the knowledge, we also hope to be a part of the inspiration of the Thai Children. Within the learning center, Thaicom’s officer will share their knowledge through tangible space experience, lets us explore the history of space, the pride of mankind technological achievement and the satellite crafted by the hands of Thai people.

- **Community Development**

- **Sustainable Community Development Project,**

Thaicom continues to develop a connected community and society from the construction of learning basis from the potential of communication to the process of long-distance learning through satellite turning into knowledge, implantation and career which in turn drives the economy and society creating better quality of life and promote a strong and sustainable community. Through this ideal, Thaicom has joined hands with the Office of Non-formal Education and Informal Education (NFE) to further develop our knowledge pool from the “Thai Kid Thaicom” Project in rural area in Chiangmai, Chiang Rai, Tak and Mae Hong Son and Nan Province with the goal to promote the use of knowledge gained from long-distance learning through Satellite to develop skills and support vocation opportunities. In addition to the support in basic learning and the ability to access learning and information, the Company also support by funding various vocational projects, in which Thaicom hopes will provide better opportunities, create jobs and bring income in the community and ultimately bring Sustainability to the community.

- **Thaicom Fund for Setsatian Bakery Shop,**

Thaicom sees the importance of the opportunity to equally access communication without leaving the disabled behind, under the “Thaicom Fund for Setsatian Bakery Shop” Project, to further support schools to engage in project with the goals to provide education to the disable in order provide learning, practice and career path in the future.





## Environmental Resource Management and Impact Mitigation

The Company recognizes the importance of appropriate management as responsibility for the operation of business that may directly or indirectly affect the environment to prevent and reduce effects on stakeholders both in and outside the organization. In the past the Company has received support from within the organization from the “iSAVE” Campaign, by issuing energy management policy to designate operation since 2009 with the goal to continuously reduce energy consumption and increase energy saving efficiency. The Company have various protocol in place to support energy saving including; Peak Demand Control and alternative energy source by installing Solar Cells in satellite ground stations and head offices, producing 36,000 unit per year, not only reducing energy consumption but also serve as an alternative to CO2 emission which is the cause of the Greenhouse Effect and shift in the earth’s temperature or Global Warming. The Company as a citizen of the world sees the importance cooperation as part of the responsibility in the problem facing all society. In the past year, the Company has increase intensity in environmental

awareness activities through the “SD Green Project” under the “Thaicom Loves Earth” campaign in concert with the “iSAVE” campaign, to further emphasize the commitment of business with respect to environmental impact under a larger scope, not only within the organization but also around Thaicom. In the first year, the Company has helped the community in helping create better environment from the management of waste and filthy canals in communities around Thaicom, including the holding of “Reduce Reuse Recycle” within the organization along with increase awareness and understanding, while also giving officers and community members the ability to participate to help preserve the environment for a sustainable society.

The Company has disclose details related to the responsibility society to promote sustainable society along with performance for achievement relevant to sustainability as public in the Sustainability Report both document form and online via [www.thaicom.net](http://www.thaicom.net) under the Sustainability > Sustainability Report.



# Message from the Chairman of the Board of Directors and Chief Executive Officer



A handwritten signature in black ink, appearing to read 'P. Israsena', with a horizontal line underneath.

Mr. Paron Israsena

Chairman of the Board of Directors

## To: Shareholders of Thaicom Public Company Limited

In 2018, Thaicom Public Company Limited is now in its 26th year of operation. Our success over the past 25 years has been full of obstacles, challenges, and courage. Thaicom has boldly sought to offer new technology that enables our customers to operate sustainably, reaching users both in Thailand and abroad in areas covered by the footprints of the 5 Thaicom satellites, including Australia, New Zealand, Japan, China, India, Malaysia, Indonesia, the Greater Mekong Subregion, and even parts of Africa. The Board realizes that past success alone cannot drive sustainable future growth without appropriate and forward-looking preparations. Anticipating and adapting to the changes taking place in this digital era is therefore a most pressing challenge.

In 2017, the Company was affected by rapid and widespread changes in technology. Such changes also impacted a number of our major customers who then found it necessary to terminate their contracts with the Company. Regulatory changes also affected the Company's plans to expand its business. The impacts of these technological and regulatory changes are duly reflected in the Company's financial performance, which did not meet projections.

The Board has worked tirelessly alongside the management to find a way to adapt the Company's business for success under these changing circumstances. This led us to expand our vision from "to be a leading Asian satellite operator"-our vision over the past 5 years-to "to be a leading Asian satellite and digital platform operator" to reflect the Company's intent to diversify beyond its current satellite business



core. The Company has also adjusted its organizational structure to better align with its new direction. One of the key actions taken over the past year was the sale of the Company's shares in CS LoxInfo Public Company Limited, which is part of the Company's plan to adjust its business structure so that it is financially prepared to expand in the new direction set forth for the business.

Regardless of challenges faced, the Company remains steadfast in its strict adherence to corporate governance principles, receiving an excellent rating of 5 stars for the 5th consecutive year in the Corporate Governance Report (CGR) as well as improved scores in each area assessed in the CGR. The Company also maintained its status on the Thailand Sustainability Investment list published by the Stock Exchange of Thailand and continues to adhere to a strict Anti-corruption Policy without exception.

Finally, the Board places utmost importance on people. We are applying principles of constructionist learning to create a learning organization where people can reach their full potential through dedication to continual improvement in their work and empowerment to innovate and create value for the organization.

The Board will make haste and work closely with the management to drive the company forward into new businesses in order to build a sustainable future for the organization and create long-term value for investors.



Mr. Paiboon Panuwattanawong  
Chief Executive Officer



# Annual Audit Committee Report for 2017

## To: Shareholders of Thaicom Public Company Limited

The Audit Committee of Thaicom PLC was appointed by a resolution of the Board of Directors and consists of four independent directors. Professor Hiran Radeesri was appointed as the Chairman of the Committee while Mrs. Charintorn Vongsbootorn, Professor Samrieng Mekkiengkrai, and Mrs. Patareeya Benjapolchai were appointed as members. During the year, Mr. Prawin Khurawat, who served as the Vice President of Internal Audit from January through November, and Mr. Jiroj Srinamwong, who served as the Acting Vice President of Internal Audit in December were the Secretaries to the committee. The Committee independently undertook its main duties by reviewing the financial statements, corporate good governance, risk management, internal control, internal audit, fraud and unethical behavior prevention and detection, compliance with related laws and regulations including Securities and exchange law, and regulations of Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), efficiency of information technology in relation to financial reporting, and appointment of external auditor and review of audit fee as set forth in the Audit Committee Charter which was approved by the Board of Directors and reviewed in conformity with current business situation.

In 2017, the Audit Committee held a total of 12 meetings. At the end of each year, the Committee conducts performance evaluation for both an entire committee and an individual self-evaluation. The results were on satisfactory level. The significant activities during the year 2017 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 2017, 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 reviewed significant issues and special items, and obtained sufficient clarification and supporting evidences applied in preparing these reports with Company's management, external auditors and the head of internal audit. The committee reviews business performance of the Company and its subsidiaries on a monthly basis to assess risk factors that may have impacts on the business. The committee requires the head of the accounting department to summarize and report annually on key accounting policies, any changes in accounting policy, impacts from changes in new financial reporting and accounting standards that come into effect on a quarterly basis, and basic assumptions for estimates and judgements. 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 and risk-based audit plan covering 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. For the year 2017, the Company received a score of “excellent”, or 5 stars, for the 5th consecutive year (Y2013 - Y2017) on the Corporate Governance (CG) Report of listed companies conducted by the Thai Institute of Directors (IOD). 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, adequate, and reported on a timely basis. 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 assigns the Office of Internal Audit to consistently review and audit efficiency and effectiveness of company fraud prevention, anti-corruption implementation, good corporate governance and related systems of internal controls and directly report the audit 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 of policy and effectiveness of company risk management system whereby the results are reported to the Board of Directors, the Audit Committee and the Executive Committee for the risks pertaining to strategy, finance and financial reporting, operations and compliance risk. The committee reviewed and monitored the Thaicom Group of Companies’ risk management systems, including the actions taken by all businesses to mitigate significant risk to acceptable levels as per company risk appetite on a quarterly basis. The committee also recommended and reviewed all overseas subsidiaries and business units to conduct proper risk assessment and risk management in alignment with the COSO risk management framework with support from the corporate risk management unit in order to allow them to have knowledge and understanding of proper risk management. In 2017, all the Company’s subsidiaries and related companies with operations in overseas conducted and completed risk assessment and risk management.
4. **Internal Control Systems and Internal Audit Review:** The committee reviewed results of the Company’s internal control system through monthly, quarterly and yearly internal audit reports from the Internal Audit department and annually assessed compliance with the evaluation form for the adequacy of internal control system of the Securities and Exchange Commission (SEC) and found that the internal control system of the company was appropriate and fit for purpose for Thaicom’s business operations. This view was reflected by the Company’s external auditor who reported that no material 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 measures and enhancement of the Company’s IT security to mitigate the foreseeable risk.

The Audit Committee further urged the management team to continually provide proper education and training for all staff regarding IT security risk in order to raise awareness. Apart from IT security training, this year the Company also promoted good corporate governance, code of conduct and risk management through e-learning to raise awareness and understanding among employees in those areas and to develop preventive control measures continually. Additionally, a Control Self-Assessment (CSA) system was also implemented and adopted for Company's business units including subsidiaries and country representative offices overseas.

For the internal audit area, 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 (KPI) set for the year. Additionally, the committee conducted its annual review of the Internal Audit department's expenditure and investment budgets and manpower requirements, and recommended that the Internal Audit department should further focus on enhancing proactive preventative audits with a risk-based approach. The Company's reporting line for Internal Audit has been appropriately established by having it report directly to the Audit Committee. The Audit committee is the body who directly 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

- 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 during the year 2017 showed that, under the Company's Whistle-blowing Policy, there were three complaints that had been made throughout the year with one case was pending from the previous year. The complaints were duly investigated, and it was found that all four cases of the complaints were not related to fraud incident. In all cases, the procedures laid out in the Company's Whistle-blowing and Misconduct and Fraud Investigation Policies were strictly followed to ensure due protection for the parties who submitted the complaints.
- 6. Appointment of External Auditor and Review of Audit Fee for the year 2018:** The committee worked with the management team to consider the selection of external auditors and audit fees for the year 2018 through auditors' experiences, knowledge, expertise, independence, previous year performance 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 auditors from Deloitte Touche Tohmatsu Jaiyos Co., Ltd. to be the Company's auditor for the third year. The proposed auditors are Mr. Chavala Tienpasertkij, Certified Public Accountant License No.4301 (being the Company's external auditor and certified the Company's audit report for two consecutive years (Y2016 and Y2017)) 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 express opinion to the financial reports of the Company. For the year 2018, the audit fee for Thaicom would amount to Baht 1.86 million and the aggregate audit fee of

Thaicom's group of companies amounted to Baht 9.59 million. The audit fee is comprised of the fees for the companies that were incorporated in Thailand, amounting to Baht 3.89 million, and fees for the companies incorporated abroad, amounting to USD 84 thousand and AUD 1.14 hundred thousand (equivalent to Baht 5.70 million). The total audit fee of Thaicom group of companies was increased from previous year, which was Baht 7.76 million approximately to Baht 1.83 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

25 January 2018



# Annual Compensation Committee

## Report for 2017

**To: Shareholders of Thaicom Public Company Limited**

The Board of Directors Meeting No. 6/2017 held on 27 June 2017 passed a resolution to approve the appointment of Mr. Prasert Bunsumpun as Member of the Compensation Committee in replacement of Mr. Philip Chen Chong who resigned with effect on 1 July 2017.

Therefore, the Compensation Committee is composed of 3 members. Mrs. Charintorn Vongspootorn chairs the committee, while Professor Samrieng Mekkiengkrai and Mr. Prasert Bunsumpun serve as members. Ms. Yupapan Panclurbthong, the company secretary, serves as the secretary of the committee.

The Compensation Committee has performed its duties as stipulated in its charter and as assigned by the Board of Directors by carrying out their duties diligently and independently for benefit of the Company and its shareholders.

During the year 2017, the committee held a total of 3 meetings, the significant activities of which are summarized below.

- The 2017 policy on compensation of directors was considered, and the committee approved maintaining the existing policy with the same provisions which consist of monthly remuneration, meeting allowances, annual remuneration, per diem allowances, life insurance and an annual health insurance which is in line with Group Policy.
- The budget for director compensation in 2017 was set at Baht 25 million, which is same as that of the previous year. The Committee has carefully considered the directors' remuneration and

concluded it is equitable with respect to market and industry standards, and commensurate with each member's responsibility and performance.

- Compensation provided to directors in 2017 was reviewed. In 2017, director compensation (of all types) totaled Baht 21,222,075 which did not exceed the amount approved by the shareholders.
- The results of the CEO's performance evaluation were reviewed and used to set the CEO's annual salary increase and bonus, as well as the performance results of the Company's high-level executives.
- The committee also considered the Company's annual merit-based bonus and annual salary increases.
- 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 conducted its self-assessment and performance review, and found that the committee had performed its duties thoroughly, in a continually effective manner, and with suitable structure and composition.

On behalf of the Compensation Committee,



(Mrs. Charintorn Vongspootorn)  
Chairman of the Compensation Committee

# Annual Governance and Nomination Committee Report for 2017

**To: Shareholders of Thaicom Public Company Limited**

The Board of Directors Meeting No. 4/2017 held on 29 March 2017 passed a resolution to approve the appointment of Mr. Kwek Buck Chye as Member of the Governance and Nomination Committee in replacement of Mr. Philip Chen Chong Tan.

Therefore, the Governance and Nomination Committee is composed of 3 members. Mrs. Patareeya Benjapolchai chairs the committee, while Professor Samrieng Mekkiengkrai and Mr. Kwek Buck Chye serve as members. Ms. Yupapan Panclurbthong, the company secretary, serves as the secretary of the committee.

The Governance and Nomination Committee has performed its duties as stipulated in its charter and as assigned by the Board of Directors by carrying out their duties diligently and independently for benefit of the Company and its shareholders.

The main responsibility of the Governance and Nomination Committee is to develop and oversee the Company to ensure that it operates according to good governance principles so that it can grow sustainably. The committee also seeks out and considers qualified candidates for positions as directors and high-level executives within the Company. In 2017, the Governance and Nomination Committee had a total of 3 meetings, the significant results of which are summarized below.

## 1. Nomination

- The 3 directors set to retire by rotation- Mrs. Charintorn Vongsbootorn, Professor Samrieng Mekkiengkrai and Mr. Paiboon Panuwattanawong- were considered for

reappointment. The committee's recommendation for these reappointments will be presented for approval to the Board of Directors and at the Annual General Meeting of Shareholders.

- Consideration on the appointment of a new director from the Ministry of Digital Economy and Society, Mr. Virasak Kittivat, to fill the directorship reserved for the Ministry's representative on the Company's Board of Directors by proposal to the Board of Directors and at the Annual General Meeting of Shareholders for consideration and approval, respectively.
- The structure of the Board of Directors, as well as directors serving as representatives on the boards of subsidiary companies, was reviewed to ensure that board structure and composition is appropriate and aligned with the strategies and business environments of each company, while also ensuring that the Company appropriately oversees and follows up on the operations of its subsidiaries in accordance with the law and corporate governance principles.
- Restructuring of the organization and appointments of high-level executives, as well as new assignments and rotation plans, were considered to accommodate changes in the business, plans, and strategies of the Company, and recommendations were presented to the Board of Directors for approval.
- Succession planning was considered 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.

- The Board Skills Matrix was reviewed to ensure gender, age, and diversity of knowledge and expertise are covered so that the Board Skills Matrix may be used to select qualified director candidates and to identify necessary skills which may be lacking on the Board.
- The committee provided an orientation program for a new director to gain a thorough understanding of the Company's management, business, and governance practice through a series of detailed briefings by the Company Secretary and the Company's executives.

## 2. Governance

- The Corporate Governance Policy was reviewed and compliance with the policy was monitored. In 2017, the Company has promoted further adherence to good governance through a variety of activities, including publishing an additional channel for communicating Company policies to all employees by providing e-learning courses to educate employees, both at Headquarters and subsidiaries, on the Code of Conduct, Corporate Governance Policy, and Anti-Corruption Policy. All these efforts are intended to promote employee understanding and application of Company rules and policies.
- 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 committee conducted its self-assessment and performance review, and found that the committee had performed its duties thoroughly, in a continually effective manner, and with suitable structure and composition.

In 2017, the Company was also recognized through the following honors for consistently making corporate governance a priority:

- In the 2017 CG Report on listed companies conducted by the Thai Institute of Directors, Thaicom received a score of "excellent", or 5 stars, for five consecutive years.
- Thaicom has been selected for the 2017 Thailand Sustainability Investment (THSI) list based on SET's annual sustainability assessment. This recognition was awarded to Thaicom for the third consecutive year.
- Thaicom was also selected as one of the leading companies to receive a Sustainability Report Award 2017 under the Recognition category. The award was presented by the CSR Club of the Thai Listed Companies Association.

The performance results and awards described above reflect the Company's strong commitment to corporate governance, as well as a balance of outstanding performance across financial, environmental, and social dimensions which are powerful drivers for sustainable development.

On behalf of the Governance and Nomination Committee,



(Mrs. Patareeya Benjapolchai)  
Chairman of the Governance  
and Nomination Committee

# Annual Executive Committee Report for 2017

**To: Shareholders of Thaicom Public Company Limited**

In 2017, it was a year that the Company has faced with the impact from television industry downturn in Thailand, as well as a high competition in global market due to an oversupply of satellite's transportations that increasing as many countries were invested in their own satellites. The Executive Committee has aimed to develop and broaden our satellite business's strategy in order to respond this rapidly changed of technology and innovation, and the Company expects to see clearer developments in this regard within 2018.

The significant activities of the Executive Committee in 2017, it was deemed appropriate to inform the shareholders as follow:

On 30 June 2017, Mr. Philip Chen Chong Tan tendered his resignation as Member of the Executive Committee. Effective from the day of his resignation, the membership of Executive Committee changed from 6 members to 5 members as follows:

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

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

The Executive Committee has performed its duties as stipulated in its charter and as assigned by the Board of Directors by carrying out their duties diligently for benefit of the Company and its shareholders.

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.

During the year 2017, the Committee held a total of 15 meetings, the significant activities of which have been summarized below:

- The Company's strategy, direction, policies, goals, business plan and budget, as well as those of the Company's subsidiaries, were considered and proposed to the Board for approval as well as followed up on to monitor and see if they were in line with the plan and budget.
- Implementation of policies and other aspects of management were monitored to ensure such aspects were 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, including operating and financial results, as well as foreign exchange rate changes and cash flow management, was monitored monthly.
- 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 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 conducted its self-assessment and performance review, and found that the committee had performed its duties thoroughly, in a continually effective manner, and with suitable structure and composition.

On behalf of the Executive Committee,



(Mr. Prasert Bunsumpun)  
Chairman of the Executive Committee

## Board of Directors and Company Secretary



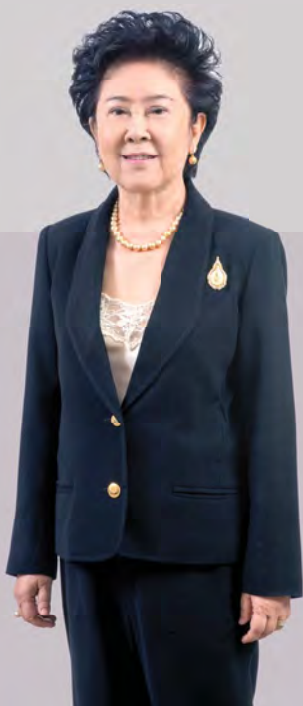
**01 Mr. Paron Israsena**  
Chairman of the Board of Directors  
and Independent Director



**02 Prof. Hiran Radeesri**  
Independent Director and  
Chairman of the Audit Committee



**03 Mr. Prasert Bunsumpun**  
Independent Director,  
Member of the Compensation Committee,  
and Chairman of the Executive Committee



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



**05 Prof. Samrieng Mekkiengkrai**  
Independent Director, Member of the  
Audit Committee, Member of the Compensation  
Committee, and Member of the  
Governance and Nomination Committee



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





**07 Mr. Kwek Buck Chye**

Director, Member of the Governance and Nomination Committee, and Member of the Executive Committee



**08 Mr. Anek Pana-Apichon**

Director and Member of the Executive Committee



**09 Mr. Somprasong Boonyachai**

Director



**10 Mr. Paiboon Panuwattanawong**

Director, Member of the Executive Committee, and Chief Executive Officer



**11 Ms. Yupapan Pandlurbthong**

Vice President-Executive Office and Company Secretary

## Management Team



**01 Mr. Paiboon Panuwatttanawong**  
Chief Executive Officer



**02 Mr. Anuwat Sanguansappayakorn**  
Acting Chief Financial Officer





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

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

**05 Mr. Supoj Chinveeraphan**  
Acting Chief Strategy Officer

## 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** 90 **% Shareholding<sup>(1)</sup>** : 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
- Monitoring the Quality of Financial Reporting (MFR) 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 in the 5 preceding years**

- 1994 - Present Chairman of the Board of Directors (Independent Director) Thaicom Public Company Limited

**Position in other listed companies**

None

**Position in other non-listed companies**

- 2017 - Present Director Sasin Graduate Institute of Business Administration of Chulalongkorn University

- 2016 - Present Honorary Director of the Governance Committee Charoen Pokphand Group
- 2016 - Present Director King Rama II Phraboromrachanusorn Foundation under royal patronage
- 2015 - Present Advisor Thailand Quality Award Committee
- 2014 - Present Chairman of the Board of Directors Mitr Technical Consultant Company Limited
- 2014 - Present Board Member Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 2012 - Present Director One Amphur one scholarship project
- 2011 - Present Honorary Chairman of the Board of Directors Thonburi Automotive Assembly Plant Company Limited
- 2011 - Present Director Thailand's Private Sector Collective Action against Corruption (CAC)
- 2011 - Present General Director Darunsikkhalai School for Innovative Learning
- 2001 - Present Director The Thai Red Cross Society
- 2001 - Present Advisor The Eye Bank Thai, The Thai Red Cross Society
- 1993 - Present Director Institute for Management Education for Thailand Foundation

**Past Experiences**

- 2013 - 2017 Chairman of the Board Office of the National Economic and Social Development Board
- 2008 - 2017 Member Nomination of State Enterprises Director Committee
- 2004 - 2017 Director The National Science and Technology Development Board
- 1992 - 2017 Chairman Vichaiyut Company Limited
- 1994 - 2016 Director and Chairman of the Audit Committee Sammakorn Public Company Limited
- 2005 - 2016 Chairman of the Audit Committee The Thai Red Cross Society
- 1997 - 2016 Director Nai Lert Park Hotel Company Limited
- 2007 - 2012 Honorary Director Chulalongkorn University Council

2

## Prof. Hiran Radeesri

**Independent Director**

**Chairman of the Audit Committee**

**Date of Appointment** 20 March 2001

**Age 88 % Shareholding<sup>(1)</sup> : None**



### Relationship between Directors and Executives

None

### Highest Education

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

### 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 in the 5 preceding years

- 2001 - Present Independent Director and Chairman of the Audit Committee  
Thaicom Public Company Limited

### Position in other listed companies

- 2001 - Present Advisor to Audit Committee  
Siam Cement Public Company Limited
- 1999 - Present Independent Director and Chairman of the Audit Committee  
Dusit Thani Public Company Limited
- 1999 - Present Independent Director and Chairman of the Audit Committee  
Navakit Insurance Public Company Limited

### Position in other non-listed companies

- 2017 - Present Honorary Director of the Governance Committee  
Charoen Pokphand Group
- 2012 - Present Advisor to Board of Directors  
Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- 2003 - Present Honorary Chairman of the Director  
Thai Institute of Directors Association (IOD)
- 2002 - Present Honorary Member  
Thammasat University Council
- 2001 - Present Chairman - Tax Auditor Examination Committee  
Revenue Department
- 2000 - Present Expertise of Corporate Governance and Social Responsibilities  
The Stock Exchange of Thailand

### Past Experiences

- Past Chairman,  
Price Waterhouse Company Limited  
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 Company Limited  
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

3

**Mrs. Charintorn Vongspootorn****Independent Director****Member of the Audit Committee****Chairman of Compensation Committee****Date of Appointment** 8 December 1999**Age** 71 **% Shareholding<sup>(1)</sup>** : 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: Advance 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 Class 1/2005
- ACP: Audit Committee Program Class 1/2004
- DCP: Directors Certification Program Class 8/2001

**Other Training / Seminars**

None

**Working Experiences in the 5 preceding years**

- 2012 - Present Chairman of Compensation Committee  
Thaicom Public Company Limited
- 1999 - Present Independent Director and Member of the  
Audit Committee  
Thaicom Public Company Limited

**Position in other listed companies**

None

**Position in other non-listed companies**

- 2015 - Present Advisor of the Board of Directors  
Solaris Asset Management Company  
Limited
- 2010 - Present Independent Director and Chairman of the  
Audit Committee  
Ini3 Digital Public Company Limited

**Past Experiences**

- 2013 - Jan 2017 Advisor of Chief Executive Officer,  
SEAMICO Securities Public Company  
Limited
- 2008 - 2014 Advisor of Chief Executive Officer  
KT ZIMICO Securities Company Limited
- 2008 - 2012 Advisor of the Board of Director  
SEAMICO Asset Management Company  
Limited

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**Prof. Samrieng Mekriengkrai****Independent Director****Member of the Audit Committee****Member of Compensation Committee****Member of Governance and Nomination Committee****Date of Appointment** 10 August 2007**Age** 64 **% Shareholding<sup>(1)</sup>** : 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 in the 5 preceding years**

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

**Position in other listed companies**

- 2016 - Present Independent Director Sermuang  
Power Corporation Public Company Limited
- 2011 - Present Independent Director  
Unique Engineering and Construction Public  
Company Limited

**Position in other non-listed companies**

- 2557 - 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.
- 2518 - 2557 Lecturer  
Faculty of Law, Chulalongkorn University



5

**Mrs. Patareeya Benjapolchai****Independent Director****Member of Audit Committee****Chairman of Governance and Nomination, Committee****Date of Appointment** 30 March 2016**Age 63 % Shareholding<sup>(1)</sup> : 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 in the 5 preceding years**

- May 2016 - Present Member of Audit Committee and Chairman of Governance and Nomination Committee  
Thaicom Public Company Limited
- Mar 2016 - Present Independent Director  
Thaicom Public Company Limited

**Position in other listed companies**

- 2014 - Present Independent Director and Chairperson of the Audit Committee  
MCOT Public Company Limited
- 2011 - Present Independent Director and Member of Audit Committee  
TISCO Financial Group Public Company Limited
- 2011 - Present Independent Director and Member of Audit Committee  
TISCO Bank Public Company Limited

**Position in other non-listed companies**

- Feb 2017 - Present Advisor for Civil Penalties Measurement  
The Securities and Exchange Commission
- Feb 2017 - Present Member of Subcommittee on Acquisition of Securities for Business Takeover  
The Securities and Exchange Commission
- 2013 - Present Independent Director  
Bangkok Glass Public Company Limited
- 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
- 2010 - Present Associate Judge  
The Central Intellectual Property and International Trade Court
- 2010 - Present Director  
Baan Ruam Tang Fhun Company Limited

**Past Experiences**

- 2013 - 2017 Directors' Responsibilities Steering Committee  
The Securities and Exchange Commission
- 2011 - 2017 Member of Ethics Committee  
Federation of Accounting Professions Under The Royal Patronage of His Majesty the King
- 2011 - 2016 Chairman of the Audit Committee  
The Office of the Agricultural Futures Trading Commission
- 2006 - 2010 President  
The Stock Exchange of Thailand

6

**Mr. Somprasong Boonyachai****Directors****Date of Appointment** 11 August 2006**Age** 62 **% Shareholding<sup>(1)</sup>** : 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 Programme for Senior Executive on Justice Administration (BATCH 17)
- Energy Literacy for Sustainable Future Class 4
- High Performance Board 2015 by IMD

**Working Experiences in the 5 preceding years**

- 2006 - Present Director  
Thaicom Public Company Limited

**Position in other listed companies**

- Jan 2017 - Present Director and Chairman of Executive Committee  
BEC World Public Company Limited
- Jul 2017 - Present Independent Director  
Dusit Thani Public Company Limited
- 2008 - Present Vice Chairman of the Board of Directors  
Advanced Info Service Public Company Limited

- Jan 2008 - Present Director  
Intouch Holdings Public Company Limited
- 2002 - Present Independent Director and Member of the Audit Committee  
Power Line Engineering Public Company Limited

**Position in other non-listed companies**

- Sep 2017 - Present Director  
National Strategy Committee for the Development and Capacity Building of Human Resources
- Apr 2016 - Present Director  
Osotspa Company Limited

**Past Experiences**

- Jan 2016 - Jun 2017 Advisor of Chief Executive Officer  
Intouch Holdings Public Company Limited
- Jan 2016 - Jan 2017 Independent Director  
Pruksa Real Estate Public Company Limited
- 2016 - Dec 2016 Independent Director  
Pruksa Holding Public Company Limited
- 2004 - Oct 2016 Director  
Param 9 Hospital Company Limited
- 2008 - 2016 Chairman of the Executive Committee  
Intouch Holdings Public Company Limited
- 2008 - 2015 Chief Executive Officer  
Intouch Holdings Public Company Limited
- 2009 - 2011 Chairman of the Executive Committee  
Thaicom Public Company Limited
- 2000 - 2008 Member of the Executive Committee  
Shin Satellite Public Company Limited
- 1999 - 2008 Chairman of the Executive Committee  
Advanced Info Service Public Company Limited
- 1994 - 2008 Director  
Advanced Info Service Public Company Limited

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**Mr. Prasert Bunsumpun****Independent Director****Member of the Compensation Committee****Chairman of the Executive Committee****Date of Appointment** 1 October 2015**Age** 66 **% Shareholding<sup>(1)</sup>** : None**Relationship between Directors and Executives**

None

**Highest Education**

- Honorary Doctor of Engineering, Chulalongkorn University
- Honorary Doctor of Management, National Institute of Development Administration (NIDA)
- Honorary Doctor of Management Science, Petchaburi Rajabhat University
- Honorary Doctor of Management, Mahasarakham University
- Honorary Doctor of Public and Local Innovative Management, Suan Sunandha Rajabhat University
- 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 in the 5 preceding years**

- Jul 2017 - Present Member of Compensation Committee  
Thaicom Public Company Limited
- Oct 2015 - Present Independent Director  
Thaicom Public Company Limited
- May 2015 - Present Chairman of the Executive Committee  
Thaicom Public Company Limited

**Position in other listed companies**

- Apr 2017 - Present Chairman of the Board of Directors and  
Independent Director  
SVI Public Company Limited
- Jan 2012 - Present Chairman of the Board of Directors  
Thoresen Thai Agencies Public Company  
Limited
- Dec 2011 - Present Independent Director  
Intouch Holdings Public Company Limited
- Oct 2011 - Present Chairman of the Board of Director  
PTT Global Chemical Public Company  
Limited

- Mar 2012 - Present Chairman of the Board of Directors  
Mermaid Maritime Public Company Limited

**Position in other non-listed companies**

- Sep 2014 - Present Member The National Legislative Assembly
- 2011 - Present Chairman Thailand Business Council for  
Sustainable Development

**Past Experiences**

- Apr 2013 - Feb 2017 Independent Director  
PTT Public Company Limited
- Oct 2011 - Apr 2015 Director Krung Thai Bank Public  
Company Limited
- Jul 2006 - Apr 2013 Chairman of the Board of Directors /  
Director / Chairman of the Executive  
Committee IRPC Public Company Limited
- Jul 2006 - Dec 2012 Chairman of the Board of Director /  
Director IRPC Oil Company Limited
- Jul 2006 - Dec 2012 Chairman of the Board of Director /  
Director IRPC Polyol Company Limited
- Jul 2006 - Dec 2012 Chairman of the Board of Director /  
Director Thai ABS Company Limited
- Oct 2005 - Dec 2012 Chairman of the Board of Directors  
Thai Lube Base Public Company Limited
- Aug 2005 - Mar 2011 Chairman of the Board of Director /  
Director PTT Exploration and Production  
Public Company Limited
- Apr 2003 - Mar 2011 Chairman of the Board of Director /  
Director Thai Oil Power Public Company  
Limited
- Dec 2005 - Mar 2011 Chairman of the Board of Director /  
Director PTT Chemical Public Company  
Limited
- Dec 2007 - Mar 2011 Director PTT Aromatics and Refining  
Public Company Limited
- Aug 2003 - Sep 2011 Director / Chief Executive Officer and  
President PTT Public Company Limited
- Aug 2004 - Apr 2010 Director Thai Oil Public Company Limited
- Oct 2006 - Mar 2008 Member The National Legislative Assembly
- Apr 2005 - Dec 2007 Director Rayong Purifier Public Company  
Limited
- Aug 2006 - Oct 2007 Chairman of the Board of Director / Director  
Petroleum Pipeline Public Company Limited

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**Mr. Kwek Buck Chye****Director****Member of the Governance and Nomination Committee****Member of the Executive Committee****Date of Appointment** 27 March 2015**Age 64 % Shareholding<sup>(1)</sup> : None****Relationship between Directors and Executives**

None

**Highest Education**

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

**IOD Training Programs**

- DCP: Director Certification Program Class 214/2015

**Other Training / Seminars**

- High Performance Board 2015, IMD

**Working Experiences in the 5 preceding years**

- Mar 2017 - Present    Member of the Governance and Nomination Committee  
Thaicom Public Company Limited
- Mar 2015 - Present    Director and Executive Committee Member  
Thaicom Public Company Limited

**Position in other listed companies**

- Jan 2015 - Present    Director  
Intouch Holdings Public Company Limited

**Position in other non-listed companies**

- Apr 2017 - Present    Director  
Accuron Technologies Limited
- Apr 2016 - Present    Director  
Trailblazer Foundation Limited (Singapore)
- 2013 - Present        Self-employed financial consultant

**Past Experiences**

- Sep 1992 - Sep 2013    Chief Financial Officer  
StarHub Limited
- Oct 2000 - Sep 2002    Chief Financial Officer  
ST Telemedia Pte Limited
- May 2000 - Sep 2001    Chief Financial Officer  
Vickers Capital Limited
- Jan 1999 - Apr 1999    Chief Financial Officer  
Vertex Management (II) Pte. Limited
- Nov 1997 - Jan 1999    Chief Financial Officer  
ST Assembly & Test Services Pte. Limited
- Apr 1996 - Nov 1997    Chief Financial Officer  
Chartered Semiconductor Mfg Limited
- Apr 1992 - Apr 1999    Group Director Financial  
Singapore Technologies Pte Limited
- 1983 - 1992            Financial Planner (Asia Pac)  
UTC Carrier-APO Office



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**Mr. Anek Pana-Apichon****Director****Member of Executive Committee  
(Authorized Director)****Date of Appointment** 1 July 2017**Age 52 % Shareholding<sup>(1)</sup> : None****Relationship between Directors and Executives**

None

**Highest Education**

- Master Degree in Business Administration, Chulalongkorn University

**IOD Training Programs**

- DCP: Director Certification Program 111/2008

**Other Training / Seminars**

- Advance Management Program - The Wharton School of the University of Pennsylvania, USA
- Executive Program Class 15, The Capital Markets Academy (CMA)

**Working Experiences in the 5 preceding years**

- Jul 2017 - Present      Director  
   Thaicom Public Company Limited
- Mar 2010 - Present      Member of Executive Committee  
   Thaicom Public Company Limited

**Position in other listed companies**

- Jul 2017 - Present      Director and Acting Chief Executive Officer  
   Intouch Holdings Public Company Limited
- 2010 - Present          Executive Vice President - Finance & Accounting  
   Intouch Holdings Public Company Limited

**Position in other non-listed companies**

- Jul 2017 - Present      Chairman of Board of Director  
   High Shopping Company Limited
- Jul 2017 - Present      Director  
   Intouch Media Company Limited
- Jul 2017 - Present      Director  
   Touch TV Company Limited
- 2015 - Present          Director  
   High Shopping TV Company Limited
- 2015 - Present          Director  
   I.T. Applications and Services Company Limited

**Past Experiences**

- 2015 - Jun 2017          Director  
   High Shopping Company Limited
- 2010 - 2015              Director  
   Thaicom Public Company Limited
- Feb 2011 - Sep 2011    Acting Chief Financial Officer  
   Thaicom Public Company Limited
- 2004 - 2010              Vice President - Finance & Accounting  
   Intouch Holdings Public Company Limited

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**Mr. Paiboon Panuwattanawong <sup>(2)</sup>****Director****Member of the Executive Committee****Chief Executive Officer (Authorized Director)****Date of Appointment** 1 October 2015**Age 57 % Shareholding<sup>(1)</sup> : 0.0023****Relationship between Directors and Executives**

None

**Highest Education**

- Master of Science in Electrical Engineering, Carnegie Mellon University, Pittsburgh, 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 in the 5 preceding years**

- Oct. 2015 - Present Director and Chief Executive Officer  
Thaicom Public Company Limited
- Nov. 2011 - Present Member of the Executive Committee  
Thaicom Public Company Limited

**Position in other listed companies**

- Feb 2016 - Present Member of Executive Committee  
Advance Info Service Public Company Limited
- Oct 2015 - Present Director and Chairman of the  
Executive Committee  
CS Loxinfo Public Company Limited

**Position in other non-listed companies**

- Oct 2015 - Present Director  
Teleinfo Media Public Company Limited
- Oct 2015 - Present Director  
TC Broadcasting Company Limited

- Oct 2015 - Present Director and Chairman of the  
Executive Committee  
Shenington Investment Pte. Ltd.
- Oct 2015 - Present Director  
International Satellite Company Limited
- Oct 2015 - Present Director  
Lao Telecommunications Company Limited
- 2007 - Present Director  
IPSTAR Company Limited
- 2007 - Present Director  
Star Nucleus Company Limited
- 2007 - Present Director  
IPSTAR International Pte. Ltd.
- 2007 - Present Director  
IPSTAR Global Services Limited
- 2007 - Present Director  
IPSTAR Australia Pty Ltd.
- 2007 - Present Director  
IPSTAR New Zealand Ltd.
- Present Director  
IPSTAR Japan Limited

**Past Experiences**

- 2009 - 2015 Chief Technical Officer  
Thaicom Public Company Limited

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**Mr. Anuwat Sanguansappayakorn <sup>(2)</sup>****Acting Chief Financial Officer****Date of Appointment** 1 September 2017**Age 52 % Shareholding<sup>(1)</sup> : None****Relationship between Directors and Executives**

None

**Highest Education**

- Master of Accountancy, Chulalongkorn University

**IOD Training Programs**

- DCP: Director Certification Program Class 88/2007

**Other Training / Seminars**

- Executive Development Program (EDP) by TLCA Class 9/2012
- Diploma ISP Class 116/2015 Institute of Security Psychology, National Defense Studies Institute, Royal Thai Armed Forces Headquarters

**Working Experiences in the 5 preceding years**

- Sep 2017 - Present Acting Chief Financial Officer  
Thaicom Public Company Limited

**Position in other listed companies**

- Oct 2015 - Present Director and Member of the Executive Committee  
CS Loxinfo Public Company Limited

**Position in other non-listed companies**

- Sep 2017 - Present Director and Member of Executive Committee  
Teleinfo Media Public Company Limited
- Sep 2017 - Present Director and Member of the Executive Committee  
Shenington Investment Pte. Ltd.
- Sep 2017 - Present Director  
Lao Telecommunications Company Limited
- Sep 2017 - Present Director  
TC Broadcasting Company Limited

- Sep 2017 - Present Director  
Cambodian DTV Network Limited
- Sep 2017 - Present Director  
IPSTAR Global Services Limited
- Sep 2017 - Present Director  
Star Nucleus Company Limited
- Sep 2017 - Present Director  
International Satellite Company Limited
- Sep 2017 - Present Director  
IPSTAR Company Limited
- Sep 2017 - Present Director  
IPSTAR Australia Pty Ltd.
- Sep 2017 - Present Director  
IPSTAR New Zealand Limited
- Sep 2017 - Present Director  
IPSTAR Japan Limited
- Sep 2017 - Present Director  
IPSTAR International Pte. Ltd.

**Past Experiences**

- May 2003 - Aug 2017 Chief Financial Officer  
CS Loxinfo Public Company Limited
- 1998 - 2003 Department Manager - Accounting  
CS Communication Limited
- 1997 Department Manager - Financial Planning  
Thai Capital Company Limited
- 1996 - 1997 Manager - Investment Banking  
Krung Thai Finance & Security Limited
- 1994 - 1996 Manager - Accounting  
Multi Credit Corporation of Thai
- 1988 - 1993 Senior Auditor  
Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

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**Mr. Patompob Suwansiri <sup>(2)</sup>****Member of Executive Committee****Chief Commercial Officer****Date of Appointment** 1 January 2016**Age 49 % Shareholding<sup>(1)</sup> : 0.0008****Relationship between Directors and Executives**

None

**Highest Education**

- Advanced Management Program, Harvard Business School
- Executive MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

**IOD Training Programs**

- DCP: Director Certification Program Class 185/2014

**Other Training / Seminars**

- 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 in the 5 preceding years**

- Jan 2016 - Present Chief Commercial Officer  
Thaicom Public Company Limited
- Nov 2015 - Present Member of Executive Committee  
Thaicom Public Company Limited

**Position in other listed companies**

None

**Position in other non-listed companies**

- Sep 2016 - Present Academic Director (Thai and International Curriculum Review and Revision Committees)  
College of Management, Mahidol University
- Feb 2015 - Present Director  
International Satellite Co., Ltd.
- Feb 2014 - Present Director  
Orion Satellite System Pty Ltd.

**Past Experiences**

- May 2014 - Dec 2015 Chief Marketing Officer  
Thaicom Public Company Limited
- Apr 2013 - Apr 2014 Senior Vice President - Marketing and Business Development  
Thaicom Public Company Limited
- Jan 2012 - Mar 2013 Vice President - Marketing and Business Development  
Thaicom Public Company Limited
- Jul 2009 - Dec 2011 Vice President - Marketing and Sales  
Thaicom Public Company Limited



13

**Mr. Teerayuth Boonchote <sup>(2)</sup>****Acting Chief Technical Officer****Date of Appointment** 1 January 2016**Age 53 % Shareholding<sup>(1)</sup> : 0.0010****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 in the 5 preceding years**

- Jan. 2016 - Present    Acting Chief Technical Officer  
Thaicom Public Company Limited

**Position in other listed companies**

None

**Position in other non-listed companies**

None

**Past Experiences**

- Apr 2015 - Dec 2016    Executive Vice President - Technology Innovation  
Thaicom Public Company Limited
- Jan 2013 - Mar 2015    Senior Vice President - Technology Innovation  
Thaicom Public Company Limited
- Jan 2012 - Dec 2012    Senior Vice President - Broadcast  
Thaicom Public Company Limited
- Apr 2008 - Dec 2011    Senior Vice President - IPSTAR Operation  
Thaicom Public Company Limited
- Feb 2004 - Mar 2008    Vice President - IPSTAR Operation  
Thaicom Public Company Limited

## 14 Mr. Supoj Chinveeraphan <sup>(2)</sup>

**Acting Chief Strategy Officer**

**Date of Appointment** 1 January 2017

**Age** 49 **% Shareholding<sup>(1)</sup>** : 0.0002



### 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 in the 5 preceding years

- Jan 2017 - Present     Acting Chief Strategy Officer  
Thaicom Public Company Limited

### Position in other listed companies

None

### Position in other non-listed companies

- Present                     Director  
Orion Satellite System Pty Ltd.  
Director  
IPSTAR Japan Limited

### Past Experiences

- Past                             Director  
IPSTAR Australia Pty Ltd.  
Director  
IPSTAR New Zealand Limited  
Senior Vice President - Business  
Operations  
Thaicom Public Company Limited  
Managing Director  
IPSTAR Australia Pty Ltd. And  
IPSTAR New Zealand Pty Ltd.
- Jan 2016 - Present        Senior Vice President - Business  
Operations  
Thaicom Public Company Limited  
Managing Director  
IPSTAR Australia Pty Ltd. And  
IPSTAR New Zealand Pty Ltd.
- Apr - Dec 2015            Managing Director  
IPSTAR Australia Pty Ltd. And  
IPSTAR New Zealand Pty Ltd.
- 2009 - 2015                General Manager  
IPSTAR Australia Pty Ltd. And  
IPSTAR New Zealand Pty Ltd.

15

**Ms. Yupapan Panlurbthong**

**Vice President - Executive Office  
and Company Secretary <sup>(3)</sup>**

**Date of Appointment** 12 November 2012

**Age 54 % Shareholding<sup>(1)</sup> : None**

**Relationship between Directors and Executives**

None

**Position in other listed companies**

None

**Highest Education**

- Bachelor of Communication Art, Chulalongkorn University

**Position in other non-listed companies**

None

**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

**Past Experiences**

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

**Other Training / Seminars**

- TMA: Management Development Program Class 26/2017
- ITD World: Change your habits, change your world 2017
- TLCA Executive Development Program - EDP Class 12/2013

**Working Experiences in the 5 preceding years**

- 2017 - Present Vice President - Corporate Communication  
Thaicom Public Company Limited
- Apr 2014 - Present Vice President - Executive Office and Company Secretary  
Thaicom Public Company Limited
- 2012 - Present Company Secretary  
Thaicom Public Company Limited

**Remarks**

<sup>(1)</sup> Includes shareholding by spouse and minor children

<sup>(2)</sup> Executive according to definition of the Notification of Securities and Exchange Commission

<sup>(3)</sup> Duties and Responsibilities of Company Secretary presented in Corporate Governance and Management: Company Secretary

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

Name of Directors and Executives	Holding	Company							
	Company		1	2	3	4	5	6	
	INTOUCH		IPSTAR	IPNZ	IPA	OSS	IPIN	IPGS	
1. Mr. Paron Israsena		C							
2. Prof. Hiran Radeesri		/							
3. Mrs. Charintorn Vongspootorn		/							
4. Prof. Samrieng Mekkiengkrai		/							
5. Mrs. Patareeya Benjapolchai		/							
6. Mr. Somprasong Boonyachai	/	/							
7. Mr. Prasert Bunsumpun	/	/, //							
8. Mr. Kwek Buck Chye	/	/, //							
9. Mr. Anek Pana-Apichon <sup>(2)</sup>	/	/, //							
10. Mr. Paiboon Panuwattanawong		/, //, E	/	/	/		/	/	
11. Mr. Virasak Kittivat <sup>(3) (4)</sup>		/							
12. Mr. Anuwat Sanguansappayakorn <sup>(5)</sup>		E	/	/	/		/	/	
13. Mr. Patompob Suwansiri		//, E				/			
14. Mr. Teerayuth Boonchote		E							
15. Mr. Supoj Chinveeraphan		E				/			

**Remarks :** <sup>(1)</sup> Advanced Wireless Network Company Limited (AWN) acquired ordinary shares in CS LoxInfo Public Company Limited (CSL), equivalent to 80.10% of the issued and paid-up capital of CSL, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the Office of the Securities and Exchange Commission).

<sup>(2)</sup> Mr. Anek Pana-Apichon was appointed as Director in replacement of Mr. Philip Chen Chong Tan who resigned, by the resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.

<sup>(3)</sup> Mr. Virasak Kittivat was appointed as Director by the resolutions of the 2017 Annual General Meeting of Shareholders held on 29 March 2017, effective from 29 March 2017.

<sup>(4)</sup> Mr. Virasak Kittivat resigned as Director, effective from 12 January 2018.

<sup>(5)</sup> Mr. Anuwat Sanguansappayakorn was appointed as Acting Chief Financial Officer in replacement of Mr. Vuthi Asvasermcharoen who resigned, by the resolution of the Board of Directors Meeting No. 7/2017 held on 4 August 2017, effective from 1 September 2017.

C = Chairman / = Director // = Executive Director E = Executive

### Company's Name

ADV	AD Venture Public Company Limited	IPGS	IPSTAR Global Services Limited
CDN	Cambodian DTV Network Limited	IPI	IPSTAR (India) Private Limited
CSL	CS Loxinfo Public Company Limited	IPIN	IPSTAR International Pte Limited
DTV	DTV Services Company Limited	IPJ	IPSTAR Japan Limited
INTOUCH	Intouch Holdings Public Company Limited	IPNZ	IPSTAR New Zealand Limited
IPA	IPSTAR Australia Pty Limited	IPSTAR	IPSTAR Company Limited



(As of 31 December 2017)

[illegible]

ISC	International Satellite Company Limited
LTC	Lao Telecommunications Company Limited
OSS	Orion Satellite System Pty Limited
SHEN	Shenington Investment Pte Limited
STAR	Star Nucleus Company Limited
TCB	TC Broadcasting Company Limited

TCGS	TC Global Services Company Limited
THAICOM	Thaicom Public Company Limited
TMC	Teleinfo Media Public Company Limited
YPC	Yellow Pages Commerce Company Limited

# Securities Holding of the Directors and Executives

## For The Year 2017

The Company has notified all Board of Directors and Executives on them to filed their securities holding, including those of their spouses and children not yet of age, to SEC Office within 30 days as from date of appointment as director or executive. In case of change in securities holding shall be filed with SEC Office within 3 business days as form the date of purchase, sale, transfer or acceptance of transfer of such securities.

Each quarter, directors and executives of the Company must report the securities holding and changes to the Board of Directors. As of 31 December 2017, 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 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)
1. Mr. Paron Isarasena	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
2. Prof. Hiran Radeesri	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
3. Mrs. Charintorn Vongsbootorn	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
4. Prof. Samrieng Mekkiengkrai	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
5. Mrs. Patareeya Benjapolchai	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
6. Mr. Somprasong Boonyachai	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
7. Mr. Prasert Bunsumpun	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
8. Mr. Kwek Buck Chye	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
9. Mr. Anek Pana-Apichon <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
10. Mr. Paiboon Panuwattanawong	14,500	25,200	10,700	426,050	415,350	(10,700)	-	-	-	-	-	-
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 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)	31 Dec 16	31 Dec 17	+ / (-)
11. Mr. Virasak Kittitvat <sup>(2) (3)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
12. Mr. Anuwat Sanguansappayakorn <sup>(4)</sup>	-	-	-	-	-	-	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
13. Mr. Patompob Suwansiri	4,400	8,900	4,500	338,460	333,960	(4,500)	-	-	-	-	-	-
Spouse / Minor child	500	500	-	-	-	-	-	-	-	-	-	-
14. Mr. Teerayuth Boonchote	6,400	11,400	5,000	273,371	268,371	(5,000)	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-
15. Mr. Supoj Chinveeraphan	-	2,300	2,300	116,873	114,573	(2,300)	-	-	-	-	-	-
Spouse / Minor child	-	-	-	-	-	-	-	-	-	-	-	-

**Remarks :** <sup>(1)</sup> Mr. Anek Pana-Apichon was appointed as Director in replacement of Mr. Philip Chen Chong Tan who resigned, by the resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.

<sup>(2)</sup> Mr. Virasak Kittitvat was appointed as Director by the resolutions of the 2017 Annual General Meeting of Shareholders held on 29 March 2017, effective from 29 March 2017.

<sup>(3)</sup> Mr. Virasak Kittitvat resigned as Director, effective from 12 January 2018.

<sup>(4)</sup> Mr. Anuwat Sanguansappayakorn was appointed as Acting Chief Financial Officer in replacement of Mr. Vuthi Asvasermcharoen who resigned, by the resolution of the Board of Directors Meeting No. 7/2017 held on 4 August 2017, effective from 1 September 2017.

# Major Shareholders

1) List of top 10 major shareholders of Thaicom Public Company Limited as at the latest book closing date on 24 October 2017 as follows:

Name	Number of Shares	% of shareholding
1. INTOUCH HOLDINGS PLC.	450,870,934	41.14
2. STATE STREET EUROPE LIMITED	93,995,923	8.58
3. Thai NVDR Co., Ltd.	66,842,730	6.10
4. Mr. Narit Jia-Arpa	17,593,000	1.61
5. CITIBANK NOMINEE SINGAPORE PTE LTD- LEMBAGA TABUNG HAJI-ASIA PACIFIC	15,520,000	1.42
6. HSBC (SINGAPORE) NOMINEE PTE LTD	12,471,200	1.14
7. CREDIT SUISSE AG, SINGAPORE BRANCH	8,281,500	0.76
8. CHASE NOMINEE LIMITED	8,192,100	0.75
9. NORTRUST NOMINEE LTD-CL AC	6,839,500	0.62
10. Miss Sunan Ngamakaraku	5,733,700	0.52
<b>Total</b>	<b>686,340,587</b>	<b>62.44</b>

Source : Thailand Securities Depository Company Limited



## 2) 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 24 October 2017). 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 shareholder of INTOUCH as of 21 August 2017 are as follows:

Name <sup>(1)</sup>	Number of Shares	% of shareholding
1. Singtel Global Investment Pte. Ltd. <sup>(2)</sup>	673,348,264	21.00
2. The Hongkong and Shanghai Banking Corporation Limited	509,766,840	15.90
3. Thai NVDR Company Limited	438,202,756	13.67
4. Aspen Holdings Limited <sup>(3)</sup>	115,485,120	3.60

Remarks : <sup>(1)</sup> The latest register book closing date of the Company as of 21 August 2017 prepared by Thailand Securities Depository Co., Ltd. (Registrar)

<sup>(2)</sup> Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd.

<sup>(3)</sup> Information from the Department of Business Development, Ministry of Commerce, as of 3 January 2018, Aspen Holdings Ltd. is a company incorporated in Thailand and 99.99% owned by Anderton Investment Pte, Singapore.

## 3) Agreement among major shareholders

- None -

# INTOUCH Group's Investment Structure

Intouch Holding Plc. <sup>1)</sup>





(as of 23 January 2018)

## Internet and media services

DTV Service Co., Ltd.

99.99%

Cambodian DTV Network Ltd.

100%

Ookbee Co., Ltd.

20.94%

Golfdigg Co., Ltd.

25.00%

Event Pop Holdings Pte. Ltd.

17.96%

Sinoze Co., Ltd.

16.67%

Meditech Solution Co., Ltd.

16.66%

Playbasis Pte. Ltd.

15.36%

Wongnai Media Co., Ltd.

9.54%

Digio (Thailand) Co., Ltd.

8.05%

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%

ITV Plc <sup>2)</sup>

52.92%

Artware Media Co., Ltd. <sup>2)</sup>

99.99%

## Other Business

Venture Capital <sup>3)</sup>

Others

1) Listed Company on the Stock Exchange of Thailand

2) Currently not in operation

3) Excluded investment in debt security

4) Advanced Wireless Network Co., Ltd. (AWN) acquired ordinary shares in CS Loxinfo Plc. (CSL), equivalent to 80.10% of the paid-up-capital, through a voluntary tender offer, (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the Office of the Securities and Exchange Commission.)

# General Information and Other Information

## 1) General Information

### 1.1) General Information of Thaicom Public Company Limited

<b>Company's Name</b>	: Thaicom Public Company Limited
<b>Symbol</b>	: THCOM
<b>Industry</b>	: Technology
<b>Sector</b>	: Information and Communication Technology
<b>Type of Business</b>	: The Company operates 3 different main sectors as follows: <ol style="list-style-type: none"><li>1. Satellite and Related Services</li><li>2. Internet and Media Services</li><li>3. Telephone Business Abroad</li></ol>
<b>Company's Registration Number</b>	: 0107536000897 (formerly number Bor Mor Jor. 163)
<b>Registered Office</b>	: 414 Phahonyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok 10400
<b>Branch Office</b>	: (1) 63/21 Rattana Thibet Road, Bang Kraso Sub-District, Mueang Nonthaburi District, Nonthaburi Province 11000 (2) 50 Moo 1, Bo Ngoen Sub-District, Lat Lum Kaeo District, Pathum Thani Province 12140
<b>Registered Capital</b>	: 5,499,884,200.00 Baht, Divided into ordinary share at 1,099,976,840 shares (as of 31 December 2017)
<b>Paid-Up Capital</b>	: 5,480,333,200.00 Baht, Divided into ordinary share at 1,096,066,640 shares (as of 31 December 2017)
<b>Par Value</b>	: Baht 5 per share
<b>Telephone Number</b>	: (66) 2596 5060
<b>Fax</b>	: (66) 2591 0705
<b>Company's Website</b>	: <a href="http://www.thaicom.net">www.thaicom.net</a>



## 1.2) Information of juristic persons in which the Company held more than 10% of fully paid-up capital <sup>(1)</sup>

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
<b>Satellite and Related Services</b>						
<b>IPSTAR Company Limited (IPSTAR)</b> Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands	Providing THAICOM 4 transponder services	2,000,000 USD	200,000,000 shares	0.01 USD	2,000,000 USD	100
<b>IPSTAR New Zealand Limited (IPNZ)</b> 24 Unity Drive North, Abany, Auckland 0757, New Zealand Tel. (64) 9 414 5920 Fax (64) 9 414 5922	Providing THAICOM 4 transponder services and sale of user terminal of THAICOM 4 in New Zealand	3,196,133 NZD	3,196,133 shares	1 NZD	3,196,133 NZD	100
<b>IPSTAR Australia Pty Limited (IPA)</b> 5 George Place, Artarmon, NSW 2064, Australia Tel. (61) 2 8458 0500 Fax (61) 2 8006 5592	Providing THAICOM 4 transponder services and sale of user terminal of THAICOM 4 in Australia	6,950,000 AUD	6,950,000 shares	1 AUD	6,950,000 AUD	100
<b>Orion Satellite Systems Pty Limited (OSS) (100% shares held by IPA)</b> 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	13,374,571 AUD	1 shares  5,960,354 shares	7,414,217 AUD  1 AUD	13,374,571 AUD	100
<b>IPSTAR International Pte Limited (IPIN)</b> 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 sale of satellite equipment of THAICOM 4	20,000 SGD	20,000 shares	1 SGD	20,000 SGD	100

**Remark :** <sup>(1)</sup> Information as of 31 December 2017

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
<b>IPSTAR Global Services Limited (IPGS)</b> 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	20,000 USD	20,000 shares	1 USD	20,000 USD	100
<b>IPSTAR Japan Company Limited (IPJ)</b> 1231-1 Hio, Oganomachi, Chichibu-gun, Saitama, Japan	Providing THAICOM 4 transponder services and sale of user terminal of THAICOM 4 in Japan	100,000,000 JPY	10,000 shares	10,000 JPY	100,000,000 JPY	100
<b>IPSTAR (India) Private Limited (IPI)</b> 208, II FLOOR, ABW TOWER, M.G. ROAD, IFFCO CHOWK, GURGAON - 122002, Haryana, INDIA	Sale of satellite equipment and providing technical support in relation satellite business	30,000,000 Rs.	30,000,000 shares	1 Rs.	30,000,000 Rs.	100
<b>Star Nucleus Company Limited (STAR)</b> Trident Chambers, P.O. Box 146, Road Town, Tortolar, British Virgin Islands	Providing engineering and development services, technology and electronics	50,000 USD	10 shares	1 USD	10 USD	100
<b>TC Broadcasting Company Limited (TCB)</b> 414 Phaholyothin Road, Samsen Nai Sub- istrict, Phaya Thai District, Bangkok Tel. (66) 2596 5060	Providing broadcasting, television and telecommunication services	1,000,000 THB	100,000 shares	10 THB	250,000 THB	99.99
<b>International Satellite Company Limited (ISC)</b> Intercontinental Trust Limited, Level 3, Alexander House, 35 Cyberville, Ebene, Mauritius	Providing THAICOM 7 and THAICOM 8 transponder services	50,000 USD	50,000 shares	1 USD	50,000 USD	100
<b>TC Global Services Company Limited (TCGS)</b> 12 <sup>th</sup> Floor, Standard Chartered Tower, 19, Cyberville, Ebene, Mauritius	Providing technology services	50,000 USD	50,000 shares	1 USD	12,500 USD	100

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
<b>Internet and Media Services</b>						
<b>DTV Service Company Limited (DTV)</b> 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel. (662) 950-5005 Fax (662) 591-0708 Website www.dtvservice.net	Sale of direct television equipment, providing system integration consultancy service for broadband network and broadband content services	398,791,470 THB	39,879,147 shares	10 THB	398,791,470 THB	99.99
<b>Cambodia DTV Network Limited (CDN)</b> 9A, Street 271, Tomnup Teuk quarter, Chamkar Mon district, Phnom Penh, Kingdom of Cambodia Tel. (855) 023 305 990 Fax (855) 023 994 669 Website www.cdn.com.kh	Sale of direct television equipment in Cambodia	2,400,000,000 Riels (USD 600,000)	1,000 shares	2,400,000 Riels	2,400,000,000 Riels (USD 600,000)	100
<b>CS LoxInfo Public Company Limited (CSL) <sup>(2)</sup> (42.07% share held by DTV)</b> 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel. (66) 2263 8000 Fax (66) 2263 8132 Website: www.csloxinfo.com	Provide our corporate customers with solutions for brand range of internet-based services	148,628,692.25 THB	594,514,769 shares	0.25 THB	148,628,692.25 THB	42.07
<b>AD Venture Public Company Limited (ADV) (99.99% shares held by CSL)</b> 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8899 Website: www.shinee.com	Content provider through mobile phone, community portal services, and application on smart phone via IOS and Android systems	10,748,130 THB	1,074,813 shares	10 THB	10,748,130 THB	42.07

Name and Details of Company	Type of business	Registered Capital	Number of shares issued	Par Value	Paid-up Capital	% of Shareholding
<b>Teleinfo Media Public Company Limited (TMC)</b> <b>(99.99% shares held by CSL)</b> 414 Phaholyothin Road, Samsen Nai Sub-District, Phaya Thai District, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8899 Website: www.teleinfoimedia.co.th, www.yellowpages.co.th www.typlive.com	Provide advertising platform through Print, Website, PC, Mobile For business and individual users	156,544,000 THB	15,654,400 shares	10 THB	156,544,000 THB	42.07
<b>Yellow Pages Commerce Company Limited (YPC)</b> <b>(99.94% shares held by CSL)</b> 1126/2 Vanit Bldg.2, New Phetchaburi Road, Makkasan, Ratchathewi, Bangkok Tel. (66) 2262 8888 Fax (66) 2262 8823	Online advertising Business	100,000 THB	10,000 shares	10 THB	100,000 THB	42.07
<b>Telephone Business Abroad</b>						
<b>Shenington Investments Pte Limited (SHEN)</b> 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 Tel. (65) 6338 1888 Fax (65) 6337 5100	Holding company for investment in international telecommunications	14,658,000 SGD	14,658,000 shares	1 SGD	14,658,000 SGD	51
<b>Lao Telecommunications Company Limited (LTC)</b> <b>(49% shares held by SHEN)</b> Lanexang Avenue 0100, Vientiane, Lao People's Democratic Republic Tel. (856) 2121 6465-6 Fax (856) 2121 9690	Providing fixed line, mobile phone, public phone, public international facilities and Internet services	96,840,000 USD	96,840,000 shares	1 USD	96,840,000 USD	24.99

**Remarks** <sup>(1)</sup> Information as of 31 December 2017

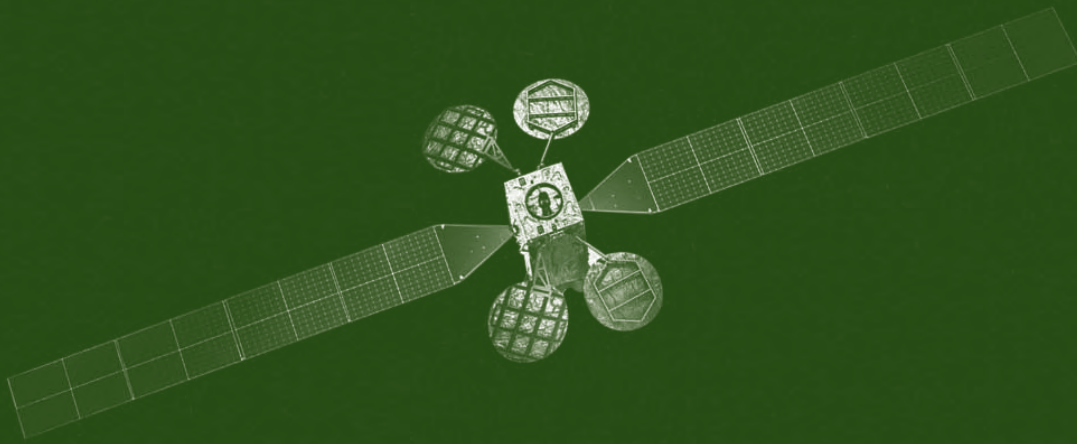
<sup>(2)</sup> Advanced Wireless Network Company Limited (AWN) acquired ordinary shares in CS Loxinfo Public Company Limited (CSL), equivalent to 80.10% of the issued and paid-up capital of CSL, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the office of the Securities and Exchange Commission).

## 2) Other Information

- None -



# Milestones



## General Background

The Company was established on 7 November 1991 by Intouch Holdings Public Company Limited (INTOUCH) (formerly known as Shin Corporation Public Company Limited), and was granted a 30-year Domestic Communications Satellite Operating Agreement by the Ministry of Transport and Communications (currently transferred to the Ministry of Digital Economy and Society). 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 equipment to the MDE once the construction and installations are complete.

On 17 December 1991, His Majesty King Bhumibol Adulyadej officially bestowed the name "THAICOM" on the first of the Company's satellites. Abbreviated from "Thai Communications," the name is symbolic of the linkage between Thailand and modern communications technology. Since its inception, the Company has launched 8 satellites, THAICOM 1, 2 and 3 (now all de-orbited), THAICOM 4, 5, 6, 7 and, most recently, THAICOM 8 (launched into orbit on 28 May 2016, local Thailand 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 24 October 2017, Intouch Holdings Public Company Limited, which is the Company's major shareholder, holds 41.14% of the Company's shares.

## Significant Changes and Developments within the Group during the past 3 years

### 2017

- |               |  |
|---------------|--|
| <b>March</b>  | <ul style="list-style-type: none"><li>At the Annual General Meeting of the shareholders (AGM) of the Company held on 29 March 2017, the shareholders approved the appropriation of a dividend of Baht 0.70 per share, amounting to Baht 767 million. The dividend was paid to shareholders on 26 April 2017.</li></ul>   |
| <b>April</b>  | <ul style="list-style-type: none"><li>On 3 April 2017, the Company received certificates for ISO 9001: 2008 Quality Management System and ISO 22301:2012 Business Continuity Management System (BCMS) for the second consecutive year. These certifications reflect the Company's management of quality and potential business disruption risk through preventative measures and contingency plans.</li></ul>  |
| <b>August</b> | <ul style="list-style-type: none"><li>TRIS Rating affirmed the Company and senior unsecured debentures' ratings at "A-" with a "stable" outlook for the fourth consecutive year. TRIS Rating's decision to reaffirm the Company's ratings at "A-" for 2017 was based on the strength of the Company's market position as a leading satellite service provider as well as its financial status, sufficient degree of liquidity, and moderate level of debt.</li></ul> |

\* For further information and the progress and major developments of CS Loxinfo Plc (CSL), an associate company with shares held by DTV, please see CSL's Annual Registration Statements 2017 (Form 56-1) which is available for download at [www.set.or.th](http://www.set.or.th)

- November**
- The Company received a corporate governance rating of excellent, or 5 stars, for the fifth year in a row (2013 - 2017) from the Stock Exchange of Thailand (SET). This recognition is a milestone as the Company works toward sustainable development by adhering to corporate governance (CG) principles and raising the bar for CG practices that promote transparency and consistently create shared value for all stakeholders. The Company has also been selected for the 2017 Thailand Sustainability Investment (THSI) list based on SET's annual sustainability assessment. This recognition-awarded to the Company for the third consecutive year-reflects a balance of outstanding performance across financial, environmental, social and governance (ESG) dimensions, which are the powerful mechanisms for sustainable development.
  - At the Extra-Ordinary General Meeting of Shareholders (EGM) No. 1/2017 on 30 November 2017, the shareholders approved the sale of all ordinary shares that DTV Service Company Limited (DTV), a subsidiary of the Company, held in CS Loxinfo Public Company Limited (CSL)-a total of 250,099,990 shares or equivalent to 42.07% of all the total issued and paid-up shares of CSL-to Advanced Wireless Network Co., Ltd. (AWN), which is a subsidiary of Advanced Info Service Public Company Limited (AIS), at the offering price of Baht 7.80 per share, totaling Baht 1,950.78 million. The sale of the ordinary shares of CSL will commence upon the making of the Conditional Voluntary Tender Offer by AWN.

## 2016

- January**
- On 19 January 2016, the Company 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 AGM 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 the total of Baht 5,371,500, as reserve for the exercise of warrants. The Company registered the increased share capital with the Ministry of Commerce on 16 May 2016.
  - The shareholders approved the appropriation of a dividend of Baht 0.65 per share, amounting to Baht 712 million. The dividend was paid to shareholders on 26 April 2016.
- May**
- At the Board of Directors' meeting of IPSTAR New Zealand Company Limited (IPNZ), on 25 May 2016, the directors approved a capital reduction from NZD 8.51 million to NZD 3.20 million. A return of capital payment of NZD 5.32 million was paid to its shareholders in June 2016.
  - On 28 May 2016 (Thailand local time), the Company successfully launched the THAICOM 8 satellite into orbit on Space Exploration Technologies Corporation's Falcon 9 rocket from Cape Canaveral, Florida, USA. THAICOM 8 is part of the Company's strategy to create capacity and expand business to serve customer demand in both Thai and overseas markets by providing 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, or BCMS) from the British Standards 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 that is socially and environmentally sustainable.

- 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. The Company was ranked third for Best Mid-Cap and fourth for Best CSR by the region's leading investors and analysts, reflecting 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 for listed companies, receiving a full score for the fourth consecutive year (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 the organization of its AGM, transparent disclosures to shareholders, and the equitable treatment of shareholders.
- TRIS Rating reaffirmed the Company and its senior unsecured debenture ratings for 2016 annual review at "A-" for the third consecutive year. This reflects the Company established market position as the sole satellite communications service provider in Thailand and the market leader for broadband satellite services 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 good operating performance continuously.

#### September

- On 13 September 2016, the Company partnered with Kantana Group Public Company Limited to lead the trend in interactive applications with "Kantana Play" allowing television programs to engage their viewers in real time. Designed to deliver a new and fun-filled experience to viewers, the application went live in time for audiences to enjoy The Face Thailand Season 3 through their smart devices. In the broadcast industry, such applications are driving the trend of providing access to additional program-related content and allowing viewers to be personally invested in programs through their smartphones, tablets, or other smart devices.

#### October

- At the Board of Directors' meeting of IPSTAR Company Limited (IPSTAR), on 3 October 2016, the directors approved the appropriation of USD 21 million for dividends.

#### November

- The Company received a score of "Excellent" or "5 Stars" for the fourth consecutive year (2013-2016) in the 2016 Corporate Governance Report of Thai Listed Companies (CGR).

#### December

- On 9 December 2016, the Company incorporated TC Global Service Limited (TCGS). The authorized 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% 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 had passed the certification process as a member of CAC, and the Company become the 92nd certified company.
- February**
- On 2 February 2015, the Company received a certificate of full membership in "Thailand's Private Sector Collective Action Coalition against Corruption" (CAC) from the Thai Institute of Directors Association (IOD). The Company earned the certificate through engaging in business with transparency, integrity and fairness based on a foundation of corporate governance and commitment to anti-corruption.
- March**
- On 26 March 2015, a resolution was passed at the Company's AGM to approve the issuance of 1,085,300 ordinary shares at the par value of Baht 5 per share, or a total of Baht 5,426,500, as reserve for the exercise of the warrants. The Company registered the increased share capital with the Ministry of Commerce on 8 May 2015.
- June**
- On 10 June 2015, the Company developed and launched a 2nd Screen application for smart devices to add another dimension to the television and movie viewing experience and better serve customer lifestyles.
- July**
- On 13 July 2015, the Company was ranked eighth on the list of 2014 Top Fixed Satellite Service Operators by SpaceNews, a leading weekly newspaper and website for the global space industry. The Company's rank on the list, based on revenue generation, increased from tenth in 2013 as a result of launching the THAICOM 6 and 7 satellites into orbit and increasing utilization on the Company's broadband satellite, THAICOM 4.
- August**
- On 17 August 2015, the Ministry of Defense and the Company signed a memorandum of understanding (MOU) for collaboration in satellite communications and exploration into the possible co-development of a satellite project between the Thai government and the Company. This collaboration will also create and develop capability in terms of people, technology, and management which will maximize benefits for the country through application to national security and other government 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 on 1 October 2015.
  - On 16 October 2015, the Company was on the 2015 "Thailand Sustainability Investment" list published by the Stock Exchange of Thailand. The Company is one of the selected companies meeting economic, social and environmental criteria specified by the Global Reporting Initiative (GRI).
  - On 19 October 2015, the Company received a score of "Excellent" or "5 Stars" for the third consecutive year (2013-2015) in the 2015 Corporate Governance Report of Thai Listed Companies (CGR) conducted. The Company was among 55 listed companies to be awarded a score of "Excellent," out of a total of 588 listed companies.

- On 23 October 2015, Shenington Investment Pte. Limited (SHEN) and Lao PDR's government officially reached an agreement to extend the Joint Venture Agreement and the Master Agreement for the Development of Telecommunications Services in the Lao PDR, allowing Lao Telecommunications Co., Ltd. (LTC), a joint venture held through SHEN, to obtain rights to operate communication services in Lao PDR until 2046, an additional 25 years.
- 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 reflects through the Company's management efficiency and corporate governance standards.

#### November

- On 17 November 2015, the Thai Institute of Directors, in collaboration with six leading private sector organizations, namely the SET, the Thai Chamber of Commerce, the Federation of Thai Industries, the Thai Bankers' Association, the Thai Listed Companies Association, and the Federation of Thai Capital Market Organizations, presented the 2015 Board of the Year Awards to top performing boards of Thai listed companies. The Company's Board of Directors was awarded "Board of the Year for Distinctive Practice" for the third consecutive year, and received an honor of "Board with Consistent Best Practices". In addition, the Company's Audit Committee was also recognized as "Audit Committee of the Year". These prestigious awards from leading organizations demonstrate the Board's commitment to success in driving corporate governance and building confidence in the Company among its stakeholders.

# Nature of Business and Income Structure

## Business Overview

The Company'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 Communication 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"):



- 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 operator services in satellite transponder leasing, valid for 20 years from 26 June 2012 to 25 June 2032
- Internet Services Type I License to provide mobile Internet services and Co-location services without own network under the scope of Internet Services Type I License, valid for 5 years from 7 May 2015 to 6 May 2020

### Remarks

- (1) Type I License: a license granted to the telecommunications business operator who operates without his or her own network for telecommunications services which are deemed appropriate to be fully liberalized.
- (2) Type III License: a license granted to the telecommunications business operator who operates with his or her 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 ventures to operate and provide satellite and related services:

Name	Type of Business
IPSTAR Company Limited	Providing THAICOM 4 transponder services
IPSTAR New Zealand Company Limited	Providing THAICOM 4 transponder services and sale of user terminals for THAICOM 4 in New Zealand
IPSTAR Australia Pty Limited	Providing THAICOM 4 transponder services and sale of user terminals for THAICOM 4 in Australia
Orion Satellite Systems Pty Limited	Providing satellite communications services and business solutions
IPSTAR International Pte Limited	Providing THAICOM 4 transponder services and sale 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 sale of user terminals for THAICOM 4 in Japan
IPSTAR (India) Private Limited	Sale of satellite equipment and providing technical support in relation satellite business
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics
TC Broadcasting Company Limited	<p>Providing broadcasting, television and telecommunications services under following licenses granted by the NBTC:</p> <ol style="list-style-type: none"> <li>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</li> <li>2. Telecommunication Services Type II License to provide network and services, valid for 15 years from 10 November 2015 to 9 November 2030</li> </ol>
International Satellite Company Limited	Providing THAICOM 7 and THAICOM 8 transponder services
TC Global Services Company Limited	Providing technology services

## 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	<p>Sale of direct television equipment, providing system integration consultancy services for broadband networks and broadband content services under the following licenses granted by the NBTC:</p> <ol style="list-style-type: none"> <li>1. Internet Services Type I License, to provide internet services without their own network, valid for 5 years from 18 October 2014 to 17 October 2019</li> <li>2. License to operate network services, to provide satellite TV broadcasting network not requiring the use of frequency at the national level, valid for 15 years from 21 January 2013 to 20 January 2028</li> <li>3. License to operate TV satellite services - TV channel</li> </ol>
Cambodian DTV Network Limited	Sale of direct television equipment in Cambodia
Lao Telecommunications Company Limited	Providing Internet services in Lao People's Democratic Republic
CS LoxInfo Public Company Limited	<p>Providing corporate customers with solutions for broad range of Internet-based services under the following licenses granted by the NBTC:</p> <ol style="list-style-type: none"> <li>1. Internet Service Provider Type I License, valid for 5 years from 8 September 2014 to 7 September 2019</li> <li>2. Telecom Operation Type I License, valid for 5 years from 11 October 2014 to 10 October 2019</li> <li>3. International Internet Gateway Provider and Internet Exchange Type II License to provide services with own network, valid for 5 years from 26 April 2017 to 25 April 2022</li> <li>4. Telecom Operation Type III License, valid for 15 years from 20 December 2007 to 20 December 2022</li> </ol>
Teleinfo Media Public Company Limited	Providing advertising platforms through print, website, PC, and mobile media for individual and business users including call center services
AD Venture Public Company Limited	Providing content through mobile phone and community portal services





### 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 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 another 25 years, from 2021 to 2046

Name	Type of Business
Lao Telecommunications Company Limited	Providing 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 years 2016 and 2017 is as follows:

Unit : Million Baht

Type of Business	Operating Company	2017		2016	
		Revenue	%	Revenue	%
Satellite and related services	Thaicom, TC Broadcasting, and IPSTAR Group	6,475	89.58	8,414	93.69
Media services	DTV Service and Cambodian DTV Network CS Loxinfo	299	4.14	310	3.45
Segment elimination		-85	-1.18	-82	-0.91
Net foreign exchange gain (loss)		152	2.11	152	1.69
Other revenues		387	5.36	188	2.09
<b>Total revenue</b>		<b>7,228</b>	<b>100.00</b>	<b>8,981</b>	<b>100.00</b>

Sales and services revenue by geographic area for the years 2016 - 2017:

Unit : Million Baht

Country	2017	2016
Thailand	3,377	4,328
China	217	299
India	686	706
Japan	834	631
Myanmar	365	529
Others	1,209	2,148
<b>Total</b>	<b>6,689</b>	<b>8,642</b>

## Nature of Business Operation

Thaicom's business operations can be divided into three main sectors 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: Conventional Satellite and Broadband Satellite (or High Throughput Satellite, HTS).

- **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). Through 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, 6, 7 and 8 and one broadband satellite-THAICOM 4. The specifications of Thaicom's satellite fleet are as follows:

	THAICOM 4	THAICOM 5	THAICOM 6	THAICOM 7	THAICOM 8
<b>Satellite Type</b>	Broadband High Throughput Satellite (HTS)	Conventional	Conventional	Conventional	Conventional
<b>Orbital Slot</b>	119.50° East	78.50° East	78.50° East	120° East	78.50° East
<b>Manufacturer</b>	Space Systems Loral, (USA)	Aerospatiale (France)	Orbital Sciences Corporation (USA)	Space Systems Loral (USA)	Orbital ATK (USA)
<b>Model</b>	LS-1300S	Spacebus 3000	Star 2.3	LS-1300	Star 2.4
<b>Design Life</b>	12 years	12 years	15 years	15 years	15 years
<b>Launch Date</b>	August 2005	May 2006	January 2014	September 2014	May 2016
<b>Capacity / Transponder</b>	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

	THAICOM 4	THAICOM 5	THAICOM 6	THAICOM 7	THAICOM 8
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 does not take into account any concessions or licenses for satellite operation.

## 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, high definition, and ultra-high definition formats to customers such as terrestrial TV operators, satellite TV operators and content providers, allowing them to transmit television programs or content to receiving stations under Thaicom's coverage area. Our contribution and distribution services are the perfect choice for operators to transmit television programs and content to various destinations including 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 services in standard definition, high definition, and ultra-high definition formats to pay-TV broadcasters and satellite TV operators, giving them direct access to DTH viewers using small satellite antennas. In addition, to enhance our customers' capabilities and competitiveness, the company provides a 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, the Thaicom Teleport and DTH Center are equipped with state-of-the-art facilities to support any domestic and international satellite broadcasting requirement. 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 standard definition, high definition and ultra-high definition formats, satellite uplink, signal monitoring and logging as well as a new over-the-top (OTT) platform.

Thaicom also cooperates with a subsidiary company: TC Broadcasting Co. Ltd., who provides multiplexing, encoding, uplinking, and downlinking services for Thai content channels.

### 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 the THAICOM 4 (IPSTAR) satellite, providing customers with more choices and flexibility to better serve their requirements.

## **2.2) IPSTAR Carrier**

The Company provides cost-effective, end-to-end satellite broadband services allowing mobile operators to backhaul their mobile traffic via satellite in the areas where terrestrial networks 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.

## **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 and emergency communications for crisis-affected areas, distance learning for schools, community broadband Internet, or reliable VPN networks for broadband Internet and e-Government services, IPSTAR is a proven solution for governments to extend their communications reach on a nationwide scale.

## **2.5) Mobility**

To adapt to changing consumer behavior which seeks greater access to information and communication anywhere anytime, the Company has developed mobility services, In-Flight Connectivity (IFC) and Maritime Service, in the air and at sea for commercial airlines and shipping companies to offer passengers broadband internet access for social media, web service, and email on board.

## **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 by 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. Currently, there are 15 active IPSTAR gateways in 10 countries in Asia-Pacific.



## Industry Outlook, Competition and Strategies in 2018

### 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 55% of total demand in the next decade. In the meantime, the video contribution and distribution services are expected to contribute 35%, and Direct-to-Home (DTH) service is expected to contribute 21% of demand (Source: Global Satellite Capacity Supply and Demand Study, 14th Edition).

#### Asia-Pacific

The C-band and Ku-band transponder demand in Asia-Pacific is expected to grow steadily in the next decade, which is in line with global demand. Video contribution and distribution services are expected to contribute 31% while DTH service is expected to contribute 25% 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 the Thai broadcast industry.

#### Africa

The ongoing massive digitization of emerging Africa, the second largest and second most-populous continent in the world, offers numerous opportunities to operators and media distributors to reach new markets and bring new services to the end users. Due to the continent's huge size, rugged terrain, and vast areas beyond the reach of terrestrial infrastructure, satellites will continue to play an important role to fulfill growing demands in this region. The demand for video contribution and distribution services is expected to increase exponentially in the next ten years, contributing 38% of

the total demand in the region due to the high rate of African content localization, whereas the demand for broadband access, such as in enterprise and mobility markets, is also expected to continue to grow 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 Luxembourg, 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 and cable TV through our satellites located at 78.5 degrees East, building barriers to entry for other satellite operators. For international markets, the Company still holds the leading position in market share in the Greater Mekong Subregion and as one of the major satellite operators in South Asia. Over the past year, the Company has strengthened our positioning in those regions.

#### Africa

Many satellite operators are interested in 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 a 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 2018**

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 2017, the number of satellite TV channels transmitting from 78.5 degrees East increased to 1,003 channels (with 143 HD channels), up from 897 channels in 2016.

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 high definition and ultra-high definition 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 to this market and form strategic partnerships with regional operators to provide broadcast and telecommunications services such as mobile backhaul, VSAT service and full/back-up IP trunking service.

## **2) Broadband and Data Industry Outlook**

Northern Sky Research (NSR) expects global broadband service demand to increase exponentially in

the next decade, with Asia-Pacific being the region with the second highest demand after North America, and having a compound annual growth rate of 37%, higher than that of any other region in the world.

Broadband service demand in Asia-Pacific is expected to increase mainly from the business and retail markets, each contributing to 48% and 45% of growth, respectively. Meanwhile, the mobility market has the highest compound annual growth rate, at 59%, followed by the government market at 46%, business market at 37% and retail market at 36% (Source: Global Satellite Capacity Supply and Demand Study, 14th Edition).

### **Broadband Satellite Competition**

In the past year, the broadband satellite industry has become more competitive as more players-including major operators offering Geostationary Orbit High Throughput Satellite constellations and Australia’s national broadband satellite (NBN Co. Limited)-have entered into the market. Additionally, operators such as O3B, who owns a Medium Earth Orbit High Throughput Satellite constellation, have added unique services to the market. However, the major operators serve different market segments, and require technical testing, and must obtain landing rights in each country in order to provide services locally. Meanwhile, NBN Co. Limited provides services in Australia only. Hence THAICOM 4 (IPSTAR) will likely maintain its competitiveness as the first mover, with over ten years of presence in the broadband market and landing rights in more than ten countries in the region.

### **Strategies in 2018**

The Company places importance on enhancing bandwidth efficiency, for both the IPSTAR platform and business partners’ platforms, to increase the bandwidth utilization of THAICOM 4 (IPSTAR), especially in Thailand, India, and the Philippines. The Company is also diversifying its broadband business from wholesale to retail in potential markets where the Company has competitive advantages such as Australia and New Zealand.

In regards to adjacent new services, the Company continues to cater to changing consumer behavior by developing mobility platforms, focusing on maritime services and smart platforms as well as Over-The-Top (OTT) services to deliver video and other media to viewers over the Internet anywhere, anytime.

### **1.2 Radio or Television Broadcasting Network Services not using radio frequencies and operated by TC Broadcasting Company Limited (TCB)**

#### **Nature of Products or Services**

The radio or television broadcasting network services offered by TCB 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, TCB has also expanded 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 services.
3. Income from the provision of IPTV Network services (transcoding & streaming services)

#### **Future Service Plan**

TCB has developed a business plan for radio or television broadcasting network services by preparing new technologies in satellite television broadcasting and IP television broadcasting which are able to offer high quality audio and video signals in standard definition, high definition and ultra-high definition, in order to provide audiences with enhanced quality while supporting the growth of Thailand's broadcasting

industry. In addition, TCB has also developed a business plan to offer the services via other communication channels including mobility solutions for vehicles such as ships and aircraft.

#### **Business Privilege and Restrictions**

TCB was granted a license by the 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. In addition, TCB has been permitted to provide service for the Free Television Broadcasting via Satellite (must-carry rules) according to the notification of the NBTC on criteria for free television broadcasting. TCB has also been permitted to expand services via IP networks, with service coverage in all areas of Thailand.

### **1.3 Telecommunications network and service provision operated by TC Broadcasting Company Limited (TCB)**

#### **Nature of Products or Services**

Telecommunications network and service provision 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 these services, users can access information in different formats, such as audio, video, and data feeds, via satellite networks 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 telecommunications services for broadcasting network service providers, telecommunications service providers, and individuals across the country, including mobility solutions for vehicles such as ships and aircraft.

#### **Business Privilege and Restrictions**

TCB was granted a type III license by the NBTC for a period of 15 years, starting from 10 November 2015 and continuing until 9 November 2030, to operate telecommunications network and services consisting 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 has always operated businesses by focusing on customer needs and requirements. CSL operations are performed to ensure that the customer expectations are met in the Digital Economy Era, or Thailand 4.0. Thus, we have set up strategies to provide 3C services: “Connect” 1) Internet for Corporate Customers 2) High-speed Internet for Condominium Residents; “Continue” 1) Data center 2) Cloud Services; and “Create” ICT Solutions by developing an Internet network, a computer center, various ICT Solutions, as well as a development team to ensure that we follow the international standards (ISO).

(For more information, please see CSL’s Annual Registration Statements (Form 56-1) for the year 2017, which is available for download at [www.set.or.th](http://www.set.or.th))

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

TMC is 99.99% owned by CSL. TMC is the leader in the comprehensive business database, a medium connecting buyers to sellers under the brand “Thailand YellowPages.” We have created all types of product and service databases including business to business (B2B), business to consumers (B2C), and the government sector nationwide. In addition, we have developed our digital services to comprehensively move forward in line with the digital age for SME entrepreneurs.

(For more information of TMC, please see CSL’s Annual Registration Statements (Form 56-1) for the year 2017, which is available for download at [www.set.or.th](http://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, are provided under the name of “Shinee.com.” It also acts as a portal website providing online information under the name “hunsacom.” Moreover, ADV develops applications for smartphone users and can develop customized applications to meet customers’ needs.

(For more information of ADV, please see CSL’s Annual Registration Statements (Form 56-1) for the year 2017, which is available for download at [www.set.or.th](http://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 education 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 the sale of DTV satellite dishes (full set) and/or IRD Boxes
2. Income from the sale 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, DTV provides access to many outstanding satellite TV channels and programs, including news, documentaries, movies, cartoons, music, and several education channels. DTV 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 works with each customer to analyze the customer's needs and then devise solutions that utilize satellite communications or Internet media formats. Solutions provided are as follows:

1. Platform services such as IPTV, VDO Conferencing, Data Transfer, and Multimedia Online
  2. System integration to service network and software
- ##### 2.1 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. Service can also be extended to include 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.

##### 2.2 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 as 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 services
  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 sale
  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 providing marketing services, or systems developed by DTV, such as IPTV Channel (Internet TV channel) and 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 sale 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 enter 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 as DTV does, while others provide TV channels via cable TV networks. DTV focuses on reaching new buildings, especially condominiums. DTV also focuses on the installation of TV networks with HDTV boxes inside customers' buildings, which will provide viewers with higher quality viewing than regular boxes do. 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 group 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. In addition, DTV provides marketing services to support the sale of services, platforms, or applications for customers.

## **(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 where the emphasis is on direct contact with customers to give product descriptions, gather customers' needs, demonstrate 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 instead 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 trade, 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 a service user/service provider relationship with an 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, Internet Service Type I License - DTV was granted a type I license by the NBTC to provide Internet services for 5 years from 18 October 2009 to 17 October 2014. DTV has already submitted an 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 was granted a license by the NBTC to operate a voice or TV broadcasting network not requiring the use of frequency at the national level. The license was 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 was granted the Broadcasting Operation Licenses by the NBTC to provide TV broadcasting services:

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 5 years from 24 November 2017 to 23 November 2022
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. DTV has requested that the NBTC cancel the license to operate TV Broadcasting for Bayon TV and the NBTC has resolved to approve the cancellation of this license, effective from 31 July 2017.
7. License to operate TV Broadcasting for TVK, valid for 2 years from 13 July 2016 to 12 July 2018. DTV has requested that the NBTC cancel the license to operate TV Broadcasting for TVK and the NBTC has resolved to approve the cancellation of this license, effective from 31 July 2017.

## 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 Product

The Company sells satellite TV reception sets (dishes and set-top boxes) to receive broadcast signals from THAICOM 4 and THAICOM 8 Ku-band transponders which can be sold as a complete set or as a set-top box alone. With high satellite signal quality, customers can watch Cambodian TV channels clearly, especially free Cambodian TV and entertainment channels which are only broadcast via satellite. CDN sells all products through an established dealer network with many distribution outlets across Cambodia, including satellite shops, electrical appliance stores, and department stores.

#### Types of Income

1. Income from sales of satellite receiver dishes and set-top boxes, sold separately or as complete sets
2. Income from sales of satellite receiver accessories or spare parts such as remote controls and LNB units

### (2) Lease of Satellite Channels 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) content.

#### Types of Income

1. Income from service payments for transponder leasing on a per-use basis for broadcasts of irregular programs, e.g. 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 reach 100% of Cambodia. With the advent of the ASEAN Economic Community, CDN also plans to expand its business into Thailand, Lao and Vietnam.

In 2018, CDN will be ready to expand business into PAY TV alongside local TV and cable TV operators through our 600,000-viewer-strong CDN platform. Other than that, CDN is interested in partnering with TV ratings operators in order to deliver real-time data and behaviour of TV viewers in Cambodia. CDN is also considering providing TV access for home viewers in high rise residential buildings.

## **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 competing for customers. The TV broadcasters, including cable, satellite, and terrestrial TV, are competing based on pricing and the number of channels each can provide. In 2017, CDN increased the number of HD channels to 7 channels. Other than that, CDN has developed a Conditional Access System in order to protect the business from illegal STB 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 in line with the following service categories:

- 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 volume. In 2017, CDN had a total of 28 dealer outlets to cover more areas and generate 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 operators needing to broadcast in HD.

### Description of Customers and Relationship between CDN and its Customers

- Satellite Receiver Set Sales - Customers include distributors of electrical appliances or satellite dishes as well as modern trade 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**

##### **(1) 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, 2300 & 2600 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, MBB for pre-paid and post paid mobile phones
- International Roaming Service
- Value-added services for mobile phones

## (2) 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 ETL. The agreement was completed in the third quarter of 2017. Meanwhile, UNITEL is a joint venture between the government and Viettel, a Vietnamese company. BEELINE was a private company, owned by VIMPELCOM, a Russian company. 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 2017. In 2017, LTC continued to expand 3G and 4G service coverage and capacity in Vientiane and key economic provinces, providing coverage through 2,180 3G sites and 1,284 4G sites. LTC has a total of 1,547,291 mobile phone subscribers (Source: LTC information as of the end of December 2017).

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 436,970 fixed wireless subscribers (Source: LTC information as of the end of December 2017).

Meanwhile, the Mobile Broadband Service (MBB) saw significant growth on the part of Internet SIM Cards, both in terms of subscribers and revenue in 2017. LTC has a total of 886,567 MBB subscribers (Source: LTC information as at end of December 2017).

Overall, wireless services consist of:

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



LTC has a total of 3,043,601 wireless subscribers (Source: LTC information as at end of December 2017).

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 2017, contributing 58% of total revenue. Combined, the digital phone and fixed wireless local loop services have approximately 4 million subscribers (based on revenue generating numbers only). Approximately 9% of total mobile phone subscribers are in the prepaid 4 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 centers 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** 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 2017, LTC continued to place an emphasis on strengthening the Company's corporate culture and focus on sustainable growth and development. The Company extended the 'Best Business Practices' and 'Business Processes Improvement' training to its regional centers.

#### 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 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 2017, LTC announced a dividend payment of USD 26 million to shareholders for LTC's 2016 performance. Over the last 20 years, through the end of 2017, LTC has fully paid dividends in the total amount of USD 219.5 million with no outstanding dividends as of the end of 2017.



# 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 Business 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, summarizing and reporting all risks to the Board of Directors for consideration, review and determination of 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.

## Strategic Risk

### 1. Risk from unclear government policy on the regulation of communications satellite.

The company was notified by the Ministry of Digital Economy and Society (MDES) that the MDES has delayed the submission of satellite network filings for the THAICOM 9 satellite to the ITU after the MDES had already submitted the filing documents to the ITU. Later, the MDES withdrew the filing from the ITU system, arguing that the MDES was in the process of setting a policy. At present, the government is still working to set up a national policy for orbital slots use. As a result, all satellite operators in Thailand which have been granted a telecom license cannot start a new satellite project for about 2 years.



If the government does not come to a conclusion in the regulatory framework by 2018, it will impact on the satellite industry, which is the key to driving the country into security, prosperity and sustainability. The results can be summarized as follows.

- (1) Impact on an operator: It is not possible to build a new satellite to replace the current one that nearly expires in time, resulting in the loss of customers because there is no capacity to serve both domestic and foreign customers continuously. In the past year, the company has been affected by the fact that foreign customers who have signed contracts to use the THAICOM 9 satellite in advance around more than 1 billion baht have canceled their contracts and moved to use foreign satellites due to the delay of Thaicom 9 even it received a license from the NBTC. The delay was due to the fact that MDES had withdrawn the filing for THAICOM 9 from the ITU system, arguing that the ministry is still in the process of setting the policy.
- (2) Impact on business continuity in both domestic and international customers who use satellite transponders: Usually, the satellite business (both service providers and users) have to plan ahead of time because they require a high investment and take time to complete.

(3) Affect countries (states and peoples)

3.1 Thailand shall lose the right of orbital slot to another country in accordance with ITU rules.

3.2 Impact on the security of foreign satellites

3.3 Impact on economy and loss of foreign currency income if customers transfer to foreign satellites instead of Thai satellites.

To prevent and reduce the impact of such risks, the Company has prepared the following framework.

- 1) Management of all customers using Thaicom satellite services by allocating all transponders to accommodate and satisfying all customer needs as much as possible.
- 2) Providing additional satellite capacity with international business partners.
- 3) Negotiate with the MDES in order to continue operating Thaicom satellites under the concession agreement after the concession end under the Clause 40 Renewal of the contract shall be “before the expiration of this Agreement if the Company wishes to continue its business under this Agreement. The company will propose a new agreement with the MDES within the 25th year from the date of signing this contract from September 11, 2015 to September 10, 2016”. The Company submitted a proposal for a new agreement to the Ministry on August 15, 2016, within the framework of the contract period. The Ministry has issued a letter to the Company on November 1, 2016, acknowledging the proposal of the company. The ministry is currently considering the proposal.

However, the Company has submitted an additional proposal for the new agreement after the end of concession to the MDES on December 14, 2017. The company will negotiate with the MDES to get the conclusion soon.

## 2. 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 Telecommunications 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, or 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, future outlooks for the industry and including the Company's proposal for State's benefits. 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.

Since the Company provided such information and the state benefit proposal for the overall communications satellite business, the Company has not been receiving the consideration result responding to the Company's proposal. In vice versa on August 7, 2017, the Ministry officially informed the Company that THAICOM 7 and THAICOM 8 are the satellites under the Concession Agreement and invited the Company to discuss the approach for compliance with the Concession Agreement. The Company attended the meeting and provided Company's opinion by insisting that THAICOM 7 and THAICOM 8 are not the satellites under the Concession Agreement. However, in order to settle and solve the problem, the Company has proposed another approach (not the concession) which will bring the maximum benefit to the country for the Ministry to consider.

The Company has not receive any notice from the Ministry responding to the proposed resolution until 5 October 2017, the Ministry sent a letter again confirming that THAICOM 7 and THAICOM 8 were under the concession and accelerates the Company to comply with the agreement such as the transfer of ownership, delivery of assets, preparation of backup satellites, payment of concession fee and also property satellite insurance.

In this regard, the extraordinary meeting of the Board of Directors No. 11/2017 dated 24 October 2017 at 17.00 was arranged to consider this agenda together with the legal consultant cautiously and

carefully. The Company has concluded that THAICOM 7 and THAICOM 8 are not the satellites under the Concession Agreement since the operation of both satellites are under the license framework granted by the NBTC. Also, the Company has complied with the terms and conditions of the Concession Agreement completely with the different perspective between the Ministry and the Company. The meeting resolved that the Company has submitted a formal letter to argue that the Ministry opinion by confirming that the THAICOM 7 and THAICOM 8 operate under the license framework. Therefore, the Company has the right to use the article no. 45.1 of the Concession Agreement by bringing the matter into arbitration to be the judge. The Company filed its dispute with the Thai Arbitration Institute on 25 October 2017, as a black case no. 97/2560.

According to Clause 45.6 of the Concession Agreement, in the event that the dispute is pending arbitration, the parties still have to comply with the terms of the Concession Agreement. Therefore, while the dispute is pending arbitration, the Company has no duties in compliance with the opinion of the Ministry referred to above until the arbitral award.



## 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 financing, 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 degrading the satellite's ability to uplink and downlink signals. 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. These plans include 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 policy for Thaicom satellites. 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. This could possibly affect 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. Non-compliance with the undertaking and Terms and Conditions required in the Loan Agreement and Debentures

Currently, the Company is financed through both Long Term Loan and Unsecured Debentures. As per undertakings as well as terms and conditions, the Company has to comply as required in the Loan Agreement and Debentures in order to avoid any breach that may lead to event of default, triggering the call options of Loan and Debentures.

Risk from non-compliance with the terms and conditions required in the agreements may occur when the Company fails to perform any of its financial covenants, undertaking, obligations or non-payment of principal and interest on due date, including any event or any circumstance occurs which might have a material adverse effect or material adverse change on any operations or business of the Company. To be declared or accelerated of all indebtedness by the lenders may affect the Company's financial position, liquidity, and cash flow if the Company cannot find the new financing to repay the called loan and debentures in time.

However, the Company mitigates the risk by closely monitoring and controlling the conditions of Loan and Debenture in order to avoid any breach. Currently, the Company maintains the debt to equity ratio lower than the covenant required in the Loan Agreement, healthy financial position, and cash flow. The Company also has available short-term credit lines which can be used in case of the declaration or acceleration of Loans and Debentures are exercised. During the year, the Company had also partially prepaid the Long-Term Loans to minimize this risk.

### 2. 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 results, as it usually takes time to attract new customers. However, the Company's major customers usually make their payments on time, as they must broadcast their programs for their viewers. In addition, changing to other satellites 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

undertaking. 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. Moreover, the Company consistently maintains good relationships with its customers to ensure customer satisfaction and win-win cooperation, as well as regularly conducts a customer health report of its major customers.



## Compliance Risk

### 1. Domestic Communications 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 (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 has to 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 new 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 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 has 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 of 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

<sup>1</sup> Intouch Holdings Public Company Limited, changed its name from Shin Corporation Public Company Limited

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 regarding 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

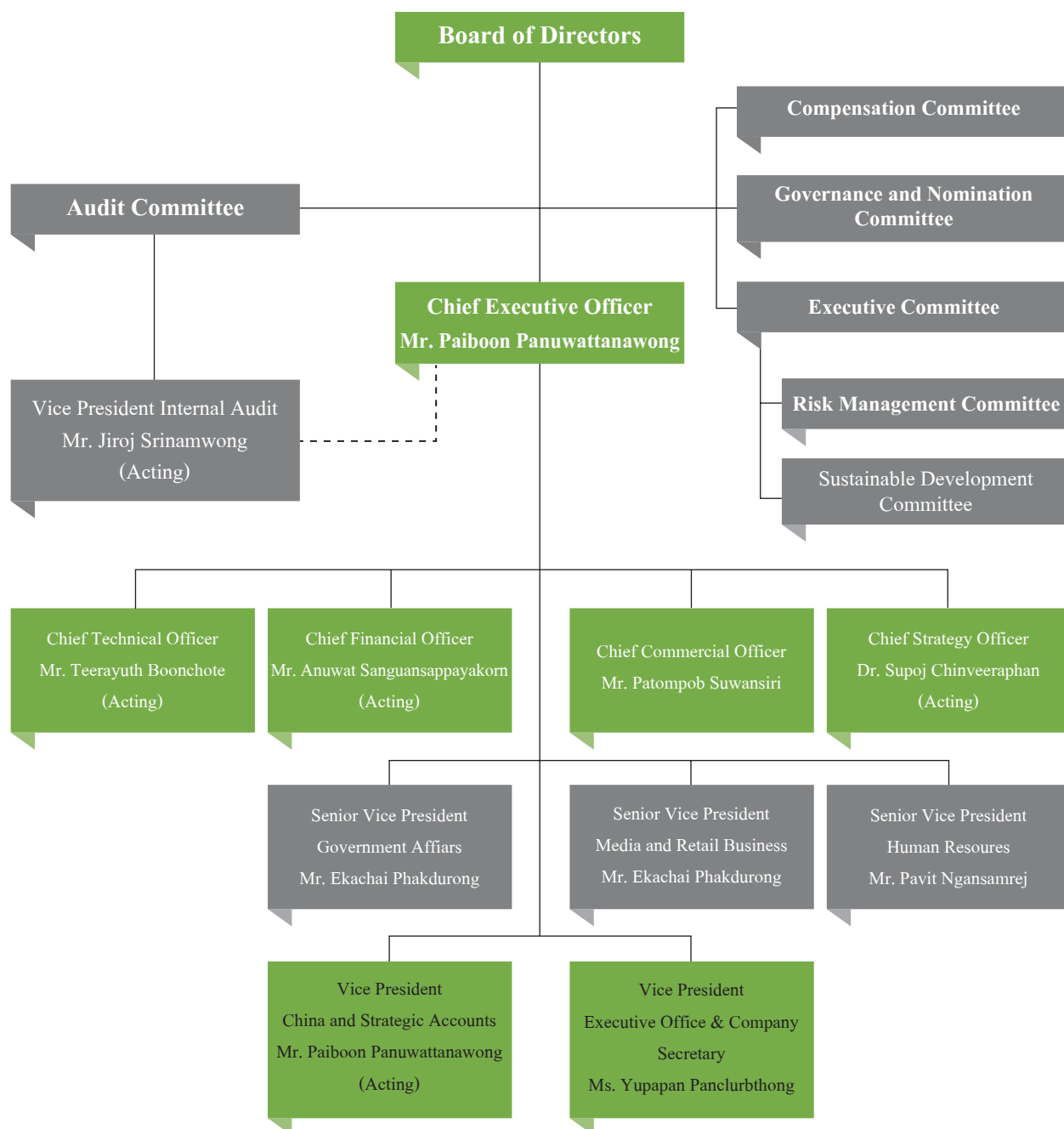
specifications of the satellites. Under this agreement any subsequent satellite shall not be of lower specifications than the initial main satellite. However, the number of transponders and frequency on the satellites will depend on the joint consideration of the Ministry and the Company.

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 regarding further procedure.



# Management and Corporate Governance

## 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 September 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 2017, the Company's Board of Directors comprises the following 11 members:

Name of Directors	Position	Date of Appointment <sup>(1)</sup>
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 Mekkiengkrai	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	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 <sup>(2)</sup>	Independent Director, Member of the Compensation Committee, and Chairman of the Executive Committee	1 October 2015
8. Mr. Kwek Buck Chye <sup>(3)</sup>	Director, Member of the Governance and Nomination Committee, and Member of the Executive Committee	27 March 2015
9. Mr. Anek Pana-Apichon <sup>(4)</sup>	Director and Member of the Executive Committee	1 July 2017
10. Mr. Paiboon Panuwattanawong	Director, Member of the Executive Committee, and Chief Executive Officer	1 October 2015
11. Mr. Virasak Kititvat <sup>(5)(6)</sup>	Director	29 March 2017

**Remarks** <sup>(1)</sup> Date of Appointment means the first date appointed as a Director of the Company.

<sup>(2)</sup> Mr. Prasert Bunsumpun was appointed as Member of the Compensation Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by the resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.

<sup>(3)</sup> Mr. Kwek Buck Chye was appointed as Member of the Governance and Nomination Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by the resolution of the Board of Directors Meeting No. 4/2017 held on 29 March 2017, effective from 29 March 2017.

<sup>(4)</sup> Mr. Anek Pana-Apichon was appointed as Director in replacement of Mr. Philip Chen Chong Tan who resigned, by the resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.

<sup>(5)</sup> Mr. Virasak Kititvat was appointed as Director, by the resolution of the 2017 Annual General Meeting of Shareholders held on 29 March 2017, effective from 29 March 2017.

<sup>(6)</sup> Mr. Virasak Kititvat resigned as Director, effective from 12 January 2018.

**Authorized Directors of the Company**

The directors who are authorized to sign on behalf of the Company are Mr. Paiboon Panuwattanawong and Mr. Anek Pana-Apichon, who must jointly sign and affix the Company's seal.

**Board of Directors' Attendance**

In 2017, the Board of Directors (Board) held 14 regular and extra meetings, 1 meeting between Independent Directors (ID) and 1 meeting between Non-Executive Directors (NED), with the details of attendance for each director shown below:

Name of Directors	Meeting Attended / Total Meetings (Times)					Remarks
	AGM 2016 General	EGM No. 1/2017	BOD Meeting	ID Meeting	NED Meeting	
1. Mr. Paron Israsena	Present	Present	11/14	1/1	1/1	
2. Prof. Hiran Radeesri	Present	Present	14/14	1/1	1/1	
3. Mrs. Charintorn Vongsbootorn	Present	Present	14/14	1/1	1/1	
4. Prof. Samrieng Mekkiengkrai	Present	Present	14/14	1/1	1/1	
5. Mrs. Patareeya Benjapolchai	Present	Present	14/14	1/1	1/1	
6. Mr. Somprasong Boonyachai	Present	Present	12/14	-	1/1	
7. Mr. Prasert Bunsumpun	Present	Present	12/14	1/1	1/1	
8. Mr. Kwek Buck Chye	Present	Present	13/14	-	1/1	
9. Mr. Philip Chen Chong Tan	Present	-	5/6	-	-	Resigned on 30 June 2017
10. Mr. Anek Pana-Apichon	-	Present	8/8	-	1/1	Started on 1 July 2017
11. Mr. Paiboon Panuwattanawong	Present	Present	13/14	-	-	
12. Mr. Virasak Kittivat	-	Absent	4/11	-	0/1	Started on 9 March 2017 and resigned on 12 January 2018

**1.2 Management**

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

Name of Executive	Position
Mr. Paiboon Panuwattanawong	Chief Executive Officer
Mr. Anuwat Sanguansappayakorn <sup>(1)</sup>	Acting Chief Financial Officer
Mr. Patompob Suwansiri	Chief Commercial Officer
Mr. Teerayuth Boonchote	Acting Chief Technical Officer
Mr. Supoj Chinveeraphan	Acting Chief Strategy Officer

**Remarks** <sup>(1)</sup> Mr. Anuwat Sanguansappayakorn was appointed as Acting Chief Financial Officer in replacement of Mr. Vuthi Asavaseramcharoen, by resolution of the Board of Directors Meeting No. 7/2017 held on 4 August 2017, effective from 1 September 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 she 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. Compensation of Board members is determined based on their duties, responsibilities and performance. The Chairman of the Board of Directors and Chairman of the Audit Committee have received additional compensation according to their duties and responsibilities. The compensation is compared with directors' compensation at other listed companies of similar type and size. The level of compensation shall be set to motivate and retain quality directors on the Company's Board.
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, per diem allowance while traveling for the Company's business, bonuses, and life insurance which shall be approved at the shareholders meeting.

At the 2017 Annual General Meeting of Shareholders, held on 29 March 2017, the shareholders approved total remuneration for the Board of Directors and sub-committees in an amount not exceeding 25 million Baht, which is the same amount set for the year 2016.

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 2017 (Baht)		
	Monthly Allowance	Meeting Allowance (per meeting)	Annual Remuneration
<b>Board of Directors</b>			
Chairman	200,000	✕	✓
Director	50,000	25,000	✓
<b>Audit Committee</b>			
Chairman	25,000	25,000	✓
Member	✕	25,000	✓
<b>Executive Committee</b>			
Chairman	25,000	25,000	✓
Member	✕	25,000	✓
<b>Other Sub-Committee</b>			
Chairman	10,000	25,000	✓
Member	✕	25,000	✓

- Remark**
- (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 costs.
  - (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 benefits for the Chairman, Independent Directors and Non-Executive Directors

totalled Baht 19,092,500. 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 (Baht)							Annual Remuneration	Total
	Board of Directors	Audit Committee	Compensation Committee	Governance and Nomination Committee	Executive Committee	Independent Directors Meeting	Non-Executive Directors Meeting		
1. Mr. Paron Israsena <sup>(1)</sup>	2,400,000	-	-	-	-	-	-	975,000	3,225,000
2. Prof. Hiran Radeesri	950,000	600,000	-	-	-	25,000	25,000	877,500	2,477,500
3. Mrs. Charintorn Vongspootorn	950,000	300,000	195,000	-	-	25,000	25,000	675,000	2,170,000
4. Prof. Samrieng Mekkiengkrai	950,000	300,000	75,000	75,000	-	25,000	25,000	675,000	2,125,000
5. Mrs. Patareeya Benjapolchai	950,000	275,000	-	195,000	-	25,000	25,000	675,000	2,145,000
6. Mr. Kwek Buck Chye	925,000	-	-	50,000	350,000	-	25,000	675,000	2,025,000
7. Mr. Prasert Bunsumpun	900,000	-	25,000	-	675,000	25,000	25,000	877,500	2,527,500
8. Mr. Somprasong Boonyachai	900,000	-	-	-	-	-	25,000	675,000	1,600,000
9. Mr. Virasak Kittivat	405,000	-	-	-	-	-	-	340,000	745,000
<b>Total</b>									<b>19,092,500</b>

**Remark <sup>(1)</sup>** In 2017, the Chairman of the Board of Directors has received other benefits in the amount of 2,129,575 Baht.

In 2017, Mr. Prasert Bunsumpun, Independent Director of the Company, also held the 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 4,095,500.

#### **(b) Management Remuneration\*\***

In 2017, the total remuneration for the 5 members of the Company's management was Baht 35.47 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)**

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 4 times, the details of which are as follows:

**Remark \*\*** Management means the executives as defined the Notification of the Capital Market Supervisory Board, i.e. Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Technical Officer, and Senior Vice President).

Director and Executive	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. Patompob Suwansiri	96,738	9.00	97,611	8.99	116,400	9.72	32,111	4.71
3. Mr. Teerayuth Boonchote	140,193	13.05	54,156	4.99	48,200	4.02	35,722	5.24
4. Dr. Supoj Chinveeraphan	48,351	4.50	29,000	2.67	25,300	2.11	16,422	2.41

**Remark :** Mr. Vuthi Asavasermcharoen resigned as Chief Financial Officer, effective from 31 August 2017

### (B) Provident Fund

The Company has implemented a Provident Fund. In 2017, the Company paid a total of Baht 2.23 million into the provident fund for 5 executive managements. \*\*

## 1.5 Personnel

As of 31 December 2017, the Company and its affiliated companies had a total of 3,489 employees divided by type of business as follows:

Type of Business	Number of Employees (Persons)
Internet and Media Services	48
Satellite Transponder Services	591
Telephone Services	2,850
<b>Total</b>	<b>3,489</b>

The remuneration for employees of the Company and its subsidiaries includes salary, provident fund contributions, and other benefits. In 2017, compensation paid to the Company's employees totaled Baht 1,619.31 million.

### Human Resources Development Policy

Thaicom PLC, or Thaicom ("the Company"), is a Thai company that operates in Thailand and strives to act and grow sustainably. We strongly believe that human resources are our most valuable asset and the key indicator of our competitive advantage. The role our employees play in the organization is even more

important now in our drive towards sustainable growth and success. Our goal is to strengthen employee engagement, competency, and business ethics in order to leverage staff capabilities, drive business growth, and enhance competitiveness. We aim to recruit, retain, motivate, and develop the most talented people we can find. We also strive to create sustainable success and maximize individual capabilities while promoting the organization's corporate culture and values.

The Human Resources Policy ("this Policy") has been drawn up to align the recruitment, retention, and development of all employees throughout the organization with the Company's current business

**Remark** \*\* Management means the executives as defined by the Notification of the Capital Market Supervisory Board (based on the i.e. Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Technical Officer, and Senior Vice President).

strategy and both short- and long-term goals. In addition, anti-corruption measures have been adopted as a part of the Company's human resources management.

This Policy contains twelve sections, as detailed below.

1) Organization Structure and Manpower

The structure of the organization, position titles, job grades, and manpower are reviewed every year in order to ensure alignment with the Company's business direction and strategy, and respond to any changes. Additional reviews may be conducted from time to time if required.

2) Fair Recruitment and Selection

Employee selection is based not only on job profile and specifications, but also on individual capability and future potential to develop. In order to implement this policy fairly and efficiently, various assessment tools are used, and verification of each applicant's information is undertaken to ensure that the applicant's background does not show association with any wrongdoing, particularly corruption, and the results are considered by a selection committee. This ensures that the best people for the positions, who are most likely to fit into the Company's culture, are hired

3) Equal Opportunities

The Company is an equal opportunity employer, and all staff members are provided opportunities for development and advancement based on their capability, commitment, and achievement. To promote diversity and allow people to perform at their maximum potential, the Company does not discriminate based on personal characteristics such as race, nationality, religion, sex, age, marital status, or disability.

4) Human Rights

The Company has Policy on Respect of Law and Principles of Human Rights. According to this policy, employees shall thoroughly understand and strictly obey the law relating to one's own duties and responsibility. If in doubt, seek advice from legal department or a legal adviser. Avoid acting

based on one's own interpretation and when working aboard, study the law, customs, traditions, and cultures of that country before undertaking any activity concerning the Company's business so as not to violate the law, traditions, and culture of that country. The Company promote and respect the protection of human rights, and ensure that the Company's business is in line with human rights concerning forced labor or child labor and respect and provide fair treatment to all stakeholders based on fairness, human dignity, Non-discrimination of origin, race, gender, age, skin color, religion, physical state, status, or birth. In addition, the Company promote compliance with human rights within the Company and encourage subsidiary companies, investors, business partners, and all stakeholders to observe the international standard of the principles of human rights and protect the rights of stakeholders affected by the violation of their right as a result of the Company's operation by considering compensation no lower than the rate stipulated by law.

5) Freedom of Association

The Company respects the rights of its employees to associate freely and join workers' associations or other organizations established in accordance with applicable laws and regulations for the benefit of people, society, or the nation, as long as this does not involve any unauthorized use of the Company's intellectual property and time, disclosure of proprietary information, any outside personal interests, or any additional sources of remuneration which may impair the employee's independence in performing their duties.

6) Employee Privacy

The Company respects the privacy of all its employees and will not disclose any personal information such as salaries, medical records, or family data to anyone who does not have a right to that information unless required to do so by law.

7) Merit Compensation

The Company has implemented a job evaluation system to determine the value or worth of a

particular job in relation to other jobs within the organization in order to provide merit compensation. Regular salary and benefit surveys are conducted to benchmark the Company against the market, while the cost-of-living index is taken into account to ensure that compensation packages and rewards are reasonable and competitive. The Company considers it a high priority to provide equitable rewards through a meritocratic system and ensure that compensation is in line with the market by using the following “3P” principle (Position, Performance and Person):

- Pay for Position - based on fair comparisons to create internal equity by determining the value of a particular job and job benchmarking against the external market.
- Pay for Performance - based on individual, team, and organization performance and rewarded through an annual merit-based salary increase and bonus.
- Pay for Person - based on each employee’s knowledge, skills, required skills, professional qualifications, and level of competency.

The Company also uses a performance management system, which aims to align business objectives at all levels and help employees understand their value and contribution to the organization. This system also reinforces individual accountability for achieving goals, tracks individual and organizational performance results, and facilitates feedback and coaching to develop competencies and improve performance.

Performing work with honesty is a significant factor in performance appraisal, rewards and promotion consideration. The Company will not compromise with an employee proven to have any behavior associated with corruption.

#### 8) Employee Well-being

The Company places consistent priority on employee well-being. In addition to providing a safe and healthy working environment as required under occupational health, safety, and environment legislation, the company also aims to improve

overall quality of life for its employees by adhering to international standards for workplace health and safety, providing ergonomic office equipment, and offering facilities and programs to encourage wellness among all employees.

The Company has also set up a provident fund, run by a professional fund management company certified by the Securities and Exchange Commission, to help employees prepare for financial security in retirement.

#### 9) Employee Development

The Company supports and invests in continuous employee development throughout the organization with a systematic approach whereby managers must consistently plan, review, and report on staff development activities that are aligned with their business direction. This development covers managerial knowledge and skills, leadership, professional/functional knowledge & skills, critical thinking skills, and global perspectives. The Company provides a career path for continual advancement, supported by a succession plan and a talent development program, in order to achieve objectives, maintain a culture of good corporate governance, and fulfill commitments to all stakeholders.

To ensure that the employees are aware of the importance of and fully understood the anti-corruption policy, the Company has added anti-corruption practices into the content of the onboarding program for new employees. All employees will be trained and required to take an annual test to review their knowledge concerning the anti-corruption policy.

The Company strives to be a Learning Organization, encouraging employees to learn how to learn, think about thinking, and appreciate learning for the sake of learning. Every person is challenged to actively seek out all kinds of new knowledge about their respective functions through self-learning, project-based learning, and other experiences, so they can advise or coach other

people in the organization and apply their knowledge and experience for the benefit of themselves, their colleagues, the organization, and society at large.

The Company also nurtures budding innovators, encouraging employees to show initiative and providing channels for them to communicate suggestions and new ideas that will improve business processes and overall competency. The Company provides scholarships for higher education and supports research and development that will benefit the organization, society in general, and the environment.

The Company places importance on training and development which allows employees to enhance their knowledge and abilities in the performance of their duties. In 2017, 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	<ul style="list-style-type: none"> <li>English and public speaking skills</li> <li>Data analysis and strategic analysis skills</li> <li>Leadership skills</li> <li>Business Risk Management</li> <li>Cyber Security Awareness</li> <li>Excellent Communication skill</li> <li>Constructionism</li> </ul>
Staff	Provide specialized skills and readiness for individuals' professional growth	<ul style="list-style-type: none"> <li>Advanced &amp; Macro Microsoft Access</li> <li>Charismatic Presentation Skill</li> <li>Constructionism Internal Facilitator</li> <li>Effective Basic Communication</li> <li>Intellian Product Training</li> <li>Market Facing Process Improvement</li> <li>Advanced Fire Fighting</li> </ul>
Management and Senior Executives	<ul style="list-style-type: none"> <li>Develop stronger management skills and provide opportunities to exchange ideas with leaders in Thailand and abroad</li> <li>Provide opportunities to make professional connections</li> </ul>	<ul style="list-style-type: none"> <li>Executive Education Program (EDP) and Director Certification Program (IOD)</li> <li>Director Certification Program (IOD)</li> <li>Thailand National Defence College</li> <li>Innovation for Growth: Strategies and Best Practices (Wharton, Pennsylvania, USA)</li> <li>Challenge Coaching Capability</li> <li>Learn.Link.Launch Program</li> <li>Harvard Leadership Development Program</li> </ul>

To support continual self-learning, the Company created an e-learning platform through 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 select 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.

#### 10) Succession Planning

The Company has implemented a systematic succession plan and has appointed a committee to nominate successors and monitor their development in order to ensure that the plan is effective and transparent, providing career advancement along both professional and management tracks. This plan covers all senior management across the group, down to the assistant vice-president level, and aims to mitigate inherent business continuity risks by retaining and developing leaders while strengthening relationships within the organization in order to ensure the Company's long-term growth and sustainability.

#### 11) Management Role

The Company encourages managers at all levels of the organization to undertake the following human resource management roles:

- Strengthen the understanding between the Company and its employees by building good relationships between management and staff.
- Build motivation among staff by listening to employees, responding to their concerns, and providing helpful advice through a variety of communication channels.
- Treat employees who encounter personal difficulties in a fair and humane manner as long as any assistance provided is in accordance with the law, the Human Resources Rules & Regulations, and the Corporate Governance Policy.

In 2017, the Company provided training for employees throughout the year. The number of training hours averaged 32.09 hours per person.

Year	2017	2016	2015
Training hours/person/year	32.09	24.95	27.94

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 2017, the following relevant courses were provided:

Course Name	Employees Attending (persons)	Note
1. Energy Conservation Awareness	27	External Course
2. Encouragement of Efficient Energy Conservation Awareness	29	Internal Course

## 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 Securities 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](http://www.thaicom.net) under the tabs for Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Corporate Governance Policy)

In 2017, 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 Handbook 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.
- Arranged e-learning courses for employees' study and taking the quiz online on corporate governance and anti-corruption, in order to encourage executives and employees to understand and aware the importance of the Company's Corporate Governance Policy and Anti-Corruption Policy and provide including can be follow these policies as correctness 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.



- 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.
- 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.
- Created an Information Security Management Regulations in order to build confidence in the Company’s business operations among investors, shareholders and stakeholders and asitpulate a guideline for executives, employees, and related persons.
- Arranged a seminar in the topic of “Thaicom Open House for a sustainable business No. 1” in order to promote mutual understanding between the Company and suppliers and to operate the

Company’s business with transparency and equitable according to the corporate governance principles.

- Promoted corporate values (“EPIC”).

#### **Corporate Governance Awards**

In 2017, the Company was recognized for its excellence in Corporate Governance as follows:

- The Company’s 2017 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 4<sup>th</sup> year in a row.
- In the Corporate Governance Report of Thai Listed Companies 2017 (CGR 2017) conducted by the Thai Institute of Directors (IOD), the Company recieved a score of “**Excellent**” for the  5<sup>th</sup> year in a row.

#### **Adherence to Corporate Governance Best Practice Policy**

A review of the Corporate Governance Policy in 2017 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
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 began using 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.
The nomination committee should consist entirely of independent directors.	On 31 December 2017, 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 sections:

### 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 2017, the Company held its 2017 Annual General Meeting of Shareholders ("AGM") on 29 March 2017. The Company took actions pursuant to good corporate governance regarding rights of shareholders as follows:

#### 1. Before the Meeting

- 1.1 The Company encouraged all shareholders, including institutional ones, to attend the Company's shareholder meeting.

1.2 The Company granted minor shareholders the right to propose items for inclusion on the agenda of the AGM and to propose suitable candidates for selection as directors at least 3 months in advance of the AGM. On 23 September 2016, 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](http://www.thaicom.net). The shareholders were able to propose agenda items to the Company from 1 October 2016 to 31 December 2016.

1.3 The Company sent invitation letters to attend the AGM to shareholders no less than 21 days in advance of the meeting date. For the 2017 AGM, the Company sent the invitation letter to all shareholders on 7 March 2017. 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.

1.4 The Company posted the 2017 invitation letter on the Company's website at [www.thaicom.net](http://www.thaicom.net) in both Thai and English beginning on 27 February 2017. This provided shareholders enough time to acknowledge and study the information no less than 30 days in advance of the meeting date.

1.5 The Company allowed shareholders to send their questions to the Company prior to the meeting date and provided the guidelines and procedures on how to propose the question. The shareholders were able to send the question to the Company via the Company Secretary Office located at Thaicom Satellite Station 63/21 Rattathibet Rd., Nonthaburi, Thailand 11000, or via email at [comsec@thaicom.net](mailto:comsec@thaicom.net) from 27 February 2017 to 21 March 2017.

1.6 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.

1.7 The Company encouraged shareholders to attend the shareholder meeting. The meeting was 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.

## 2. At the Meeting

2.1 The Company ensures that sufficient staff and the necessary technology are available for checking relevant documents, registering meeting attendance, 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 was supplied and operated by PTT IT Solutions Company Limited.

2.2 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.

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

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



### 3. After the Meeting

3.1 After the meeting, the Company posted the resolutions of the shareholders meeting and outcomes of the voting on each agenda item on the SET website as well as the Company's website within the day.

3.2 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 2017.

## 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. Release of information before the shareholders' meeting

1.1 The Company prepared the 2017 AGM invitation letter and disclosed it on the Company's website at [www.thaicom.net](http://www.thaicom.net) on 27 February 2017 in order to provide an opportunity for shareholders to study all information at least 30 days prior to the date of meeting

1.2 The Company prepared and disclosed the 2017 AGM invitation letter in both Thai and English so that all shareholders could access information equally.

1.3 At the AGM, the Company informed 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.

### 2. Protect of minor shareholders

2.1 The Company granted minor shareholders the right to propose items for inclusion on the agenda of the AGM and to propose suitable candidates for selection as directors at least 3 months in advance of the AGM. On 23 September 2016, 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](http://www.thaicom.net). The shareholders were able to propose agenda items to the Company from 1 October 2016 to 31 December 2016.

2.2 The Company did not add items to the meeting agenda or change significant information without providing prior notice to the shareholders.

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

### 3. Protection against abuse of inside information

3.1 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 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 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 case of 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.

In addition, the Company has summarize information of the securities holding of directors and executives report to the Board of Directors quarterly.

- 3.2 The Company has an Information Security Management Regulations in order to build confidence in the Company's business operations among investors, shareholders and stakeholders and asitpulate a guideline for executives, employees, and related persons.

#### 4. Preventing Conflict of interest

- 4.1 Directors and executives must report 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.
- 4.2 At the Board of Directors' meeting, any directors or executives who may have a vested interest in any agends item under consideration must not attend the meeting or must abstain from voting on such agenda item. This is to ensure that the Board and executives make decisions in a fair manner for the utmost benefit of shareholders.
- 4.3 In 2017, 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.

4.4 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:

- 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.

- 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.
- 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.

- 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 Executive Committee
Executive Level UC up	Executive Committee

- 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.

- 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.

4.5 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 principles 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 the Securities Exchange Act, B.E. 2535, the Notification of the Capital Market Supervisory Board, the Notification of the Board of Governors of the Stock Exchange of Thailand, and/or other relevant regulations determined by the regulator.
- 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.

### 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 as follows:

## 1. 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. 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 Sustainable Development Policy and Code of Conduct on responsibility to customers.

## 3. Business partners and creditors

The Company has a policy to treat every business partners and/or creditors with equality and fairness, adhering to the business operation to create credit worthiness in the eyes of creditors on the realization of mutual benefits whilst avoiding a situation which can give rise to conflict of interest or damage to the Company's reputation or illegal 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](http://www.thaicom.net) in the Section of Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Other Policy

## 4. Community, society and 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:

- Community and Social Development  
The Company believes in the idea of creating shared value between the business and social sectors and implements this belief as a guideline for business conduct, to maintain sustainable growth. The Company maintains a policy of



providing educational support and access to technology and learning, creating jobs, and developing potential and investments for the benefit of society with regard to the involvement and unique characteristics of each community. Being publically-mined, the Company aims to reduce environmental impacts and improve quality of life society in the long term, but especially in the field of telecommunications. The Company plays an important role in strengthening cooperation in developing and maintaining quality of communication, both in normal circumstances as well as in disaster situations in order to assist communities, disadvantaged individuals, and victims in receiving timely assistance at the first possible opportunity.

- **Environment Management**

The Company maintains a policy of emphasizing environmental sustainability and conservation of resources by nurturing a corporate culture which encourages environmental restoration and care activities, prevents and reduces pollution, uses resources efficiently, and promotes sustainability. The objectives are to reduce global warming, promote living and working in harmony with nature, and foster cooperation among organizations, including community involvement 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 2017, the Company also prepared its annual Sustainability Report, demonstrating its dedication to fostering a sustainable society via its products and services as well as its dedication to conserving the environment (for further information please see SD Report at the Company's website [www.thaicom.net](http://www.thaicom.net)).

## 5. Employees

Our employees are our most valuable asset. Therefore, there are policies in place 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 treatment of its employees.

### **Remuneration Management**

The Company has a policy 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 has implemented a job evaluation system to determine the value or worth of a particular job in relation to other jobs within the organization in order to provide merit compensation. Regular salary and benefit surveys are conducted to benchmark the Company against the market, while the cost-of-living index is taken into account to ensure that compensation packages and rewards are reasonable and competitive. The Company considers it a high priority to provide equitable rewards through a meritocratic system and ensure that compensation is in line with the market by using the following "3P" principle (Position, Performance and Person):

- Pay for Position - based on fair comparisons to create internal equity by determining the value of a particular job and job benchmarking against the external market.
- Pay for Performance - based on individual, team, and organization performance and rewarded through an annual merit-based salary increase and bonus.
- Pay for Person - based on each employee's knowledge, skills, required skills, professional qualifications, and level of competency.

The Company also uses a performance management system, which aims to align business objectives at all levels and help employees understand their value and contribution to the organization. This system also reinforces individual accountability for achieving goals, tracks individual and organizational performance results, and facilitates feedback and coaching to develop competencies and improve performance.

Performing work with honesty is a significant factor in performance appraisal, rewards and promotion consideration. The Company will not compromise with an employee proven to have any behavior associated with corruption.

### **Welfare and Benefits**

The Company provides appropriate employee benefits such as medical welfare, health check, life and accident group insurance, aid for injured from working, provident fund, marriage financial aid, funeral financial aid, disaster, and gift for patient.

### **Safety, Occupational Health, and Environmental Conservation**

The Company considers the management of safety, health and environment conditions in workplace to be of utmost importance to successful and sustainable business operations. This includes ensuring safety of the work environment for company employees as well as customers and other relevant persons. The Company therefore maintain 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 illness 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 safety, health, and environment to company personnel as well as to stakeholders involved in the Company's operations, in an appropriate manner.

### **Employee Well-being**

The Company places consistent priority on employee well-being. In addition to providing a safe and healthy working environment as required under occupational health, safety, and environment legislation, the company also aims to improve overall quality of life for its employees by adhering to international standards for workplace health and safety, providing ergonomic office equipment, and offering facilities and programs to encourage wellness among all employees.

The Company has also set up a provident fund, run by a professional fund management company certified by the Securities and Exchange Commission, to help employees prepare for financial security in retirement.

### **Employee Development**

The Company supports and invests in continuous employee development throughout the organization with a systematic approach whereby managers must consistently plan, review, and report on staff development activities that are aligned with their business direction. This development covers managerial knowledge and skills, leadership, professional/functional knowledge & skills, critical thinking skills, and global perspectives. The Company provides a career path for continual advancement, supported by a succession plan and a talent development program, in order to achieve objectives, maintain a culture of good corporate

governance, and fulfill commitments to all stakeholders.

To ensure that the employees are aware of the importance of and fully understand the anti-corruption policy, the Company has added anti-corruption practices into the content of the onboarding program for new employees. All employees will be trained and required to take an annual test to review their knowledge concerning the anti-corruption policy.

The Company strives to be a Learning Organization, encouraging employees to learn how to learn, think about thinking, and appreciate learning for the sake of learning. Every person is challenged to actively seek out all kinds of new knowledge about their respective functions through self-learning, project-based learning, and other experiences, so they can advise or coach other people in the organization and apply their knowledge and experience for the benefit of themselves, their colleagues, the organization, and society at large.

The Company also nurtures budding innovators, encouraging employees to show initiative and providing channels for them to communicate suggestions and new ideas that will improve business processes and overall competency. The Company provides scholarships for higher education and supports research and development that will benefit the organization, society in general, and the environment.

## 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](http://www.thaicom.net) in the Section of Sustainability > Corporate Governance > Good Corporate Governance Policy of Thaicom > Other Policy

## 7. Business Competition

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. The Media

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 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 2017, the Company held the following press conferences and activities for shareholders:

Meeting with Shareholders and Analysts	Frequency (per year)
Analyst Meeting	2
Opportunity Day	4
Company Visit	1

## 9. 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 in 2013 and the latest revision was issued on 1 February 2017 in order to place an internal compliance and control program to prevent and monitor corruption risk and is a guideline for all directors, executives, and employees.

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 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.

In 2017, the Board of Directors' Meeting No. 14/2017 held on 13 December 2017 has consider and approve the re-certification of a member of the Private Sector Collective Action Coalition Against Corruption. In addition, the Company complied with the Anti-Corruption Policy through the following:

1. 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.

2. 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.
3. Every executive is responsible for ensuring that each person who reports to them is aware of and understands this Policy through adequate and regular training.
4. Employees must perform their duties in accordance with this Policy. Anyone who suspects or discovers a violation of this Policy must report it to a supervisor or through the channels prescribed under the Company's Whistle-blowing Policy.
5. 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.

In addition, the Company can summarize a report from the aforementioned data, in which such report may be utilized as a guideline to evaluate the anti-corruption efforts. The report and the evaluation results shall then be proposed to the Board for their consideration quarterly.

6. 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.
7. The Company also regularly provides training and communication of its Anti-Corruption Policy and guidelines to its employees. The Company arranged e-learning courses for employees' study and taking the quiz online and has electronic magazines "Keeping up with Compliance" on such topics which are also available to ensure that all employees have the same understanding of the Anti-Corruption Policy.
8. The Company has established the Risk Management Committee. They consider the assessment process, monitor and control risks for the organization, including fraud risk which had been identify the risk may incurred from administration procedure operation that would be result of fraud risks.
9. The Company determined the fraud risk in order to determine appropriate plans to control, prevent, monitor and verify risks, including evaluating the effectiveness of any criteria to ensure that risk management processes are performed and further propose to management, the Audit Committee and the Board of Directors.
10. The Company also specified principles of corporate governance with an internal compliance and control program to prevent and monitor corruption risk.
11. The Company requires all directors and executives, as defined by notification of the 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 they, their family members, or any related juristic person may have to ensure that all Company transactions are carried out transparently, reasonably, and with primary consideration for the highest benefit of the Company.



12. The Company has communicated the Anti-Corruption Policy to directors, management, and staff for acknowledgement in a variety of ways:

- Addressed the Anti-Corruption Policy via the Company's intranet and website.
- Developed e-learning courses for employees and executives in order to provide them with access to and education on the Company's Anti-Corruption Policy.
- Arranged a new employee orientation to provide advice and information on the Company's Anti-Corruption Policy.
- Added a channel for communicating Anti-Corruption Policy to directors, executives and employees by publishing an e-magazine entitled "Keeping Up with Compliance" to ensure employees of all level receive up-to-date compliance information monthly.
- 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.
- Announced Gift Guidelines to prevent and avoid the exchange of inappropriate gifts with respect to the Anti-Corruption Policy.
- Communicated the Anti-Corruption Policy to country representatives abroad in order to inform country representative heads to communicate the Anti-Corruption Policy to suppliers, service providers and contractors for acknowledgement and commitment on a best effort basis to ensure that anti-corruption procedures are aligned across the Company.
- Arranged a seminar in the topic of "Thaicom Open House for sustainable business No. 1" in order to promote mutual understanding between the Company and suppliers and to operate the Company's business with transparency and equitable according to the corporate governance principles.

13. The Company has announced a 'No Gift Policy' of refraining from accepting gifts from business partners and suppliers during the New Year season.

14. The Company has notified all suppliers of its Supplier Charter and Anti-Corruption Policy and requested that each supplier sign in acknowledgement and agreement to follow these guidelines as a mutual standard.

15. The Company has revised the Human Resources Policy in order to incorporate anti-corruption measures as a part of the Company's human resources management such as fair recruitment and selection, merit-based compensation, and equal promotion opportunities.

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](http://www.thaicom.net) under Sustainability > Corporate Governance > Good Corporate Governance of Thaicom > Anti-Corruption.

## 10. Whistle Blowing

The Company has set up a Whistle-blowing Policy to provide channels for reporting and to encourage all employees to report any information on misconduct and/or fraud occurring in the Company. This will prevent misconduct and/or fraud which may occur in the organization and help detect and reduce damage from misconduct and fraud. In addition, this Policy provides protection to employees who provide information, cooperation or assistance to the Company concerning misconduct and fraud from any kind of threat or unfair act.

### Channels for making a complaint or reporting misconduct or fraud

1. If an employee has any cause for concern over matters relating to misconduct or fraud, they must immediately report their concerns to their immediate line manager verbally or in writing. If the line manager ignores or dismisses the concerns raised, the employee must report their concerns to the next level manager.

2. If the employee suspects any Company supervisor or manager is involved in misconduct or fraud, the Employee can report any concerns through the following channels:

2.1 Head of Internal Audit: Tel. +662 596 5001  
or E-mail: jirojs@thaicom.net

2.2 Head of Human Resources:  
Tel. +662 596 5074 or  
E-mail: pavitn@thaicom.net

2.3 Ethics Hotline; on the company's Intranet.  
Any information is passed directly to the Chairman of the Audit Committee, the Head of Internal Audit and the Head of Human Resources.

2.4 Chairman of the Audit Committee or the Board of Directors at the following address:

**“** **Thaicom Public Company Limited**  
63/21 Rattana Thibet Road, Bangkrasor,  
Amphur Muang, Nonthaburi, Thailand 11000  
E-mail: comsec@thaicom.net **”**

3. If an employee suspects a senior manager at the department head-level or above, the Head of Internal Audit, or the Head of Human Resources is involved in misconduct or fraud, the Employee should notify the Chairman of the Audit Committee or the Chairman of the Board of Directors.
4. Responsible executives noted in Article 1 and 2, upon receiving notification of misconduct or fraud, must report to the Internal Audit Department of the Company within (seven) 7 working days.
5. For external parties, complaints or reports can be lodged on [www.thaicom.net](http://www.thaicom.net) under the section “Sustainability” > “Corporate Governance” > “Whistle Blowing”. Their complaints or reports will be sent directly to any of the following:
- 5.1 Head of Internal Audit
- 5.2 Head of Human Resources
- 5.3 Company Secretary

#### The Company's response

- When the Company receives a complaint or report of misconduct or fraud via any channel, the Company must complete the evaluation and verification of the primary information within thirty (30) days from the date of receiving the complaint or report of misconduct or fraud.
  - If finds that the information received indicates that misconduct or fraud has occurred, a request must be submitted to the Ethic Committee and an authorized person to appoint an Investigation Committee.
  - If finds that the information received indicates that misconduct or fraud has not occurred, Internal Audit or the assigned department must be notified that no evidence can be found and the case has been closed.
- The Investigation Committee must interview each person accused of committing misconduct or fraud along with his or her supervisor and any other related persons, and complete the investigation within forty-five (45) days from the date of appointment. If the investigation cannot be completed within this time, the Investigation Committee must report the cause of the delay to the person who appointed the committee and request an extension not exceeding thirty (30) days each time.
- When the investigation is completed, the Investigation Committee must prepare an investigation report and submit this to the person who appointed the committee. A copy of this report must also be submitted to the chairman of Executive Committee, the Chief Executive Officer, the Head of Finance, the Head of Accounting, the Head of Internal Audit, the Head of Human Resources, the Head of Legal, other relevant parties as the case may be, and the Disciplinary Committee (in case of misconduct or fraud that is characterized as a disciplinary violation).
- If the person who appointed the Investigation Committee and/or the Head of Internal Audit

finds that the material facts are unclear or incomplete, the person who appointed the committee must either instruct it to conduct a further investigation or appoint a new committee as deemed appropriate.

#### Disciplinary Action and Legal Proceeding

1. The Disciplinary Committee must consider the nature of misconduct or fraud that occurred and determine the disciplinary action. The matter must then be submitted to the authorized persons for approval within thirty (30) days of receiving the investigation report.
2. When a decision has been made to take disciplinary action, Human Resources must issue a notification of disciplinary action and submit it to the authorized person stipulated in the Approval Authority Policy, report the disciplinary action and obtain a written acknowledgement from the recipient(s).
3. If a case of misconduct or fraud has occurred and caused damage to the Company's property, reputation or image, or violated relevant laws or regulations, the Disciplinary Committee must submit the matter to the Company's authorized persons as stipulated in the Approval Authority Policy to consider the legal proceedings (civil and/or criminal) to be taken. The matter may be considered in consultation with the Head of Legal or any other related department.

#### Communication with Whistle-Blowers

The Company will inform the whistle-blowers who have disclosed their names and contact details of the progress of investigations and their outcome. However, the Company may not provide details of the investigation process or any disciplinary action taken if these are deemed to be private and confidential.

#### Protection of Employees

1. The Company will not tolerate any intimidation of employees who provide information for misconduct or suspected fraud, including those employees who cooperate with or assist in the investigation with honest intent. The company

will provide protection and not allow Company executives to threaten, take any disciplinary action against, or dismiss employees who provide information during the investigation. The Company will take disciplinary action against any violation of Company employees.

2. If an employee is threatened or intimidated in any way, he or she has the right to request the necessary protection. The Company may provide additional protection as required and determined by the severity and importance of the complaint(s). In the event that an employee is threatened, the employee must report the incident to the Head of Human Resources immediately, and the Head of Human Resources will serve as a protection officer for the employee.
3. In the case of an investigation where the Company conducts an investigation and finds no evidence of wrongdoing, any employee who has provided information with honest intent will not be subject to any disciplinary action. However, if the investigation finds that an employee made unfounded complaints, or provided false information or facts that were disparaging or made with willful intent to cause harm to the Company or its employees, the company will consider appropriate disciplinary action and consequent penalties against the employee concerned, including, but not limited to, a verbal or written warning, dismissal from the Company or legal prosecution.

#### Confidentiality

1. All related persons must keep the fraud information and the investigation confidential and disclose details to anyone other than those who have a legitimate need to know.
2. The Investigation Report may not be disclosed to anyone in order to avoid damaging the reputation of an employee suspected but subsequently found innocent of any fraud, and to avoid potential civil liability.

In 2017 showed that, under the Company's Whistle-blowing Policy, the Company received 4 complaints that had been made throughout the year with one

case was pending from the previous year. The complaints were duly investigated, and it was found that all four cases of the complaints were not related to fraud incident.

#### 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](http://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](http://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 2017, 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
- Financial statements, 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

#### Investor Relations

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

#### Investor Relations

Thaicom Public Company Limited  
Thaicom Satellite Station,  
63/21 Rattanathibet Road, Bangkrasor,  
Amphur Muang Nonthaburi, Thailand 11000  
Tel. 02 596 5072-3  
Fax 02 591 0724  
Email: [ir@thaicom.net](mailto:ir@thaicom.net)  
Website: [www.thaicom.net](http://www.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 2017, the Board of Directors, as per affidavit of the Company, consisted of the following 11 people; including 6 independent directors or 54.55% of the entire the Board of Directors, which can divided into 4 executive directors and 7 non-executive directors.

#### Proportion of Independent Directors (ID)

Director,  
45.45%



ID,  
54.55%

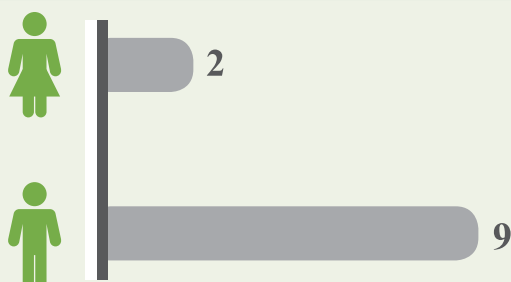
#### Proportion of Non-Executives Directors

Executive Directors,  
36.36%

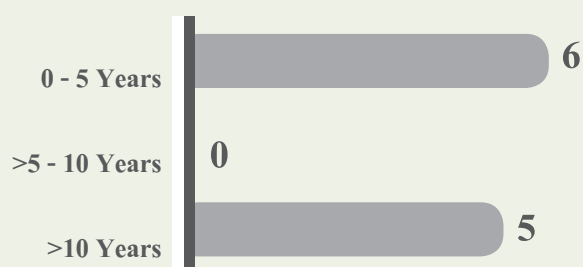


Non-Executive Directors,  
63.64%

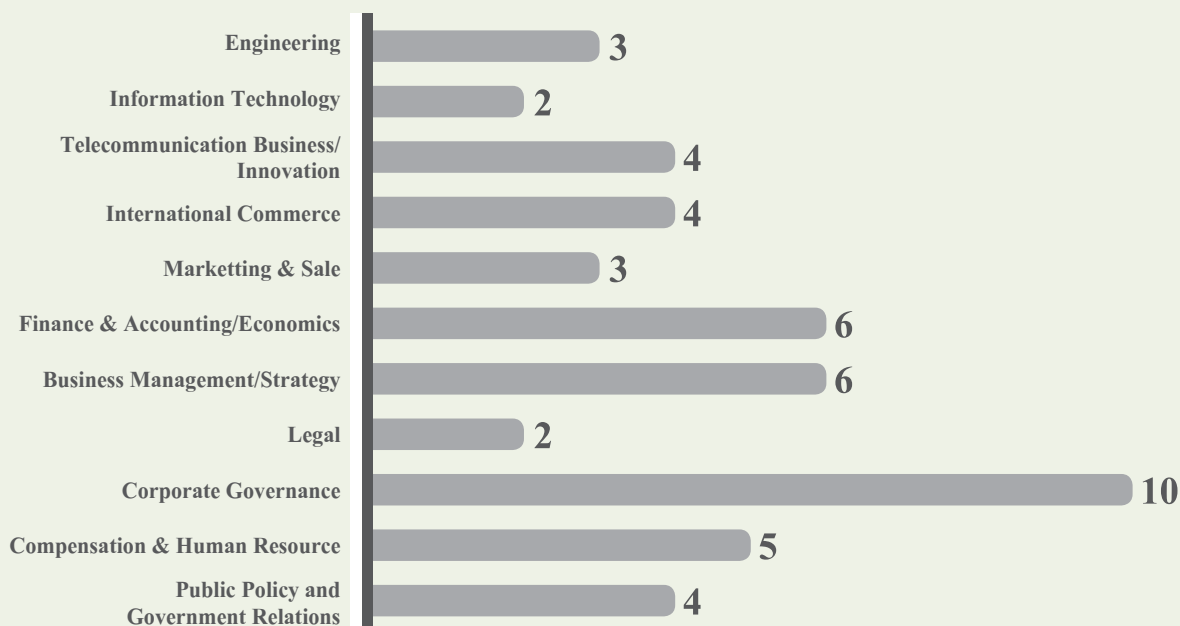
#### Female / Male



#### Length of Directors' Tenure



#### Skills and Experience of Directors



### Separation of the Roles of the Chairman of the Board of Directors, the Chairman of the Executive Committee and the Chief Executive Officer

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 pursuant 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 qualifications 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 Baht 20 million 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 prior to 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 or 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 transparency and reliable evaluation. In 2015, the Company engaged AON Hewitt, an external advisor, to evaluate the entire Board for the first time.

In 2017, 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 2017. The criteria and results are detailed as follows:

Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Board of Directors</b>	
<b><u>Entire board evaluation</u></b> Criteria of the evaluation consist of 7 topics (1) Board Policy (2) Structure and Characteristics of Board (3) Role 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	3.74 / 4.00
<b><u>Individual self-evaluation</u></b> 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 Executive (5) Individual Personal Performance as a Board Member	3.80 / 4.00
<b>Audit Committee</b>	
<b><u>Entire committee evaluation</u></b> 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	2.89 / 3.00
<b><u>Individual self-evaluation</u></b> 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	3.84/4.00
<b>Compensation Committee</b>	
<b><u>Entire committee evaluation</u></b> 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	2.98 / 3.00
<b><u>Individual self-evaluation</u></b> 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	4.67 / 5.00

Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Governance and Nominations Committee</b>	
<b><u>Entire committee evaluation</u></b> 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	2.88 / 3.00
<b><u>Individual self-evaluation</u></b> 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	4.93 / 5.00
<b>Executive Committee</b>	
<b><u>Entire committee evaluation</u></b> 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	3.67 / 4.00
<b><u>Individual self-evaluation</u></b> 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 role 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 member to express opinion independently	3.73 / 4.00
<b>Risk Management Committee</b>	
<b><u>Entire committee evaluation</u></b> 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	3.11 / 4.00
<b><u>Individual self-evaluation</u></b> 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 role 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	4.19 / 5.00

Type of Committee and Type of Evaluation Form	Evaluation Result
<b>Sustainable Development Committee</b>	
<b>Entire committee evaluation</b> 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	2.81 / 3.00
<b>Individual self-evaluation</b> 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 role 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 member to express opinion independently	4.39 / 5.00

## 8. Remuneration for Directors and Management

The Company has developed a clear Remuneration Policy for its directors and executives. Remuneration 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), and is adjusted accordingly when there are changes to such factors. Additional remuneration is also provided when directors must assume additional duties as sub-committee members. Remuneration 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 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 2017, directors and executives applied for and participated in the following courses:

Directors / Executives	Courses
1. Mr. Paron Israsena Chairman (Independent Director)	Declaration of Intent of the Government and Private Sector to anti-bribery- the National Anti-Corruption Commission
2. Mrs. Charintorn Vongspootorn Independent Director, Member of the Audit Committee, and Chairman of the Compensation Committee	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
3. Mr. Somprasong Boonyachai Director	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
4. Mr. Prasert Bunsumpun Independent Director, Member of the Compensation Committee and Chairman of Executive Committee	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
5. Mr. Anek Pana-Apichon Director and Member of Executive Committee	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
6. Mrs. Patareeya Benjapolchai Independent Director, Member of the Audit Committee and Chairman of the Governance and Nomination Committee	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
7. Mr. Paiboon Panuwattanawong Director, Member of the Executive Committee and Chief Executive Officer	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
8. Mr. Kwek Buck Chye Director, Member of the Governance and Nomination Committee and Member of the Executive Committee	Intouch Annual Board Seminar: “Succession Planning” and “Financial Innovation - Technology and Trend”
9. Ms. Yupapan Panclurbthong Company Secretary	<ul style="list-style-type: none"> <li>- BNCP: Board Nomination and Compensation Program Class 1/2560</li> <li>- TMA: Management Development Program Class 26/2560</li> <li>- ITD World: Change your habits, change your world Class 2560</li> </ul>

## 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  
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**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.

## 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 2017, the Audit Committee consists of 4 members, all of whom are independent directors:

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

**Remarks:** <sup>(1)</sup> Prof. Hiran Radeesri, Mrs. Charintorn Vongspootorn and Mrs. Patareeya Benjapolchai have the prerequisite knowledge and experience to review and audit the Company's financial statements.

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 2017, the Committee met 12 times and presented subsequent proposals to the Board of Directors (Please see details in the section “The meetings of the sub-committees in the year 2017”).

### **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 considers other alternative services rather than auditing from the same audit office, as well as coordinates 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 was 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.

## (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 2017, the Compensation Committee consists of the following 3 members:

Committee Members	Position
1. Mrs. Charintorn Vongsbootorn	Chairman of the Compensation Committee
2. Prof. Samrieng Mekkriengkrai	Member of the Compensation Committee
3. Mr. Prasert Bunsumpun <sup>(1)</sup>	Member of the Compensation Committee

**Remark:** <sup>(1)</sup> Mr. Prasert Bunsumpun was appointed as Member of the Compensation Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.

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 2017, the Committee met 3 times and presented results to the Board (Please see details in the section “The meetings of the sub-committees in the year 2017”).

### **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 employee 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's knowledge;
- To 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 2017, the Governance and Nomination Committee consists of the following 3 members:

Committee Members	Position
1. Mrs. Patareeya Benjapolchai	Chairman of the Governance and Nomination Committee
2. Prof. Samrieng Mekkiengkrai	Member of the Governance and Nomination Committee
3. Mr. Kwek Buck Chye <sup>(1)</sup>	Member of the Governance and Nomination Committee

**Remarks:** <sup>(1)</sup> Mr. Kwek Buck Chye was appointed as Member of the Governance and Nomination Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by resolution of the Board of Directors Meeting No. 4/2017 held on 29 March 2017, effective from 29 March 2017.

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 2017, the Committee met 3 times and made subsequent presentations to the Board (Please see details in the section “The meetings of the sub-committees in the year 2017”).

### **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 2017, the Executive Committee consists of the following 5 members:

Committee Members	Position
1. Mr. Prasert Bunsumpun	Chairman of the Executive Committee
2. Mr. Kwek Buck Chye	Executive Director
3. Mr. Paiboon Panuwattanawong	Executive Director
4. Mr. Anek Pana-apichon	Executive Director
5. Mr. Patompob Suwansiri	Executive Director

**Remarks** Mr. Philip Chen Chong Tan resigned as Member of the Executive Committee, effective from 30 June 2017.

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 2017, the Committee met 15 times and made subsequent presentations to the Board (Please see details in the section “The meetings of the sub-committees in the year 2017”).

#### **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 Committee 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 2017, 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. Anuwat Sanguansappayakorn <sup>(1)</sup>	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. Dr. Supoj Chinveeraphan	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. Komson Seripapong <sup>(2)</sup>	Member of the Risk Management Committee

Remarks: <sup>(1)</sup> Mr. Anuwat Sanguansappayakorn was appointed as Member of the Risk Management Committee in replacement of Mr. Vuthi Asavaseramcharoen who resigned, by resolution of the Board of Directors Meeting No. 12/2017 held on 1 November 2017, effective from 1 November 2017.

<sup>(2)</sup> Mr. Komson Seripapong was additionally appointed as Member of the Risk Management Committee by resolution of the Board of Directors Meeting No. 12/2017 held on 1 November 2017, effective from 1 November 2017.

<sup>(3)</sup> Mr. Prawin Khurawat resigned as Member of the Risk Management Committee, effective from 30 November 2017.

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 2017, the Risk Management Committee held 4 meetings in total and subsequent reports were presented to the Board (Please see details in the section “The meetings of the sub-committees in the year 2017”).

### **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;
- To review the authority and responsibility annually and propose changes the Board of Directors for approval.

### **(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 31 December 2017, the Sustainable Development Committee consists of the following 11 members:

Committee Members	Position
1. Mr. Paiboon Panuwattanawong	Chairman of the Sustainable Development Committee
2. Mr. Patompob Suwansiri	Member of the Sustainable Development Committee
3. Mr. Teerayuth Boonchote	Member of the Sustainable Development Committee
4. Mr. Teerawat Kusalanggoorawat	Member of the Sustainable Development Committee
5. Mr. Ekachai Phakdurong	Member of the Sustainable Development Committee
6. Mr. Salil Charuchinda	Member of the Sustainable Development Committee
7. Mrs. Kuntima Uawithya	Member of the Sustainable Development Committee
8. Ms. Yupapan Panclurbthong	Member of the Sustainable Development Committee
9. Mr. Pavit Ngansamrej	Member of the Sustainable Development Committee
10. Mr. Supoj Chinveephan <sup>(1)</sup>	Member of the Sustainable Development Committee
11. Ms. Piyanuch Sujpluem <sup>(2)</sup>	Member and Secretaty of the Sustainable Development Committee

Remarks: <sup>(1)</sup> Mr. Supoj Chinveephan was appointed as Member of the Sustainable Development Committee, effective from 25 April 2017.

<sup>(2)</sup> Ms. Piyanuch Sujpluem was appointed as Member and Secretaty of the Sustainable Development Committee, effective from 25 April 2017.

<sup>(3)</sup> Mr. Vuthi Asavasermcharoen resigned as Member of the Sustainable Development Committee, effective from 31 August 2017.



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 2017, there were 3 meetings in total and subsequent reports were presented to the Board (Please see details in the section “The meetings of the sub-committees in the year 2017”).

### **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 (SDWG) 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 2017

Committee Member	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	12/12					
2. Mrs. Charintorn Vongspootorn	12/12	3/3				
3. Prof. Samrieng Mekkiengkrai	12/12	3/3	3/3			
4. Mrs. Patareeya Benjapolchai	11/12		3/3			
5. Mr. Somprasong Boonyachai						
6. Mr. Prasert Bunsumpun <sup>(1)</sup>		1/1		15/15		
7. Mr. Philip Chen Chong Tan <sup>(2) (3)</sup>		2/2	1/1	7/8		
8. Mr. Kwek Buck Chye <sup>(4)</sup>			2/2	14/15		
9. Mr. Anek Pana-apichon				15/15		
10. Mr. Paiboon Panuwattanawong				15/15	2/4	3/3
11. Mr. Patompob Suwansiri				15/15	4/4	3/3
12. Mr. Vuthi Asvasermcharoen <sup>(5)</sup>					3/4	1/3
13. Mr. Wichai Kittiwittayakul					3/4	
14. Mr. Teerayuth Boonchote					4/4	3/3
15. Mr. Theerawat Kusalanggoorawat					3/4	2/3
16. Mr. Ekachai Phakdurong					4/4	3/3
17. Mr. Pramook Chaiwongwutthikul					3/4	
18. Dr. Supoj Chinveeraphan <sup>(6)</sup>					3/4	2/3
19. Mr. Pavit Ngansamrej					0/4	1/3
20. Ms. Yupapan Panclurbthong					3/4	3/3
21. Mr. Salil Charuchinda					3/4	3/3
22. Mr. Prawin Khurowat <sup>(7)</sup>					4/4	
23. Mrs. Kuntima Uawithya						2/3
24. Ms. Piyanuch Sujpluem <sup>(8)</sup>						2/3

- Remarks: <sup>(1)</sup> Mr. Prasert Bunsumpun was appointed as Member of the Compensation Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by resolution of the Board of Directors Meeting No. 6/2017 held on 27 June 2017, effective from 1 July 2017.
- <sup>(2)</sup> Mr. Philip Chen Chong Tan resigned as Member of the Compensation Committee and Member of Executive Committee, effective from 30 June 2017.
- <sup>(3)</sup> Mr. Philip Chen Chong Tan resigned as Member of the Governance and Nomination Committee, effective from 29 March 2017.
- <sup>(4)</sup> Mr. Kwek Buck Chye was appointed as Member of the Governance and Nomination Committee in replacement of Mr. Philip Chen Chong Tan who resigned, by resolution of the Board of Directors Meeting No. 4/2017 held on 29 March 2017, effective from 29 March 2017.
- <sup>(5)</sup> Mr. Vuthi Asavasermcharoen resigned as Member of the Risk Management Committee and Member of the Sustainable Development Committee, effective from 31 August 2017.
- <sup>(6)</sup> Mr. Supoj Chinveeraphan was appointed as Member of the Sustainable Development Committee, effective from 25 April 2017.
- <sup>(7)</sup> Mr. Prawin Khurowat resigned as Member of the Risk Management Committee, effective from 30 November 2017.
- <sup>(8)</sup> Ms. Piyanuch Sujpluem was appointed as Member and Secretary of the Sustainable Development Committee, effective from 25 April 2017.

## 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, Item 1 Structure and Composition 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 AGM pursuant to the rules specified by the Company.

On 16 January 2017, 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 2017, the Company revised its Information Security Management Regulations to be in line with the Information Security Management Regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, including to build confidence in the Company's business operations among investors, shareholders, business partners and stakeholders. In addition, the Company also utilized the Policy Statement on the Security of the Information System in its principles alongside the Information Security Management Regulations.

## 2.6 Auditor Fees

In 2017, 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	5.74
Total audit fees	7.60
Out-of-pocket	0.05
<b>Total audit fees and out-of-pocket</b>	<b>7.65</b>

### (2) Non-Audit Fees

The Company paid other compensation for special audit and consultant service which not related to audit to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. in the amount of 80,000 Baht.





### 3. Internal Control and Risk Management

#### 3.1 Summary of the Board of Directors' Opinion towards the Internal Control System of the Company.

For 2017, 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 2017, the company has already implemented risk assessment and risk management process to cover all company's subsidiaries overseas for conformity throughout organization and has also started review risk assessment and management of related companies as part of overall risk management

**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 the year 2017, the company has utilized its Control Self - Assessment System (CSA) to be adopted for overseas business units to further enhance effectiveness and monitoring 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 one million, the internal auditor has to report immediately.

The Audit Committee and The Board of Directors has assessed sufficiency of company's internal control system using five various measures which composed of, 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, thus, concluded 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 the internal control system and important document filing is effective and developed continuously, the Company has established an independent Internal Auditing Office directly reporting to the Audit Committee with an approved internal audit charter. The Internal Audit Charter specifies duties and responsibilities of Internal Audit Office clearly and is reviewed annually in conformance with current situations. 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, 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 2017, 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 2017 - 2021, 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 objective. For instance, system development under ISO requirements for subsidiaries, risk assessment and risk management, control self - assessment system, corporate governance and anti - fraud & corruption activities, investigation and support for fraud and misconduct cases and etc. 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 audit issues raised by internal and external auditors have been corrected and closed as per target 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, in year 2017, providing E-learning to all employees at all levels and conducted trainings and workshops, as well as established Risk Management Committee which is 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 improving of internal control. In the year 2017, the Company improved the Enterprise Risk Management (ERM) system to be more effective by requiring evidences for confirming its treatment plan as well as introducing lesson learned from any key risks that were successfully or unsuccessfully mitigated to the Risk Management Committee. This is in order for the management to control and manage the risk

effectively and efficiently, and to monitor process to report to the Executive Committee, the Audit Committee and Board of Directors properly. In conclusion, the Company's risk management process has been supported continuously by all levels.

In 2017, all Company's subsidiaries which have operations in overseas had been conducted and completed risk assessment and risk management. The Company has started review the risk assessment and management of related companies that THAICOM holds at least 20% share i.e. Lao Telecom Company Limited and CS Loxinfo Public Company Limited; this is to be 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 2017, found no significant deficiencies and weaknesses in the control of Company documents or internal control over financial reporting. The Auditors found that the Company had sufficient and effective internal control systems in place.







# Related Transactions

## Necessity and Justification of Transactions

In 2017, Thaicom Plc. and its subsidiaries (“the Company”) had related transactions as shown in Note 5 of the 2017 audited financial statements. The 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, 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 Stock Exchange of Thailand (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 Stock Exchange of Thailand. 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 Stock Exchange of Thailand 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 2016) 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 Securities Exchange Commission and the Stock Exchange of Thailand. The Legal and Compliance Department and the Accounting Department shall submit the 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 Stock Exchange of Thailand (SET) and the Office of the Securities Exchange Committee (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 Stock Exchange of Thailand (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.



## Information of 2017

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 For the year ended December 31, 2017 (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		
	- Application maintenance services	0.37	The Company was provided application maintenance services by INTOUCH for conducting to the policy of the company group.
	- Other expenses	0.07	
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	6.92	TCB, a subsidiary, provided TV signal uplink services. Service fee was charged under normal contracts and conditions on an arm’s length basis.
	- Dividend income	110.04	
	2. Expense		
	- Application development service	1.96	The Company used application development service under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm’s length basis.
	- The Company paid for internet service charges and other expenses	1.36	
	3. Trade accounts receivable and accrued income	9.56	The Company used 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.
	4. Trade accounts payable	2.04	

Related Companies/ Relationship	Transactions	Value of Related Transactions For the year ended December 31, 2017 (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	5.60	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	0.31	
	3. Other accounts payable	0.71	
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	89.96	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	8.07	
	3. Long term Loan	1,956.73	This is the Company’s supervision policy on subsidiaries to enable maximum benefits over the supervision.
	4. Other receivables	90.78	

Related Companies/ Relationship	Transactions	Value of Related Transactions For the year ended December 31, 2017 (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	6.01	IPIN, a subsidiary, paid for gateway operating fee and maintenance service fee for IPSTAR gateway in Lao. 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	0.05	
	3. Accrued expenses	1.79	
Advanced Wireless Network Co., Ltd.(AWN)/ a subsidiary of AIS group  - Provides telecommunication and network services	1. Revenue		
	- Revenue from transponder leasing on THAICOM satellite	62.17	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 providing TV signal uplink services	5.47	
	- Other income	0.40	TCB, a subsidiary, provided TV signal uplink services under ordinary course of business. Service fee was charged under normal contracts and trade conditions on an arm's length basis

Related Companies/ Relationship	Transactions	Value of Related Transactions For the year ended December 31, 2017 (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 used mobile phone services to support the ordinary course of business. Service fee was based on market price on an arm's length basis.
	- The Company paid for mobile phone services for its executives and employees	1.12	
	- Other expenses	0.14	
	3. Trade accounts receivable and accrued income	5.36	
	4. Trade accounts payable and advance receipt and accrued expenses	4.07	
	5. Other accounts payable	0.09	
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		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.
	- Providing the broadcasting service and TV guide service	15.14	
	- Other income	0.04	
	2. Trade accounts payable and advance receipt	1.03	
	3. Other current liabilities	2.04	



Related Companies/ Relationship	Transactions	Value of Related Transactions For the year ended December 31, 2017 (Million Baht)	Reason and Necessity of Transaction
		Consolidated	
Other related parties	1. Revenues		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.
	- Other income	0.63	
	2. Expense		
	- The Company paid for mobile phone services	0.31	
	- Other expenses	0.04	
	3. Trade accounts payable and advance receipt and accrued expenses	3.57	
	4. Other accounts payable	0.03	
	5. Other current liabilities	0.16	

# Sustainability Report



The goal of Thaicom is to create and develop telecommunication networks which foster opportunities, creates futures and pave the path to sustainable development, by dedicating our resource to develop innovations suitable for the growth and services of the digital era and to ensure that everyone received the opportunity for communication and access to information including better quality of life in our everyday life, these are the reason Thaicom have committed in provide telecommunication network services for sustainable development for the past two decades.

Our vision as a telecommunication network business has driven Thaicom's commitment to foster opportunities, creates futures and pave the path to sustainable development in accordance with the directive of the "Thaicom Sustainability Goals" under the framework of innovation and sustainable communication technology in order to promote education and reduce social inequality and increase to potential of the space and satellite industry with due consideration given to the economy and environment.

In order to achieve Thaicom Sustainability Goals under the principle of "Connectivity for Sustainability", in other words the fostering of opportunities, creation of futures and the path to sustainable development, Thaicom operates its business with due consideration to all aspect with four core development principles, which are;

1. **"Connectivity"**, giving priority to the procurement, the service of satellite network while maintaining continuous and sufficient flow of communication in all situations for the stability and peace of mind of all our stakeholders and economic growth both in normal and abnormal situations.
2. **"Responsibility"**, full responsibility in products and service by providing product of adequate value and continue to increase service quality with due consideration to the environment effective management to reduce impact on environment and provide for the development of sustainable society.
3. **"Innovation"**, creation of innovation both in products and services to meet demands of various target groups including; individual customers, households, organization and government agencies, while cooperating with education institute to further innovate our business process and space resource management for maximum efficiency.
4. **"Corporate Governance"**, management under good governance throughout the chain of business, with emphasis on personnel development and promote transparency, honesty and fair treatment of all stakeholders in order to achieve sustainability.



The Sustainability Report of Thaicom Public Company Limited was created propagate ideas and result of our sustainable development to all stakeholders in the aspect of economy, social and environment of the Company, within the framework of the four principles of sustainable development mentioned above in order to adequately manage the issue of sustainable development in accordance with the need and readiness of the organization. Thaicom has compiled and organize sustainable development issues relevant to the business within guideline of the GRI (Global Reporting Initiative) publication G4, in accordance with the Core principle and the Sustainable Development Goals: SDGs of the United Nations.

“ (For more information about the Sustainability Report 2017, please visit [www.thaicom.net](http://www.thaicom.net)) ”

# Management's Discussion and Analysis

## I. Overview

### Important matters in 2017

#### Changes in accounting policies

Since 1 January 2017, Thaicom Public Company Limited (the Company or THCOM) has adopted TAS 27 (Revised 2016), "Separate Financial Statements" by changing accounting policy relating to investment in subsidiaries in the separate financial statements from cost method to equity method. However, there was no impact on consolidated financial statement. The details of changes have been disclosed in note 4 to the financial statements.

#### Changes in the recognition of the investment in CS Loxinfo Public Company Limited (CSL)

At THCOM's Extra-Ordinary General Meeting of Shareholders (EGM) No.1/2017, held on 30 November 2017, the shareholders approved the sale of all ordinary shares that DTV Service Company Limited (DTV), a subsidiary of the Company, held in CS Loxinfo Public Company Limited (CSL) in total of 250,099,990 shares or equivalent to 42.07% of all the total issued and paid-up shares of CSL to Advanced Wireless Network Co., Ltd. (AWN), which is a subsidiary of Advanced Info Service Public Company Limited (AIS) by way of the Conditional Voluntary Tender Offer, at the offering price of 7.80 Baht per share, totaling Baht 1,951 million.

As at the end of 2017, the investment in CSL, previously recognized as THCOM's indirect subsidiary via DTV, was presented as a disposal group held for sale since the terms and conditions of the Conditional Voluntary Tender Offer of CSL, according to the Share Tender Agreement signed between DTV and AWN, were achieved on 1 December 2017 and the sales of CSL's shares was completed in January 2018

Impairment of satellites' assets and goodwill of subsidiary

In 2017, the Company recognized the impairment loss as followings:

- Impairment of intangible assets under operating agreement, which are satellite assets operating under concession, in total of Baht 3,196 million. During 2017, the significant market price erosion on satellite services from fierce competition, together with the churns of major customers both domestic and international, led to considerable decrease of revenue from satellite and related services. Furthermore, new sales were under-targeted due to the uncertainty of the license to operate follow-on satellites, resulting to customers' lack of confidence on business continuity.
- Impairment of goodwill and intangible assets of Orion Satellite System Pty Ltd (OSS), which is wholly owned by IPSTAR Australia Pty Ltd (IPA), the subsidiary of THCOM. IPA invested in OSS since 2014. Main revenue stream of OSS comes from providing VSAT services to customers mainly in mining and construction sectors in Western Australia. The recession of Australian's economic contributed to slow down of such business sectors, thus affecting the revenue of OSS. Therefore, the impairment of the goodwill and intangible assets of OSS were recognized in full amount of Baht 113 million.

The impairment is considered a non-cash item and does not affect the cash management of the Company. Although the net profit of the year was significantly dropped, going forward depreciation and amortization of the assets would decrease by approximately Baht 868 million per annum during 2018 until September 2021 (end of concession period).

## Performance overview

The Company's consolidated revenue from sales of goods and rendering of services for 2017 was Baht 6,689 million, a decrease of 22.6% from Baht 8,642 million for 2016, mainly due to the revenue drop from satellite and related services, particularly from the decrease of the Thaicom 4 Broadband service revenue due to the cease of contracts from major customers, together with the decrease of service revenue from conventional satellites following Thai's broadcasting industry trend slowing down.

As a result, the operating profit (loss) for 2017, taking into account the impairment, was Baht (3,594) million, down by 330.1% from Baht 1,562 million for 2016. The Company reported a consolidated net profit (loss) of Baht (2,650) million or Baht (2.42) per share for 2017, a decrease of 264.4% from Baht 1,612 million or Baht 1.47 per share for 2016.

## II. Business Summary

### Satellite and related Services

During November 2017, the Company received a corporate governance rating of excellent, or 5 stars, for the fifth year in a row (2013 - 2017) from the Stock Exchange of Thailand (SET). This recognition is a milestone as the Company works toward sustainable development by adhering to corporate governance (CG) principles and raising the bar for CG practices that promote transparency and consistently create shared value for all stakeholders.

The Company has also been selected for the 2016 Thailand Sustainability Investment (THSI) list based on SET's annual sustainability assessment. This recognition, awarded to the Company for the third consecutive year, reflects a balance of outstanding performance across financial, environmental, social and governance dimensions, which are the powerful mechanisms for sustainable development.



### Internet and media Services

In 2017, THCOM recognized the share of profit from CSL of Baht 137 million, increase by 14.5% from Baht 120 million for 2016. This increased profit was contributed mainly from the growth of Internet Data Center (IDC) and condominium broadband subscriber services.

The sales of CSL's shares to AWN was completed during January 2018. The Company will no longer recognized the share of profit from CSL after completion.

### Telephone business abroad

As of the end of 2017, Lao Telecommunications Co., Ltd. (LTC) had total mobile subscribers (excluded fixed wireless) of 1,547,291 and ranks No.1 with 57.0% mobile's market share, up from 53.7% as at the end of 2016. LTC's revenue continued to increase mainly due to the increase of revenue from Internet SIM.



### III. Consolidated Operating Results

#### Selected financial information of THCOM

Unit: Baht million	Amount		Change YoY (%)
	2017	2016 (restated)	
Revenue from sales of goods and rendering of services	6,689	8,642	-22.6%
Cost of sales of goods and rendering of services	5,291	5,568	-5.0%
Loss from Impairment *	3,309	-	-
Other SG&A expenses	1,684	1,511	11.4%
EBIT from continuing operations **	(3,594)	1,562	-330.1%
Depreciation and Amortization	2,896	2,759	0.0%
EBITDA from continuing operations ***	(699)	4,321	-116.2%
Share of profit of investment in joint venture	196	198	-1.2%
Profit (loss) for the period from continuing operations	(2,787)	1,492	-286.8%
Profit (loss) for the period from discontinued operation	326	291	11.9%
Profit (loss) for the period	(2,461)	1,783	-238.0%
Profit (loss) attributable to: non-controlling interest	189	171	10.0%
<b>Profit (loss) attributable to owner of the Company</b>	<b>(2,650)</b>	<b>1,612</b>	<b>-264.4%</b>
Earnings (loss) per share (Baht)	(2.42)	1.47	-264.4%
Earnings (loss) per share from continuing operations (Baht)	(2.54)	1.36	-286.7%

\* The impairment of satellites operating under concession and the impairment of goodwill and intangible assets of Orion Satellite System Pty Ltd.

\*\*\* EBIT = Sales and service income - Cost of sales and service - SG&A (including impairment)

\*\*\* 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 2017 was Baht 6,689 million, a decrease of 22.6% from Baht 8,642 million for 2016. These were mainly contributed by the decrease of revenue from both satellite and related services and Internet and media services.

#### Revenue from sales of goods and rendering of services

Unit: Baht million	2017	2016 (restated)	YoY (%)
Satellite and related services	6,475	8,414	-23.0%
Internet and media services*	299	310	-3.5%
Consolidation eliminations	(85)	(82)	3.7%
<b>Total</b>	<b>6,689</b>	<b>8,642</b>	<b>-22.6%</b>

\* Include revenue from sales and services generated by DTV, and Cambodian DTV Network Ltd (CDN)

## Satellite and related services

Revenue from satellite and related services for 2017 was Baht 6,475 million, a decrease of 23.0% from Baht 8,414 million for 2016. These were contributed by revenue drop from both conventional and broadband satellite services.

## Satellite and related services

Unit: Baht million	2017	2016 (restated)	YoY (%)
Conventional*	3,726	4,414	-15.6%
Thaicom 4 Broadband Services	2,748	4,000	-31.3%
Sales	2,480	3,731	-33.5%
	269	269	-0.1%
<b>Total</b>	<b>6,475</b>	<b>8,414</b>	<b>-23.0%</b>

\* Include the Thaicom 5 6 7 and 8 satellites

- Revenue from the Thaicom conventional satellites and related services for 2017 was Baht 3,726 million, dropped by 15.6% from Baht 4,414 million for 2016. The overall conventional satellites utilization increased from the ramp-up of new customers in Greater Mekong Subregion and Africa. However, the total revenue dropped since price per unit has decreased following market price dropped, together with the decrease of revenue from value-added services following Thai's broadcasting industry trend slowing down
- Revenue from the Thaicom 4 Broadband Satellite and related services was Baht 2,748 million for 2017, down by 31.3% from Baht 4,000 million for 2016. This was mainly contributed by the decrease of;
  - Service revenue in Australia, Thailand and China due to the ending of service contracts with major clients in each region, together with the decrease of service revenue in Myanmar due to reduction of bandwidth usage; offsetting with,
  - The increase of revenue from Japan due to the increase of service price, and the ramp-up of recent service contracts in Indonesia and Thailand.

## Internet and media services

The Company's revenue from Internet and media services for 2017 was Baht 299 million, down by 3.5% compared to Baht 310 million for 2016, mainly because of the decrease of DTV's revenue from D Channel Platform services and sales of equipment, offsetting with the increase of CDN's revenue from sales of satellite receiver sets.

## Cost of sales of goods and rendering of services

The Company reported consolidated cost of sales of goods and rendering of services for 2017 of Baht 5,291 million, a decrease of 5.0% compared to Baht 5,568 million for 2016, due to the decrease of cost from satellite services, offsetting with the increase of cost from Internet and media services.

**Cost of sales of goods and rendering of services**

Unit: Baht million	2017	2016 (restated)	YoY (%)
Satellite and related services	5,129	5,419	-5.4%
Internet and media services*	243	233	4.3%
Consolidation eliminations	(81)	(84)	-3.6%
<b>Total</b>	<b>5,291</b>	<b>5,568</b>	<b>-5.0%</b>

\* Include cost from sales and services generated by DTV, and CDN

**Cost of satellite and related services**

Cost relating to satellite and related services for 2017 was Baht 5,129 million, a decrease of 5.4% from Baht 5,419 million for 2016. This was due to the decrease of cost relating to the Thaicom 4 Broadband satellite services, offsetting with the increase of cost relating to the conventional satellites and related services

**Satellite and related services**

Unit: Baht million	2017	2016 (restated)	YoY (%)
Conventional*	2,658	2,529	5.1%
Thaicom 4 Broadband	2,471	2,890	-14.5%
<b>Total</b>	<b>5,129</b>	<b>5,419</b>	<b>-5.4%</b>

\* Include the Thaicom 5 6 7 and 8 satellites

- Cost relating to the conventional satellites and related services was Baht 2,658 million for 2017, increased by 5.1% compared with Baht 2,529 million for 2016, mainly from the increase of costs relating to the Thaicom 8 Satellite such as depreciation and in-orbit insurance.
- Cost relating to the Thaicom 4 Broadband Satellite and related services for 2017 was Baht 2,471 million, decreased by 14.5% from Baht 2,890 million for 2016. These were primarily due to;
  - Lower operating fees, the revenue sharing to the government agencies, following the decrease of overall bandwidth usage,
  - Lower depreciation cost, resulting from the increase of fully-depreciated assets, offsetting with

**Cost of Internet and media services**

Cost relating to the Internet and media services for 2017 amounted to Baht 243 million, an increase of 4.3% from Baht 233 million for 2016, due mainly to the increase of cost relating to CDN's sales revenue, offsetting with the decrease of DTV's cost following sale decrease. The overall cost of Internet and media services increased while the revenue decreased was mainly resulted from the decrease of CDN's gross margin due to the sales promotion in 2017, together with the increase of bandwidth cost.

**Selling and administrative expenses**

SG&A expenses, including directors and management benefit expenses, totaled Baht 4,993 million for 2017, an increase of 230.4% from Baht 1,511 million for 2016. This was mainly contributed to the important matters in 2017 as following:

- The impairment of satellite assets operating under concession of Baht 3,196 million,
- The impairment of goodwill and intangible assets of OSS Baht of 113 million,

- The provision for doubtful debt of a broadband customer in the amount of Baht 352 million; offsetting with,
- The decrease of staff expenses and marketing expenses.

SG&A, excluding the impairment and provision for doubtful debt of a broadband customer, was Baht 1,332 million, decrease 11.8% from the same period of last year.

#### **Gain on exchange rate**

In 2017, the Company reported a gain on foreign exchange of Baht 152 million. This was mainly impacted by the revaluation of borrowings for the satellite projects as a result of the appreciation of the Thai Baht against the US Dollar.

#### **Finance costs**

Finance costs totaled Baht 382 million for 2017, increase by 13.3% from Baht 338 million for 2016, contributed mainly to:

- The increase of interest expenses for the Thaicom 8 Satellite; offsetting with,
- The decrease of interest from short-term loan all repaid in 2016, and
- The decrease of interest from long-term loans according to their repayment schedule, together with the prepayment of USD 40 million in Q3/2017.

#### **Share of profit of investment in joint venture**

Share of profit of investment in joint venture in telephone business for 2017 was Baht 196 million, decrease by 1.2% from Baht 198 million for 2016. This was mainly contributed by;

- Higher withholding tax in 2017 following higher dividend received from LTC compared to the previous year; offsetting with,
- The increase in operating result from LTC which was mainly from the increase of revenue from Internet SIM.

#### **Net profit**

The Company reported a profit (loss) attributable to owner of the Company of Baht (2,650) million for 2017, a decrease of 264.4% from Baht 1,612 million for 2016. The profit for the year significantly dropped due to the decrease of revenue from satellite and related services, together with the recognition of impairment of assets, and the significant provision for doubtful debts of a broadband customer, including the increase of costs from the Thaicom 8 Satellite.

### **IV. Financial Position**

As at the end of 2017, the Company reported total assets of Baht 25,939 million, a decrease of 21.0% from Baht 32,840 million as at the end of 2016. This was mainly due to;

- The impairment of the intangible assets under operating agreements and the goodwill and intangible assets of OSS,
- The decrease of cash and cash equivalents, and current investments, as a result of long-term loan prepayment and dividend payment, offsetting by of profit generated from operating activities,
- Depreciation and amortization of PP&E and intangible assets under operating agreements for 2017,
- The decrease of trade and other accounts receivable mainly from the provision for doubtful debt of a broadband customer.

**THCOM's asset components**

Assets Unit: Baht million	December 31, 2017		December 31, 2016	
	Amount (Bt mn)	% of Total assets	Amount (Bt mn)	% of Total assets
Current assets	9,425	36.3%	9,127	27.8%
Property, plant and equipment	7,859	30.3%	9,437	28.5%
Intangible assets under operating agreement	3,987	15.4%	9,205	28.0%

**Trade and other receivables**

As at the end of 2017, the Company had net trade accounts receivable and accrued income (excluded other account receivable) of Baht 1,519 million (or 5.9% of total assets), comprising of receivables from other parties and related parties, representing 95% and 5% of total trade accounts receivable and accrued income, respectively.

The Company had an allowance for doubtful accounts of Baht 754 million or 42.8% of total trade accounts receivable, increased from Baht 352 million or 19.4% of total trade accounts receivable as at the end of 2016. This was mainly to the provision for doubtful debts for a broadband customer.

**Liquidity**

As at the end of 2017, the Company had a current ratio of 3.22x, up from 2.53x as at the end of 2016, due mainly to;

- The non-current assets classified as the asset held for sale or the investment in CSL recognized at the end of 2017 of Baht 1,837 million,
- The decrease of the current portion of long-term loan due to the significant loan prepayment of in 2017.

**Property, plant and equipment**

Property, Plant and Equipment (PP&E) as at the end of 2017 was Baht 7,859 million, a decrease of 15.9% from Baht 9,347 million as at the end of 2016. This was due mainly to depreciation and amortization of PP&E during 2017.

**Intangible assets under operating agreement**

Intangible assets under operating agreement are mainly the assets of the satellites operating under concession agreement, which are the Thaicom 4, Thaicom 5, and Thaicom 6 Satellites. As at the end of 2017, the assets was Baht 3,987 million, a decrease of 56.7% from Baht 9,205 million as at the end of 2016. This was due mainly to:

- The impairment of the intangible assets under operating agreement of Baht 3,196 million.
- Depreciation and amortization of the intangible assets during 2017.

**Borrowings and shareholders' equity**

The Company's net borrowings as at the end of 2017 were Baht 7,446 million, a decrease of 27.2% from Baht 10,225 million as at the end of 2016, mainly attributable to the long-term loans prepayment of USD 40 million, together with repayments on schedule and the revaluation of borrowing from the appreciation of Thai Baht against US dollar.

The Company's shareholders' equity as at the end of 2017 was Baht 15,280 million, decreased by 19.2% from Baht 18,921 million as at the end of 2016, mainly reflecting from the significant net loss and dividend payment to shareholders in 2017

As at the end of 2017, the ratio of net borrowings to equity was 0.49x, down from 0.54x as at the end of 2016.





### Cash flows

Net cash provided by operating activities for 2017 was Baht 2,980 million, a decrease of 36.7% from Baht 4,711 million for 2016, due mainly to the decrease of operating profit.

Net cash provided (used) by investing activities for 2017 was Baht (46) million, most of which were the investment of assets, offsetting with interest income received.

Net cash provided (used) in financing activities for 2017 was Baht (3,327) million, mainly comprising of the loans and interest payment, including dividend payment.

The Company had ending cash and cash equivalents of Baht 1,961 million as at the end of 2017.

## 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 2017. 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)  
Chairman of the Executive Committee  
and Chief Executive Officer





บริษัท ดีลอยท์ ทูเช่ โทมัทสึ จำกัด  
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## 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, 2017, and the related consolidated and separate statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the 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, 2017, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

#### Basis for Opinion

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

#### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 4 to the financial statements that Thaicom Public Company Limited and its subsidiaries have elected to change accounting policy related to investments in subsidiaries and joint venture in the separate financial statements from cost method to equity method for the financial statements for the periods beginning on or after January 1, 2017 onwards and the Company restated the separate financial statements for the year ended December 31, 2016 and the separate statement of financial position as at January 1, 2016 which are presented as comparative information, to be in accordance with the revised Thai Financial Reporting Standards.

In addition, we draw attention to Note 10 and Note 36.1 to the financial statements that a subsidiary of the Company has sold its entire investment in CS Loxinfo Public Company Limited to Advance Wireless Network Co., Ltd. on January 25, 2018. The Company classified assets and liabilities of CS Loxinfo Public Company Limited as non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale in the statements of financial of position as at December 31, 2017 and classified its net profit as net profit from discontinued operation in the consolidated and separate statements of profit or loss for the years ended December 31, 2017 and 2016.

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## Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p><b>Recognition of revenue from rendering of services</b></p> <p>The Group has many service agreements which have different terms and pricing conditions. Therefore, the key audit matter is occurrence of recognition of revenue from rendering of services whether the revenue from rendering of services has been recorded in accordance with TFRSs</p> <p>Accounting policy of revenue recognition and detail of revenue from rendering of services were disclosed in the Note 3.18 and Note 25 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the revenue recognition process related to rendering of services and related internal control procedures</li> <li>• Testing the design and implementation of the internal control procedures</li> <li>• Performing the operating effectiveness testing over the internal control procedures around revenue recognition process related to rendering of services including related information and technology system, and</li> <li>• Performing substantive testing as follows:                             <ul style="list-style-type: none"> <li>– Examine terms and condition of the service agreements and recalculate the revenues whether it has been recorded appropriately and examine the related supporting documents of those revenues from rendering of services</li> <li>– Perform substantive analytical procedures relating to the revenue from rendering of services.</li> </ul> </li> </ul>
<p><b>Impairment of investment in subsidiaries and goodwill</b></p> <p>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.</p> <p>Accounting policies of investments, intangible assets and impairment and detail of investments in subsidiaries and intangible assets were disclosed in the Note 3.8, Note 3.12, Note 3.13, Note 11, and Note 14 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the impairment consideration process and related internal control procedures</li> <li>• Testing the design and implementation of the internal control procedures</li> <li>• Performing the operating effectiveness testing over the internal control procedures around impairment consideration process, and</li> <li>• Performing substantive testing as follows:                             <ul style="list-style-type: none"> <li>– Examine the supporting documents in relation to the management consideration of impairment indicators for investment in subsidiaries</li> <li>– Assess the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries.</li> </ul> </li> </ul>



**Deloitte Touche Tohmatsu Jaiyos Audit**

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Key Audit Matters	Key Audit Procedures
<p><b>Impairment of equipment and intangible assets under operating agreement</b></p> <p>The consideration of impairment of equipment and intangible asset under operating agreement is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation of equipment and intangible asset under operating agreement and impairment of equipment and intangible asset under operating agreement have been recognized in accordance with TFRSs.</p> <p>Accounting policies of property, plant and equipment, intangible assets under operating agreement and impairment and detail of property, plant and equipment and intangible assets under operating agreement were disclosed in the Note 3.9, Note 3.10, Note 3.13, Note 13, and Note 14 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> <li>• Understanding the impairment consideration process and related internal control procedures</li> <li>• Testing the design and implementation of the internal control procedures</li> <li>• Performing the operating effectiveness testing over the internal control procedures around impairment consideration process, and</li> <li>• Performing substantive testing as follows: <ul style="list-style-type: none"> <li>– Examine the supporting documents in relation to the management consideration of impairment indicators for equipment and intangible asset under operating agreement.</li> <li>– Assess the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for equipment and intangible asset under operating agreement.</li> </ul> </li> </ul>

**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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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.

Deloitte Touche Tohmatsu Jaiyos Audit

ดีลอยท์ ทูเช่ โทมัตสึ ไชยโยส สอบบัญชี

- 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

**BANGKOK**

January 31, 2018

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of financial position**  
**At 31 December 2017**

		Consolidated			Separate	
		financial statements			financial statements	
		31 December	31 December	31 December	(Restated)	(Restated)
		2017	2016	2017	31 December	1 January
		2016	2016	2016	2016	2016
Notes		Baht	Baht	Baht	Baht	Baht
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	6	1,960,770,857	2,683,685,053	683,765,774	477,958,084	1,253,746,837
Current investments	7	3,407,069,423	3,537,888,499	3,436,461,878	3,540,581,148	1,574,220,655
Trade and other current receivables	8	1,666,859,482	2,427,969,689	1,957,412,837	1,721,754,705	1,361,316,236
Amounts due from related parties	5	90,824,861	124,368,293	190,369,034	302,799,910	211,886,621
Short-term loan to a joint venture	5	-	18,185,988	-	18,185,988	168,520,658
Current portion of long-term loan to related parties	5	244,591,079	-	244,591,079	-	-
Inventories	9	124,813,587	323,878,790	106,892,786	235,029,321	160,423,960
Other current assets		93,203,229	11,373,239	25,951,957	15,681,613	32,865,381
Non-current assets classified as held for sale	10	1,837,189,239	-	-	-	-
<b>Total current assets</b>		<b>9,425,321,757</b>	<b>9,127,349,551</b>	<b>6,645,445,345</b>	<b>6,311,990,769</b>	<b>4,762,980,348</b>
<b>Non-current assets</b>						
Long-term loans to related parties	5	1,712,137,550	2,145,946,584	1,752,137,549	2,175,946,584	2,161,864,194
Investments in subsidiaries	11	-	-	1,674,859,190	2,027,097,883	3,955,685,945
Investments in a joint venture	11	1,356,700,860	1,417,200,767	1,356,700,860	1,417,200,767	1,210,350,988
Property, plant and equipment	13	7,859,316,266	9,347,159,923	7,794,040,539	8,441,135,667	8,073,204,433
Intangible assets under operating agreement	14	3,986,568,906	9,204,747,659	3,986,568,906	9,204,747,659	11,227,186,999
Deferred charges	14	15,632,576	17,650,218	15,632,576	17,650,218	19,667,859
Intangible assets	14	427,047,889	710,771,623	333,565,036	422,338,668	515,934,767
Deferred tax assets	15	775,824,882	310,411,352	704,853,399	83,079,498	86,460,112
Other non-current assets	16	380,643,468	558,527,020	361,623,550	519,167,622	838,416,858
<b>Total non-current assets</b>		<b>16,513,872,397</b>	<b>23,712,415,146</b>	<b>17,979,981,605</b>	<b>24,308,364,566</b>	<b>28,088,772,155</b>
<b>Total assets</b>		<b>25,939,194,154</b>	<b>32,839,764,697</b>	<b>24,625,426,950</b>	<b>30,620,355,335</b>	<b>32,851,752,503</b>

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 2017**

		Consolidated financial statements			Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	(Restated) 31 December 2016	(Restated) 1 January 2016
Notes		Baht	Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>						
<i>Current liabilities</i>						
Short-term borrowings from financial institutions	17	-	230,000,000	-	-	1,460,520,587
Trade and other current payables	18	866,662,159	1,417,118,257	658,855,472	683,564,020	673,890,214
Amounts due to related parties	5	829,729	49,369	23,522,941	2,262,237	2,539,821
Current portion of long-term borrowings	17	421,788,460	728,871,183	421,788,460	667,991,230	7,992,543
Short-term borrowings from related party		-	-	-	-	1,126,768,104
Advance receipts from customers		218,392,223	805,729,858	60,020,292	277,360,149	676,917,443
Accrued operating agreement fee		263,344,848	316,222,960	263,344,848	316,222,960	333,401,729
Income tax payable		7,225,864	32,836,808	-	7,156,197	55,972,634
Other current liabilities	19	95,844,393	81,346,770	63,253,253	77,519,266	72,919,034
Liabilities directly associated with non-current assets classified as held for sale	10	1,055,257,237	-	-	-	-
<b>Total current liabilities</b>		<b>2,929,344,913</b>	<b>3,612,175,205</b>	<b>1,490,785,266</b>	<b>2,032,076,059</b>	<b>4,410,922,109</b>
<i>Non-current liabilities</i>						
Long-term borrowings	17	7,024,628,257	9,265,989,310	7,061,628,257	9,202,060,708	9,905,129,460
Long-term accounts payable - property and equipment		226,645,680	248,417,250	226,645,680	248,417,250	250,151,220
Net liabilities in subsidiaries	4, 11	-	-	576,045,267	82,222,033	-
Non-current provisions for employee benefit	20	175,939,941	429,770,347	148,950,511	207,511,871	208,848,138
Other non-current liabilities	21	302,925,926	362,240,425	299,278,905	338,461,308	392,876,579
<b>Total non-current liabilities</b>		<b>7,730,139,804</b>	<b>10,306,417,332</b>	<b>8,312,548,620</b>	<b>10,078,673,170</b>	<b>10,757,005,397</b>
<b>Total liabilities</b>		<b>10,659,484,717</b>	<b>13,918,592,537</b>	<b>9,803,333,886</b>	<b>12,110,749,229</b>	<b>15,167,927,506</b>
<i>Equity</i>						
Share capital	22					
Authorised share capital		5,499,884,200	5,499,884,200	5,499,884,200	5,499,884,200	5,494,512,700
Issued and paid-up share capital		5,480,333,200	5,479,969,700	5,480,333,200	5,479,969,700	5,479,687,700
Premium on ordinary shares	22	4,324,626,137	4,305,387,362	4,324,626,137	4,305,387,362	4,301,989,672
Retained earnings						
Appropriated						
Legal reserve		549,988,420	549,988,420	549,988,420	549,988,420	549,451,270
Unappropriated		4,201,676,132	7,614,333,524	4,201,676,132	7,614,333,524	6,715,451,453
Other components of equity		265,469,175	559,927,100	265,469,175	559,927,100	637,244,902
<b>Equity attributable to owners of the Company</b>		<b>14,822,093,064</b>	<b>18,509,606,106</b>	<b>14,822,093,064</b>	<b>18,509,606,106</b>	<b>17,683,824,997</b>
Non-controlling interests	12	457,616,373	411,566,054	-	-	-
<b>Total equity</b>		<b>15,279,709,437</b>	<b>18,921,172,160</b>	<b>14,822,093,064</b>	<b>18,509,606,106</b>	<b>17,683,824,997</b>
<b>Total liabilities and equity</b>		<b>25,939,194,154</b>	<b>32,839,764,697</b>	<b>24,625,426,950</b>	<b>30,620,355,335</b>	<b>32,851,752,503</b>

The accompanying notes are an integral part of these financial statements.



**Thaicom Public Company Limited and its Subsidiaries**  
**Statements of profit or loss**  
**For the year ended 31 December 2017**

	Notes	Consolidated financial statements		Separate financial statements	
		2017 Baht	(Restated) 2016 Baht	2017 Baht	(Restated) 2016 Baht
<b>Continuing operations</b>					
<b>Income</b>	5				
Revenues from sale of goods and rendering of services	25	6,688,843,268	8,641,553,129	5,878,290,011	7,076,757,129
Construction revenue under operating agreement		186,400	105,000	186,400	105,000
Net foreign exchange gain		152,243,504	151,970,327	152,315,241	162,693,134
Other income	26	387,141,296	187,578,884	253,622,355	331,269,089
<b>Total income</b>		<b>7,228,414,468</b>	<b>8,981,207,340</b>	<b>6,284,414,007</b>	<b>7,570,824,352</b>
<b>Expenses</b>	5				
Cost of sale of goods and rendering of services		4,312,036,220	4,511,442,164	3,778,396,818	3,867,990,052
Construction cost under operating agreement		186,400	105,000	186,400	105,000
Operating agreements fee		978,521,346	1,057,053,328	978,521,346	1,057,053,328
Selling expenses		105,906,051	195,014,783	99,321,380	155,421,301
Administrative expenses		1,515,011,381	1,227,922,658	848,276,646	787,150,835
Impairment loss on assets		3,308,681,047	-	3,196,000,000	-
Directors and management benefit expenses		63,129,812	88,155,149	62,764,012	87,800,291
Finance costs		382,429,405	337,557,961	378,304,300	337,745,898
<b>Total expenses</b>		<b>10,665,901,662</b>	<b>7,417,251,043</b>	<b>9,341,770,902</b>	<b>6,293,266,705</b>
Share of profit (loss) of investment in subsidiaries and a joint venture		196,184,926	198,469,354	(263,785,847)	506,207,579
<b>Profit (loss) before income tax expense from continuing operations</b>		<b>(3,241,302,268)</b>	<b>1,762,425,651</b>	<b>(3,321,142,742)</b>	<b>1,783,765,226</b>
Income tax expense	29	454,566,970	(270,253,103)	534,407,444	(291,592,678)
<b>Profit (loss) from continuing operations</b>		<b>(2,786,735,298)</b>	<b>1,492,172,548</b>	<b>(2,786,735,298)</b>	<b>1,492,172,548</b>
<b>Discontinued operation</b>					
Profit from discontinued operation, net of income tax	10	325,660,831	291,088,913	136,958,006	119,600,588
<b>Profit (loss) for the year</b>		<b>(2,461,074,467)</b>	<b>1,783,261,461</b>	<b>(2,649,777,292)</b>	<b>1,611,773,136</b>
Profit (loss) attributable to:					
Owner of the Company		(2,649,777,292)	1,611,773,136	(2,649,777,292)	1,611,773,136
Non-controlling interest					
Continuing operation		-	(430)	-	-
Discontinued operation		188,702,825	171,488,755	-	-
<b>Profit (loss) for the year</b>		<b>(2,461,074,467)</b>	<b>1,783,261,461</b>	<b>(2,649,777,292)</b>	<b>1,611,773,136</b>
<b>Earnings (loss) per share (Baht)</b>	30				
Basic earnings (loss) per share		(2.42)	1.47	(2.42)	1.47
Diluted earnings (loss) per share		(2.42)	1.47	(2.42)	1.47
<b>Earnings (loss) per share - continuing operation (Baht)</b>	30				
Basic earnings (loss) per share		(2.54)	1.36	(2.54)	1.36
Diluted earnings (loss) per share		(2.54)	1.36	(2.54)	1.36

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 2017**

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	(Restated) 2016
Notes	Baht	Baht	Baht	Baht
<b>Profit (loss) for the year</b>	<b>(2,461,074,467)</b>	<b>1,783,261,461</b>	<b>(2,649,777,292)</b>	<b>1,611,773,136</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Defined benefit plan actuarial gains	15,874,884	-	4,762,288	-
Income tax on other comprehensive income	(2,674,819)	-	(452,300)	-
	<b>13,200,065</b>	<b>-</b>	<b>4,309,988</b>	<b>-</b>
<i>Items that maybe reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	(288,274,898)	(74,763,946)	(288,274,898)	(74,763,946)
Unrealised loss from increase in shareholding in subsidiary	(17)	-	(17)	-
Changes in fair value of available-for-sale investment transfers to profit or loss	(1,564,964)	11,257,263	(1,564,964)	11,257,263
Changes in fair value of available-for-sale investment	5,996,514	(18,361,763)	5,996,514	(18,361,763)
Income tax on other comprehensive income	(886,310)	266,680	(886,310)	266,680
	<b>(284,729,675)</b>	<b>(81,601,766)</b>	<b>(284,729,675)</b>	<b>(81,601,766)</b>
<b>Other comprehensive income for the year, net of income tax</b>	<b>(271,529,610)</b>	<b>(81,601,766)</b>	<b>(280,419,687)</b>	<b>(81,601,766)</b>
<b>Total comprehensive income for the year</b>	<b>(2,732,604,077)</b>	<b>1,701,659,695</b>	<b>(2,930,196,979)</b>	<b>1,530,171,370</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	(2,930,196,979)	1,530,171,800	(2,930,196,979)	1,530,171,800
Non-controlling interests	197,592,902	171,487,895	-	(430)
<b>Total comprehensive income for the year</b>	<b>(2,732,604,077)</b>	<b>1,701,659,695</b>	<b>(2,930,196,979)</b>	<b>1,530,171,370</b>

The accompanying notes are an integral part of these financial statements.

**Thacom Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

**For the year ended 31 December 2017**

Consolidated financial statements													
		Other components of equity											
		Retained earnings		Changes in fair value of available-for-sale investments									
				Cumulative gain on dilution of investment in a subsidiaries		Foreign currency translation differences		Total other components of equity		Equity attributable to owners of the Company		Non-controlling interests	
				Baht		Baht		Baht		Baht		Baht	
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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 2017**

Consolidated financial statements													
		Retained earnings			Other components of equity								
Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based 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	
Year ended 31 December 2017													
Balance at 1 January 2017													
	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	
Transactions with owners, recorded directly in equity													
22	363,500	19,238,775	-	-	(19,602,275)	-	-	-	(19,602,275)	-	-	-	
22	-	-	-	-	9,874,025	-	-	-	9,874,025	9,874,025	-	9,874,025	
31	-	-	-	(767,190,088)	-	-	-	-	-	(767,190,088)	(151,542,583)	(918,732,671)	
Total transactions with owners, recorded directly in equity													
	363,500	19,238,775	-	(767,190,088)	(9,728,250)	-	-	-	(9,728,250)	(757,316,063)	(151,542,583)	(908,858,646)	
Comprehensive income for the year													
30	-	-	-	(2,649,777,292)	-	-	-	-	-	(2,649,777,292)	188,702,825	(2,461,074,467)	
	-	-	-	4,309,988	-	(17)	(288,274,898)	3,545,240	(284,729,675)	(280,419,687)	8,890,077	(271,529,610)	
Total comprehensive income for the year													
	-	-	-	(2,645,467,304)	-	(17)	(288,274,898)	3,545,240	(284,729,675)	(2,930,196,979)	197,592,902	(2,732,604,077)	
Balance at 31 December 2017													
	5,480,333,200	4,324,626,137	549,988,420	4,201,676,132	11,792,737	328,844,639	(77,646,719)	2,478,518	265,469,175	14,822,093,064	457,616,373	15,279,709,437	

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 2017**

**Separate financial statements (Restated)**

	Notes	Retained earnings		Other components of equity							
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based 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	
											Baht
Year ended 31 December 2016											
Balance at 1 January 2016 - as reported											
	4	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
		-	-	-	2,948,358,883	-	328,844,656	285,392,125	5,771,098	620,007,879	3,568,366,762
Balance at 1 January 2016 - as restated											
		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
Transactions with owners, recorded directly in equity											
	22	282,000	3,397,690	-	-	(3,679,690)	-	-	-	(3,679,690)	-
	22	-	-	-	-	7,963,654	-	-	-	7,963,654	7,963,654
	31	-	-	-	(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											
	30	-	-	-	1,611,773,136	-	-	-	-	-	1,611,773,136
		-	-	-	-	-	-	(74,763,946)	(6,837,820)	(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
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

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 2017**

Separate financial statements											
			Other components of equity								
			Retained earnings			Changes in fair value of available-for-sale investments					
Notes	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Other reserve for share-based 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	Total equity	
											Baht
Year ended 31 December 2017											
	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	
4	-	-	-	1,532,393,752	-	328,844,656	210,628,179	-	539,472,835	2,071,866,587	
	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	
Transactions with owners, recorded directly in equity											
22	363,500	19,238,775	-	-	(19,602,275)	-	-	-	(19,602,275)	-	
22	-	-	-	-	9,874,025	-	-	-	9,874,025	9,874,025	
31	-	-	-	(767,190,088)	-	-	-	-	-	(767,190,088)	
	363,500	19,238,775	-	(767,190,088)	(9,728,250)	-	-	-	(9,728,250)	(757,316,063)	
Comprehensive income for the year											
30	-	-	-	(2,649,777,292)	-	-	-	-	-	(2,649,777,292)	
	-	-	-	4,309,988	-	(17)	(288,274,898)	3,545,240	(284,729,675)	(280,419,687)	
	-	-	-	(2,645,467,304)	-	(17)	(288,274,898)	3,545,240	(284,729,675)	(2,930,196,979)	
	5,480,333,200	4,324,626,137	549,988,420	4,201,676,132	11,792,737	328,844,639	(77,646,719)	2,478,518	265,469,175	14,822,093,064	
Balance at 31 December 2017											

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 2017**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2017	2016	2017	(Restated) 2016
		Baht	Baht	Baht	Baht
<b><i>Cash flows from operating activities</i></b>					
Profit (loss) for the year		(2,461,074,467)	1,783,261,461	(2,649,777,292)	1,611,773,136
<b><i>Adjustments for</i></b>					
Depreciation of property and equipment	13	910,015,082	773,279,858	699,697,390	542,608,146
Amortisation of intangible assets					
under operating agreements	14	2,022,365,154	2,022,544,340	2,022,365,154	2,022,544,340
Amortisation of deferred charges	14	2,017,642	2,002,650	2,017,642	2,017,642
Amortisation of intangible assets	14	125,264,936	127,039,726	95,119,440	95,111,935
Impairment loss on assets		3,308,681,047	-	3,196,000,000	-
Investment income		(159,053,634)	(130,344,693)	(151,947,441)	(132,675,027)
Share-based payment	22	9,874,025	7,963,654	9,874,025	7,963,654
Finance costs		400,807,998	358,781,093	378,304,300	337,745,898
Gain on exchange rate		(297,171,291)	(125,457,532)	(207,898,131)	(20,512,752)
Amortisation of borrowing costs	17, 27	1,065,891	1,065,891	1,065,891	1,065,891
Bad and doubtful debts expense	8	494,032,966	138,114,229	109,609,606	116,272,388
Allowance for obsolete inventory		12,931,779	15,749,802	12,189,598	16,016,830
Gain on disposal of property and equipment		(4,798,459)	(10,132,316)	(4,036,281)	(17,749,925)
Write-off property and equipment		1,691,518	566,630	32,789	113,995
Write-off intangible assets		950,001	523,335	-	6,472
Share of (profits) loss of investment in subsidiaries and a joint venture	11	(196,184,926)	(198,469,354)	126,827,841	(625,808,167)
Income tax expense		(383,352,970)	347,609,167	(534,407,444)	291,592,678
Others		-	23,289,922	-	23,289,922
		3,788,062,292	5,137,387,863	3,105,037,087	4,271,377,056
<b><i>Changes in operating assets and liabilities</i></b>					
Trade and other current receivables		(234,633,428)	(121,871,376)	(402,775,404)	(472,554,387)
Amounts due from related parties		33,311,762	(41,810,316)	112,358,336	(94,348,010)
Inventories		147,918,136	(109,830,084)	117,282,165	(90,658,712)
Other current assets		(27,229,677)	25,275,538	(11,931,498)	14,939,591
Other non-current assets		132,322,907	278,195,231	135,139,062	289,391,042
Trade and other current payables		(112,096,459)	82,639,729	(9,947,827)	(5,082,593)
Amounts due to related parties		780,360	(174,635)	21,179,158	129,385
Advance receipts from customers		(465,788,925)	71,773,499	(217,339,857)	(399,557,294)
Accrued operating agreement fee		(52,878,113)	(17,178,769)	(52,878,113)	(17,178,769)
Other current liabilities		21,961,645	(26,138,244)	(11,416,741)	9,656,752
Other non-current liabilities		(17,929,002)	(42,365,234)	(17,246,337)	(42,743,642)
Non-current provisions for employee benefit		143,402	11,642,956	15,686,080	597,824
Income tax paid		(234,177,100)	(536,516,788)	(112,939,711)	(336,761,820)
<b>Net cash from operating activities</b>		<b>2,979,767,800</b>	<b>4,711,029,370</b>	<b>2,670,206,400</b>	<b>3,127,206,423</b>

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 2017**

		Consolidated		Separate	
		financial statements		financial statements	
	Notes	2017	2016	2017	(Restated) 2016
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Interest received		161,005,365	135,818,555	155,761,047	129,476,850
Dividends received		-	-	431,473,936	2,147,194,820
Current investments		98,250,625	(1,911,097,571)	108,550,819	(1,967,693,895)
Payment for property and equipment		(303,764,408)	(1,075,377,355)	(46,048,295)	(914,012,339)
Proceeds from sale of property and equipment		7,783,701	15,712,680	5,316,561	31,047,884
Proceeds from short-term loan to a joint venture	5	18,185,988	150,199,775	18,185,988	150,199,775
Long-term loan to related parties		-	-	(10,000,000)	(30,000,000)
Purchase of intangible assets		(27,857,560)	(9,268,896)	(1,449,807)	(1,409,907)
Proceeds from capital return of subsidiaries		-	-	-	211,724,581
Net cash outflow on investment in subsidiaries		-	-	(1,272,348)	(16,110,143)
<b>Net cash from (used in) investing activities</b>		<b>(46,396,289)</b>	<b>(2,694,012,812)</b>	<b>660,517,901</b>	<b>(259,582,374)</b>
<b>Cash flows from financing activities</b>					
Dividends paid to owners of the Company	31	(918,734,829)	(856,999,270)	(767,190,088)	(712,353,915)
Proceeds from borrowings		480,000,000	2,433,672,383	-	1,793,672,383
Repayments of borrowings	17	(2,496,861,589)	(3,926,269,284)	(1,976,063,810)	(3,264,778,201)
Repayments of short-term borrowings from related party		-	-	-	(1,126,768,104)
Capital return of shareholder from liquidation of a subsidiary		-	(41,921,918)	-	-
Interest paid		(391,157,693)	(342,963,191)	(381,704,594)	(333,172,929)
<b>Net cash used in financing activities</b>		<b>(3,326,754,111)</b>	<b>(2,734,481,280)</b>	<b>(3,124,958,492)</b>	<b>(3,643,400,766)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(393,382,600)</b>	<b>(717,464,722)</b>	<b>205,765,809</b>	<b>(775,776,717)</b>
Cash and cash equivalents at 1 January		2,683,685,053	3,401,140,969	477,958,084	1,253,746,837
Non-current assets classified as held for sale		(329,573,477)	-	-	-
Effect of exchange rate changes on ending balances held in foreign currencies		41,881	8,806	41,881	(12,036)
<b>Cash and cash equivalents at 31 December</b>	6	<b>1,960,770,857</b>	<b>2,683,685,053</b>	<b>683,765,774</b>	<b>477,958,084</b>
<b>Non cash transactions</b>					
Acquisition of property and equipment through credit		40,351,222	21,361,200	7,724,688	10,119,873
Finance lease liabilities		38,559,624	43,369,654	34,640,408	38,561,099

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 2017**

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**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

These notes form an integral part of the financial statements.

The financial statements were approved and authorized for issuing by the Board of Directors on 31 January 2018.

**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 10 countries; Thailand, Singapore, Cambodia, Lao PDR, Australia, New Zealand, 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.



**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Details of the Company's subsidiaries and a joint venture as at 31 December 2017 and 2016 were as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2017 (%)	2016 (%)
<b><i>Direct subsidiaries</i></b>				
DTV Service Company Limited	Sale of direct television equipment, providing system integration consultancy service for broadband network	Thailand	99.99	99.99
iPSTAR Company Limited	Providing Thaicom 4 transponder services	The British Virgin Islands	100	100
Star Nucleus Company Limited	Providing engineering and development services, technology and electronics	The British Virgin Islands	100	100
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

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2017 (%)	2016 (%)
IPSTAR (India) Private Limited	Sale of satellite equipment and providing technical support in relation satellite business	India	100	100
TC Global Services Company Limited	Providing technology service	Mauritius	100	100
<b>Indirect subsidiaries</b>				
CS Loxinfo Public Company Limited (Non-current assets classified as held for sale)	Providing internet data center service, internet and satellite uplink-downlink services	Thailand	42.07	42.07
Orion Satellite Systems Pty Limited	Providing satellite communication services and business solutions in Australia	Australia	100	100
<b>Joint venture</b>				
Shenington Investments Pte Limited	Holding company for investment in international telecommunications	Singapore	51	51
<b>Joint ventures of Shenington Investments Pte Limited</b>				
Lao Telecommunications Company 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 2017 have included the subsidiaries' financial information for the year ended 31 December 2017 which were audited.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**2. Basis of preparation of the financial statements**

**2.1 Statement of compliance**

The Group's financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professional ("FAP"), and the Regulation of The Stock Exchange of Thailand (SET) dated 22 January 2001, regarding the preparation and submission of financial statements and reports for the financial position and financial performance of the listed companies B.E. 2544. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statements (No. 2) B.E. 2559" dated 11 October 2016.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. 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 except Thai Accounting Standard No. 27 (Revised 2016) "Separate Financial Statements" (See Note 4).

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 2018 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 38.

**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.

**(i) 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 11	Classification of the joint venture
Note 11	Consolidation: whether the Group has De facto control over an investee

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

#### (ii) 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 8	Allowance for doubtful accounts
Note 9	Realisable value of inventory
Note 11, 13, 14	Key assumptions used in discounted cash flow projections
Note 13	Estimated useful lives and measurement of the recoverable amounts of property and equipment
Note 14	Estimated useful lives and measurement of the recoverable amounts of intangible asset under operating agreements and other intangible assets.
Note 15	Deferred income tax
Note 20	Measurement of employee benefits
Note 22	Measurement of share-based payment
Note 32	The measurement of fair values of foreign currency forward contracts
Note 34 and 35	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, as describe in subsidiaries section, 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. Any gain on bargain purchase is recognised in profit or loss immediately.

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

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

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.



## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

Interests in joint ventures are accounted for using the equity method. They are initially recognised 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.

**Thaicom Public Company Limited and its Subsidiaries**  
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**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 current receivables**

Trade and other current 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 3.7 Non-current assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

#### 3.8 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 equity method. Investments in joint ventures in the consolidated financial statements are accounted for using the equity method.

Interests in associates, subsidiaries and joint ventures are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company'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.

##### *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.

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*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.

**3.9 Property, plant and equipment**

*Owned assets*

Property, plant and equipment are measured 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. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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.

Any 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### *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:

Leasehold land	30 years
Buildings and improvements	5-10 years
Equipment	5-18 years
Furniture fixtures and office equipment	5-18 years
Computer equipment	3-5 years
Motor vehicles	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.

#### **3.10 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.

#### **3.11 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.

#### **3.12 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.



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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.

**3.13 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

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

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.

#### 3.14 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.

#### 3.15 Trade and other current payables

Trade and other current payables are stated at cost.

#### 3.16 Provision for 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.

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*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.

**3.17 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 3.18 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.

##### *Interest income*

Interest income is recognised in profit or loss as it accrues.

#### 3.19 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.

#### 3.20 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.

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*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.

**3.21 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.



## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 4. Changes in accounting policies

Since 1 January 2017, the Group has adopted TAS 27 (Revised 2016) "Separate Financial Statements", the amendments reinstate the equity method in accordance with TAS 28 "Investment in Associates and Joint Ventures" as an accounting option in an entity's separate financial statements instead of cost method or fair value by retrospective application to the financial statements.

The Group adopted equity method as an accounting option for investments in subsidiaries and joint ventures in the separate financial statements instead of cost method which impacted to a change in accounting policy of the Group for the preparation of the separate financial statements for the year ended 31 December 2016 and the separate statement of financial position as at 1 January 2016 which presented as comparative information.

The effects from the adoption of TAS 27 (Revised 2016) "Separate Financial Statements" will be recognised retrospectively in the financial statements which impacted to certain accounts in separate financial statements (not impacted to the consolidated financial statements) as follows:

	As previously reported Baht'000	Adjustment Baht'000	As restated Baht'000
<b>Statements of financial position</b>			
<b>As at 1 January 2016</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	1,460,031	2,495,655	3,955,686
Investment in a joint venture	137,639	1,072,712	1,210,351
<b>Equity</b>			
Unappropriated retained earnings	3,767,092	2,948,359	6,715,451
Other components of equity	17,237	620,008	637,245
<b>Statements of financial position</b>			
<b>As at 31 December 2016</b>			
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiaries	1,152,571	874,526	2,027,097
Investment in a joint venture	137,639	1,279,562	1,417,201
<b>Liabilities and equity</b>			
<b>Non-current liabilities</b>			
Net liabilities in subsidiaries	-	82,222	82,222
<b>Equity</b>			
Unappropriated retained earnings	6,081,940	1,532,394	7,614,334
Other components of equity	20,454	539,473	559,927

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	As previously reported Baht'000	Adjustment Baht'000	As restated Baht'000
<i>Statement of profit or loss</i>			
<i>For the year ended 31 December 2016</i>			
<b>Continuing operating</b>			
Share of profit of investment in subsidiaries	-	307,738	307,738
Share of profit of investment in a joint venture	-	198,469	198,469
<b>Profit before income tax expense from continuing operation</b>	<b>3,319,331</b>	<b>(1,535,566)</b>	<b>1,783,765</b>
<b>Profit from continuing operation</b>	<b>3,027,738</b>	<b>(1,535,566)</b>	<b>1,492,172</b>
<b>Discontinued operation</b>			
Profit from discontinued operation	-	119,601	119,601
<b>Profit for the year</b>	<b>3,027,738</b>	<b>(1,415,965)</b>	<b>1,611,773</b>
<b>Profit attributable to owner of the Company</b>	<b>3,027,738</b>	<b>(1,415,965)</b>	<b>1,611,773</b>
<b>Earnings per share of owner of the Company (Baht)</b>			
Basic earnings per share	2.76	(1.29)	1.47
Diluted earnings per share	2.76	(1.29)	1.47
<b>Earnings per share – continuing operation of owner of the Company (Baht)</b>			
Basic earnings per share	2.65	(1.29)	1.36
Diluted earnings per share	2.65	(1.29)	1.36
<i>Statement of profit or loss and other comprehensive income</i>			
<i>For the year ended 31 December 2016</i>			
<b>Profit for the year</b>	<b>3,027,738</b>	<b>(1,415,965)</b>	<b>1,611,773</b>
<b>Items that maybe reclassified to profit or loss</b>			
Foreign currency translation differences for foreign operations	-	(74,764)	(74,764)
Changes in fair value of available-for-sale investment transfers to profit or loss	-	11,257	11,257
Changes in fair value of available-for-sale investment	(1,333)	(17,029)	(18,362)
Income tax on other comprehensive income	267	-	267
<b>Other comprehensive income for the year, net of income tax</b>	<b>(1,066)</b>	<b>(80,536)</b>	<b>(81,602)</b>
<b>Total comprehensive income for the year</b>	<b>3,026,672</b>	<b>(1,496,501)</b>	<b>1,530,171</b>
<b>Total comprehensive income attributable to owners of the Company</b>	<b>3,026,672</b>	<b>(1,496,501)</b>	<b>1,530,171</b>

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	As previously reported	Adjustment	As restated
	Baht'000	Baht'000	Baht'000
<i>Statement of cash flows</i>			
<i>For the year ended 31 December 2016</i>			
<b>Cash flows from operating activities</b>			
Profit for the year	3,027,738	(1,415,965)	1,611,773
<i>Adjustments for</i>			
Investment income	(2,276,220)	2,143,545	(132,675)
Impairment loss on investment in subsidiary	92,000	(92,000)	-
Loss on write-off investment in subsidiary	9,772	(9,772)	-
Share of profit of investment in subsidiaries	-	(307,738)	(307,738)
Share of profit of discontinued operation	-	(119,601)	(119,601)
Share of profit of investment in a joint venture	-	(198,469)	(198,469)
<b>Net cash from operating activities</b>	<b>3,127,206</b>	<b>-</b>	<b>3,127,206</b>

**5. 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 % (2016: 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.

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Significant transactions for the years ended 31 December 2017 and 2016 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Revenue</b>				
<i>Revenue from sale of goods and rendering of services</i>				
Parent	968	896	-	-
Subsidiaries	-	-	1,919,389	2,053,628
Related parties under common control	290,679	447,431	63,171	102,140
Other related party	1,163	1,892	-	-
<i>Other income</i>				
Subsidiaries	-	-	75,339	152,463
Joint venture	98,032	94,973	98,031	94,973
Related parties under common control	2,254	139	19	19
Other related party	2	-	-	-
<b>Total revenue</b>	<b>393,098</b>	<b>545,331</b>	<b>2,155,949</b>	<b>2,403,223</b>
<b>Expenses</b>				
<i>Purchases of goods and services</i>				
Parent	-	140	-	-
Subsidiaries	-	-	102,269	197,791
Joint venture	6,009	6,518	-	-
Related parties under common control	21,250	16,868	51	38
Other related party	36,986	44,627	14,365	15,535
<i>Selling and administrative expenses</i>				
Parent	485	1,691	446	1,379
Subsidiaries	-	-	16,034	10,879
Related parties under common control	12,584	11,822	6,836	5,667
Director and management benefit expenses	107,992	116,578	63,354	88,336
<i>Finance cost</i>				
Subsidiary	-	-	-	15,644
<b>Total expenses</b>	<b>185,306</b>	<b>198,244</b>	<b>203,355</b>	<b>335,269</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Balance as at 31 December 2017 and 2016 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Trade receivables and accrued income</b>				
<i>Trade receivables</i>				
Parent	-	293	-	-
Subsidiaries	-	-	332,109	359,741
Related parties under common control	52	33,544	22	8,080
Other related parties	54,293	60,053	2,648	2,904
<b>Total</b>	<b>54,345</b>	<b>93,890</b>	<b>334,779</b>	<b>370,725</b>
<i>Accrued income</i>				
Parent	-	40	-	-
Subsidiaries	-	-	325,817	270,409
Related parties under common control	5,305	37,949	5,305	5,097
<b>Total</b>	<b>5,305</b>	<b>37,989</b>	<b>331,122</b>	<b>275,506</b>
<b>Total trade receivables and accrued income</b>	<b>59,650</b>	<b>131,879</b>	<b>665,901</b>	<b>646,231</b>
Less allowance for doubtful accounts	(54,293)	(59,526)	(2,648)	(2,904)
<b>Net</b>	<b>5,357</b>	<b>72,353</b>	<b>663,253</b>	<b>643,327</b>
<b>Other receivables</b>				
Parent	-	232	-	232
Subsidiaries	-	-	99,544	178,432
Joint venture	90,825	124,136	90,825	124,136
<b>Total</b>	<b>90,825</b>	<b>124,368</b>	<b>190,369</b>	<b>302,800</b>
<b>Loan to related parties</b>				
<b>Current</b>				
<i>Short-term loan</i>				
Joint venture	-	18,186	-	18,186
	-	<b>18,186</b>	-	<b>18,186</b>
<i>Current portion of long-term loan</i>				
Joint venture	244,591	-	244,591	-
	<b>244,591</b>	-	<b>244,591</b>	-
	<b>244,591</b>	<b>18,186</b>	<b>244,591</b>	<b>18,186</b>
<b>Non-current</b>				
<i>Long-term Loans</i>				
Subsidiary	-	-	40,000	30,000
Joint venture	1,712,138	2,145,947	1,712,138	2,145,947
	<b>1,712,138</b>	<b>2,145,947</b>	<b>1,752,138</b>	<b>2,175,947</b>
<b>Total</b>	<b>1,956,729</b>	<b>2,164,133</b>	<b>1,996,729</b>	<b>2,194,133</b>

The term of the long-term loan to subsidiary is 2 years. As at 31 December 2017, the interest rate at the rate of 5.05% to 5.17% per annum (31 December 2016: 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.



**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Movements during the year ended 31 December 2017 and 2016 of loans to subsidiary and a joint venture were as follow:

	<b>Consolidated and Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b><i>Short-term loans to a joint venture</i></b>		
At 1 January	18,186	168,521
Decrease	(18,186)	(150,200)
Net foreign exchange gain (loss)	-	(135)
<b>At 31 December</b>	<b>-</b>	<b>18,186</b>

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b><i>Long-term loans</i></b>				
<b><i>Subsidiary</i></b>				
At 1 January	-	-	30,000	-
Increase	-	-	10,000	30,000
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>40,000</b>	<b>30,000</b>
<b><i>Joint venture</i></b>				
At 1 January	2,145,947	2,161,864	2,145,947	2,161,864
Unrealised loss on exchange rate	(189,218)	(15,917)	(189,218)	(15,917)
<b>At 31 December</b>	<b>1,956,729</b>	<b>2,145,947</b>	<b>1,956,729</b>	<b>2,145,947</b>

**Thaicom Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Other current assets</b>				
Subsidiaries	-	-	560	560
Related party under common control	2	2	2	1
Other related party	-	17	-	-
<b>Total</b>	<b>2</b>	<b>19</b>	<b>562</b>	<b>561</b>
<b>Trade payables</b>				
Subsidiaries	-	-	16,956	44,773
Joint venture	-	333	-	333
Related party under common control	919	4,998	765	-
Other related parties	3,732	4,082	2,339	1,243
<b>Total</b>	<b>4,651</b>	<b>9,413</b>	<b>20,060</b>	<b>46,349</b>
<b>Other payables</b>				
Subsidiaries	-	-	23,398	2,258
Related party under common control	830	49	125	4
<b>Total</b>	<b>830</b>	<b>49</b>	<b>23,523</b>	<b>2,262</b>
<b>Advance receipts from customers</b>				
Parent	-	32	-	-
Subsidiaries	-	-	14,178	10,357
Related party under common control	5,714	3,989	4,649	3,948
<b>Total</b>	<b>5,714</b>	<b>4,021</b>	<b>18,827</b>	<b>14,305</b>
<b>Accrued expenses</b>				
Subsidiaries	-	-	109,696	125,583
Joint venture	1,794	-	-	-
Related party under common control	928	350	926	320
Other related party	8,011	12,318	-	-
<b>Total</b>	<b>10,733</b>	<b>12,668</b>	<b>110,622</b>	<b>125,903</b>
<b>Other current liabilities</b>				
Subsidiaries	-	-	10	14,359
Related party under common control	2,200	160	160	160
<b>Total</b>	<b>2,200</b>	<b>160</b>	<b>170</b>	<b>14,519</b>
<b>Other non-current liabilities</b>				
Subsidiaries	-	-	1,444	-

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

***Key management personnel compensation***

Key management personnel compensation comprised:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b><i>For the year ended 31 December</i></b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Short-term benefits	101,279	107,927	57,868	80,723
Other long-term benefits				
- Current service costs, included in administrative expenses	1,740	1,671	1,056	1,010
- Interest on obligation, included in finance costs	1,003	913	590	536
- Share-based payment	3,840	6,067	3,840	6,067
<b>Total</b>	<b>107,862</b>	<b>116,578</b>	<b>63,354</b>	<b>88,336</b>

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, meeting fees, and other benefits. 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 33.48 million and Baht 14.60 million (2016: approximately USD 25.50 million and Baht 20.78 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 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.

**Thaicom Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017****6. Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Cash on hand	41,066	35,675	25,358	25,673
Current accounts and saving deposits	1,629,080	2,164,755	658,408	452,285
Highly liquid short-term investments	290,625	483,255	-	-
<b>Total</b>	<b>1,960,771</b>	<b>2,683,685</b>	<b>683,766</b>	<b>477,958</b>
The weighted average interest rate of saving deposits and fixed deposits	<b>0.67%</b>	<b>0.59%</b>	<b>0.24%</b>	<b>0.29%</b>

**7. Current investments**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b><i>Current investments</i></b>				
Short-term deposit and bill of exchange	2,501,522	2,933,732	2,412,500	2,837,554
Debt securities available for sale	905,547	604,156	1,023,962	703,027
<b>Total</b>	<b>3,407,069</b>	<b>3,537,888</b>	<b>3,436,462</b>	<b>3,540,581</b>

As at 31 December 2017, short-term deposit and bill of exchange have interest rates of 1.35% to 1.70% per annum (2016: 0.87% to 1.70% per annum) and mature within 1 year.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**8. Trade and other current receivables**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<b><i>Trade receivables</i></b>					
Related parties	5	54,345	93,890	334,779	370,725
Other parties		1,708,865	1,718,528	985,674	777,490
<b>Total</b>		<b>1,763,210</b>	<b>1,812,418</b>	<b>1,320,453</b>	<b>1,148,215</b>
<b><i>Accrued income</i></b>					
Related parties	5	5,305	37,989	331,122	275,506
Other parties		413,580	605,001	407,601	387,834
<b>Total</b>		<b>418,885</b>	<b>642,990</b>	<b>738,723</b>	<b>663,340</b>
<b><i>Other receivables</i></b>					
Prepaid expenses		46,744	174,554	31,125	47,328
Advance payments		158,977	76,805	136,060	31,981
Others		33,102	73,701	14,300	11,835
<b>Total</b>		<b>238,823</b>	<b>325,060</b>	<b>181,485</b>	<b>91,144</b>
<b>Total trade receivables accrued income and other receivables</b>		<b>2,420,918</b>	<b>2,780,468</b>	<b>2,240,661</b>	<b>1,902,699</b>
<i>Less allowance for doubtful accounts</i>		(754,059)	(352,498)	(283,248)	(180,944)
<b>Net</b>		<b>1,666,859</b>	<b>2,427,970</b>	<b>1,957,413</b>	<b>1,721,755</b>
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Bad and doubtful debts expenses for the year ended 31 December		<b>494,033</b>	<b>138,114</b>	<b>109,610</b>	<b>116,272</b>

**Thaicom Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

Aging analyses for trade receivables were as follow :

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Related parties</b>				
Within credit terms	22	33,160	291,797	355,851
Overdue:				
Less than 3 months	30	860	38,667	2,036
3 - 6 months	-	-	768	6,761
6 - 12 months	-	-	-	2,274
Over 12 months	54,293	59,870	3,547	3,803
	<b>54,345</b>	<b>93,890</b>	<b>334,779</b>	<b>370,725</b>
Less allowance for doubtful accounts	(54,293)	(59,526)	(2,648)	(2,904)
	<b>52</b>	<b>34,364</b>	<b>332,131</b>	<b>367,821</b>
<b>Other parties</b>				
Within credit terms	253,857	404,072	146,600	132,528
Overdue:				
Less than 3 months	426,551	459,331	187,225	256,790
3 - 6 months	395,136	497,663	192,006	130,536
6 - 12 months	389,601	166,604	264,450	156,638
Over 12 months	243,720	190,858	195,393	100,998
	<b>1,708,865</b>	<b>1,718,528</b>	<b>985,674</b>	<b>777,490</b>
Less allowance for doubtful accounts	(699,766)	(292,972)	(280,600)	(178,040)
	<b>1,009,099</b>	<b>1,425,556</b>	<b>705,074</b>	<b>599,450</b>
<b>Net</b>	<b>1,009,151</b>	<b>1,459,920</b>	<b>1,037,205</b>	<b>967,271</b>

The normal credit term for general customers were granted by the Group ranging 15 - 120 days.

**9. Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Raw material and supplies	47,069	51,598	46,776	47,812
Work in process	14,717	116,525	14,717	104,671
Finished goods	157,780	237,747	114,800	140,158
Goods in transit	535	596	402	-
	<b>220,101</b>	<b>406,466</b>	<b>176,695</b>	<b>292,641</b>
Less allowance for decline in value	(95,287)	(82,587)	(69,802)	(57,612)
<b>Net</b>	<b>124,814</b>	<b>323,879</b>	<b>106,893</b>	<b>235,029</b>



**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**10. Non-current assets classified as held for sale and liabilities directly associated with non-current assets classified as held for sale**

Investment in CS Loxinfo Public Company Limited (“CSL”) is presented as assets held for sale following the Shares Tender Agreement of the Group’s subsidiary, DTV Services Company Limited (“DTV”) on 6 October 2017 to sell entire ordinary shares held in CSL amount of 250,099,990 shares or 42.07% of the issue and paid-up share capital to Advance Wireless Network Company Limited (“AWN”) at the bid price of Baht 7.80 per share, totaling of Baht 1,950.78 million. The disposal of CSL is accomplished on 25 January 2018 (Note 36.1).

At 31 December 2017, the disposal group comprised of;

Details of non-current assets held for sale and liabilities directly associated with non-current assets held for sale are as follows:

	<b>Consolidated financial statements</b>
	2017
	Baht’000
<b>Assets</b>	
Cash and cash equivalents	329,573
Trade and other current receivables	446,297
Inventories	43,767
Other current assets	797
Property, plant and equipment	872,880
Intangible assets	68,617
Deferred tax assets	51,683
Other non-current assets	23,575
	<b>1,837,189</b>
<b>Liabilities</b>	
Short-term borrowing from financial institution	250,000
Trade and other current payables	432,790
Amount due to related parties	90
Current portion of long-term borrowings	60,548
Advance receipts from customers	121,549
Income tax payable	6,585
Other current liabilities	7,464
Long-term borrowings	1,799
Non-current provisions for employee benefit	154,983
Other non-current liabilities	19,449
	<b>1,055,257</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2017

The statement of profit or loss for the years ended 31 December 2017 and 2016 has been re-presented to show the discontinued operations separately from continuing operations.

		Consolidated financial statements	
		2017	2016
<i>For the year ended 31 December</i>		Baht'000	Baht'000
<b>Results of discontinued operation</b>			
Revenue		2,818,829	2,889,663
Expenses		(2,421,954)	(2,521,218)
<b>Results from operating activities</b>		<b>396,875</b>	<b>368,445</b>
Income tax		(71,214)	(77,356)
<b>Results from operating activities, net of income tax</b>		<b>325,661</b>	<b>291,089</b>
<b>Earnings per share</b>			
Basic earnings per share (Baht)	30	0.12	0.11
Diluted earnings per share (Baht)	30	0.12	0.11

		Consolidated Financial statements
		2017
		Baht'000
<b>Cash flows from (used in) discontinued operation</b>		
Net cash from operating activities		442,196
Net cash used in investing activities		(222,051)
Net cash used in financing activities		(310,900)
<b>Net cash used in discontinued operation</b>		<b>(90,755)</b>

## 11. Investments in subsidiaries and a joint venture

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	(Restated) 2016
		Baht'000	Baht'000	Baht'000	Baht'000
Investments in subsidiaries		-	-	1,098,814	1,944,875
Investments in a joint venture	4	1,356,701	1,417,201	1,356,701	1,417,201
<b>Total investments, net</b>		<b>1,356,701</b>	<b>1,417,201</b>	<b>2,455,515</b>	<b>3,362,076</b>
<b>Presentation in the statement of financial position as follows:</b>					
Investments - equity method		1,356,701	1,417,201	3,031,560	3,444,298
Net liabilities in subsidiaries	4	-	-	(576,045)	(82,222)
<b>Total investments, net</b>		<b>1,356,701</b>	<b>1,417,201</b>	<b>2,455,515</b>	<b>3,362,076</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b> (Restated)	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January		1,417,201	1,210,351	1,290,210	1,597,670
Impacted from changes accounting policies	4	-	-	2,071,866	3,568,367
Addition		-	-	1,272	16,110
Capital return		-	-	-	(221,799)
Share of net profits of investments in equity method		196,185	198,469	(263,786)	506,207
Share of net profits of Discontinued operation		-	-	136,958	119,601
Dividend income		-	-	(431,474)	(2,143,545)
Defined benefit plan actuarial loss		(77,978)	-	(61,256)	-
Changes in fair value of available-for-sale investment		-	-	-	(5,771)
Foreign currency translation adjustments		(178,707)	8,381	(288,275)	(74,764)
<b>At 31 December</b>		<b>1,356,701</b>	<b>1,417,201</b>	<b>2,455,515</b>	<b>3,362,076</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Investments in subsidiaries and joint venture as at 31 December 2017 and 2016 and dividend income from those investments for the years then ended were as follows:

	Consolidated financial statements					
	Ownership interest		Paid-up capital		Cost	
	2017 %	2016 %	2017	2016	2017 Million Baht	2016 Million Baht
<b>Joint venture</b>						
Shenington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	138	138
					<b>138</b>	<b>138</b>
					2017 Million Baht	2016 Million Baht
					1,357	1,417
					<b>1,357</b>	<b>1,417</b>
					2017 Million Baht	2016 Million Baht
					-	-
					<b>-</b>	<b>-</b>

Name of the Company's joint venture is publicly listed and consequently do not have published price quotations.

# **Thaicom Public Company Limited and its Subsidiaries** **Notes to the financial statements** **For the year ended 31 December 2017**

## **Separate financial statements**

	Ownership interest		Paid-up capital		Cost-net of impairment		Equity method		Dividend income	
	2017 %	2016 %	2017	2016	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht	2017 Million Baht	2016 Million Baht
<b>Subsidiaries</b>										
DTV Service Company Limited	99.99	99.99	Baht 399 million	Baht 399 million	399	399	419	378	95	100
iPSTAR Company Limited	100.00	100.00	USD 2 million	USD 2 million	157	157	(564)	(63)	-	1,561
Star Nucleus Company Limited	100.00	100.00	-	-	-	-	149	203	68	36
IPSTAR International Pte Limited	100.00	100.00	SGD 20,000	SGD 20,000	1	1	37	24	-	70
IPSTAR Global Services Company Limited	100.00	100.00	USD 20,000	USD 20,000	1	1	43	37	-	-
Cambodian DTV Network Limited	100.00	100.00	USD 600,000	USD 600,000	21	21	68	50	-	-
IPSTAR Australia Pty Limited	100.00	100.00	AUD 6.95 million	AUD 6.95 million	425	425	383	442	-	-
TC Broadcasting Company Limited	99.99	99.99	Baht 0.25 million	Baht 0.25 million	-	-	5	(8)	-	-
IPSTAR Japan Company Limited	100.00	100.00	JPY 100 million	JPY 100 million	33	33	202	133	-	-
IPSTAR New Zealand Company Limited	100.00	100.00	NZD 3.20 million	NZD 3.20 million	98	98	108	127	-	30
International Satellite Company Limited	100.00	100.00	USD 50,000	USD 50,000	2	2	240	616	268	347
IPSTAR (India) Private Limited	100.00	100.00	INR 30 million	INR 30 million	16	16	21	17	-	-
TC Global Services Company Limited	100.00	100.00	USD 12,500	USD 12,500	1	-	(12)	(11)	-	-
<b>Total</b>					<b>1,154</b>	<b>1,153</b>	<b>1,099</b>	<b>1,945</b>	<b>431</b>	<b>2,144</b>
<b>Joint venture</b>										
Sherington Investments Pte Limited	51.00	51.00	SGD 15 million	SGD 15 million	<b>138</b>	<b>138</b>	<b>1,357</b>	<b>1,417</b>	<b>-</b>	<b>-</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

*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
<b>2017</b>											
Shenington Investments Pte Limited	31 December	51.00	105,507	6,702,003	(668,610)	(3,374,303)	2,764,597	8	384,676	(361,722)	22,954
<b>Total</b>			<b>105,507</b>	<b>6,702,003</b>	<b>(668,610)</b>	<b>(3,374,303)</b>	<b>2,764,597</b>	<b>8</b>	<b>384,676</b>	<b>(361,722)</b>	<b>22,954</b>
<b>2016</b>											
Shenington Investments Pte Limited	31 December	51.00	26,977	7,378,625	(248,448)	(4,263,853)	2,893,301	1	389,156	165,196	554,352
<b>Total</b>			<b>26,977</b>	<b>7,378,625</b>	<b>(248,448)</b>	<b>(4,263,853)</b>	<b>2,893,301</b>	<b>1</b>	<b>389,156</b>	<b>165,196</b>	<b>554,352</b>



## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

Significant movements in investments in subsidiaries and joint ventures for the year ended 31 December 2017 were as follows:

#### Joint venture

Dividend payment of Lao Telecommunications Company Limited (“LTC”)

At the Annual General Meeting of the shareholders of LTC held on 2 February 2017, the shareholders approved the appropriation of dividend from 2016 operation of USD 26 million.

#### 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 33.2).

## 12. 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	
	2017	2016
	Baht’000	Baht’000
Non-controlling interest percentage	57.93%	57.93%
Current assets	-	943,834
Non-current assets classified as held for sale	1,837,189	-
Non-current assets	-	954,512
Current liabilities	-	(923,361)
Non-current liabilities classified as held for sale	(1,055,257)	-
Non-current liabilities	-	(261,961)
<b>Net assets</b>	<b>781,932</b>	<b>713,024</b>
Carrying amount of non-controlling interest	457,616	411,566

For the year ended 31 December	CSL	
	2017	2016
	Baht’000	Baht’000
Non-controlling interest percentage	57.93%	57.93%
Profit from discontinued operation	325,743	305,905
Other comprehensive income	15,346	-
<b>Total comprehensive income</b>	<b>341,089</b>	<b>305,905</b>
Profit allocated to non-controlling interest	188,703	171,488
Other comprehensive income allocated to non-controlling interest	197,593	171,488

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 13. Property, plant and equipment

	Consolidated financial statements				
	Land Leasehold land & building Baht'000	Equipment Baht'000	Vehicles & equipment Baht'000	Asset under construction Baht'000	Total Baht'000
<b>Cost</b>					
<b>At 1 January 2016</b>	<b>687,824</b>	<b>6,497,401</b>	<b>1,349,258</b>	<b>4,963,174</b>	<b>13,497,657</b>
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)
<b>At 31 December 2016 and 1 January 2017</b>	<b>711,377</b>	<b>12,430,414</b>	<b>1,348,443</b>	<b>41,541</b>	<b>14,531,775</b>
Additions	11,559	89,980	97,633	115,196	314,368
Transfers	58,249	12,323	56,929	(152,131)	(24,630)
Disposals	-	(57,353)	(50,874)	-	(108,227)
Write-offs	(2,098)	(202,607)	(12,117)	-	(216,822)
Foreign currency translation adjustments	(5,603)	(26,151)	(5,097)	(99)	(36,950)
Less transferred to current assets held for sale	(334,775)	(802,652)	(1,056,036)	(127)	(2,193,590)
<b>At 31 December 2017</b>	<b>438,709</b>	<b>11,443,954</b>	<b>378,881</b>	<b>4,380</b>	<b>12,265,924</b>
<b>Accumulated depreciation and impairment loss</b>					
<b>At 1 January 2016</b>	<b>349,983</b>	<b>3,200,626</b>	<b>915,214</b>	-	<b>4,465,823</b>
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)
<b>At 31 December 2016 and 1 January 2017</b>	<b>396,328</b>	<b>3,820,559</b>	<b>967,728</b>	-	<b>5,184,615</b>
Depreciation for the year	38,534	749,092	122,389	-	910,015
Transfers	(20,414)	4,651	(3,130)	-	(18,893)
Disposals	-	(57,130)	(48,169)	-	(105,299)
Write-offs	(1,888)	(202,583)	(10,659)	-	(215,130)
Foreign currency translation adjustments	(5,398)	(19,783)	(2,810)	-	(27,991)
Less transferred to current assets held for sale	(28,068)	(554,201)	(738,440)	-	(1,320,709)
<b>At 31 December 2017</b>	<b>379,094</b>	<b>3,740,605</b>	<b>286,909</b>	-	<b>4,406,608</b>
<b>Net book value</b>					
<b>At 1 January 2016</b>					
Owned assets	337,841	3,296,775	388,911	4,963,174	8,986,701
Assets under finance leases	-	-	45,133	-	45,133
	<b>337,841</b>	<b>3,296,775</b>	<b>434,044</b>	<b>4,963,174</b>	<b>9,031,834</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

	Consolidated financial statements				
	Land Leasehold land & building Baht'000	Equipment Baht'000	Vehicles & equipment Baht'000	Asset under construction Baht'000	Total Baht'000
<b>At 31 December 2016 and 1 January 2017</b>					
Owned assets	315,049	8,609,855	346,914	41,541	9,313,359
Assets under finance leases	-	-	33,801	-	33,801
	<b>315,049</b>	<b>8,609,855</b>	<b>380,715</b>	<b>41,541</b>	<b>9,347,160</b>
<b>At 31 December 2017</b>					
Owned assets	59,615	7,703,349	70,984	4,380	7,838,328
Assets under finance leases	-	-	20,988	-	20,988
	<b>59,615</b>	<b>7,703,349</b>	<b>91,972</b>	<b>4,380</b>	<b>7,859,316</b>

The gross amount of the Group's fully depreciated property and equipment that was still in use as at 31 December 2017 amounted to Baht 2,123.43 million (2016: Baht 1,963.36 million).

	Separate financial statements				
	Leasehold land & building Baht'000	Equipment Baht'000	Vehicles & equipment Baht'000	Asset under construction Baht'000	Total Baht'000
<b>Cost</b>					
<b>At 1 January 2016</b>	<b>131,139</b>	<b>4,983,478</b>	<b>249,944</b>	<b>4,925,811</b>	<b>10,290,372</b>
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)
<b>At 31 December 2016 and 1 January 2017</b>	<b>160,548</b>	<b>10,673,958</b>	<b>222,054</b>	<b>-</b>	<b>11,056,560</b>
Additions	8,438	25,954	21,045	-	55,437
Transfers	-	(1,882)	-	-	(1,882)
Disposals	(295)	(49,036)	(18,891)	-	(68,222)
Write-offs	(131)	(94,106)	(1,391)	-	(95,628)
<b>At 31 December 2017</b>	<b>168,560</b>	<b>10,554,888</b>	<b>222,817</b>	<b>-</b>	<b>10,946,265</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

	Separate financial statements				
	Leasehold land & building	Equipment	Vehicles & equipment	Asset under construction	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b><i>Accumulated depreciation and impairment loss</i></b>					
<b>At 1 January 2016</b>	<b>73,914</b>	<b>1,973,133</b>	<b>170,120</b>	-	<b>2,217,167</b>
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)
<b>At 31 December 2016 and 1 January 2017</b>	<b>92,896</b>	<b>2,368,021</b>	<b>154,507</b>	-	<b>2,615,424</b>
Depreciation for the year	22,280	650,788	26,629	-	699,697
Transfers	-	(360)	-	-	(360)
Disposals	(295)	(48,975)	(17,672)	-	(66,942)
Write-offs	(98)	(94,106)	(1,391)	-	(95,595)
<b>At 31 December 2017</b>	<b>114,783</b>	<b>2,875,368</b>	<b>162,073</b>	-	<b>3,152,224</b>
<b><i>Net book value</i></b>					
<b>At 1 January 2016</b>					
Owned assets	57,225	3,010,345	39,999	4,925,811	8,033,380
Assets under finance leases	-	-	39,825	-	39,825
	<b>57,225</b>	<b>3,010,345</b>	<b>79,824</b>	<b>4,925,811</b>	<b>8,073,205</b>
<b>At 31 December 2016 and 1 January 2017</b>					
Owned assets	67,652	8,305,937	37,322	-	8,410,911
Assets under finance leases	-	-	30,225	-	30,225
	<b>67,652</b>	<b>8,305,937</b>	<b>67,547</b>	-	<b>8,441,136</b>
<b>At 31 December 2017</b>					
Owned assets	53,777	7,679,520	39,756	-	7,773,053
Assets under finance leases	-	-	20,988	-	20,988
	<b>53,777</b>	<b>7,679,520</b>	<b>60,744</b>	-	<b>7,794,041</b>

The gross amount of the Company's fully depreciated property and equipment that was still in use as at 31 December 2017 amounted to Baht 1,571.74 million (2016: Baht 1,574.97 million).

### Capital expenditure commitments

Capital expenditure contracted but not provided at December 31, 2017 and 2016 were as follows:

	Consolidated financial statements		Separate financial statements	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Building and other constructions	-	22,325	-	-

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**For the year ended 31 December 2017**

**14. Intangible assets under operating agreement, deferred charges and intangible assets**

	Consolidated financial statements				
	Intangible assets under operating agreement	Deferred charges	Intangible assets		
			Goodwill	Other intangible assets	Total intangible assets
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<i>Cost</i>					
<b>1 January 2016</b>	<b>26,423,384</b>	<b>674,372</b>	<b>970,166</b>	<b>1,844,040</b>	<b>2,814,206</b>
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)
<b>At 31 December 2016 and 1 January 2017</b>	<b>26,232,910</b>	<b>20,233</b>	<b>968,984</b>	<b>1,851,326</b>	<b>2,820,310</b>
Additions	-	-	-	32,754	32,754
Transfer	186	-	-	(640)	(640)
Disposal	-	-	-	(800)	(800)
Write-offs	-	(56)	-	(1,456)	(1,456)
Foreign currency translation adjustment	-	-	(1,481)	(13,430)	(14,911)
<i>Less transferred to current assets held for sale</i>	-	-	-	(251,947)	(251,947)
<b>As at 31 December 2017</b>	<b>26,233,096</b>	<b>20,177</b>	<b>967,503</b>	<b>1,615,807</b>	<b>2,583,310</b>

**Thaicom Public Company Limited and its Subsidiaries****Notes to the financial statements****For the year ended 31 December 2017**

	Consolidated financial statements				
	Intangible assets under operating agreement Baht'000	Deferred charges Baht'000	Intangible assets		
			Goodwill Baht'000	Other intangible assets Baht'000	Total intangible assets Baht'000
<i>Accumulated amortisation and impairment loss</i>					
<b>1 January 2016</b>	<b>15,196,197</b>	<b>654,719</b>	<b>825,930</b>	<b>1,159,141</b>	<b>1,985,071</b>
Amortisation for the year	2,022,544	2,003	-	127,040	127,040
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)
<b>At 31 December 2016</b>					
<b>1 January 2017</b>	<b>17,028,162</b>	<b>2,583</b>	<b>825,930</b>	<b>1,283,608</b>	<b>2,109,538</b>
Amortisation for the year	2,022,365	2,017	-	125,265	125,265
Impairment loss	3,196,000	-	85,059	27,622	112,681
Transfers	-	-	-	(640)	(640)
Disposals	-	-	-	(741)	(741)
Write-offs	-	(56)	-	(505)	(505)
Foreign currency translation adjustment	-	-	2,550	(8,555)	(6,005)
Less transferred to current assets held for sale	-	-	-	(183,331)	(183,331)
<b>At 31 December 2017</b>	<b>22,246,527</b>	<b>4,544</b>	<b>913,539</b>	<b>1,242,723</b>	<b>2,156,262</b>
<i>Net book value</i>					
<b>At 1 January 2016</b>	<b>11,227,187</b>	<b>19,653</b>	<b>144,236</b>	<b>684,899</b>	<b>829,135</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>9,204,748</b>	<b>17,650</b>	<b>143,054</b>	<b>567,718</b>	<b>710,772</b>
<b>At 31 December 2017</b>	<b>3,986,569</b>	<b>15,633</b>	<b>53,964</b>	<b>373,084</b>	<b>427,048</b>

As at 31 December 2017 the impairment loss of Baht 3,309 million comprised an impairment loss for intangible assets under operating agreement amounting to Baht 3,196 million an impairment loss for goodwill amounting to Baht 85 million and an impairment loss for other intangible assets amounting to Baht 28 million.

**Impairment loss for intangible assets under operating agreement**

The fierce competition in satellite industry has resulted to a significant market price erosion. Moreover, the major customers were churned both domestic and international with uncertainty of replacement. As a consequence, the satellite operating result of the company has been affected. The Company has assessed the impairment of intangible assets under operating agreements by way of discounted cash flow approach applying the discount rate of 10%. The book value of the assets were higher than the recoverable amount estimated by the discounted cash flow. Therefore, the impairment losses was recorded in the amount of Baht 3,196 million, which was presented as impairment losses.



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### Notes to the financial statements

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#### Impairment loss for goodwill and other intangible assets

The declining of mining and construction sectors in Australia, which were the major customers of Orion Satellite Systems Pty Limited (OSS), has affected the operating results of OSS, which is the indirect subsidiary of the Group. As a consequence, the Company has assessed the impairment of goodwill and intangible assets by way of discounted cash flow approach applying the discount rate of 10%. The book value of the assets were higher than the recoverable amount estimated by the discounted cash flow. Therefore, the impairment losses was recorded in the amount of Baht 113 million, which was presented as impairment losses.

#### Separate financial statements

	Intangible assets under operating agreement Baht'000	Deferred charges Baht'000	Other intangible assets Baht'000
<b>Cost</b>			
<b>1 January 2016</b>	<b>26,232,805</b>	<b>674,316</b>	<b>1,418,306</b>
Additions	-	-	1,523
Transfers	105	-	-
Disposals	-	-	(20)
Write-offs	-	(654,139)	(25)
<b>At 31 December 2016 and 1 January 2017</b>	<b>26,232,910</b>	<b>20,177</b>	<b>1,419,784</b>
Additions	-	-	6,346
Transfers	186	-	-
Write-offs	-	-	(126)
<b>As at 31 December 2017</b>	<b>26,233,096</b>	<b>20,177</b>	<b>1,426,004</b>
<b>Accumulated amortisation and impairment loss</b>			
<b>1 January 2016</b>	<b>15,005,618</b>	<b>654,648</b>	<b>902,371</b>
Amortisation for the year	2,022,544	2,018	95,112
Disposals	-	-	(20)
Write-offs	-	(654,139)	(18)
<b>At 31 December 2016 and 1 January 2017</b>	<b>17,028,162</b>	<b>2,527</b>	<b>997,445</b>
Amortisation for the year	2,022,365	2,017	95,120
Impairment loss an assets	3,196,000	-	-
Write-offs	-	-	(126)
<b>At 31 December 2017</b>	<b>22,246,527</b>	<b>4,544</b>	<b>1,092,439</b>
<b>Net book value</b>			
<b>At 1 January 2016</b>	<b>11,227,187</b>	<b>19,668</b>	<b>515,935</b>
<b>At 31 December 2016 and 1 January 2017</b>	<b>9,204,748</b>	<b>17,650</b>	<b>422,339</b>
<b>At 31 December 2017</b>	<b>3,986,569</b>	<b>15,633</b>	<b>333,565</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 15. Deferred tax assets

Deferred tax assets determined after appropriate off-setting are included in the statement of financial position as follow:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Deferred tax assets	775,825	310,411	704,853	83,079
	<b>775,825</b>	<b>310,411</b>	<b>704,853</b>	<b>83,079</b>

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:

	2017	2016
	Baht'000	Baht'000
<b>Year expired</b>		
2017	-	82,924
2018	34,652	34,652
2019	68,589	68,589
2020	45,717	45,717
2021	13,615	13,615
2022	9,867	-
<b>Total</b>	<b>172,440</b>	<b>245,497</b>

Movements in total deferred tax assets during the year were as follows:

	Consolidated financial statements (Charged)/credited to:				
	At 1 January 2017	Profit or loss (Note 29)	Other comprehensive income	Discontinued Operation	At 31 December 2017
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>Deferred tax assets</b>					
Loss carry forward	60,057	(47,482)	(2,571)	(6,882)	3,122
Allowance for doubtful accounts	13,006	933	(62)	(9,527)	4,350
Allowance for obsolete inventory	12,879	2,706	671	(6)	16,250
Deposits	36,696	(5,961)	-	-	30,735
Advance receipts from customers	(11,674)	34,760	(366)	(1,589)	21,131
Employee benefit obligations	83,431	5,071	(18,333)	(36,228)	33,941
Accrued expenses	66,608	(48,209)	77	(711)	17,765
Prepaid expenses	30,782	(30,910)	128	-	-
Impairment loss on asstes	-	639,200	-	-	639,200
Others	18,626	(3,336)	(2,328)	(3,631)	9,331
<b>Total</b>	<b>310,411</b>	<b>546,772</b>	<b>(22,784)</b>	<b>(58,574)</b>	<b>775,825</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### Consolidated financial statements

(Charged)/credited to:

	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Deferred tax assets</b>				
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
<b>Total</b>	<b>240,036</b>	<b>81,722</b>	<b>(11,347)</b>	<b>310,411</b>

### Separate financial statements

(Charged)/credited to:

	At 1 January 2017	Profit or loss	Other comprehensive income	At 31 December 2017
	Baht'000	Baht'000 (Note 29)	Baht'000	Baht'000
<b>Deferred tax assets</b>				
Allowance for obsolete inventory	11,522	2,438	-	13,960
Deposits	35,821	(5,858)	-	29,963
Employee benefit obligations	41,502	4,680	(16,392)	29,790
Impairment loss on assets	-	639,200	-	639,200
Others	(5,766)	(1,408)	(886)	(8,060)
<b>Total</b>	<b>83,079</b>	<b>639,052</b>	<b>(17,278)</b>	<b>704,853</b>

### Separate financial statements

(Charged)/credited to:

	At 1 January 2016	Profit or loss	Other comprehensive income	At 31 December 2016
	Baht'000	Baht'000 (Note 29)	Baht'000	Baht'000
<b>Deferred tax assets</b>				
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)
<b>Total</b>	<b>86,460</b>	<b>(3,647)</b>	<b>266</b>	<b>83,079</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 16. Other non-current assets

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Withholding taxes receivable	187,322	340,319	180,138	336,032
Tax assessment's deposits	220,214	229,661	220,214	229,661
Others deposit	15,506	39,368	15,506	15,694
Others	11,835	11,398	-	-
	434,877	620,746	415,858	581,387
Less accumulated impairment loss	(54,234)	(62,219)	(54,234)	(62,219)
<b>Total</b>	<b>380,643</b>	<b>558,527</b>	<b>361,624</b>	<b>519,168</b>

### 17. Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Current</b>				
<i>Short-term loans</i>				
Short-term loans from financial institution	-	230,000	-	-
Total short-term loans	-	230,000	-	-
<i>Current portion of long-term borrowings</i>				
Loans from financial institutions	415,064	720,664	415,064	660,664
Loans from others	6,724	8,207	6,724	7,327
Total current portion of long-term borrowings	421,788	728,871	421,788	667,991
Total current interest-bearing liabilities	421,788	958,871	421,788	667,991
<b>Non-current</b>				
<i>Long-term borrowings</i>				
Loans from financial institutions	2,490,386	4,684,647	2,490,386	4,624,647
Loans from others	23,997	35,162	23,997	31,234
Total long-term borrowings	2,514,383	4,719,809	2,514,383	4,655,881
Long-term debentures	4,510,246	4,546,180	4,547,246	4,546,180
Total non-current interest-bearing liabilities	7,024,629	9,265,989	7,061,629	9,202,061
<b>Total</b>	<b>7,446,417</b>	<b>10,224,860</b>	<b>7,483,417</b>	<b>9,870,052</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2017**

**Long-term debentures**

As at 31 December 2017, the Company has two tranches totaling Baht 4,550 million, with a par value of Baht 1,000 each, unsubordinated and unsecured with having registered and bond holders' representative debentures as follow:

Issue date	No. of units	Amount	Interest rate (per annum)	Term of interest payment	Principal payment term	Outstanding balance as at 31 December 2017
	(Million)	(Million Baht)				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						(3)
<b>Net</b>						<b>4,547</b>

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2017

The movements in the borrowing can be analysed as follows:

For the year ended 31 December	Note	Consolidated financial statements		Separate financial statements	
		2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Opening net book value		10,224,860	11,749,942	9,870,052	11,373,643
Proceeds from borrowings, net of financial costs		481,664	2,437,013	1,664	1,797,013
Repayment of borrowings		(2,496,861)	(3,926,269)	(1,976,064)	(3,264,778)
Amortisation of finance costs	27	1,066	1,066	1,066	1,066
Gain on exchange rate		(413,301)	(36,892)	(413,301)	(36,892)
Others		(38,664)	-	-	-
Less transferred to current assets held for sale		(312,347)	-	-	-
<b>Closing net book value</b>		<b>7,446,417</b>	<b>10,224,860</b>	<b>7,483,417</b>	<b>9,870,052</b>

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	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Total borrowings:				
- at fixed rates	4,540,967	4,819,549	4,577,967	4,584,741
- at floating rates	2,905,450	5,405,311	2,905,450	5,285,311
<b>Total</b>	<b>7,446,417</b>	<b>10,224,860</b>	<b>7,483,417</b>	<b>9,870,052</b>

Weighted average interest rates:

- Loans	3.70%	3.39%	3.70%	3.43%
- 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	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
Later than 1 year but not later than 2 years	2,663,742	729,239	2,697,742	668,437
Later than 2 years but not later than 5 years	4,360,887	6,554,758	4,363,887	6,551,632
Later than 5 years	-	1,981,992	-	1,981,992
<b>Total</b>	<b>7,024,629</b>	<b>9,265,989</b>	<b>7,061,629</b>	<b>9,202,061</b>

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.



**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**Credit facilities**

As at 31 December 2017 available credit facilities for loans from local and overseas banks are Baht 4,583.03 million and USD 30.00 million (2016: Baht 5,959.42 million and USD 90.80 million).

**18. Trade and other current payables**

	Note	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Trade payables</b>					
- Related parties	5	4,651	9,413	20,060	46,349
- Other parties		438,740	544,165	256,801	213,601
<b>Total</b>		<b>443,391</b>	<b>553,578</b>	<b>276,861</b>	<b>259,950</b>
<b>Other payables</b>					
- Accrued expenses		309,753	759,153	298,612	388,380
- Others		113,518	104,387	83,382	35,234
<b>Total</b>		<b>423,271</b>	<b>863,540</b>	<b>381,994</b>	<b>423,614</b>
<b>Total trade and other current payables</b>		<b>866,662</b>	<b>1,417,118</b>	<b>658,855</b>	<b>683,564</b>

**19. Other current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Short-term deposits from customers	52,206	35,069	48,734	36,951
Other taxes	41,352	43,968	14,518	40,564
Others	2,286	2,310	1	4
<b>Total</b>	<b>95,844</b>	<b>81,347</b>	<b>63,253</b>	<b>77,519</b>

**20. Non-current provisions for employee benefit**

The statement of financial position obligations was determined as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Present value of unfunded obligations	175,940	429,770	148,951	207,512
<b>Statement of financial position</b>	<b>175,940</b>	<b>429,770</b>	<b>148,951</b>	<b>207,512</b>

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

Movements in the present value of the employee benefit obligations:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Employee benefit obligations at 1 January	429,770	404,260	207,512	208,848
Benefits paid by the plan	(37,518)	(32,362)	(5,413)	(155)
<b>Include in profit or loss:</b>				
Current service costs and interest	52,019	57,872	28,811	26,890
Curtailement gain from transferred of employee to subsidiary	-	-	-	(28,071)
	<b>52,019</b>	<b>57,872</b>	<b>28,811</b>	<b>(1,181)</b>
<b>Included in other comprehensive income:</b>				
Actuarial gain recognised in the year	(113,348)	-	(81,959)	-
	<b>(113,348)</b>	<b>-</b>	<b>(81,959)</b>	<b>-</b>
<i>Less</i> Transferred to non-current assets classified as held for sale	(154,983)	-	-	-
<b>Employee benefit obligations at 31 December</b>	<b>175,940</b>	<b>429,770</b>	<b>148,951</b>	<b>207,512</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	%	%	%	%
Discount rate	3.00	3.50	3.00	3.50
Future salary increases	5.00	7.00-8.00	5.00	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.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Defined benefit obligation 31 December 2017</b>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(24,726)	28,944	(20,591)	24,064
Future salary growth (1% movement)	27,946	(24,401)	23,238	(20,323)

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.

**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

**21. Other non-current liabilities**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Long-term deposits from customers	174,042	215,575	170,395	207,074
Others	128,884	146,665	128,884	131,387
<b>Total</b>	<b>302,926</b>	<b>362,240</b>	<b>299,279</b>	<b>338,461</b>

**22. Share capital and share-based payment transaction**

	<i>Par value per share (Baht)</i>	2017		2016	
		Number Share'000	Amount Baht'000	Number Share'000	Amount Baht'000
<b><i>Authorised</i></b>					
At 1 January					
- ordinary shares	5	1,099,977	5,499,884	1,098,902	5,494,513
Increase of new shares	5	-	-	1,075	5,371
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>5</b>	<b>1,099,977</b>	<b>5,499,884</b>	<b>1,099,977</b>	<b>5,499,884</b>
<b><i>Issued and paid-up</i></b>					
At 1 January					
- ordinary shares	5	1,095,994	5,479,970	1,095,938	5,479,688
Issue of new shares from exercise warrants	5	73	363	56	282
<b>At 31 December</b>					
<b>- ordinary shares</b>	<b>5</b>	<b>1,096,067</b>	<b>5,480,333</b>	<b>1,095,994</b>	<b>5,479,970</b>

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.

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

For the year ended 31 December 2017

### 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 2017 thousand unit	Issue during the period thousand unit	Return during the period thousand unit	Exercise during the period thousand unit	31 December 2017* thousand unit
<b>ESOP - Grant I</b>					
Directors	371	-	-	(11)	360
Employees	255	-	-	(62)	193
<b>Total</b>	<b>626</b>	<b>-</b>	<b>-</b>	<b>(73)</b>	<b>553</b>
<b>ESOP - Grant II</b>					
Directors	374	-	-	-	374
Employees	769	-	-	-	769
<b>Total</b>	<b>1,143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,143</b>
<b>ESOP - Grant III</b>					
Directors	254	-	-	-	254
Employees	691	-	-	-	691
<b>Total</b>	<b>945</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>945</b>
<b>ESOP - Grant IV</b>					
Directors	155	-	-	-	155
Employees	741	-	-	-	741
<b>Total</b>	<b>896</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>896</b>
<b>Grand Total</b>	<b>3,610</b>	<b>-</b>	<b>-</b>	<b>(73)</b>	<b>3,537</b>

\* Include ESOP of employees or executives who cannot exercise their rights under the terms and conditions specified.

**Thaicom Public Company Limited and its Subsidiaries**  
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**For the year ended 31 December 2017**

**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:

	<b>Project I</b>	<b>Project II</b>	<b>Project III</b>	<b>Project IV</b>
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:**

	<b>Consolidated and separate financial statements</b>	
<i>For the year ended 31 December</i>	<b>2017</b>	<b>2016</b>
	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	21,521	17,237
Total expense recognised during the year in the statement of profit and loss	9,874	7,963
Decrease during the year	(19,602)	(3,679)
<b>At 31 December</b>	<b>11,793</b>	<b>21,521</b>

**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.

**23. 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 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.

## 24. 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 China
- Segment 3 India
- Segment 4 Japan
- Segment 5 Myanmar
- Segment 6 Others



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**For the year ended 31 December 2017**

Revenue and results, based on business segments, in the consolidated financial statements for the years ended 31 December 2017 and 2016 were as follows:

<i>For the year ended</i> <b>31 December</b>	<b>Satellite business services</b>		<b>Internet services and media</b>		<b>Telephone network</b>		<b>Consolidation eliminations</b>		<b>Total continuing operations</b>		<b>Discontinued operation</b>		<b>Consolidated financial statements</b>	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Revenues	6,475	8,414	299	310	-	-	(85)	(82)	6,689	8,642	2,793	2,875	9,482	11,517
Shares of profit of investment in joint venture	-	-	-	-	196	198	-	-	196	198	-	-	196	198
Cost of sales and services	(5,129)	(5,419)	(243)	(233)	-	-	81	84	(5,291)	(5,568)	(1,732)	(1,786)	(7,023)	(7,354)
Selling and administrative expenses	(1,659)	(1,486)	(30)	(32)	-	-	7	7	(1,682)	(1,511)	(672)	(714)	(2,354)	(2,225)
Segment results	(313)	1,509	26	45	196	198	3	9	(88)	1,761	389	375	301	2,136
Other income									387	188	26	14	413	202
Net gain on foreign exchange									152	152	-	-	152	152
Loss on impairment asset									(3,309)	-	-	-	(3,309)	-
Profit (loss) before finance cost and income tax									(2,858)	2,101	415	389	(2,443)	2,490
Finance costs									(383)	(338)	(18)	(21)	(401)	(359)
Operating profit (loss)									(3,241)	1,763	397	368	(2,844)	2,131
Income tax									454	(271)	(71)	(77)	383	(348)
Non-controlling interests									-	-	(189)	(171)	(189)	(171)
<b>Net Profit (loss)</b>									<b>(2,787)</b>	<b>1,492</b>	<b>137</b>	<b>120</b>	<b>(2,650)</b>	<b>1,612</b>

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	Satellite business services		Internet services and media		Telephone network		Consolidation eliminations		Total continuing operations		Discontinued operation		Consolidated financial statements	
	2017		2017		2016		2017		2017		2017		2017	
	Million Baht	2016	Million Baht	2016	Million Baht	2016	Million Baht	2016	Million Baht	2016	Million Baht	2016	Million Baht	2016
Segment assets	21,154	27,756	219	2,143	-	-	(585)	(640)	20,788	29,259	1,837	-	22,625	29,259
Loan to related parties	1,957	2,164	-	-	-	-	-	-	1,957	2,164	-	-	1,957	2,164
Investment in joint venture	-	-	-	-	1,417	1,417	-	-	1,357	1,417	-	-	1,357	1,417
<b>Total assets</b>													<b>25,939</b>	<b>32,840</b>
Segment liabilities	2,135	2,834	46	940	-	-	(23)	(80)	2,158	3,694	1,055	-	3,213	3,694
Borrowings	7,446	9,870	-	355	-	-	-	-	7,446	10,225	-	-	7,446	10,225
<b>Total liabilities</b>													<b>10,659</b>	<b>13,919</b>

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Revenue and results, based on geographical segments, in the consolidated financial statements for the years ended 31 December 2017 and 2016 were as follows:

	2017 Baht'000	2016 Baht'000
<b>Segment revenue</b>		
Thailand	3,377,172	4,328,465
China	216,909	298,854
India	686,249	706,017
Japan	834,482	631,047
Myanmar	365,036	529,294
Others	1,208,995	2,147,876
<b>Total continued operation</b>	<b>6,688,843</b>	<b>8,641,553</b>
Discontinued Operation	2,792,840	2,875,077
<b>Total</b>	<b>9,481,683</b>	<b>11,516,630</b>

**Major customer**

For the year ended 31 December 2017 and 2016, the Group has no revenue transactions with a single external customer amount to 10 percent or more of the Group's revenues.

Non-current assets based on geographical segments in the consolidated financial statements as at 31 December 2017 and 2016 were as follows:

	2017 Baht'000	2016 Baht'000
<b>Non-current assets</b>		
Thailand	12,441,711	19,458,766
China	5,766	11,453
India	25,288	24,636
Japan	29,611	32,203
Myanmar	48	106
Others	3,235,624	3,874,840
<b>Total</b>	<b>15,738,048</b>	<b>23,402,004</b>

**25. Revenues from sale of goods and rendering of services**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2017 Baht'000	2016 Baht'000	2017 Baht'000	2016 Baht'000
<b>Continuing operation</b>				
Revenues from sale of goods	544,582	518,653	262,163	205,667
Revenues from rendering of services	6,144,261	8,122,900	5,616,127	6,871,090
	<b>6,688,843</b>	<b>8,641,553</b>	<b>5,878,290</b>	<b>7,076,757</b>
<b>Discontinued operation</b>				
Revenues from sale of goods	406,039	392,369	-	-
Revenues from rendering of services	2,386,801	2,482,708	-	-
	<b>2,792,840</b>	<b>2,875,077</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9,481,683</b>	<b>11,516,630</b>	<b>5,878,290</b>	<b>7,076,757</b>

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 26. Other income

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Continuing operation</b>				
Loss on sale available for sale securities	-	(11,257)	-	-
Consulting and management fees	-	-	76,706	150,128
Interest income	158,165	138,664	151,947	132,675
Gain on sale of equipment	3,903	9,557	4,036	17,750
Compensation from customers	195,460	11,092	11,092	-
Others	29,613	39,523	9,841	30,716
<b>Total other income from continuing operation</b>	<b>387,141</b>	<b>187,579</b>	<b>253,622</b>	<b>331,269</b>
Discontinued operation	25,727	14,448	-	-
<b>Total</b>	<b>412,868</b>	<b>202,027</b>	<b>253,622</b>	<b>331,269</b>

#### 27. Expenses by nature

The statements of profit or loss 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	
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Continuing operation</b>				
Depreciation of property and equipment	910,015	626,976	699,697	542,608
Amortisation of intangible assets under the agreements for operations, deferred charges and intangible assets	2,149,648	2,134,364	2,117,485	2,119,674
Amortisation of finance costs	1,066	1,066	1,066	1,066
Staff costs	963,378	1,048,672	644,538	767,788
<b>Discontinued operation</b>				
Depreciation of property and equipment	146,113	146,304	-	-
Amortisation of intangible assets	16,023	17,222	-	-
Staff costs	540,095	570,635	-	-

#### 28. 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.

**Thaicom Public Company Limited and its Subsidiaries**  
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**29. Income tax expense**

	Notes	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2017	2016	2017	2016
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Current tax expense from continuing operation</b>					
<b>Current tax expense</b>		(92,205)	(350,260)	(104,645)	(287,946)
<b>Deferred tax expense</b>					
Movement in temporary differences	15	546,772	80,007	639,052	(3,647)
<b>Total</b>		<b>454,567</b>	<b>(270,253)</b>	<b>534,407</b>	<b>(291,593)</b>
<b>Total current tax expense from continuing operation</b>		<b>454,567</b>	<b>(270,253)</b>	<b>534,407</b>	<b>(291,593)</b>
Current tax expenses from discontinued operation	10	(71,214)	(77,356)	-	-
<b>Total current tax expenses</b>		<b>383,353</b>	<b>(347,609)</b>	<b>534,407</b>	<b>(291,593)</b>

***Reconciliation of effective tax rate***

	<b>Consolidated financial statements</b>			
	2017		2016	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit (loss) for the year		(2,786,735)		1,492,173
Total income tax expense		(454,567)		270,253
Profit (loss) before total income tax expense		<u>(3,241,302)</u>		<u>1,762,426</u>
Income tax using the Thai corporation tax rate	20	648,260	20	(352,485)
Effect of different tax rates in foreign jurisdictions		(22,879)		120,801
Share of profit of investment in a joint venture		39,237		39,694
Effect of the income recognised in different periods for account and tax purposes		3,766		7,333
Expenses not deductible for tax purposes and expense recognised in different periods for accounting and tax purposes		(231,250)		(68,992)
Current year losses for which no deferred tax asset was recognised		(816)		(5,652)
Others		18,249		(10,952)
<b>Total</b>	<b>14</b>	<b>454,567</b>	<b>15</b>	<b>(270,253)</b>

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	Separate financial statements			
	2017		2016	
	Rate (%)	Baht'000	Rate (%)	Baht'000
Profit (loss) for the year		(2,786,735)		1,492,173
Total income tax expense		(534,407)		291,593
Profit (loss) before total income tax expense		<u>(3,321,142)</u>		<u>1,783,766</u>
Income tax using the Thai corporation tax rate	20	664,228	20	(356,753)
Income not subject to tax		17,700		-
Share of profit (loss) of investment in subsidiaries and a joint venture		(52,757)		101,242
Effect of the income recognised in different periods for account and tax purposes		3,777		7,294
Effect of the non-deductible tax expense and expense recognised in different periods for accounting and tax purposes		(114,678)		(56,477)
Others		16,137		13,101
<b>Total</b>	<b>16</b>	<b>534,407</b>	<b>16</b>	<b>(291,593)</b>

*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 2017 and 2016.



**Thaicom Public Company Limited and its Subsidiaries**  
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**30. Earnings (loss) per share**

***Basic earnings (loss) per share***

The calculations of basic earnings (loss) per share for the years ended 31 December 2017 and 2016 were based on the profit (loss) 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 and separate financial statements		
	2017		2016
<i>For the year ended 31 December</i>	Continuing operation	Discontinued operation	Total
			<i>(in thousand Baht/thousand share)</i>
<b>Profit (loss) attributable to ordinary shareholders of the Company (basic)</b>	<b>(2,786,735)</b>	<b>136,958</b>	<b>(2,649,777)</b>
<b>Number of ordinary shares outstanding</b>	<b>1,096,067</b>	<b>1,096,067</b>	<b>1,096,067</b>
<b>Earnings (loss) per share (basic) (<i>in Baht</i>)</b>	<b>(2.54)</b>	<b>0.12</b>	<b>(2.42)</b>
		<b>1.36</b>	<b>0.11</b>
			<b>1.47</b>

**Thaicom Public Company Limited and its Subsidiaries**  
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***Diluted earnings (loss) per share***

The calculations of diluted earnings (loss) per share for the years ended 31 December 2017 and 2016 were based on the profit (loss) 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:

	<b>Consolidated financial statements and separate financial statements</b>			
	<b>2017</b>		<b>2016</b>	
	Continuing operation	Discontinued operation	Total (in thousand Baht/thousand share)	
<b>For the year ended 31 December</b>				
<b>Profit (loss) attributable to ordinary shareholders of the Company (diluted)</b>	(2,786,735)	136,958	(2,649,777)	1,611,773
Weighted average number of ordinary shares outstanding (basic)	1,096,067	1,096,067	1,096,067	1,095,994
Effect of exercise of shares options	-	-	-	(22)
<b>Weighted average number of ordinary shares outstanding (diluted)</b>	1,096,067	1,096,067	1,096,067	1,095,972
<b>Earnings (loss) per share (diluted) (in Baht)</b>	(2.54)	0.12	(2.42)	1.47

**Thaicom Public Company Limited and its Subsidiaries**  
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**31. Dividends**

At the annual general meeting of the shareholders of the Company held on 29 March 2017, the shareholders approved the appropriation of dividend of Baht 0.70 per share, amounting to Baht 767 million. The dividend was paid to shareholders on 26 April 2017.

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.

**32. 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

At 31 December 2017 and 2016, the Group was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements			
	2017		2016	
	Foreign currency million	Baht million	Foreign currency million	Baht million
<b>Assets</b>				
US Dollars	37.62	1,223.24	91.46	3,261.01
India Rupee	446.35	212.24	448.23	222.28
New Zealand Dollars	0.11	2.56	0.10	2.44
Hong kong Dollars	2.5	10.36	-	-
Total		<u>1,448.40</u>		<u>3,485.73</u>
<b>Liabilities</b>				
US Dollars	105.53	3,466.38	161.84	5,826.80
India Rupee	236.08	128.71	235.38	130.82
New Zealand Dollars	0.15	3.51	0.32	8.09
Total		<u>3,598.60</u>		<u>5,965.71</u>

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.

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Fair values of interest-bearing liabilities, together with the carrying amount values shown in the statement of financial position as follows:

		Consolidated financial statements			
	Carrying amount		Fair value		
	Baht'000	Level 1	Level 2	Level 3	Total
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
<b>As at 31 December 2017</b>					
<b>Current</b>					
Equity securities available for sale	1,023,962	-	1,023,962	-	1,023,962
Current portion of long-term loan to related parties	244,591	-	-	244,591	244,591
Current portion of long-term borrowings	421,788	-	-	421,788	421,788
<b>Non - current</b>					
Long-term loan to related parties	1,712,138	-	-	1,743,763	1,743,763
Long term borrowings	2,514,383	-	-	2,512,028	2,512,028
Debentures	4,510,246	-	4,822,658	-	4,822,658
<b>As at 31 December 2016</b>					
<b>Current</b>					
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 long term borrowings	728,871	-	-	728,871	728,871
<b>Non - current</b>					
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

# Thaicom Public Company Limited and its Subsidiaries

## Notes to the financial statements

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	Carrying amount Baht'000	Separated financial statements			
		Fair value			Total Baht'000
		Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	
<b>As at 31 December 2017</b>					
<b>Current</b>					
Equity securities available for sale	1,023,962	-	1,023,962	-	1,023,962
Current portion of long-term loan to related parties	244,591	-	-	244,591	244,591
Current portion of long-term borrowings	421,788	-	-	421,788	421,788
<b>Non - current</b>					
Long-term loan to related parties	1,712,138	-	-	1,721,277	1,721,277
Long term borrowings	2,514,383	-	-	2,512,028	2,512,028
Debentures	4,547,246	-	4,862,197	-	4,862,197
<b>As at 31 December 2016</b>					
<b>Current</b>					
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 long-term borrowings	667,991	-	-	667,991	667,991
<b>Non - current</b>					
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

### 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.



## **Thaicom Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

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### **33. Commitments with non-related parties**

#### **33.1 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 2017, the remaining minimum fee is Baht 327 million (2016: Baht 405 million). In addition, the Company, according to the aforementioned agreement, must transfer its ownership of all satellites, and monitoring stations and other operating equipment to MDE on the date of completion of construction and installation.

#### **33.2 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 Ltd (“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 11). 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.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

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#### 33.3 Agreements for operation of the Company and subsidiary companies for the satellite uplink-downlink 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
<b>License of the Company</b>		
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
<b>License of DTV Service Company Limited</b>		
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 (Lao PSTV)	13 July 2016	2 years
Broadcasting Operation License (LNTV 3)	13 July 2016	2 years
Broadcasting Operation License (TV Lao)	24 November 2017	5 years
<b>License of TC Broadcasting Company Limited</b>		
Broadcasting Operation License	4 March 2013	15 years
Telecom Operation License Type III	10 November 2015	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 2017 and 2016 was classified as follows:

	Separate financial statements	
	2017	2016
	Baht’000	Baht’000
Telecom Operation License Type I	95,153	46,538
Telecom Operation License Type III	283,261	408,619
Other service income	5,499,876	6,621,600
<b>Total</b>	<b>5,878,290</b>	<b>7,076,757</b>

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**33.4 Operating lease commitments**

The Group has future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Currency	Consolidated financial statements		Separate financial statements	
		2017 thousands	2016 thousands	2017 thousands	2016 thousands
Within one year	THB	16,121	72,593	16,121	24,807
	YEN	1,452	1,392	-	-
	USD	247	243	195	227
	INR	2,434	695	-	695
	PHP	600	30	600	30
	AUD	186	180	-	-
	NZD	26	307	-	-
Total equivalent Baht		31,627	94,506	22,937	33,381
After one year but within five years	THB	9,514	52,413	9,514	25,634
	YEN	5,441	5,500	-	-
	USD	36	113	-	113
	INR	1,825	-	-	-
	AUD	189	375	-	-
	NZD	-	843	-	-
Total equivalent Baht		18,013	88,953	9,514	29,716
<b>Grand total equivalent Baht</b>		<b>49,640</b>	<b>183,459</b>	<b>32,451</b>	<b>63,097</b>

**33.5 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	
		2017 thousands	2016 thousands	2017 thousands	2016 thousands
Minimum operating agreement fee payable to Ministry of Digital Economy and Society	THB	54,000	57,750	54,000	57,750
Satellite space leasing by customers	USD	2,529	3,077	2,522	3,077
	THB	21,235	446,827	21,079	446,827
	AUD	-	5,000	-	-
Others	THB	16,681	41,653	16,411	14,519

## Thaicom Public Company Limited and its Subsidiaries

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#### 34. 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 439 million) against the said payment received by it from the customers and also levied penalty of INR 566.1 million (approximately Baht 289 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 303 million), in which part of the amount is substituted and paid by the customer on behalf of the Company and used it as deposit. The Company had also deposited INR 480.4 million (approximately Baht 245 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 83 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 28 September 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.

## **Thaicom Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2017**

#### **35. Other events**

35.1 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.

35.2 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.

35.3 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.

35.4 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. On 17 March 2017, the subsidiary has filed an argument against appeal to Court. Currently, the matter is in process, awaiting the Court. However, the impact of such expense was recorded in the 2016 financial statements.

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

#### For the year ended 31 December 2017

35.5 The Company and its partner have a different interpretation of certain clauses of the cooperation agreement. As a result, the Company and such company have submitted the case to the arbitrator to consider and find a solution for such different view. All witnesses from both parties have been already cross-examined, the arbitrator has already been considered that the interpretation of certain clauses of the company is correct, and this decision is final.

#### 35.6 Dispute over THAICOM 7 and THAICOM 8 satellites under Operating Agreement on Domestic Communication Satellite

On 5 October 2017, the Company received a letter from the Ministry of Digital Economy and Society (the “Ministry”) stating that Thaicom 7 and Thaicom 8 satellites were the satellites under the Operating Agreement on Domestic Communication Satellite dated 11 September 1991 between Intouch Holdings Public Company Limited (“INTOUCH”) and the Ministry (formerly known as the Ministry of Information and Communication Technology (MICT)) (the “Agreement”), which INTOUCH established the Company to operate works under the Agreement. In this regard, the letter from the Ministry stated a request for the full compliance with the Agreement on an urgent basis; e.g. transfer of ownership and delivery of assets, procurement of the backup satellite(s), payment of overdue revenue sharing, and property insurance.

The Extra-Ordinary Board of Directors’ Meetings of the Company on 24 October 2017, respectively, considered such letter and consulted with legal advisor and then opined that Thaicom 7 and Thaicom 8 satellites were not the satellites under the Agreement as the procedures of Thaicom 7 and Thaicom 8 satellites fell under the scope of license received from the National Broadcasting and Telecommunications Commission. Moreover, the Company has fully complied with the terms and conditions of the Agreement and has not proceeded with any operations against or violating the Agreement. Therefore, the Company had a different opinion from the Ministry on Thaicom 7 and Thaicom 8 satellites. Accordingly, the Meetings resolved that the Company submit to an arbitrator the dispute, resulting from the terms of and compliance with the Agreement and that the parties thereto have not been able to resolve it, for further settlement. This is in accordance with Clause 45.1 of the Agreement and the Company has submitted the dispute to the Arbitration Institute on 25 October 2017, as appeared in the Black Case No. 97/2560.

During a period that the dispute is pending arbitration proceedings, the Company does not have any duties to comply with any of the foregoing requests made by the Ministry until an award is rendered, pursuant to Clause 45.6 of the Agreement, stating that in the event where there is a dispute pending arbitration proceedings, the parties shall still be obligated to comply with terms of the Agreement until an award is rendered.

### 36. Events after the reporting period

36.1 DTV Service Company Limited (“DTV”) has executed the Shares Tender Agreement for the sale of ordinary shares in CS Loxinfo Public Company Limited (“CSL”)

DTV Services Company Limited (“DTV”), a subsidiary of the Company has entered into Shares Tender Agreement on 6 October 2017 to sell the entire ordinary shares held in CS Loxinfo Public Company Limited (“CSL”) to Advance Wireless Network Co., Ltd. (“AWN”) at the bid price of Baht 7.80 per share, totaling of Baht 1,950.78 million. Such amount has already been paid on 25 January 2018.



**Thaicom Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2017**

36.2 Interim dividend declaration of the Company

On 31 January 2018, the Company's Board of Directors passed a resolution to approve interim dividend payment from the operating result for the period from 1-31 January 2018 to the Company's shareholders at Baht 1.36 per share, approximately Baht 1,491 million. The Company will propose to the annual general shareholders' meeting for the year 2018 of the Company to approve afterward.

**37. Reclassification accounts**

Certain accounts in the statement of financial position as of 31 December 2016, which is included in the financial statements for 2017 comparative proposes.

37.1 The reclassification accounts to conform to the presentation in the 2017 financial statements

	<b>Consolidated financial statement</b>			<b>Separate financial statements</b>		
	Before Reclassi- fications Baht'000	Reclassi- fications Baht'000	After reclassi- fications Baht'000	Before Reclassi- fications Baht'000	Reclassi- fications Baht'000	After reclassi- fications Baht'000
<b>Statements of financial position</b>						
Trade and other payables	1,406,068	11,050	1,417,118	672,517	11,047	683,564
Accounts payable – property and equipment	11,050	(11,050)	-	11,047	(11,047)	-
		<u>-</u>			<u>-</u>	

37.2 The reclassification accounts to conform to presentation of discontinued operation.

	<b>2016</b>		
	<b>Consolidated financial statements</b>		
	Before Reclassifications Baht'000	Reclassifications Baht'000	After reclassifications Baht'000
<b>Statements of profit or loss</b>			
Revenues from sale of goods and rendering of services	11,516,630	(2,875,077)	8,641,553
Net foreign exchange gain	152,107	(137)	151,970
Other income	202,027	(14,448)	187,579
<b>Total income</b>	<b>11,870,870</b>	<b>(2,889,662)</b>	<b>8,981,208</b>
Cost of sale of goods and rendering of services	6,296,849	(1,785,407)	4,511,442
Selling expenses	316,743	(121,728)	195,015
Administrative expenses	1,793,272	(565,349)	1,227,923
Directors and management benefit expenses	115,665	(27,510)	88,155
Finance costs	358,781	(21,223)	337,558
<b>Total expenses</b>	<b>9,938,468</b>	<b>(2,521,217)</b>	<b>7,417,251</b>
<b>Profit (loss) before income tax expense</b>	<b>2,130,871</b>	<b>(368,445)</b>	<b>1,762,426</b>
Income tax expense	(347,609)	77,356	(270,253)
<b>Profit for the year</b>	<b>1,783,262</b>	<b>(291,089)</b>	<b>1,492,173</b>

## Thaicom Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2017

#### 38. Thai Financial Reporting Standards (TFRS) not yet adopted

The FAP has announced accounting standards, TFRS, Thai Accounting Standard Interpretations (“TSIC”), Thai Financial Reporting Standard Interpretations (“TFRIC”) and accounting practices that become effective for annual financial periods beginning on or after 1 January 2018. However, The Group has not adopted the new and revised TFRS as of the reporting date which are not yet effective. Those TFRS that may be applicable to the Group, which become effective for the financial report on or after 1 January 2018 are as follows:

##### Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 2 (Revised 2017)	Inventories
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events after the Reporting Period
TAS 11 (Revised 2017)	Construction Contracts
TAS 12 (Revised 2017)	Income taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2017)	Borrowing Costs
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2017)	Earnings Per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property
TAS 41 (Revised 2017)	Agriculture

##### Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2017)	Share-based Payment
TFRS 3 (Revised 2017)	Business Combinations
TFRS 4 (Revised 2017)	Insurance Contracts
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2017)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

## **Thaicom Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

**For the year ended 31 December 2017**

#### **Thai Accounting Standard Interpretations (“TSIC”)**

TSIC 10 (Revised 2017)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2017)	Operating Leases - Incentives
TSIC 25 (Revised 2017)	Income Taxes - Changes in the Tax Status of and Enterprise or its Shareholders
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (Revised 2017)	Service Concession Arrangements: Disclosures
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs

#### **Thai Financial Reporting Standard Interpretations (“TFRIC”)**

TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2017)	Applying the Restatement Approach under TAS 29 (Revised 2017) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2017)	Service Concession Arrangements
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 14 (Revised 2017)	TAS 19 (Revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2017)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2017)	Distributions of Non - cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 20 (Revised 2017)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2017)	Levies

The Group and the Company’s management will adopt the above applicable TFRSs in preparation of the consolidated and separate financial statements of the Company and its subsidiaries when they become effective. The Group and the Company’s management has assessed the impact of these TFRS and believes that they will not have material impact on the financial statements for the periods in which they are initially applied.

# Dividend Policy

## A. Dividend policy of the Company

The Board of director 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 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.

**3-year dividend payment history of the Company are as follows:**

Details of dividend payment	2017 <sup>(1)</sup>	2016	2015
Earnings loss per Share (Baht)	(2.42)	1.47	0.72
Dividend per Share (Baht)	-	0.70	0.65
Dividend Payout Ratio (%)	-	25	90

Remark : <sup>(1)</sup> The Board of Directors' Meeting No. 2/2018 held on 31 January 2018 has passed the resolution to propose the 2018 Annual General Shareholders Meeting for approval that the Company make no appropriation of the net profit for the year ended 31 December 2017 and no dividend payment for the year 2017 due to the Company's net loss.

# 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 footprint. C-band needs a large dish to receive signals. It is suitable for general telecommunications 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 foot print. 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 a 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 geographical area coverage. 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 the 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 (telecommunications port) is an earth station providing a comprehensive range of television and radio broadcasting and telecommunications services, including networking service and high quality internet service to user 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, including 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 is act 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. With new chips WiMAX may be accessed by cell phones and notebook computers.

## Other Reference Persons

### Ordinary Share Registrar

: **Thailand Securities Depository Co.,Ltd. (TSD)**  
The Stock Exchange of Thailand Building  
93 Ratchadapisek Road, Dindaeng, Dindaeng  
Bangkok 10400  
Tel : (66) 2009 9999  
Fax : (66) 2009 9991  
[www.set.or.th/tsd](http://www.set.or.th/tsd)

### Debenture Registrar

: **Bank of Ayudhya Public Company Limited**  
1222 Rama III Road, Bang Ohongphang, Yan Nawa,  
Bangkok 10120  
Tel : (66) 2296 2000  
Fax : (66) 2683 1304  
Call Center : 1572  
[www.krungsri.com](http://www.krungsri.com)

### Auditor

: Mr. Chavala Tienpasertkij  
**Certified Public Accountant Registration Number 4301**

**Deloitte Touche Tohmatsu Jaiyos Audit Co.,Ltd.**  
AIA Sathorn Tower, 23<sup>rd</sup> - 27<sup>th</sup> Floor,  
11/1 South Sathorn Road, Yannawa,  
Sathorn, Bangkok 10120  
Tel : (66) 2034 0000  
Fax : (66) 2034 0100  
[www.deloitte.com](http://www.deloitte.com)

# Investor Information

Investors should contact the Investor Relations Department to request information about THAICOM or its subsidiaries and associated companies:

## Investor Relations,

THAICOM Public Company Limited

63/21 Rattana Thibet Road, Nonthaburi 11000

Tel : (66) 2596 5073  
 Fax : (66) 2591 0705  
 E-mail : [ir@thaicom.net](mailto:ir@thaicom.net)  
 Website : [www.thaicom.net](http://www.thaicom.net)  
 Social Network : Facebook : Thaicom PLC.

THAICOM is listed on the Stock Exchange of Thailand (SET)

SET ticker	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](http://www.sec.or.th) or the Company's website.



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ThaicomPlc