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Additional Information



More Freedom with The Best Quality Network

More freedom with the best network of 3G and 4G ADVANCED covering nationwide by the end of the year and enhancing with AIS Super WiFi at a speed up to 650 Mbps.



More Excitement with Super Hi-Speed AIS Fibre

More fun and excitement with AIS Fibre, a fixed broadband service with 100% pure fibre technology offering a speed up to 1 Gbps.



More Choice of Living with more Variety of Digital Services

More Choice of Living with a variety of products and services that meet all digital lifestyle through digital entertainment platform to make customers "Live Digital, Live More".



A Brighter Future and a Stronger Thai Society

Brighter future of Thai society through our operation with business ethics and governance focusing on sustainable development and stakeholder engagement to build a better today and sustainable future.

Message from the Chairman



The year 2015 was an important landmark for AIS as we all celebrated our remarkable 30th anniversary in the telecommunications business in Thailand. As the telecommunications industry has continued to evolve over these past three decades, AIS has strived to achieve levels of excellence built on the strong foundations of technical know-how, outstanding customer service and an absolute commitment to a future whose hallmarks have always been further success and continued sustainability.

Our commitment to success is reflected in our strong financial performance and stable returns to shareholders, with a net profit of Bt 39,152mn, a growth of 8.7% YoY and our consistent dividend payout policy.

In the years ahead, the digital era will continue to touch all that we do. It will continue to stimulate a business and a social environment of perpetual change. With this in mind, underpinning our commitment to maintain our leading position, AIS has led this change by driving the Company forward as a Digital Life Service Provider. Keys to success are our extensive network, connecting all parts of Thailand, with 3G on 2.1GHz that was complemented by our newly - launched high speed 4G/LTE Advanced network on 1800MHz. In addition, AIS has also established a nationwide fibre optic network of 120,000 km, as well as high speed AIS Super Wifi at 650mbps to complement our wireless network. Furthermore, we deliver the very best in customer service. In 2015, in recognition of this, AIS Call Center was awarded the "Consumer Protection Thailand Call Center Awards" from the Office of the Consumer Protection Board and the ISO Management System Certification Institution of Thailand for providing subscribers with consistent and excellent standards of customer service.

In this environment of change, we will continue to combine our financial readiness with a network of superior global partners to drive business opportunities for our sustainable future. Our strong working alliance with SingTel ensures the sharing of knowledge and expertise in all business operations,

while our partnership with Telewiz continues to provide an essential extra channel that brings us closer to our customers. Equally, key strategic partnership with vendors and suppliers strengthens our capacity to deliver superior 3G and 4G/LTE Advanced network in minimal time. Above all, we at AIS, recognize that our people are our most valuable asset for long-term sustainability. That is why we place the utmost emphasis on employee development and personal growth opportunities for the future. Succession plan is in place to ensure smooth transition in the ever-changing environment. We also advocate a robust culture of innovation, so that new generations of employees can create fresh ideas, guided by the experience and expertise of senior colleagues.

It is also important that while we grow our success, AIS focuses on balancing growth of business, integrating with development of community, customers, business partners, employees and environment. Our commitment to this has achieved significant external recognition. In 2015, AIS was the only Thai telecommunication company selected for inclusion in the Dow Jones Sustainability Indices (DJSI) in the emerging markets category. This achievement is a recognition of our effort and collaboration at AIS, in driving the business with sustainability in mind. Moreover, I would like to welcome Khun Kan Trakulhoon and Mr. Stephen Geoffrey Miller as the newest members of the AIS Board of Directors, who will also bring AIS forward with their vision and expertise.

I would also like to thank all AIS shareholders and investors for their continued support and trust. In 2015, for the fourth consecutive year, AIS was honored to receive Thailand's Top Corporate Brand award from Chulalongkorn University with a brand value of Bt 574,029mn. I am confident that AIS remains committed to delivering real value through good corporate governance to all its shareholders, we will also continue to deliver maximum benefit to our customers, thus supporting Thailand's economic and social growth.

1/

Vithit Leenutaphong

Chairman of Board of Directors

Message from Chief Executive Officer



This year has been another challenging one for AIS both in terms of the sluggish economy and the scarcity of spectrum bandwidth that we faced. Nonetheless, AIS could maintain the revenue market share at 52% and could achieve the revenue growth of 2.2%. From my first day as CEO, I announced clearly the Company's vision that AIS must transform to become the Digital Life Service Provider in three years by focusing on three core businesses: mobile, fixed broadband, and digital content. After one year, I learned that the vision has been being weaved through strong consolidation of all staff.

For mobile business, AIS could pass a crucial year which we lacked sufficient bandwidth to service customers. However, we could turn obstacles into opportunities and be able to successfully serve our customers of more than 38 million throughout the year, particularly thanks to our engineering, marketing, and customer service teams who have enhanced further their capabilities under constraints. From the auctions last year, AIS won the 1800MHz spectrum license and decided to walk away from the 900MHz spectrum auction. Although auction results might change the telecom landscape. I would kindly say that AIS' competitiveness hasn't lowered but, on the other hand, has become more strategically aggressive. Currently, AIS already launched 4G service on the 1800MHz in the first guarter of 2016 which will cover all major cities within first half of 2016. Also, we will keep expanding 3G on the 2100MHz to attract new data users, and fully take care of our remaining 2G customers by persuading them to use 3G service. In addition, partnering with TOT will bring advantage to the Company in accessing to the limited resources. The partnerships will involve the utilization of 2100MHz to service both AIS and TOT customers, the resolution of tower dispute for continuous service deployment, and also the renting of transferred equipment. I assure you that management will reasonably consider each agreement and emphasize on the investment for the long term.

Another step for future growth initiated from our start of the fixed broadband business. AIS has entered the market with our nationwide fibre optics to provide FTTx technology which is proper for today's data consumption. We are currently serving 44,000 customers with a wide coverage of more than 1.7 million homepasses. In 2016, AIS will lead a change of how the fixed broadband business is being perceived. We will inject more capital and human resource to build a coverage of 6.5 million homepasses in 24 provinces and offer bundling packages with mobile. This is to ensure that we command a significant market share in 3 years.

Moreover, AIS has been focusing on developing new digital contents and applications to respond to customer's need in this digital era. I am continuing to support the occurrence of telecom ecosystem which binds the potential of AIS and talented partners to create new products at customer's convenience. I believe that doing business in this way will help both AIS and partners to grow sustainably. That said, we are developing digital contents in five areas: video, game, mobile banking, cloud, and M2M. Several achievements were recognized this year. For instance, we partnered with CIMB and KBANK to uplift mobile banking service as well as we joined with HOOQ, a company invested by Singtel, to provide Hollywood blockbusters to customers through AIS PLAYBOX. In 2016, from the launch of 4G service, AIS will focus on higher data usage generated from our differentiated video contents on mobile and further provide digital convergence services to customers.

Last but not least, this year AIS was selected to be an index component on the Dow Jones Sustainability Indices (DJSI), a global index, in the area of emerging markets. This recognition truly reflected the perseverance of every part in the Company and the trustworthiness we received from you, who are both our clients and shareholders. As AIS' CEO, I fully commit to driving AIS into the 26th year with stability, to creating generous and long-term returns, and to becoming the most admired "Digital Life Service Provider."

Somchai Lertsutiwong

Sondri Latertinong.

Chief Executive Officer

Operational Highlights

Mobile



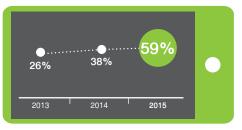
Provide 3G service on 2100MHz network

Launched 4G service on 1800MHz in January 2016

Continue investing on network for highest efficiency



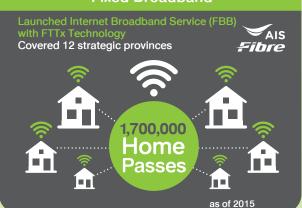
Smartphone penetration grew at a fast pace, driven by success of AIS LAVA



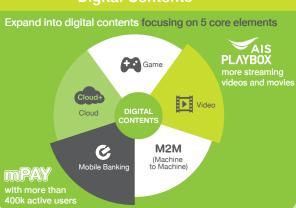
Mobile data (VOU) usage increased 3.5x in 2 years



Fixed Broadband



Digital Contents

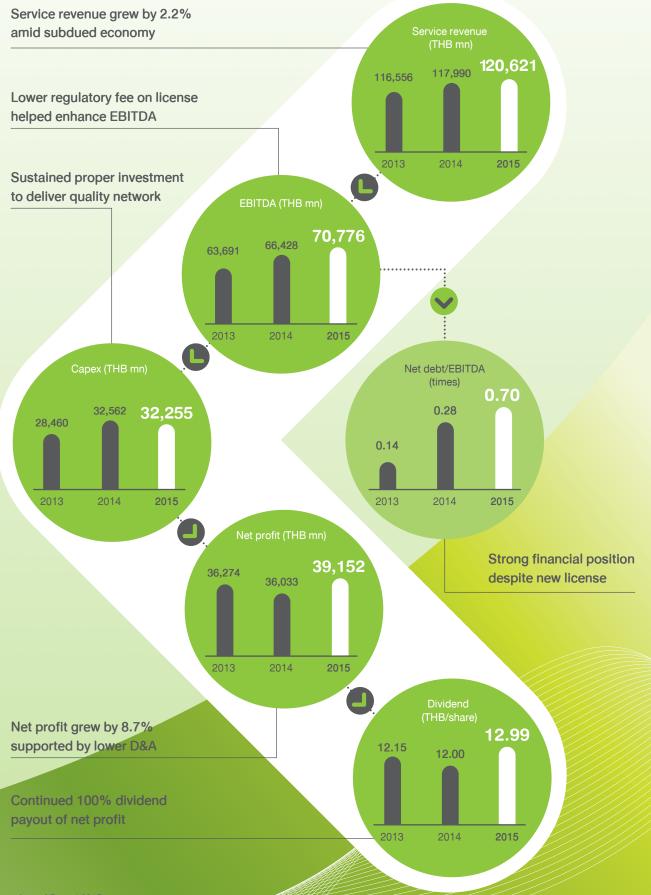




Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

First Thai telco selected to be in DJSI 2015 for emerging markets.

Financial Highlights





Dividend Policy

The Company aims to pay dividend at least 100% of net profit twice a year. The first of which shall be paid as interim as a result of operation during the first half of the year as approved by the Board of Directors and will be reported to the next general meeting of shareholders whereas the remaining thereof as annual payment which shall be approved by shareholders' meeting as a result of operation in the second half year.

As regards each subsidiary, dividend payment shall be based upon its operating results, financial conditions and other material factors.

In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing operations.

Baht per share

Historical dividend in 5 consecutive years is as follows:						
Historical Dividend	2011	2012	2013	2014	2015	
Total Dividend Payment (Baht per share)	8.43	10.90	12.15	12.00	12.99	
1. Interim Dividend	4.17	5.90	6.40	6.04	6.50	
2. Annual Dividend	4.26	5.00	5.75	5.96	6.49	
3. Special Dividend	-	-	-	-	-	
Dividend Payout Ratio	113%	93%	99.58%	99.01%	98.64%	

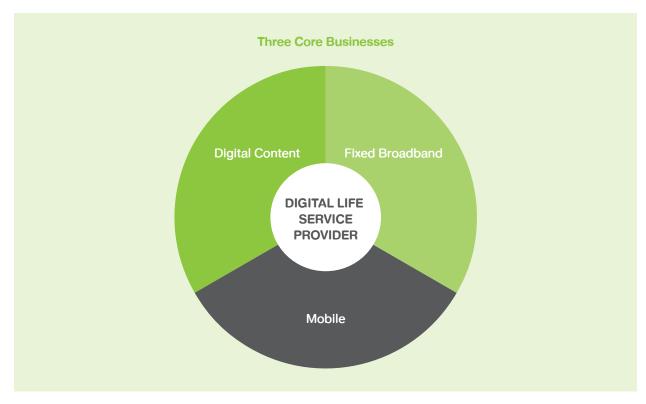


Business Overview

Advanced Info Service Plc. (AIS) is transforming itself to become the "Digital Life Service Provider" by operating three core businesses: mobile, fixed broadband, and digital content. At present, AIS is the leading mobile operator in Thailand who commands 52% of market share by revenue and serving 38.5 million subscribers nationwide. The Company had been providing 2G service on 900MHz network under concession with TOT which ended in September 2015 and is being continued under the remedy period until further notice from the National Broadcasting and Telecommunication Commission (NBTC). The 3G network with nationwide coverage is operated on the 2.1GHz license, valid until 2027, granted by the NBTC in December 2012. Moreover, the Company has also launched 4G network in January 2016 on the 1.8GHz license, valid until 2033, granted by the NBTC in November 2015. Mobile services currently provided include domestic mobile services, International Direct Dialing (IDD) services, and international roaming services.

As the "always - connected" behavior of customers has become significant, AIS made a clear decision to commence the fixed broadband business in April 2015 under the brand "AIS Fibre". With an ability to leverage the extensive fiber optic network nationwide, we can provide the new technology of FTTx service to households. In the first year of operation, AIS Fibre already achieved 1.7 million homepasses with 44,000 households as our customers. We aim to gain significant market share in this market in three years driven by our strong brand and currently low fixed broadband market penetration.

To stay in an advanced position in the digital era, AIS is officially driving the digital content business by creating a telecom ecosystem among talented partners. Our focus is on five key areas namely video, game, mobile banking, cloud, and M2M, all of which will provide convenience to customers and generate new sources of revenues rather than voice minutes and megabytes from usual data consumption.



Key Milestone in 2015

Strategy and Overall Business

- 29 January 2015 AIS announced AIS vision for 2015, by introducing the concept of "LIVE Digital, LIVE More" with the aim of empowering the Thai people and the country to reap the benefits of living digitally in the age of the digital economy. The vision included the goal of becoming creators of digital services for Thais as "Your Digital Life Partners." This goal covers the development of both the relevant infrastructure and digital services as part of a make over of the Company's image into a digital partner for every group of AIS customers.
- 2 June 2015 AIS launched its "Co-Location" services which feature space rental complete with environmentally friendly standard infrastructure for the installation of computer and network equipment. These service include a wide range of facilities designed to completely meet UPTIME INSTITUTE and TIA 942 standards so that our corporate and SME customers can efficiently minimize IT support system preparation and management costs while maintaining maximum safety.



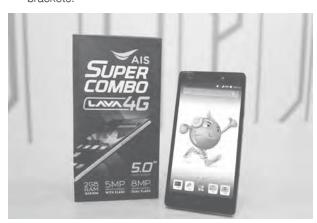
- 15 June 2015 AIS was awarded ISO/IEC 27001:2013 for IT security management by Bureau Veritas Certification (Thailand) Ltd. and UKAS (The United Kingdom Accreditation Service). This certification recognizes our upgrades in secure information management for AIS data centers and assures our corporate customers of our service provision capacities.
- 10 September 2015 AIS was selected as a member of DJSI Emerging Markets. AIS is the first telecommunication service operators in Thailand who was selected.



Mobile Business

- 13 February 2015 AIS joined hands with Thaicom in expanding its mobile phone network to customers working on the offshore oil production platforms in the Gulf of Thailand. This is the first time in Thailand that a technological innovation in communications via a mobile phone network was used with a satellite communications system to provide mobile communication services to customers working at offshore facilities.
- 2 March 2015 AIS signed a memorandum of understanding with Kasikornbank PCL for the co-development of a new innovation in financial services by upgrading their Mobile Banking and Mobile Commerce Systems. These upgrades will help improve the quality of life for our customers and will help generate economic growth and business competition at the regional and global levels.
- 31 March 2015 AIS launched its "AIS SUPER WiFi" services by offering high-speed wireless internet services at a maximum speed of 650 Mbps, which is faster than 4G. This service provision was initially launched at popular department stores, leading movie theaters, community malls and all McDonalds restaurants, in addition to leading chain stores nationwide.
- 20 April 2015 AIS launched "iSWOP," an innovative signal package to meet the changing needs of our monthly subscription customers by allowing them to switch between internet and call services as needed. AIS is the first company in the world to offer this service.
- 14 May 2015 AIS launched its "AIS LIVE 360°" campaign by offering special privileges to our customers in the form of discounts at over 12,000 leading brand name stores nationwide for 365 days.

- 2 July 2015 AIS "One-2-Call" launched its "Hello Asia SIM," a top-up SIM for our international customers from Cambodia, China, Japan, Laos, Myanmar, and South Korea who live and work in Thailand. This new SIM card comes with automated message services in all six languages.
- 1 September 2015 AIS joined with Tune Insurance to create a new dimension in automatic cross - border services by offering free insurance privileges with maximum coverage of 300,000 Baht for customers who sign up and use any AIS roaming package.
- 22 September 2015 AIS launched its first 4G mobile phone with the release of its "AG SUPER COMBO LAVA A1" at the price only 4,590 Baht in order to provide more accessibility opportunities for our customers in all income brackets.



- 18 November 2015 AIS opened its eighth AIS Call Center for the disabled at Sri Sangwan School in Khon Kaen by designing the facility to promote the types of work able to be performed by persons with certain disabilities. These staff members enjoy standardized employment provisions at the same level as regular employees. As a result, AIS currently employs 78 disabled call center staff.
- 25 November 2015 AWN, a wholly owned subsidiary of AIS, was granted an 1800MHz license covering 1725 -1740MHz paring to 1820-1835MHz from the Office of the National Broadcasting and Telecommunications Commission (NBTC). As of January 2016, AWN is ready to provide 4G service with 7,000 locations nationwide.



Fixed Broadband

- 27 April 2015 AIS launched the "AIS Fibre" broadband home internet service with 1 Gbps speed as the first and only full-scale PURE Fibre service provider. In addition, a package that includes entertainment from the AIS PLAYBOX was also introduced.
- 1 July 2015 AIS Fibre joined hands with Property Perfect in the co-development of a "Perfect Digital Village" powered by AIS Fibre. This will be the first and only digital village in Thailand, and will offer 100% access to the highest broadband technology via AIS Fibre.

Digital Content

- 29 July 2015 AIS opened its fifth annual "AIS the StartUP" conference where new entrepreneurs join together with AIS at a forum for thinkers, creators and small entrepreneurs who present new concepts and products in a series of competitions for development and launch support. AIS together with our Thai and international partners select the most innovative works and assist them in accessing our more than 500 million customers around the region.
- 16 September 2015 AIS upgraded "AIS mPAY" and rebranded it as "Digital Money of Everyone" by creating an all-in-one application available to every mobile phone user, regardless of service provider, in order to allow easier access to the growing e-commerce market.



Awards and Recognition in 2015

Trusted Brand Awards



"Superbrands 2015" Received for being a brand that is accepted and trusted among its customers. This is the twelve consecutive year AIS has won this award and we are the only Thai Telecommunication operator to receive this honor.



"Thailand's Top Corporate Brands 2015" Received for being the company with the highest brand value in the information technology and telecommunications business from the Faculty of Commerce and Accounting at Chulalongkorn University.

Excellence in Management and Performance Awards



"CFO Excellence Award 2015" Received this honor for the last six consecutive years from the Investment Analysts Association (IAA Award 2015).

"Thailand Telecom Service Provider of the Year", "Thailand Mobile Service Provider of the Year" and "Thailand Data Service Provider of the Year" 2015 is the four consecutive year AIS has won this honor from Frost and Sullivan, a world-class leader in marketing research and investment consulting.

"Super Stock 2015" Awarded by the Stock Exchange of Thailand and the Money Channel for being a listed companies that consistently offers excellent returns on investments and dividend payments to its shareholders. AIS won this award by growing its business through good governance during the past eleven years.



"Outstanding Media 2015" Awarded by the Thai Catholic Media for the commercial, "Always There," created to build confidence in the AIS brand with customers and to reaffirm the AIS commitment to meeting its customers' needs and to network and service development.

"Best Company 2015" Received for the last six consecutive years and "Best Company 2015 in Technology" received during each of the last three years. These awards are given to publically listed companies with excellent management capacity, outstanding performance, and the ability to recognize consistent profit and high stockholder returns on investments.

"LIVE 360 Innovative Award 2015" Received for the best campaigns featuring new innovations to meet the needs of mobile phone users in the digital age from the Asia Pacific Customer Service Consortium.

"Consumer Protection Thailand Call Center Awards" Awarded to AIS Call Centers for providing its customers with quality and efficient problem solving service from the Office of the Consumer Protection Board and the ISO Management System Certification Thailand.

"Corporate Improvement Excellence" and "Outstanding" achievement awards in five other categories: financial management, innovations and creativity, products and services, marketing and CSR at the "Thailand Corporate Excellence Awards 2015" hosted by the Thai Management Association (TMA) in cooperation with the Sasin Graduate Institute of Business Administration of Chulalongkorn University.

"The Best Social Media Program" Received for operating call centers that offer the best social media services with the fastest response time and highest quality service from the Asia Pacific Customer Service Consortium.

"Outstanding Investor Relations Awards 2015" Awarded for each of the last five consecutive years for excellence in investor relations by the Stock Exchange of Thailand as one of its 2015 SET Awards.

Sustainable Development Awards



"Thailand Sustainability Investment 2015" Awarded by the Stock Exchange of Thailand to corporations with sustainable business operations that result in the offering of high quality shares and membership in the international Dow Jones Sustainability Indices (DJSI)

"ASEAN Corporate Governance 2015" Awarded by the ASEAN CAPITAL MARKETS FORUM as one of the top 100 ASEAN companies in terms of market value and good governance business practices that meet or exceed ASEAN standards (ASEAN CG Scoreboard).

"Outstading Sustainability Report 2015" Awarded by the CSR Club of the Thai Listed Companies Association with the cooperation of the Office of the Securities and Exchange Commission and Thaipat Institute for producing a report to communicate the sustainable development activities carried out by AIS communicate with all stakeholders in order to keep them informed that our performance meet their expectations in the areas of economics, society and the environment.

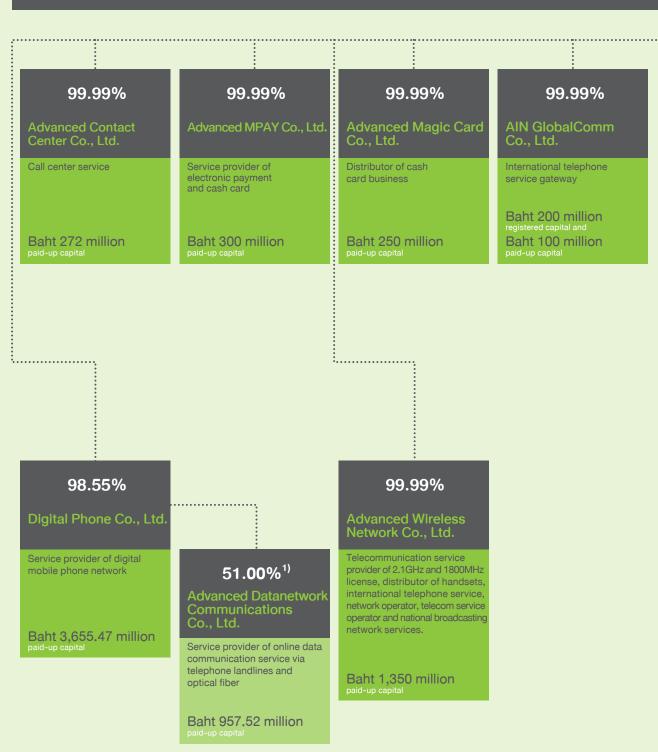


"Top CSR Advocates in Asia 2015" Awarded at the Asia Corporate Excellence & Sustainability Awards (ACES) in Singapore, which recognizes corporations with active CSR policies and participation of executives and employees in community, environmental, and social empowerment activities.

"Best Employer Thailand 2015" Received for each of the last three years from Aon Hewitt and Sasin Graduate Institute of Business Administration of Chulalongkorn University and awarded "Best of the Best 2015" to the Advance Contact Center.

Investment Structure of Advanced Info Service Plc.

Advanced Info Service Plc. Baht 4,997.46 Million Registered Capital and Baht 2,973.10 Million Paid-Up Capital



Notes:

¹⁾ The remaining 49% of shares, holding by person who has not conflict of interest.

²⁾ The dissolution of Advanced Internet Revolution Co., Ltd. (AIR) is now finished.

³⁾ In 15 July 2015, ABN has paid the last installment in IH which increased IH's paid - up capital to Baht 14.5 million.

As of 31 December 2015

99.99% 99.99% 99.99% Wireless Device Supply Co., Ltd. Advanced Broadband Network Co., Ltd. Super Broadband Network Co., Ltd. Network operator and telecom Importer and distributor Currently not start the operation service operator i.e. internet of handset and accessories 29.00% (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Information Highway Co., Ltd. Internet Protocol Virtual Private Network (IP VPN), Baht 15 million Baht 50 million voice over IP, and IP Television Transmission network provider Baht 50 million Baht 14.5 million³⁾ Baht 300 million 99.99% 99.98% MIMO Tech Co., Ltd. Operate IT, and content Operate in acquiring and/or lease building, and related aggregator businesses and 10.00% 20.00% outsourcing service for billing facilities for telecommunication Clearing House for Number Portability Co., Ltd. and collection business Bridge Mobile Pte. Ltd. Baht 50 million paid-up capital Baht 1 million Jointly invested, operate the Jointly invested, provide information system and the international roaming service centralized database for (incorporated in Singapore) the mobile number portability service Baht 2 million USD 9 million

INTOUCH Group's Investment Structure





Top Ten Shareholders

Top Ten Shareholders

As of 17 August 2015, the latest book closing date for the right to receive dividend, are as follow:

No.	Name	No. of shares held	% of shareholding
1	INTOUCH HOLDINGS PLC	1,202,712,000	40.45
2	SINGTEL STRATEGIC INVESTMENTS PTE LTD ²⁾	693,359,000	23.32
3	THAI NVDR CO., LTD.	163,637,136	5.50
4	CHASE NOMINEE LIMITED	84,654,222	2.85
5	LITTLEDOWN NOMINEES LIMITED	52,503,800	1.77
6	STATE STREET BANK EUROPE LIMITED	50,034,810	1.68
7	THE BANK OF NEW YORK MELLON	44,570,900	1.50
8	HSBC (SINGAPORE) NOMINEES PTE LTD	44,434,037	1.49
9	THE BANK OF NEW YORK (NOMINEES) LIMITED	30,381,287	1.02
10	SOCIAL SECURITY OFFICE (2 CASES)	26,570,900	0.89
Total		2,392,858,092	80.48

Note:

Major shareholder whose behavior can influence when determining policy or handling operation, are

1. Intouch Holdings Plc., major shareholders of Intouch Holdings Plc. as follows:

Name	No. of shares held	% of shareholding
Aspen Holdings Ltd. ¹⁾	1,334,354,825 ²⁾	41.62

¹⁾ On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, information as of 5 January 2016, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

2. Singtel Strategic Investments Pte Ltd holds 23.32% directly in AIS. The shareholder of Singtel Strategic Investments Pte Ltd is

Name	% of shareholding
Singtel Asian Investments Pte Ltd *	100.00

^{*} Singtel Asian Investments Pte Ltd is 100% hold by Singapore Telecommunication Limited (Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 26 January 2016)

Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None -

¹⁾ Information from Thailand Securities Depository Company Limited

²⁾ On 8 January 2016, SINGTEL STRATEGIC INVESTMENTS PTE LTD currently transfer its 0.01% shared which is previously hold by OCBC NOMINEE to be held directly under SINGTEL STRATEGIC INVESTMENTS PTE LTD.

²⁾ Shareholding as of 27 August 2015, the latest book closing date



Revenue structure from providing service & sales income in AIS group to the third party within 3 years

Service/Product	Operation By	% Holding of shares as at	2013		2014		2015	
		31 Dec 15	Million Baht	% Size	Million Baht	% Size	Million Baht	% Size
Mobile phone service								
- Mobile phone services &	Advanced Info Services Plc.		99,504.58	66.08	26,708.27	17.88	7,466.95	4.81
rental and call center	Advanced Wireless Network Co., Ltd.	99.99	23,216.54	15.42	94,478.94	63.27	117,370.25	75.60
services	Digital Phone Co., Ltd.	98.55	441.47	0.29	27.19	0.02	3.69	-
	AIN Globalcomm Co., Ltd.	99.99	3,455.66	2.30	2,873.93	1.92	1,272.30	0.82
	Advanced MPAY Co., Ltd.	99.99	309.55	0.21	368.75	0.25	224.59	0.14
	Fax Lite Co., Ltd.	99.98	-	-	-	-	30.37	0.02
	Advanced Contact Center Co., Ltd.	99.99	4.94	-	3.90	-	3.52	-
- Construction income from	Advanced Info Services Plc.		3,639.60	2.42	600.26	0.40	63.59	0.04
the Agreements for operation	Digital Phone Co., Ltd.	98.55	126.84	0.08	-	-	-	-
Sub-total			130,699.18	86.80	125,061.24	83.74	126,435.26	81.43
Mobile phone sales	Advanced Info Services Plc.		516.32	0.34	8.38	0.01	0.19	-
	Advanced Wireless Network Co., Ltd.	99.99	3,484.89	2.31	15,877.15	10.63	23,736.29	15.29
	Wireless Device Supply Co., Ltd.	99.99	15,113.31	10.04	7,528.74	5.04	4,090.35	2.63
Sub-total			19,114.52	12.69	23,414.27	15.68	27,826.83	17.92
Data network and broadband	Advanced Datanetwork	51.00	155.43	0.10	24.40	0.02	3.60	-
service	Communication Co., Ltd. ¹⁾							
	Super Broadband Network Co., Ltd.	99.99	416.31	0.28	786.18	0.53	883.63	0.57
	$\label{eq:Advanced Wireless Network Co., Ltd.} Advanced Wireless Network Co., Ltd.$	99.99	-	-	-	-	127.12	0.08
	Advanced Internet Revolution	99.99	192.38	0.13	42.96	0.03	-	-
	Co., Ltd. ²⁾							
Sub-total			764.12	0.51	853.54	0.58	1,014.35	0.65
Grand Total			150,577.82	100.00	149,329.05	100.00	155,276.44	100.00

Remarks:

¹⁾ Advanced Datanetwork Communication Co., Ltd is an indirect subsidiary.

²⁾ On 19 October 2015, Advanced Internet Revolution Co., Ltd. completed the process of liquidation.

Industry Condition and Competition in 2015 and Trend in 2016

Mobile Phone Business

In 2015, our mobile phone business grew due to higher use of data and internet in the daily lives of our customers. The primary reasons for growth also included the rapid increase in social network use, more variety in our value price plans, and the release of less expensive smartphones to encourage customers to switch from feature phones.

Today, smartphones are an important tool for expanding our customer base, maintaining our existing customers, and driving revenue from data usage. All operators are geared towards offering both international and domestic branding phones to their customers.

AIS has also been successful in selling our AIS LAVA smartphones, which became the top choice phone available under Baht 3,000. The 'Super Combo' campaign for prepaid customers and the 'Super Deal' for postpaid customers were popular because they provided quality products at an affordable price together with good value operating packages for our customers.

The main strategy used by mobile operators in 2015 was to focus on handsets. Customers were attracted to mobile phones that were given away when they applied for specific package plans. AIS adopted this strategy with the main objective being to transition 2G customers to the 3G network because the 3G network gives a better quality experience with faster internet. In addition, the 900MHz concession on which the 2G network operates expired in 2015. It had a higher cost when compared to the license scheme of 2.1GHz. Relatively cheaper price plans on 3G also stimulated the transition from 2G operated under concession. The migration of 2G customers to our 3G network was well accepted. As of the expiry date of the 900MHz concession on 30 September 2015, 2G subscribers were at 1.9 million and most of them generated low ARPU and were in remote locations.

The AIS handset trade-in campaign was led by AIS LAVA phones. When AIS customers brought their old 2G phones to our shops and agents, they could trade them in for a new 3G phone for free or buy a better 3G smartphone at a special price. The campaign was popular among AIS customers due to the quality products being offered and our after-sales service.

Our competitors spent heavily on marketing campaigns to promote their 4G services and sell 4G handsets, aiming to lead in 4G access. AIS fell behind them in providing 4G services due to a lack of spectrum, which impacted consumer

perception and service quality in some dense areas. Realizing this early on, AIS continued to improve our 3G network as well as preparing for 4G service in the following ways:

- By the end of 2015, there were 27,200 3G base stations on the 2.1 GHz network, covering more than 98% of the population as we continued to expand 3G access.
- AIS WiFi and AIS Super WiFi access points were added in densely populated areas throughout Thailand in order to maintain customer satisfaction with our data speed, which was equal to or exceeded that offered on our competitors' 4G platforms.
- 4G phones at value prices are being offered to support
 4G service in 2016.

Apart from industry competition, our mobile phone business was also affected by many external factors, such as lower-than-expected economic recovery and a household debt to GDP ratio exceeding 80%. These figures impacted consumer purchasing power, resulting in a decrease of both new customers and usage spending of existing customers as compared to a year ago. Moreover, the NBTC announcement of a new regulation on SIM card registration required all prepaid customers to register their numbers; otherwise, their number would be suspended. This resulted in 10.8 million prepaid numbers of all operators being deleted from the system. This regulation also helped eliminate inactive numbers, which has resulted in the more efficient management of numbers and a more secure customer database.

Industry Conditions and Competition 2016 Outlook

In 2016, it is expected that the mobile business overall will see growth in data services, especially after the launch of the 4G network under the 1800MHz licenses auctioned in November 2015. Positive prospects of the mobile market in 2016 are as follows:

- Demand for internet usage should increase due to a more digital consumer lifestyle. Consumers are demanding an "always - on" connection for social media, email, games, movies, and other entertainment.
- 2. Smartphones should be more affordable, increasing the number of smartphone users.
- 3. Other services relating to online communication will expand because they will be easier to access through smartphones and tablets, namely:

- E-commerce and m-commerce should increase in popularity among online sellers. This channel can increase revenue as it is more convenient and easier to view merchandises, compare prices and promotions, and make purchases in this way.
- Content services should grow because consumers expect better content from developers. Exclusive content through partnerships with domestic and international developers, such as English Premiere League, will attract new consumers.
- Cloud storage is expected to be more popular because consumers tend to have more photos, videos and other media content. Cloud storage can help when the memory on a mobile device is not enough for a consumer.
- New applications should be developed, both free and paid, to respond to the lifestyle of a new generation with digital demands in terms of entertainment, social media, health, finance, etc.
- Convergence services, which combine mobile, broadband internet and entertainment, should be more popular because consumers can access a single package through multiple devices.
- 5. The expected economic recovery in 2016 will likely be driven by public sector investment in infrastructure megaprojects, stimulus for low income citizens, and the recovery of domestic and overseas demand for Thai goods. These drivers should increase private sector investor confidence and foster greater consumer purchasing power.
- Increased ease of mobility for over 600 million people in the ASEAN region will help facilitate commerce, investment, and travel among member countries and promote inter-ASEAN businesses, including those in the telecom industry.

However, there are also challenges that lie ahead, some of which are as follows:

- Heightened competition in 4G technology will focus on quality and speed. AIS is ready for 4G service on 1800MHz, and will continue to improve network efficiency to support our customers. Handset strategy is expected to continue by operators to protect and gain market share.
- Customers will have higher expectations in terms of service quality and mobile internet experiences after all operators can offer 4G service. This is especially relevant

- to live-streaming and high definition videos, which require high speed data transfer.
- Over-the-Top (OTT) services will play a more important role as a substitute product that consumers will use for interacting through pictures, audio messages and video via the internet. Applications such as LINE and Whatsapp will be more popular and cause a decrease in standard SMS usage.
- Regulations from the government or telecom regulators might cause limitations in terms of pricing or service quality.
- Uncertainties in politics and other issues, such as drought, would affect economic growth and consumer spending directly.

AIS has prepared for future situations by differentiating itself from its competitors in terms of network quality, customer service, and the development of new applications. Although our current spectra are sufficient for servicing customers, we will continue to add to our strong technological foundation through investment, analyzing the consumer experience, and expanding our AIS team. At AIS, we are confident that we can give customers the best mobile and digital entertainment experience in every aspect.

Business Direction over the next 3 - 5 years

Build on our market leadership toward digital transformation

The telecommunication industry in Thailand is expected to undergo a transformation over the next 3-5 years. A shift in consumer behavior to a much more digital based environment translates to the need of higher speed internet to access digital contents of all forms, especially higher definition contents, VDO streaming, and e-commerce. Consumers are using various digital devices in order to access information, news, social media and other entertainments thus they are looking for advanced services and quality networks provided by operators.

As a leading telecommunication service provider for the past 25 years, AIS sees a compelling opportunities to address these changes and lead the industry toward digital transformation. Beginning over a year ago, we set our corporate vision to transform ourselves to a "Digital Life Service Provider" to enhance the lifestyle of customers and businesses with always – connected behavior using our quality networks, led by a strategic focus of three core businesses: mobile phone services, fixed broadband service and digital contents.

Mark a leadership in mobile broadband, led by network & service quality

Today, the usage of mobile data has seen an upsurge due to the constant improvement in technologies of device, network, and applications. Consumers now rely less on the traditional simple voice call but rather communicate through mobile internet via multimedia applications such as LINE or Facebook, etc. Consequently, in Thailand we see that 3G is becoming a mainstream, supported by an abundance of low-cost smartphones. While smartphone penetration rate of AIS' subscribers increased to 59% in 2015 with an upward trend, it is crucial for us to continue improving capacity and quality of our 3G network as well as investing more for further coverage expansion beyond the current 98% of population to strengthen our competitive advantage and customer perception.

Another significant movement is the increasing role of 4G technology at present and in the next 1-3 years. Consumers need to connect to the internet anytime anywhere and need a fast and reliable network. 4G has become a standard for active data users who require higher speed for more sophisticated multimedia contents and applications. More videos with high definition quality from both user-generated contents and more variety of content providers are much more popular. With this consumer trend, we recently bid for additional spectrum, 1800MHz, which is the world's most commonly used for 4G deployment. The 4G network is quickly rolled out to cover areas with high demand for data and expected to continue

wider rollout in the next 1-3 years. Additionally, to compete on providing faster speed, we will continue to deploy "carrier aggregation" technique, which combines the use of different spectrum band e.g. 1800MHz aggregating with 2100MHz. The rising data consumption particularly for high-definition and streaming contents implies a continual demand for more bandwidth to supply sufficient capacity. We aim to seek more spectrums for future growth and expect the regulator to push for more spectrum auctions of several bands such as 850MHz, 1800MHz and 2600MHz in the following 3-5 years.

With the enhanced network, we are well-positioned to provide leading service quality for 3G and 4G. As equally important, customer service is the key to retain customer loyalty and hence build a quality and sustainable revenue. Our unmatched and highly recognized customer service will continue to be uplifted and respond to new lifestyle. Digital transformation in customer service is already undergoing with the push toward digitized service process and experience at our retail shops and call center as well as building new online service channels.

Step up in fixed broadband business, aiming for converged services

In Thai market, there were only three key players in fixed broadband and mainly served ADSL technology. While fixed broadband penetration remains below 30%, there is strong demand for high speed internet in many parts of Thailand. The existing ADSL technology is becoming obsolete and has a technical limit on its speed. Customers are expecting for something that would change their experience with better offers, especially speed and stability. With the low penetration rate in fixed broadband market and the demand of faster and better service. AIS saw an exciting opportunity to launch AIS Fibre. the fixed broadband service that leveraged on our existing high quality fibre optic cable nationwide deployed under 3G-2.1GHz network. The new FTTx technology provides high speed internet at home up to 1Gbps compared to 20Mbps of ADSL technology. This business will become another revenue stream for AIS and at the same time strengthen our mobile business proposition.

With our strong financial flexibility, AIS can allocate investment to focus more on the fixed broadband business, aiming to have a significant market share in three years. Starting 2016, we will step up how we grow this business with a quicker expansion for more service coverage, and more investment to improve processes, i.e. sales force, installation and after sales service. Fixed broadband service, together with digital content, will be converged with other AIS's traditional mobile service, supporting us to become a leading integrated telecom provider.

Build innovation in digital contents for consumers and business customers

In digital era, when various devices are popular and easy to access by users, demand for contents also grows rapidly. We can see new consumer behaviors everywhere, such as the need to enjoy entertainment on-the-go, trend of e-commerce by big players and new entrepreneurs, and financial transaction on mobile. In terms of business, cloud and other business solutions can help save costs and increase efficiency in many business processes. M2M, although seems less familiar today, is expected to be more popular with a wide variety of usage to benefit different customer segments in the future.

To become an integrated telecom player, digital content is an important element driving the Company to the vision. The differentiated digital content can build a closer customer connection that support generation of another revenue stream for AIS and ultimately earn a long-term revenue quality. Our strategic focus on the digital content revolves around five key areas, namely video, games, mobile banking, cloud and M2M. This will change the ordinary form of data consumption and bring a new growth in the next 3-5 years. We will begin our focus on mass adoption of video entertainment platform which we believe is the mainstream of new data consumption. Last year, we launched AIS PLAYBOX as a home entertainment platform. Starting 2016, AIS is extending this platform to mobile, called AIS PLAY. Additionally, we believe cloud will become the next wave and foundation for new consumption at both individual and business levels.

Toward this digital transformation of our business, AIS will emphasize on operational transformation of three key aspects.

1) Customers - who have always been the core value of our business. Our goal now is to have our customers 'love' AIS from the quality services and benefits that are exclusively provided to them. 2) People - our staffs will be encouraged to constantly improve their skills and be creative in their ideas along with having enjoyable experiences working at AIS. This will strengthen our organization to be the leading place to work for new generations. 3) Partners - we believe in achieving an 'Eco-system' to reach multi ability - enriched collaborations with our partners and to create new customers' needs, and always exceed their expectation while lead to the sustainable growth of AIS and our partners in the long run.

In 2015, AIS was included in the Dow Jones Sustainability Indices in the category of Emerging Markets, signifying the dedication and commitment of every individual at AIS in driving the business with sustainability mindset. The efficiency of AIS is well-balanced by taking into account benefits and concerns of all stakeholders. We do not only focus on financial profit but we also balance the economic growth for shareholders' return, development and advancement of community and society, as well as environmental friendly innovation. This is the new foundation for our sustainable long-term growth to become a leading organization providing digital life services to all Thais.

Products and Services

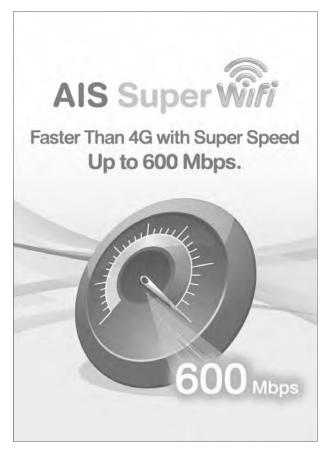
Today, technology changes at a rapid pace, and customer behavior follows suit. As the smartphone penetration rate rises, mobile internet usage continues to grow. In addition to voice calls, AIS customers are now using increasing amounts of data on their mobile devices. In response to these changes, AIS has launched a new products and services campaign. To meet the evolving needs of our customers, AIS introduced a new fixed broadband service to provide the fastest high speed internet while also increasing the digital content available to our customers through a variety of applications. This is the new AIS brand concept: "Live Digital, Live More."

The key components of this concept are as follows:

Mobile Phone Business

Currently, AIS provides 2G, 3G, and the new 4G mobile services on a 2.1GHz license and 1800MHz license following the November 2015 auction. These services support over 38.5 million mobile subscribers of which 33 million are prepaid and 5 million postpaid. In 2015, AIS expanded its base stations to more than 27,200 nationwide, which cover more than 98% of the population.

Prepaid Service Customers can top up their wallet through a variety of channels such as the AIS Shops, mPay, ATMs, banks, and convenience stores. When money is added, customers can select and use the services that most suit their behavior from various packages under the AIS 1-2-Call! brand. In general, when the prepaid SIM is registered, customers can choose a main package that includes voice and internet with AIS WiFi, or the NET SIM package that provides only internet, which is very popular for devices such as tablets. A third option is a package for voice calls only, which has differently priced plans for usage on the AIS network or other networks. In addition, AIS offers special voice call packages for the audio and visually impaired.



Postpaid Service Customers using postpaid mobile services are billed after use, at the end of each payment cycle, which is more convenient. Postpaid packages are of the same types as the prepaid packages, and include a voice and internet main package with AIS WiFi, an only internet package, or a package for only voice calls. Postpaid subscribers can choose from a variety of mobile service packages.

Apart from the main prepaid and postpaid packages, customers can buy on-top packages to extend service usage and control their spending limits. They can do this by adding voice minutes, adding internet data usage, increasing the internet speed, etc. Customers can choose on-top packages for either one-time or recurring usage. For the convenience of customers, a variety of channels are available for purchasing on-top packages, including by USSD code, online eService, and other applications such as LINE.

In order to serve our customers' various needs in this digital era, AIS launched many new products and services in 2015, including the following:

iSWOP Package

Through our analysis of customer behavior, AIS identified new opportunities which led to the development of an increased variety of packages to match each customer segment.



'iSWOP' is the first campaign that allows AIS customers to manage their own voice and internet usage in real-time. iSWOP has helped to ease customer concerns about unused voice and internet usage, and has empowered customers to control their package to match their usage preferences and behavior.

SIM SAFE SAFE

AIS collaborated with AXA, the world's leading insurance



company, in creating a new model of mobile SIM. This is the first insurance prepaid SIM that offers customers privileged accident insurance and compensation without paying any insurance premiums.

Segmented SIM

AIS also discovered new opportunities in expanding our coverage in the teenage, foreign worker, and tourist demographics. To serve the needs of each group, we now offer the following packages and services that differentiate us from our competitors:

Traveler Sharing SIM

In January 2015, AIS launched a new product for tourists, called the 'Traveler Sharing SIM', which contains three SIM numbers in one package. Customers enjoy free voice calls amongst the three numbers in the group while all three numbers also have internet access. The services are segmented for groups of friends or families. AIS launched a marketing campaign targeting both domestic and international tour agencies in order to reach as many potential customers as possible.

AIS One-2-Call! ZEED SIM

In February 2015, AIS launched a new SIM for teenagers, who represent a high growth market due to the increasing trend of data consumption. Under the name 'Zeed SIM',



this product provides various special benefits that match the lifestyle needs of these customers such as promotions for free unlimited social media and internet usage, as

well as reduced calls rates and costs for popular applications. In addition, AIS has applied a new music marketing strategy to further attract teenagers.



Hello Asia SIM

In June 2015, AIS launched the 'Hello Asia SIM' to better serve foreign customers and foreign workers in Thailand, particularly those from Asian countries such as the Burmese, Cambodians, Laotians, Chinese, Koreans and Japanese. AIS is the first operator to offer one SIM card that can support and communicate with the nationals of these six countries in their six local languages. Moreover, these customers also enjoy special call rates and free social media usage in addition to low-cost IDD services. By combining the 'Hello Asia SIM'



with 'AIS LAVA', AIS generated an increase of more than one million Burmese subscribers in 2015.

Furthermore, AIS continues to offer quality handsets at reasonable prices to serve the various needs of our customers. In 2015, AIS launched many campaigns offering good value on 3G-enabled smartphones, thus allowing more customers to conveniently access the internet and enjoy online services while traveling internationally. The following are examples of our handset promotions:

AIS Super Combo

AIS offers various models of quality smartphones at reasonable prices under the brand AIS LAVA, which is a special partnership between the independent manufacturer and AIS. Prepaid and postpaid subscribers can purchase a 3G smartphone at an inexpensive price together with a promotion package. In the last quarter of 2015, AIS launched the AIS LAVA 4G smartphone series to serve customers with our new 4G network.

Please visit www.ais.co.th/3g-one-2-call/Default.aspx for more information on prepaid packages, and visit www.ais. co.th/3g-postpaid for postpaid packages.

International Roaming

In addition to mobile services for national communication, AIS also have additional services to serve customers' need



such as International Roaming, for customers who travel around the world and they are in need to use calls, text message and internet services. AIS provides the International Roaming services around 229 countries globally. There are various channels for

customers to acquire the International Roaming services e.g. Call Center, AIS Roaming application and USSD code etc.



AIS has consistently improved the International Roaming both in voice and non-voice services. This year, AIS launched cost-saving daily packages called 'Non-stop Data Roaming' in order to provide 24-hours unlimited data services to serve customers in foreign countries. Customers can use all the services in one package which is utmost convenient for those who travel to many countries in one trip as well as those who have flight transitions. This low-cost International Roaming data package covered around 97 countries in total. As for low-cost voice package, the service is available in 109 countries.

International Direct Dial (IDD)

Customers in Thailand can conveniently connect to more than 240 countries globally with our International Direct Dial. It can be used by both postpaid and prepaid customers by dialing international call code, followed by the local numbers.

Corporate Solutions

In addition to AIS' individual customers, AIS also serve wide-range of corporate clients with growth potential. Corporate clients thrust for effective services for their various business and management efficiencies. AIS has offered solutions such as communication, IT, process follow-up and investigation, marketing and business-specific solutions.

Fixed Broadband Business

AIS has launched a fixed broadband service under the brand 'AIS Fibre.' AIS is the first and only operator to provide the full capacity of services through fiber optic cables. With more than 120,000 kilometers installed, AIS has been investing in



fibre optics since first deploying 3G services on our 2.1GHz license granted in 2013. Thus, AIS was able to market a strategy of only needing to install the last

mile of Fibre to the Home (FTTH) and Fibre to the Building (FTTB) to serve customers with the fastest internet speed and full-capacity experience of AIS fixed broadband. In 2015 we already have coverage in 12 provinces: Bangkok, Nonthaburi, Samutprakan, Pathumthani, Chiang Mai, Nakhon Ratchasima, Chonburi, Udon Thani, Khon Kaen, Phuket, Nakhon Pathom and Samut Sakhon. Moreover, AIS will continue to expand its fixed broadband coverage to reach 6.5 million homepasses by the end of 2016.

AIS offers the following two package choices with speeds ranging from 15 Mbps to 1 Gbps:

- Home Package: suitable for home users with higher upload speed compared with market packages at the same price. Users can surf the internet, receive and send e-mails, use social networks, upload photos, play online games, watch video streaming, and upload to or watch YouTube without any pause.
- Professional Package: suitable for small organizations or internet cafes. This package offers web servers, mail servers, and video conference calling with Full HD quality.

In addition to these packages, AIS Fibre customers can watch TV programs via the internet without a satellite through



the AIS PLAYBOX. Customers can enjoy entertainment media provided by AIS' content partners in Ultra HD 4K quality, which is four times higher than HD quality.

Please find more information of AIS Fibre at www.ais. co.th/fibre

Digital Content and Partnership for Application

In 2015, AIS enhanced both our revenue streams and potential to respond to customer behavior in the digital age by providing new digital content composing five key areas for today's lifestyle. These are video, gaming, mobile banking, cloud storage, and Machine-to-Machine (M2M).

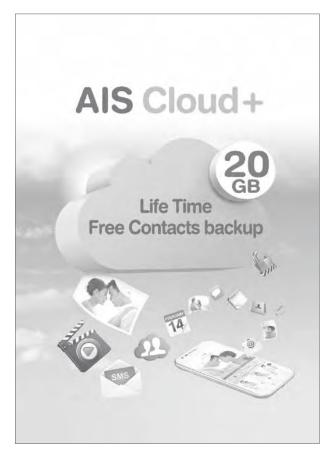
Video A newly developed innovation offered to customers in 2015 was the AIS PLAYBOX, which is a set top box with a variety of video contents, TV programs, movies, sports, and karaoke. Developed through collaboration with various partners such as GMM Grammy, CTH,



and several TV stations, this innovation has enhanced the convenience of entertainment media consumption for our AIS Fibre customers. For the first time, AIS also brought

Hollywood blockbusters from leading regional player HOOQ to air on AIS PLAYBOX and on mobile phones.

- Gaming In 2015, AIS partnered with game-selection experts E-Innovation and Blue Mobile in Thailand and Boyaa and Game Loft from abroad to provide video games to gamers ranging from teenagers to adults. We also developed payment channels that deduct money from the network (Direction Carrier Billing) and from the AIS One-2-Call! top-up cards.
- Mobile Money For mobile banking and payment, AIS has enhanced the mPay service to support cash transactions made via a mobile phone, which includes a Beat Banking service with cooperation from CIMB Thai bank. AIS has further enhanced the mPay Station to support SMEs by helping to manage payment transactions from their customers using the AIS payment platform. In addition, AIS is currently working with KBank to provide a cash transfer service from any KBank account to any mPay account to make payments even more convenient.
- Cloud Storage AIS offers Cloud storage services for corporate clients using software called 'Software-as-a-Service.' This software is operated through the Cloud for mobile security, service software, logistic software, marketing software and efficiency production software. The total number of corporate clients using the Cloud services doubled in 2015, mainly because clients only have to pay a monthly service payment, which is more reasonable and affordable for them than having to purchase the software themselves. Moreover, customers can utilize up-to-date software, get faster responses to their business requirements, and manage their costs more efficiently.
- M2M For the M2M service, AIS launched marketing strategies in various industries such as logistics, finance, banking and public utilities. In 2015, the connection figures grew by 20% because AIS developed M2M platforms that connected with the platforms of Bridge Alliance, which is an alliance union of which AIS is a member, as well as providers in 37 other countries in Asia and Africa. These platforms can help corporate clients manage their own M2M equipment. For example, they can operate the opening and closing time of the equipment, can alter the rate of service payment according to the usage of each piece of equipment, and can view real-time status reports on each piece of equipment. In addition to enhancing and creating new efficiencies in running a business, these services also support deeper market penetration. Due to the comprehensive coverage offered by AIS, these platforms can serve both domestic and also overseas corporate clients.



Beside these five key areas of digital content, AIS also provides other supporting services such as Calling Melody, which has been modernized with updated song lists and the Calling Melody application to make song selection and management more convenient. Other new applications have also been chosen from the AIS StartUp program since 2011 to support and encourage growth among StartUp entrepreneurs. New markets were created through creative applications such as GolfDigg, a golf court booking app; Stock Radar, a stock trading app; Local Alike, an app promoting sustainable tourism; and Noonswoon, a matchmaker app. Moreover, we also collaborate with partners who provide SMS Infotainment services and encourage them to create new applications to cope with the increasing use of smartphones.



Distribution Channels

The channels through which products and services are distributed to our consumers are one of the key support mechanisms to promote AIS's strategy and provide customers with access to all of our products and services. By maintaining good relationships with our distributors and broadening our network of distribution channels across the country, AIS has been able to respond to the individual lifestyle needs of our customers. Today, 97 percent of all AIS distribution is handled by qualified agents who are highly capable in their business activities and are able to provide continuous high-quality customer care.

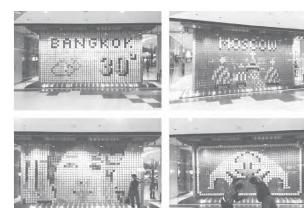
The selection criteria for choosing our agents are based on the location of the potential agent as well as their performance history and financial viability. We are particularly selective when choosing our provincial agents as each one must be familiar with the local demographics of their market in addition to possessing the business experience required to build trust with our customers by offering reliable service.

The details of the various types of AIS agents in mobile business are as follows:

AIS Shops

AIS expanded to 84 branches and 10 AIS Shop by partner in 2015 in order to reach more customers across a wider coverage area. Service processes have also been improved for increased efficiency, while service shop interiors and product displays were redesigned in order to help ensure that each customer has a positive experience at our AIS Shops.

In addition, AIS has selected distributors to be our partners in managing various AIS distribution outlets. These partners will help AIS reach more customers by offering the same sales and service standards as are available at AIS Shops.





Telewiz

AIS has partnered with over 100 Telewiz agents and more than 450 Telewiz and Telewiz Plus stores throughout the country. Each of these agents has the right to distribute AIS goods and services, including the right to provide postpaid registration services. These agents also provide several registration-related services, and act as a channel for processing service payments and other expenses. Telewiz agents are supported by AIS to ensure that services are offered with efficiency and to the same standard as AIS Shops. Types of support include management and communication systems that conveniently and continuously update inventory and other such functions within the AIS network to bring a competitive edge to our agents. AIS also provides knowledge sharing and training for Telewiz staff, while AIS support teams regularly visit our agents to offer advice. In 2014 - 2015, the Young Telewiz Management Program was established to prepare a new generation of Telewiz managers to succeed in this business. The program includes training in accounting, administration, finance, marketing, and information technology.

AIS is committed to enhancing the customer experience in a number of ways. Customers buying a new phone are given the opportunity to use and sample various popular smartphones before making a decision on which to purchase. Customers who buy a new phone are given the opportunity to transfer data, such as phone numbers, photos, messages, and music, from their original phone to their new device using innovative software from Cellebrite. Enhancements were also made to further streamline the queue system and payment kiosks for customers who receive services through these outlets.

Advanced Distribution Partnership (ADP)

The Advanced Distribution Partnership (ADP) is selected from among all agents who have demonstrated significant distribution potential in their target market and have maintained a healthy financial status. ADP agents are particularly skillful at promoting the efficient delivery of products in their area

through the Advanced Retail Shops and AIS Buddy, and have continually supported nationwide marketing activities in their area.

AIS Buddy

In 2015, AIS rebranded more than 1,000 AIS Service Points nationwide as "AIS Buddy" shops. The motto of AIS Buddy is to serve as a "new friend in your neighborhood" by acting as a retail outlet to provide AIS products and services while supporting an increasing number of AIS customers.

Advanced Retail Shop (ARS)

Advanced Retail Shops are the key outposts that distribute goods directly to our customers. There are currently over 22,000 ARS shops across the country designed to reach customers in remote locations, and this number is continually growing as our reach further expands into local communities.

Key Accounts and Modern Trade Outlets

AIS distributes a variety of goods and services, including payment processing, through large chain store dealers with their own branches nationwide. These include Jay Mart, TG, Bangkok Telecom, CSC, and various modern trade retailers, such as Tesco Lotus, Big C, Power Buy, and 7 - 11. In addition, IT retail outlets such iStudio, iBeat, Banana IT, Com7, and IT City all offer AIS sales and services. In total, AIS is partnered with more than 20 major dealers equipping over 15,000 branches nationwide. AIS has also increased the number of AIS promoters who recommend AIS products and services to our customers. We have also improved the efficiency of these channels and increased brand awareness through promotional campaigns, such as the AIS Super Deal and the Trade-in campaign.

Direct Sales Channels

To optimize our customer service reach, AIS has increased the number of direct sales distribution channels to offer goods and services to our customers directly. This has been achieved by deepening our partnership with selected agents who have shown the capacity and expertise necessary to be an AIS direct sales and services outlet. We have created an AIS Direct Sales Team to support the future growth and expansion of the direct sales and services market.

Electronic Distribution Channels

AIS encourages its agents to provide 1-2-Call! prepaid service users with online money top-up services for improved customer convenience. In addition, AIS is continuously developing new top-up methods through Electronic Distribution Channels, such as automatic top-up machines, ATMs, mobile banking, and mPay. AIS currently offers Electronic Distribution Channels at over 400,000 points across the country. Electronic top-ups have proven to be extremely popular with AIS customers, accounting for over 80% of all top-ups. This has helped reduce the costs of producing pre-paid top-up and cash top-up plastic cards.

AIS Fibre

For AIS Fibre, our cutting edge broadband internet service, we have chosen distribution channels that are uniquely tailored for particular customer demographics. This allows us to be able to effectively offer these products and services to customers with the highest quality support. AIS Fibre can be distributed through more than 80 AIS and Telewiz shops in 12 provinces. Our AIS Fibre Direct Sales team handles customers directly, while our partnering agents, such as Telewiz, have the capability and expertise to offer AIS Fibre in their local areas. Recent developments in electronic channels, www. ais.co.th/fibre/ and AIS Fibre Application available on Google Play, have shown promising results, and we anticipate rapid market growth in the future.

The Management of Customers Relations and Customer Experience

This year AIS has been looking forward to boosting the strategy in taking care of customers to be in line with the digital era by unveiling the AIS Live 360° to add the degree



of speciality for taking care of our customers covering all 360° of living requirement, and to conform to the lifestyle of the people in the modern time who are looking for

the peculiar style, convenience, excitement and joyfulness with 5 important strategies through 5 degrees of care as follows:

AIS Service

The degree of service with technology given to our customers with good care by more than 5,000 skilled and experienced employees. In this year Advance Contact Center Co., Ltd., the service provider of AIS Call Center has been growing for



one more step with the opening of two provincial offices in Nakhon Ratchasima Province. The first office is located at Krirkkrai Building, Asadang Road, and at The Mall Building, Mittraphap Road, which can support the maximum number of 750 employees or equivalent to 20% of all employees of Advance Contact Center Co., Ltd. and also to create more jobs for the local people of Korat. Currently there are 540 employees from the local and nearby provinces to provide the services to our customers up to 20% of the total lines of all over the country and to respond to the people's lifestyle on online society and yet to invest for the development of new multimedia tool system. The system shall answer all questions distributed in the online society such as Pantip. com, Facebook, e-mail, back to the agents automatically for them to respond to the customers within 30 minutes. The number of contact through the online society media has been growing up to 59% compared to 2014. In addition, it has developed the self-service system through the Interactive Voice Response that was available to more than 3.4 million lines per month with the new service of "*1175 self service. very easy," for the customers to do the transaction by themselves, for example, change the package, promotion

application, etc. free of charge and there are about 52% of all service users who use the automatic Interactive Voice Response with the increase of the total sale through *1175 at the rate of 17% from 2014 or 11% of all sales.

With the intention to create the service innovation, the management of human resources and the quality checking, this caused the Advance Contact Center Co., Ltd. to be rewarded with "The Best of the Best Employer Thailand 2015" award from Aon Hewitt and "The Outstanding Call Center" from the Office of the Customers Protection Board (OCPB) and AIS's Standard Certification Institute (SCI) for two successive years.

This year AIS Shops has expanded its branches continuously from 68 branches in 2014 to 84 branches in 2015. Two new AIS Flagship Stores have been unveiled with the first branch located at The Emquatier (in March) and the second branch at the Central plaza Westgate (in August) and are ready to boost its services all over the country toward the full digital life in multi-dimensions. Example are as follows.

 Digitized Process by employees in the form of Service on Mobility with tablet, for more flexibility, less paper and helping to create the customer relationship through the interrelation for providing service consultation more closely.



Inside shops, the Digital Life Arena for showing the modern digital life technology is provided. In this year the health care concept and the lifestyle in the Smart Health and Smart Home have been exhibited for the customers to be involved in the true experience and real equipment in those areas at 10 branches of AIS Shops this year. Also the visual merchandise wall exhibition in the digital form has been organized for increasing the visual remarkableness and to present lots of interesting goods with complete service.



Outstanding Kiosk Service

- Payment Kiosks which are increased from 249
 Kiosks in 2014 to 370 Kiosks in 2015 by transferring
 the payment transaction from AIS Counter service at
 AIS Shops to the payment Kiosks up to 80% of. This
 enables the employees to provide other services for
 more value and expand the Kiosks to be located at
 different locations such as MRT sub-stations, BTS
 sky train, Telewiz shops in shopping center, etc.
- Service Vending Kiosks that are fully opening in this
 year for the customers to do all the transactions by
 themselves, for example, to select the auspicious
 numbers, to register the new number, to change the
 SIM Card 3G upgrading, or to change packages. 49
 kiosks have been installed at AIS Shops and will be
 expanded continuously in the next year.
- AIS Vending Kiosk In the first phase, six kiosks were in service, selling Nong Aun Jai products, such as plush toys, towels, sun shades and etc.
- AIS continued to develop knowledge and skill of staff and upgraded them to be Digital Life Gurus who know well about smart phones, accessories and applications. Digital Life Gurus were increased from 232 gurus in 2014 to 375 gurus in 2015.



AIS Privilege

Special with degree for those who prefer the discount rate, to deliver the special privileges together with more than 12,000 shops and stores such as Central Restaurant Group, Minor Group, McDonalds, Black Canyon, S&P, Major Group, SF Cinema, BTS sky train, MRT, Bangkok Airways, Central, The Mall, The Emquartier, Siam Paragon, CMG, Bangkok, etc., for giving the discount specially to the AIS customers, covering the eating, shopping, entertainment, travelling and tourism as well as the discount for mobile phone given to those who purchase the smartphone bundled with an attractive price plan.

AIS Rewards

Special with degree for those who prefer to push forward for gold with the profit return project for AIS customers, following the "7" year of AIS Un Jai Chok Thong Talomtub" Project with Work Point in the Prisana Fah Laeb Program. This involved giving fortune to customers who can draw for gold worth of Baht 10,000 and one Baht 1 million every month.

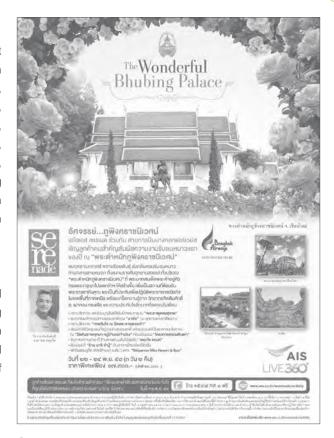
AIS Points

Special with degree for those who prefer to exchange points, to deliver the worthiness for all uses. Customers will receive 1 point for every Baht 25 of service fee for the right to exchange with call fee, internet service fee, free food and movie Un Jai Premium and draw for free trip with James Jirayu.

AIS Experience

Special with degree of experience with extra experience bonus inside and outside of the country, taking care of customers warmly and specially throughout the experience on tourism. This included 8 routes of the world heritage such as Turkey, Gui Lin and The Czech Republic. For dining, we also responded the needs of all groups of customers, for example, premium dishes with the Chef of the world from "Michelin Star Chef" and this year new project "Eat free meal today" for the customers to dine at famous restaurants in Bangkok and 20 more provinces all over Thailand free of charge, which has been responded by customers actively and warmly in all areas.

In addition AIS Serenade customers still received more special privilege from provision of the special rights for AIS Serenade Platinum customers. For example, free movie for one seat/month at SF Cinema with 25% discount for the first class seats, free 1 glass of drink and one piece of snack, Parking reservation service for Serenade Platinum and



Gold customers in more than 17 areas all over the country, etc. Furthermore, there are activities organized continuously, emphasizing on making the Thai people to be proud of being the Thai citizens with the activities for serenade customers only. For example the activity, "Unveil the 100 years legend of Ananta Samakhom Throne Hall" on an occasion of 100 years anniversary of the Ananta Samakhom Throne Hall construction and the visit to "Arts of the State" show and the activity at "The Miracle of Bhubing Palace" by taking customers to visit Bhubing Palace in Chiang Mai Province, all of which have been responded impressively by AIS customers.

Apart from these, AIS Live 360° to add the degree of speciality project has received the "Innovative Mobile Digital Lifestyle Campaign Award" from Asia Pacific Customer Service Consortium (APCSC) in Hong Kong in June 2015 which is the award from the campaign selection with the new innovation to exceptionally answer the on the customer service and care in the time of digital era.

Risk Factors

AIS has established a proactive risk management plan to ensure that the Company continues to be viable even in unpredictable situations. As such, AIS has set up the Risk Management Committee, comprised of senior executives and the Chairman of the Executive Committee. The committee meets on a quarterly basis in order to discuss and classify the risks to the entire organization and to set up a precautionary action plan to manage risks at an acceptable level. The aim of such measures is to ensure that AIS achieves its set targets and maintains the confidence of both shareholders and stakeholders. The Risk Management Committee submits the results of its risk management to the Executive Committee, the Audit Committee, and the Board of Directors every quarter. Further details of the risk management are shown in "Risk Management, Internal Control, and Internal Audit", page 81.

In 2015, the factors which were identified as a risk to operational results are summarized as follows:

Risks from Regulatory and Government Policies

Risk from changes in government policies, rules, regulations and orders of regulators.

AIS operates under the supervision of The National Broadcasting and Telecommunications Commission (NBTC), the organization regulating the telecommunications business who has legal authority in issuing rules, regulations and orders to regulate the licensees. The rules, regulations, and orders issued in the future, such as fixing tariff structure and service fees, or issuing rules and measures for consumer protection, might reduce the Company's ability to generate profit and/or might increase the cost of the Company's services. If the NBTC has acted lawfully upon any amendments and/or enactment of new rules and regulations, the Company may not lawfully file a lawsuit and/or make any claim for any indemnification from the NBTC.

Nevertheless, in any case in which the Company is of the opinion that such laws, rules, regulations and/or orders have affected the Company's rights, or the Company has been treated unfairly, the Company has the right to file a lawsuit against the NBTC to revoke the enactment including any claim for indemnification from a relevant organization. Furthermore, the Company, as a telecommunications service provider which is a direct stakeholder, would be invited to provide opinion and comment on the drafts of laws, rules, regulations and/or orders which will be issued for enforcement in the future. Henceforth, the Company would have the opportunity to raise our concerns or make comments, suggestions and/or oppositions if the enactment of the laws, rules, regulations and/or orders is

deemed to have seriously affected the Company's operations, or has been unlawfully conducted.

Disputes relating to Excise Tax

(1) Case between Advanced Info Service Public Company Limited (the Company) and TOT Public Company Limited (TOT)

TOT submitted a dispute (Case No. Black 9/2551) to the Arbitration Institute, Alternative Dispute Resolution Office, and the Office of the Judiciary, demanding that the Company pay an additional share of revenue of Baht 31,463 million.

On 20 May 2011, the Arbitral Tribunal unanimously resolved to dismiss the dispute citing the reason which can be summarized as the Company had lawfully paid all due share of revenue. Therefore, the Company has not committed a breach of the agreement and the Company is not obliged to pay any additional share of revenue to TOT. Consequently, TOT has submitted an application to the Central Administrative Court to set aside the award of the Arbitral Tribunal. At present, the case is pending the consideration of the Central Administrative Court; the trial process may take several years to conclude.

If the Company loses this case, it may be obliged to pay TOT as demanded. However, the management of the Company firmly believes that this case shall reach a positive conclusion since the amount is the equal amount of excise tax paid by the Company, which the Arbitral Tribunal had taken into consideration when unanimously deciding to dismiss the case.

(2) Case between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited (CAT)

CAT submitted a dispute (Case No. Black 3/2551) to the Arbitration Institute, Alternative Dispute Resolution Office, and Office of the Judiciary, demanding DPC, a subsidiary of the Company, pay additional share of revenue of Baht 2,449 million under the Digital PCN (Personal Communication Network) Agreement, plus a penalty at the rate of 1.25% per month of the unpaid amount for each year calculated from the default date until full payment totaling Baht 3,410 million is made. Such claimed amount is equal to the amount of excise tax DPC paid between 16 September 2003 and 15 September 2007, and was deducted from the revenue share calculations pursuant to the resolution of the cabinet on 11 February 2003 as is the standard practice of the telecommunications industry.

On 1 March 2011, the Arbitral Tribunal resolved to dismiss the dispute citing the reason which can be summarized as

the original debt had been completely paid and settled. Thus, DPC has not committed any breach and CAT cannot re-claim the alleged deficit amount, including the penalty and the value added tax. Consequently, CAT submitted a request to the Central Administrative Court to set aside the award of the Arbitral Tribunal; on 28 July 2015, the Central Administrative Court decided in favor of DPC, by dismissing the complaint of CAT regarding the revocation of the Arbitrator's Decision on the ground that CAT sent the request letter to change the payment term regarding revenue sharing under the cabinet resolution and also accepted the remaining portion of such revenue sharing and also returned the bank guarantee to DPC as usual without any argument. In this regard, this Arbitral Tribunal's decision is resolved in accordance with the law and under Concession Agreement.

If the Central Administrative Court revokes such Arbitrator's Decision, DPC may be obliged to pay CAT as demanded. However, the management of the Company firmly believes that this case shall reach a positive conclusion since the share of revenue demanded by CAT is equal to the amount of excise tax which has already been paid by the Company according to the unanimous resolution of the Arbitral Tribunal, which dismissed the dispute.

Dispute over revenue sharing from interconnection charges

According to the Telecommunication Business Act B.E. 2544 and the Notification of NTC regarding the Use and Interconnection of Telecommunication Networks B.E. 2549, the Company has the responsibility to enter into interconnection agreements with other operators. The Company offered to provide remuneration to TOT for such interconnections, which was calculated from the net income according to the rate and calculating method of the Company. However, TOT required the Company to pay a share of revenue calculated from the gross amount of interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators.

On 26 January 2011, TOT sent a letter demanding that the Company pay the share of revenue from the interconnection charges of the concession years 17-20 in the amount of Baht 17,803 million plus interest at the rate of 1.25 percent per month. However, the Company disputed the request and sent a letter opposing the said claim to TOT and submitted the dispute to the Dispute Reconciliation Office, Arbitration Institute (ref. no. Black 19/2554) on 9 March 2011 requesting the Arbitral Tribunal to award that TOT has no right to claim for such share of revenue.

If the Company loses the case, it may be obliged to pay TOT as demanded. However, the management of the Company firmly believes that the resolution of the Arbitral Tribunal will reach a positive conclusion for the Company since it has fully complied with the law.

Dispute between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited (CAT) regarding the reduction of roaming charges between DPC and the Company

DPC submitted a dispute (Case No. Black 27/2553) to the Alternative Dispute Resolution Office, the Thai Arbitration Institute, requesting the Arbitration Panel to set aside the allegation of CAT that DPC was in breach of the Roaming Service Agreement between the Company and DPC without approval from CAT and would terminate the agreement, and demanding that CAT pay compensation of Baht 50 million to DPC.

However, CAT submitted a dispute (Case No. Black 62/2553) to the Arbitration Institute, demanding that DPC pay additional remuneration for concession years 10-12 in the amount of Baht 2,000 million plus penalty calculated from April 2010 incurred due to the reduction by DPC of the roaming charge rate between DPC - the Company from Baht 2.10 to Baht 1.10 during the period of 1 April 2007 - 31 December 2008 without the approval of CAT. Furthermore, on 1 September 2011, CAT submitted a further dispute of the concession year 12 (1 April 2009-15 June 2009) to the Arbitration Institute, Alternative Dispute Resolution Office, and the Office of the Judiciary (Case No. Black 89/2554) for the amount of Baht 113,211,582.68. Later, the Arbitration Institute ordered that all three disputes be considered by the Arbitration Tribunal together and, at present, such disputes are pending consideration of the Arbitral Tribunal which may take several years to conclude.

If DPC loses the case, DPC may be obliged to pay CAT as demanded. However, the management of the Company believes that the ruling of the Arbitration Panel of this case shall decide in favor of DPC as DPC had informed CAT of the application of the roaming rate of Baht 1.10 per minute in July 2006, to which CAT had given written approval of such application for the period until March 2007 and had also given additional approval during the period of January 2009 to March 2009. In addition, CAT had never sent any refusal or objection to DPC during the disputed periods. The roaming rate is also in conformity with market conditions as approved by the NTC.

Dispute between Digital Phone Company Limited (DPC), a subsidiary of the Company, and CAT Telecom Public Company Limited (CAT) on tower and power supply ownership

On 3 February 2009, CAT submitted a dispute (Case No. Black 8/2552) to the Arbitration Institute, Alternative Dispute Resolution Office, demanding that DPC deliver and transfer ownership of 3,343 towers including 2,653 units of power supply equipment under the terms and conditions of the Digital PCN (Personal Communication Network) Agreement. After DPC failed to do so, CAT demanded that DPC pay Baht 2,230 million to CAT as compensation. However, DPC considers that the terms and conditions of the Agreement do not cover any of the disputed telecommunication equipment which DPC is obligated to deliver and transfer to CAT.

The Arbitrary Tribunal unanimously resolved to dismiss all of the disputes citing the reason which can be summarized as the right of CAT to demand that DPC deliver properties which are objects of the contract cannot be exercised until 60 days after expiration of the contract. Therefore, the submission of the dispute by CAT is premature. Consequently, CAT has submitted a request to the Central Administrative Court to set aside the award of the Arbitral Tribunal on 25 October 2013. At present, the case is pending consideration of the Central Administrative Court which may take several years to conclude.

If DPC loses the case, DPC may be obligated to pay CAT as demanded. However, in consideration of the aforementioned arguments, the management of the Company's firmly believes that the case shall reach a positive conclusion.

Dispute Case with TOT Public Company Limited (TOT) regarding the Mobile Number Portability (MNP) of AIS' subscribers transferring to Advanced Wireless Network Company Limited (AWN) as the affiliate of AIS

On 25 September 2014, TOT submitted the dispute (Case No. Black 80/2557) to the Arbitration Institute, Alternative Dispute Resolution Office, demanding the Company to pay liquidated damages commencing from the date of submission of the dispute in the amount of Baht 9,126 million, plus interest at the rate of 7.5% per annum including the legal fees and expenses for the arbitration process by claiming that such damage was caused by the Company from transferring its subscribers operating under 900MHz to the 2100MHz system of AWN on the ground that the Company breached the Cellular Mobile Telephone

Service Agreement (the "Agreement") between TOT and the Company.

At present, the dispute is under arbitration proceedings. The management of the Company firmly believes that the outcome of the dispute is unlikely to have a significant impact on the financial statements of the Company and the Company has fully complied with the conditions of the Agreement in all respects.

Dispute Case regarding Companies not collecting all information from prepaid subscribers under NBTC Notification regarding Prepaid Identification

According to the National Broadcasting Telecommunications Commission's (NBTC) order that all mobile operators operating a pre-paid service, including the Company, must collect and record all required information of all prepaid subscribers within the specified time, and the subsequent issuance of an order requiring the Company and the other 2 major mobile phone operators in this telecommunication industry to pay an administrative fine in the amount of Baht 80,000 per day from 6 July 2012 until such time as the operators fully comply with the said order; the Company has submitted disputes (Case No. Black 1858/2554 and Case No. Black 252/2556) to the Administrative Court for the revocation of the 2 NBTC Orders. At present, the case is pending consideration by the Administrative Court.

On 19 November 2015, the Central Administrative Court ruled to revoke the NBTC's resolution and order, citing the reasons which can be summarized as the subscribers are required to disclose their personal information to operators and the NBTC did not issue any enforcement or any suspension or termination measures regarding such service. In addition, the significant number of subscribers makes it extremely difficult to enforce such measures without any participation from the subscribers. Therefore, NBTC's resolutions and order are unlawful according to the regulatory scope of the NBTC, which creates a huge burden impact on the operators.

At present, the case is pending the consideration of the Supreme Administrative Court following an appeal submitted by NBTC to the Supreme Administrative Court on 18 December 2015.

If the Company loses the case, the Company may have to pay an administrative fine of Baht 80,000 per day, from 6 July 2012 until the date that the Company can comply with the said order of the NBTC. However, the management of the Company believes that this dispute will be resolved in a positive way due to the fact that NBTC and all mobile

operators had a concerted effort to record all prepaid subscriber information to facilitate the compliance of the telecommunication business with such order. The effort includes a joint development of an application called "2 Snap Shot" to facilitate a simpler and quicker registration of prepaid subscriber of which the information can be directly submitted to the system of mobile operators. The application is deployed through out various distribution channels as an additional method to filling out the registration form and recording a copy of the identity card.

Dispute regarding revenue share for providing National Roaming Service

Subject to the 7th Amendment of the Concession Agreement under which TOT Public Company Limited (TOT) provided consent to the Company to use the telecommunication network to offer to other operators in support of National Roaming Services for which the Company agreed to pay a share of revenue to TOT at the rate specified under Section 30 of the Concession Agreement; the Company has entered into a National Roaming Agreement with Advanced Wireless Network Company Limited (AWN) and requested the fees from AWN, the Company calculated the revenue share payment to be made to TOT at the rate specified under the Concession Agreement.

Subsequently, TOT issued the letter to the Company notifying it that since July 2013, the Company has not paid TOT the full share of revenue owed from the National Roaming Service. TOT considered that the Company has received the usage fees from AWN at a rate lower than the rate specified under the Concession Agreement, regarding which the Company neither informed nor received written consent from TOT. As a result, TOT has requested the Company to pay TOT an additional share of revenue from the National Roaming Service from July 2013 to June 2015 in the amount of Baht 13,341 million. However, the Company did not agree with this decision and has issued a letter in opposition to TOT. The Company considers that such lower service fees received from AWN were the rates applied under a promotional scheme for sending a large volume of roaming traffic. In addition, such promotional scheme provided to AWN was notified and provided to all operators using the National Roaming Service. Moreover, the fees under such promotional scheme did not exceed the fee rate of National Roaming Service specified under the 7th Amendment of the Concession Agreement. As a result, the rates for such promotional scheme did not need approval from TOT.

In this case, should TOT bring this issue to the arbitration process, the management of the Company believes that this issue can be opposed because the Company has done everything correctly subject to the Concession Agreement. Moreover, at present, the supervision and control of service fees are regulated by NBTC.

Dispute between Advanced Info Service Public Company Limited (AIS) and TOT Public Company Limited (TOT) regarding the titles of towers

The Company submitted the dispute (Case No. Black 53/57) to the Dispute Resolution Office of the Arbitration Institute on 21 July 2014 to request the arbitral tribunal to find that the Company's signaling towers are not equipment and assets to be transferred to TOT and that the Company owns the signaling towers; and to request TOT to return the associated revenue which it had already been paid by the Company. The Company considers that its signaling towers are not equipment and tools included in the operation of the 900MHz Cellular Telephone System subject to the Concession Agreement. Therefore, the Company is not under any obligation to transfer such signaling towers to TOT.

Presently the dispute is under the arbitration process. The management of the Company believes that the dispute will end favorably because the Company and TOT are currently negotiating to become business partners.

Dispute regarding the request from TOT Public Company Limited (TOT) to Advanced Info Service Public Company Limited (AIS) to transfer additional equipment used for the operation of the 900MHz Cellular Telephone System

Subject to the claim from TOT requesting that the Company transfers equipment used in the operation of the 900MHz Cellular Telephone System, namely the Billing System, Intelligence Network (IN) System, Value Added Service System, Customer Relation Management System, Systems Application and Product (SAP) System, Payment System, Equipment and Tools, Production and Usage Control of Cash Card System, Customer Service and Billing Statement System, Management of Telewiz and Dealer System, Network Management System, Customer Database System, Computer and Software for VAS, Intangible Assets and Spare Parts, to TOT in accordance with the Concession Agreement, TOT considers that such assets are equipment and tools which the Company provides for the operation of 900MHz Cellular Telephone System and the Company is under obligation to TOT as defined in the Concession Agreement. However the Company considers that such

6 systems as requested by TOT are not equipment and tools for the operation of the 900MHz Cellular Telephone System as defined under the Concession Agreement, and that such systems are only support systems for providing service to subscribers.

Should TOT bring this dispute to the arbitration process, the management of the Company believes that the dispute can be settled via negotiation since currently the Company and TOT are currently negotiating to become business partners

Claim for additional revenue from the 6th and 7th Amendments to the Concession Agreement

On 30 September 2015, the Company submitted a dispute (Case No. Black 78/2558) to the Arbitration Institute of the Alternative Dispute Resolution Office of Thailand regarding the 6th Amendment dated 15 May 2001 and 7th Amendment dated 20 September 2002 to the Concession Agreement to conduct the business of Cellular Mobile Telephone services. Under said dispute, the Company requested the Arbitration Institute to resolve that the amendments between the Company and TOT Public Company Limited ("TOT") are binding and must be complied until the expiration of the Concession Agreement. Additionally, the Company also requested that the Company has no obligation to pay the additional revenue claimed by TOT as in a letter submitted to the Company on 29 September 2015 regarding a request for the payment of additional revenue in the amount of Baht 72,036 million. TOT claimed such additional payment based on the ground that the 6th and 7th Amendments were of significant amendment which caused TOT to receive lower revenue than the rate as specified in the Concession Agreement.

Later, on 30 November 2015, TOT submitted a new dispute (Case No. Black 122/2558) to the Arbitration Institute of the Alternative Dispute Resolution Office of Thailand to decrease the amount of revenue claimed by TOT to Baht 62,773 million according to the percentage adjustability of revenue sharing under the Concession Agreement. This case is the same as dispute Case No. Black 78/2558.

At present, the dispute is under the consideration of the arbitrators. The management of the Company believes that the 6th and 7th Amendments to the Concession Agreement are binding and effective until the expiration of the Concession Agreement on 30 September 2015, and that the Company has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Concession Agreement between TOT and the Company (Case No. 291/2550) that "...the amendment process of the Concession Agreement

which is the administrative contract can be separated from such amendment attached hereto, the amendments have still been in effect as long as it is not revoked or terminated by time, or otherwise...".

Furthermore, the 6th and the 7th Amendments had never been revised or revoked until the 30th September 2015, which is the ending date of the Concession Agreements. Therefore, the outcome of the said dispute should be settled favorably and have no considerable impact on the business of the Company.

Operational Risk

Risk from intensive competition in the telecommunication business

With the mobile telecommunication market in Thailand continuing to be highly competitive, operators occasionally use pricing to attract consumers. As the market sees higher growth of data demand, there could continue to be high competition in pricing, promotions and marketing campaigns, which the Company must strategically respond to in a timely manner and cost - effective way in order to maintain its market leader position.

In addition, as the NBTC tries to promote free and fair competition, new entrants are somewhat encouraged by the rules and regulations set by the NBTC. An example of this is from the 900 and 1800MHZ spectrum auctions, which new operators joined, and could potentially intensify the competition in the market. New operators may apply aggressive price policies to increase their market share. The Company, as a leader in the market, is confident that the Company has the ability to compete on price, packages and promotions. Our brand image, cost-efficient operations, and integrated product and service offerings also enable us to build differentiation from others and to provide better responses to customers' needs and satisfaction requirements.

Risk to IT security

With advanced technology, users are able to access any desired data and service via the internet from anywhere, such as for online shopping, making financial transactions, or storing data on cloud computing systems. In response to demand, the Company has rapidly developed a variety of products and services to serve customers' needs. However, the advanced technology comes with threats to the Company's security system and information security system, which can be compromised from both the deficiency of the Company's own system and external threats.

The Company places emphasis on preventing any risks

that may affect information security in order to protect the Company's data security from system compromise or from hackers, as well as to deliver quality services and enhance customer's confidence on data privacy management of the Company. ActiveSync communications protocol for the receiving and transmitting of the Company's data via portable devices, with enforced compliance from both executives and employees at all levels in the organization; and performed data security risk assessment of important systems in accordance with the Company's plan to mitigate possible risks from information theft or system failure. In addition, the Company has implemented data security management systems, such as Payment Card Industry - Data Security Standard (PCI-DSS) and ISO 27001 Information Security Management, in order to ensure the security of the Company's data. The Company has already received ISO 27001 certification in 2015. Employees have also received training and internal communications to promote. The Company has established information and IT Security Regulations; implemented the Exchange continued awareness.

Risk of disaster, natural disaster and force majeure

In the event of any disaster, natural disaster or force majeure which may affect the Company's operating systems, property and/or employees, leading to an interruption of business.

The Company has established a business continuity management plan and system, with regular exercises and reviews. In order to efficiently manage the Company's resources to cope with any disaster, which causes damage to the Company's office building or operation centers, alternative sites will be prepared to ensure continuity of the Company's business and minimize effects to the mobile phone network to ensure that the Company can maintain its position as a leader in network quality and retain consumer confidence in our service when disasters occur.

Reputation risk due to community's lack of understanding on health issues arising from radio waves

In 2015, the Company increased its number of base stations to service the growing demand for data usage and prepare for the launch of the 4G service. One of the barriers that may prevent the Company from being able to build base stations as planned is the understanding of the concerned communities on health issues arising from radio waves nearby the Company's base stations, which may lead to resistance to the construction and/or appeals to related parties. The Company has taken measures to prevent

this situation by setting up specific teams to communicate to the relevant communities before construction, in line with NBTC's regulations. These teams conduct public hearings and confer with community leaders and people in the relevant areas, starting from the planning phase to find the most appropriate installation site. These measures can help the Company to analyze the relationship between the Company and the community and also to gather information from the community on the issues of concern to them. The community is encouraged to participate with the Company at every step to ensure their confidence on safety issues. The Company will prepare construction blueprints of the base stations that have been certified by professional civil engineers to meet the standards of the Engineering Institute of Thailand. These blueprints are then presented to the district office for municipal approval of the construction. Once the construction is approved, a licensed engineering team will oversee the construction in accordance with the approved plans and to ensure that it strictly meets the standards for the safety of both workers and the surrounding community.

Risk arising from the Company's failure to respond in a timely manner to customers' needs/issues via various social media platforms which may affect the Company's corporate image

With the unlimited connectivity of social networks today, communicating or sharing information can be completed rapidly and easily. In response to customers' behaviors of connecting with various social media platforms, the sharing of product and service information, the handling of enquiries and the resolution of complaints must be performed in a prompt manner with the accurate information. This is to prevent the spread out misleading information, which may have a negative impact on the Company's corporate image.

The Company has implemented tools to monitor related information in various social media and also appoint specialized staff to monitor and respond to customer needs specifically via online channels. This is to ensure a timely response with accurate information to meet customer needs to have the best experience.

Summary Profile of The Director and Management



Highest Education

• Master Degree of Business Administration, University of Southern California, USA

Related Training Program held by IOD

- Role of the Chairman Program (RCP) Class 34/2014
- Successful Formulation & Execution of Strategy (SFE) Class 3/2009
- Role of the Compensation Committee (RCC) Class 7/2008
- Audit Committee Program (ACP) Class 5/2005
- Director Certification Program (DCP) Class 16/2002

Working Experiences in 5 years

working Exper	Tences in 5 years
2014 - Present	Chairman of the Board of Directors, Chairman of
	Leadership Development and Compensation Committee
	and Authorized Directors / Advanced Info Service Plo
2015 - Present	Consultant to International Affairs /
	National Press Council of Thailand
2014 - Present	Director / B.V. Moto Co., Ltd.
2005 - Present	President / Thai Yarnyon Co., Ltd.
	Director / Saha Thai Steel Pipe Plc
	Director / The Queen's Gallery
	Director / The Bangkok Bank Foundation
2001 - Present	Director / Intouch Holdings Plc.
1989 - Present	Director / Thai Pradith Industry Co., Ltd.
1987 - Present	Director / Commercial Motorworks Co., Ltd.
1973 - Present	Director / Y.M.C. Assembly Ltd.
2011 - 2015	Director / National Press Council of Thailand
2001 - 2014	Independent Director and Member of Audit Committee
	Intouch Holdings Plc.

Director / Barcelona Motor Co., Ltd.

Director / German - Thai Chamber of Commerce

Illegal Record in past 10 years

None

2002 - 2010

1995 - 2013

Remark: *As at 31 December 2015, the number of ordinary shares includes holding by spouse and minor children



Highest Education

• Master Degree of Engineering, Asian Institute of Technology

Related Training Program held by IOD

- Role of the Chairman Program (RCP) Class 21/2009
- Director Certification Program (DCP) Class 65/2005
- Director Accreditation Program (DAP) Class 30/2004

Working Experiences in 5 years 2008 - Present Chairman of Executive Committee / Intouch Holdings Plc.

	orianinario Excessivo committo o mitodori incianigo i ior
	Vice-Chairman of Board of Director, Member of
	Leadership Development and Compensation Committee,
	Member of Nomination and Corporate Governance
	Committee / Advanced Info Service Plc.
2007 - Present	Director / Intouch Holdings Plc.
2006 - Present	Director / Thaicom Plc.
2004 - Present	Director / Praram 9 Hospital Co., Ltd.
2002 - Present	Independent Director and Member of Audit Committee /
	Power Line Engineering Plc.
2010 - 2015	Acting-President / Intouch Holdings Plc.
2009 - 2011	Chairman of Executive Committee / Thaicom Plc.

Illegal Record in past 10 years

None



Highest Education

• Bachelor of Commerce and Accountancy, Chulalongkorn University

Related Training Program held by IOD

• Director Certification Program (DCP) Class 32/2003

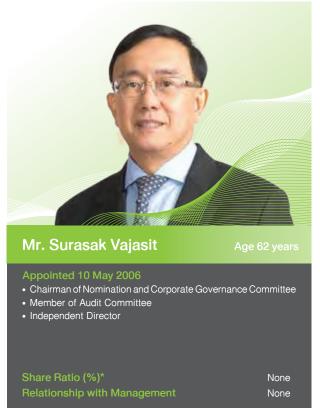
Working Experiences in 5 years

2014 - Present	Member of Audit Committee, Member of Sustainable
	Development Committee, and Independent Director /
	Advanced Info Service Plc.
2006 - 2014	Member of Audit Committee and Independent Director

Advanced Info Service Plc.

Illegal Record in past 10 years

None



Highest Education

• Barrister at Law, Lincoln's Inn, UK

Related Training Program held by IOD

• Director Accreditation Program (DAP) Class 29/2004

Working Experiences in 5 years

2014 - Present	Independent Director, Chairman of Nomination and
	Corporate Governnance Committee and Member
	of Audit Committee, Advanced Info Service Plc.
2014 - Present	Managing Partner / Rajah & Tann (Thailand) Ltd.
2008 - 2014	Member of Audit Committee, Member of Nomination
	and Corporate Governance Committee and Independent
	Director / Advanced Info Service Plc.
2005 - 2014	Executive / Hunton and Williams (Thailand) Ltd.

Illegal Record in past 10 years

None

Remark: *As at 31 December 2015, the number of ordinary shares includes holding by spouse and minor children



Appointed 27 March 2013

Director

• Member of Nomination and Corporate Governance Committee

Share Ratio (%)* None Relationship with Management None

Highest Education

• Bachelor of Accountancy, National University of Singapore

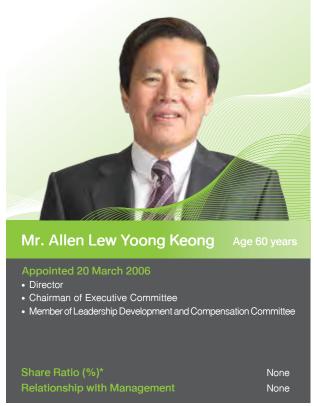
Related Training Program held by IOD

Working Experiences in 5 years

2015 - Present Group Chief Corporate Officer /
Singapore Telecommunications Ltd.
2013 - Present Director / Advanced Info Service Plc.
2008 - 2015 Group Chief Financial Officer /
Singapore Telecommunications Ltd.

Illegal Record in past 10 years

None



Highest Education

• Master of Science (Management), Massachusetts Institute of Technology, USA

Related Training Program held by IOD

Working Experiences in 5 years

2014 - Present	Chief Executive Officer Consumer Australia
	Chief Executive Officer Optus /
	Singapore Telecommunications Ltd.
2008 - Present	Director, Chairman of Executive Committee,
	and Member of Leadership Development Committee /
	Advanced Info Service Plc.
2006 - Present	Director / Advanced Info Service Plc.
	Chief Executive Officer (Singapore) /
	Singapore Telecommunications Ltd.
2012 - 2014	Executive Officer Group Digital Life
	and Country Chief - Officer (Singapore) /
	Singapore Telecommunications Ltd.

Illegal Record in past 10 years

None



Highest Education

• Master of Business Administration, North Texas State University, Technology, USA

Related Training Program held by IOD

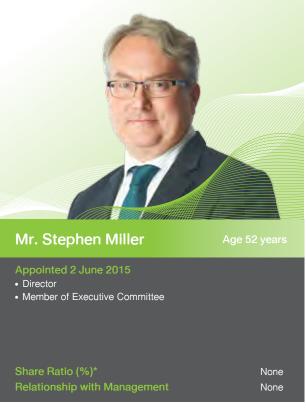
- Director Certification Program (DCP) Class 59/2005
- Role of the Chairman Program (RCP) Class 16/2007

Working Experiences in 5 years

2015 - Present	Director, Chairman of Executive Committee,
	Chairman of Risk Management / Krungthai Bank Plc.
2014 - Present	Chairman of Audit Committee, Member of Nomination
	and Corporate Governance Committee, and Independent
	Director / Advanced Info Service Plc.
1998 - Present	Chairman / V Group Honda Car Co., Ltd.
2011 - 2012	Director and Member of Audit Committee / PTT Plc.
2006 - 2012	Chairman of Board and Chairman of Risk Management
	Committee / Krungthai Asset Management Plc.

Illegal Record in past 10 years

None



Highest Education

 (1st Honor) Bechelor of Economics and Finance, University of New South Wales, Australia

Related Training Program held by IOD

-

None

None

Working Experiences in 5 years

2015 - Present	Director and Member of Excutive Committee /
	Advanced Info Service Plc.
2014 - Present	Consultant/Singapore Technologies Telemedia, Singapore
2013 - 2014	President & COO /
	Singapore Technologies Telemedia, Singapore
2012 - 2013	President & CFO /
	Singapore Technologies Telemedia, Singapore
2010 - 2012	Senior EVP & CFO /
	Singapore Technologies Telemedia, Singapore
2005 - 2010	CFO / Singapore Technologies Telemedia, Singapore

Illegal Record in past 10 years

None

Remark: *As at 31 December 2015, the number of ordinary shares includes holding by spouse and minor children





- Independent Director
- Chairman of Sustainable Development Committee

None None

Highest Education

• Honorary Degrees of Engineering, Chulalongkorn University

Related Training Program held by IOD

• Director Certification Program (DCP) Class 29/2003

Working Experiences in 5 years

2015 - Present Director and Chairman of Sustainable Development Committee / Advanced Info Service Plc. 2015 - Present Advisory Board / Nomura Holdings Inc. 2011 - Present Consultant / Kubota Corporation (Japan) 2006 - 2015 President / The Siam Cement Plc.

Illegal Record in past 10 years

None



Highest Education

Chief Marketing Officer

• Master of Business Administration, Chulalongkorn University

0.0027

None

Related Training Program held by IOD

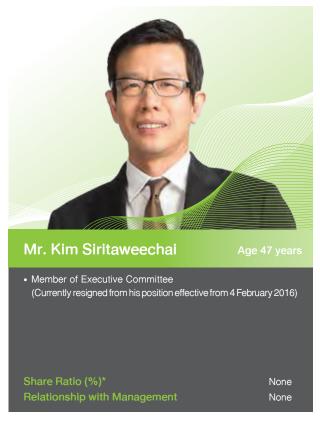
• Director Certification Program (DCP) Class 107/2009

Working Experiences in 5 years

2014 - Present	Director, Member of Sustainable Development Committee
	Member of Executive Committee, Chief Executive Officer,
	Chief Marketing Officer, and Authorized Director /
	Advanced Info Service Plc.
2012 - 2014	Chief Marketing Officer / Advanced Info Service Plc.
2007 - 2012	Executive Vice President - Marketing /
	Advanced Info Service Plc.
2004 - 2007	Senior Vice President - Wireless Communication /
	Advanced Info Service Plc.

Illegal Record in past 10 years

None



Highest Education

• Master of Business Administration, Thammasat University

Related Training Program held by IOD

• Director Certification Program (DCP) Class 116/2009

Working Experiences in 5 years

2015 - Present Director / High Shopping TV Co., Ltd.
2014 - Present Executive Vice President - Portfolio Management /
Intouch Holdings Plc.
Director / I.T. Applications and Services Co., Ltd.
2013 - Present Director / Intouch Media Co., Ltd.
Director / Touch TV Co., Ltd.
2012 - Present Director / Ookbee Co., Ltd.
2010 - 2016 Member of Executive Committee /
Advanced Info Service Plc.
2011 - 2014 Senior Vice President - Portfolio Management /
Intouch Holdings Plc.
2008 - 2011 Vice President - Portfolio Management /

Intouch Holdings Plc.

Illegal Record in past 10 years

None



Highest Education

 Master of Business Administration University of Southern California, USA

Related Training Program held by IOD

Working Experiences in 5 years

2013 - Present Chief Operating Officer / Advanced Info Service Plc. 2010 - 2012 CEO International /

Singapore Technologies Telemedia, Singapore 2009 - 2010 Chief Operating Officer / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Remark: *As at 31 December 2015, the number of ordinary shares includes holding by spouse and minor children



Highest Education

• Master of Science in Electrical Engineering, University of Sounthern California, USA

Related Training Program held by IOD

• Director Certification Program (DCP) Class 198/2014

Working Experiences in 5 years

2013 - Present	Chief Technology Officer / Advanced Info Service Pla
2012 - 2013	Executive Vice President - Mobile Network
	Implementation / Advanced Info Service Plc.
	Executive Vice President - Nationwide Operations and Support / Advanced Info Service Plc.

Illegal Record in past 10 years

None



Highest Education

• Master of Psychology Counselling Service, Rider University, New Jersey, USA

Related Training Program held by IOD

-

Working Experiences in 5 years

- 0)
2015 - Present	Chief Human Resources Officer /
	Advanced Info Service Plc.
2013 - 2015	Deputy Chief Operation Officer / MC Group Plc.
2011 - 2013	Chief Human Resources Officer /
	Prudential Life Insurance (Thailand) Plc.
2007 - 2011	Human Resources Director /
	Central Watson (Thailand) Co., Ltd.

Illegal Record in past 10 years

None



Company Secretary, Head of Internal Audit and Head of Compliance



Highest Education

• Master of Law (LL.M), University of Pennsylvania, USA

Related Training Program held by IOD

- Role of the Compensation Committee (RCC)
- Director Certification Program (DCP) Class 192/2014
- Role of Chairman Program (RCP)
- Anti Corruption for Executive Program (ACEP) Class 10/2014
- Fundamental Practice for Company Secretay (FPCS) Class 29/2014
- Company Secretary Program Class 51/2013

Working Experiences in 5 years

2013 - Present Company Secretary / Advanced Info Service Plc.
 2010 - 2013 Assistant Vice President - Legal /
Advanced Info Service Plc.
 2003 - 2010 Associate / Hunton and Williams (Thailand) Ltd.

Illegal Record in past 10 years

None

Mrs. Suvimon Kulalert	Age 55 years
Appointed 1 January 1999 • Chief Audit Executive	
Share Ratio (%)* Relationship with Management	0.0001 None

Highest Education

- Master of Business Administration Track Management Information System, Oklahoma City University, USA
- Certified Public Accountant, Certified Internal Auditor, Certificate in Risk Management Assurance

Related Training Program held by IOD

• Director Certification Program (DCP) Class 136/2010

Working Experiences in 5 years

1999 - Present Chief Audit Executive / Advanced Info Service Plc.

Illegal Record in past 10 years

None

Ms. Nattiya Poapongsakorn	Age 40 years
Appointed 1 April 2013 • Vice President Investor Relations and Compliant	ance
Share Ratio (%)* Relationship with Management	0.00025 None

Highest Education

- Master of Technology Management, Washington State University, USA
- Master in Finance, Chulalongkorn University

Related Training Program held by IOD

-

Working Experiences in 5 years

2015 - Present	Vice President, Investor Relations and Compliance /
	Advanced Info Service Plc.
2013 - 2015	Assistant Vice President, Investor Relations /
	Advanced Info Service Plc.
2011 - 2013	Acting Assistant Vice President, Investor Relations /
	Advanced Info Service Plc.
2008 - 2011	Investor Relations Manager /
	Advanced Info Service Plc.

Illegal Record in past 10 years

None

Remark: *As at 31 December 2015, the number of ordinary shares includes holding by spouse and minor children

Directors and Management's Shareholding in AIS and subsidiaries as of 31 December 2015

			ADVANC						°C	ADC		ACC	
	Name	Ord	dinary sh	are	ESO	P (warrar	nts) ⁶⁾	Ordinar	y share	Ordina	ry share	Ordinar	ry share
	Position		Buy(+)/ Sell(-)	31/12/2014	31/12/2015	Grant (+)	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
1.	Mr. Vithit Leenutaphong Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	
2.	Mr. Somprasong Boonyachal Vice-Chairman of the Board of Directors	-	-	-	-	-	-	-	-	-	-	-	-
3.	Mr. Krairit Euchukanonchai Independent Director and Chairman of Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
4.	Mrs. Tasanee Manorot Independent Director and Member of Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
5.	Mr. Surasak Vajasit Independent Director and Member of Audit Committee	-	-	-	-	-	-	-	-	-	-	-	-
6.	Mr. Allen Lew Yoong Keong Director and Chairman of Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-
7.	Ms. Jeann Low Nglap Jong Director	-	-	-	-	-	-	-	-	-	-	-	-
8.	Mr. Kan Trakulhoon ¹⁾ Independent Director	-	-	-	-	-	-	-	-	-	-	-	-
9.	Mr. Somchai Lertsutiwong Director, Member of Executive Committee, Chief Executive Officer, and Chief Marketing Officer	80,126	-	80,126	101,240	51,600	49,640	-	-	-	-	-	-
10.	Mr. Stephen Geoffrey Miller ²⁾ Director and Member of Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-
11.	Mr. Kim Siritaweechai 3) Member of Executive Committee	-	-	-	-	-	-	-	-	-	-	-	-
12.	Mrs. Suwimol Kaewkoon 4) Chief Organization Development Officer	105,357	-	105,357	78,351	33,171	45,180	-	-	-	-	-	-
13.	Mr. Hui Weng Cheong Chief Operating Officer	-	-	-	-	-	-	-	-	-	-	-	-
14.	Mrs. Vilasinee Puddhikarant ⁴⁾ Chief Customer Officer	3,327	-	3,327	80,754	30,174	50,580	-	-	-	-	-	-
15.	Mr. Kriengsak Wanichnatee Chief Technology Officer	-	-	-	73,450	34,670	38,780	-	-	-	-	-	-
16.	Mr. Pong-amorn Nimpoonsawat 5) Chief Finance Officer	90,000	+30,000	60,000	84,651	33,171	51,480	-	-	-	-	-	-

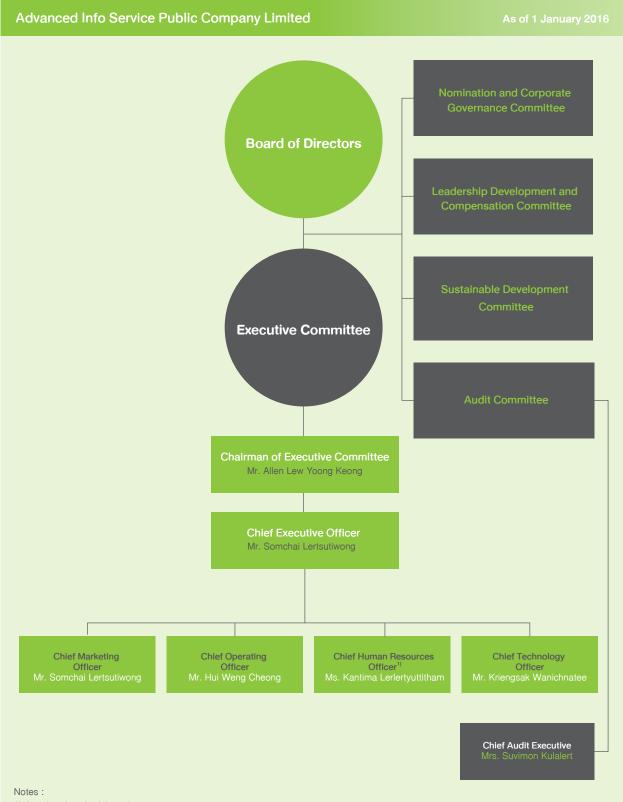
Abbreviation	Company	Abbreviation	Company
ADVANC	Advanced Info Service Plc.	AIN	AIN GlobalComm Co., Ltd.
DPC	Digital Phone Co., Ltd.	WDS	Wireless Device Supply Co., Ltd.
ADC	Advanced Datanetwork Communications Co., Ltd.	AWN	Advanced Wireless Network Co., Ltd.
ACC	Advanced Contact Center Co., Ltd.	MMT	MIMO Tech Co., Ltd.
AMP	Advanced MPAY Co., Ltd.	FXL	Fax Lite Co., Ltd.
AMC	Advanced Magic Card Co., Ltd.	ABN	Advanced Broadband Network Co., Ltd.
SBN	Super Broadband Network Co., Ltd.		

A	MP	AN	ИС	s	BN	Al	IN _	W	DS	AV	VN	М	MT	F.	XL	AE	BN
Ordina	ry share	Ordina	ry share	Ordina	ry share	Ordinar	ry share	Ordina	ry share	Ordinar	y share	Ordina	ry share	Ordina	ry share	Ordinar	ry share
31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Notes

- 1) Appointed in replacement of Mr. Yek Boon Seng who resigned since 3 August 2015
- 2) Appointed in replacement of Mr. Ng Ching-Wah who resigned since 2 June 2015
- 3) Currently has resigned from the position, since 4 February 2016
- 4) Currently has retired from the position since 31 December 2015
- 5) Currently has resigned from the position since 31 December 2015
- 6) The change in number of warrant holding is derived from the approval of shareholders' meeting on 24 March 2015. See more details in page 68

Management Structure



- 1) Appointed on 16 July 2015
- 2) On 31 December 2015, the Chief Organization Development Officer and Chief Customer Officer retired from the position. The Company is on process of selecting new executives according to the succession plan.
- 3) On 31 December 2015, the Chief Finance Officer resigned from his position. However the Company appointed SVP-FN to take care of his responsibility during the nomination process to select New Chief Finance Officer.

Board of Directors and Sub - Committees

The Company's board structure comprises the Board of Directors and five sub - committees: the Audit Committee, the Leadership Development and Compensation Committee, the Nomination and Corporate Governance Committee, the Sustainable Development Committee, and the Executive Committee. The names of their members and directors as well as their meeting attendance information in 2015 are listed in the following table:

			Atten	dance/Total	Meetings in	2015	
Name	Title	Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainable Development Committee
Mr. Vithit Leenutaphong ⁴⁾	 Chairman of Board of Directors Chairman of Leadership Development and Compensation Committee Authorized Director 	11/11	-	-	8/8	-	-
Mr. Somprasong Boonyachai ⁴⁾	Vice Chairman of Board of Directors Member of Leadership Development and Compensation Committee Member of Nomination and Corporate Governance Committee	9/11	-	6/6	8/8	-	-
Mrs. Tasanee Manorot ³⁾	 Independent Director Member of Audit Committee Member of Sustainable Development Committee 	11/11	15/15	-	-	-	4/4
Mr. Surasak Vajasit	 Independent Director Member of Audit Committee Chairman of Nomination and Corporate Governance Committee 	10/11	15/15	6/6	-	-	-
Ms. Jeann Low Ngiap Jong ³⁾	 Director Member of Nomination and Corporate Governance Committee 	10/11	-	4/6	-	-	-
Mr. Allen Lew Yoong Keong ^{4), 7)}	Director Chairman of Executive Committee Member of Leadership Development and Compensation Committee	3/11	-	-	6/8	13/13	-

			Atten	dance/Total	Meetings in	2015	
Name	Title	Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainable Development Committee
Mr. Krairit Euchukanonchai	 Independent Director Chairman of Audit Committee Member of Nomination and Corporate Governance Committee 	10/11	15/15	6/6	-	-	-
Mr. Stephen Miller ^{2) 7)}	Director Member of Executive Committee	6/11	-	-	-	7/13	-
Mr. Kan Trakulhoon ¹⁾	Independent Director Chairman of Sustainable Development Committee	5/11	-	-	-	-	2/4
Mr. Somchai Lertsutiwong ⁴⁾	 Director Member of Executive Committee Member of Sustainable Development Committee Chief Executive Officer Authorized Director 	11/11	-	-	-	12/13	4/4
Mr. Kim Siritaweechai ⁸⁾	Member of Executive Committee	-	-	-	-	13/13	-

- 1) Mr. Aviruth Wongbuddhapitak resigned from the position of director, effective from 25 March 2015 and appointed Mr. Yek Boon Seng to be replaced as the resolution of the Annual General Shareholders' Meeting 2015 on 24 March 2015. Currently, Mr. Yek Boon Seng resigned from the position of director, then the Company appointed Mr. Kan Trakulhoon to be replaced as the resolution of the Board of Directors on 3 August 2015.
- 2) Mr. Ng Ching-Wah resigned from the position of director, effective from 31 May 2015 and appointed Mr. Stephen Miller to be replaced as the resolution of the Board of Directors on 2 June 2015.
- 3) Mrs. Tasanee Manorot and Ms. Jeann Low Ngiap Jong are directors who expertise in account and finance. Summary profile of these two directors are shown in page 47-48
- 4) Mr. Vithit Leenutaphong, Mr. Somprasong Boonyachai, Mr. Allen Lew Yoong Keong, and Mr. Somchai Lertsutiwong are directors who expertise in telecommunication business. Summary profile of these four directors are shown in page 46
- 5) Mr. Narulcha Chittreekan resigned from the position of director, effective from 4 February 2015 and appointed Mrs. Preeya Danchaivijit to be replaced as the resolution of the Annual General Shareholders' Meeting 2015 on 24 March 2015. Mrs. Preeya Danchaivijit currently resigned from the position of director, effective from 27 October 2015.
- 6) Mrs. Suphajee Suthumpun resigned from the position of executive director, effective from 1 October 2015.
- 7) In cases when Mr. Allen Lew Yoong Keong and Mr. Stephen Miller were unable to attend the meeting, they would consider the matter under discussion and give their opinion via Video Conference or via the Chairman of the Board of Directors in order to propose their opinions to the meeting.
- 8) Mr. Kim Siritaweechai currently resigned from his position, effective from 4 February 2016.

The Authorized Directors

Mr. Vithit Leenutaphong and Mr. Somchai Lertsutiwong together jointly sign with the Company's seal affixed.

The Board of Directors

The Board of Directors is comprised of 10 directors whose expertise and experience cover various fields. 4 directors are experienced in the area of telecommunications, while 2 directors are experienced in the area of finance and accounting. In order to maintain a balance between the supervisory and management functions of the Company, the Chairman of the Board of Directors must not hold the Chief Executive Officer position simultaneously as well as their role and responsibility is explicitly separated. There are 4 independent directors, representing one-third of the members, and 2 female directors sitting on the Board of Directors.

The Board of Directors is representative of all shareholders, not of a particular group of shareholders. The Board of Directors has a policy whereby the controlling shareholders of the Company are proportionally represented.

The Scope of Authority and Duties of the Board of Directors

- Perform its duties with honesty, integrity and prudence in accordance with the law and the Company's objectives and Articles of Association including the resolutions of shareholders' meeting, and carefully protect the Company's interests;
- Set out the vision, policy and direction of the Company's operations and supervise the management team to act in accordance with the plans which are set out efficiency and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders;
- Consider and approve major issues such as large investments, purchase of assets etc. and any actions/ transactions as prescribed by law;
- Approve and/or agree to major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand;
- Assess the performance of the Chief Executive Officer and high level executives, and assign appropriate remuneration on a regular basis;
- Be responsible for overseeing operational results and the management team's performance to ensure due attentiveness and care;

- Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of the internal control, internal audit and risk management systems;
- Ensure avoidance of conflict of interests amongst the Company's stakeholders;
- Supervise business operations to enforce ethical work standards:
- Annually review the Company's Corporate Governance Policy and assess due compliance;
- Report on the execution of the Board of Directors' responsibility to prepare financial reports, along with the external auditor's report in the annual report covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company.

Reserved key matters for the Board's approval

Although the Board of Directors has delegated specific powers to Sub - Committees, the Chief Executive Officer and high level executives, the Board of Directors has reserved its authorization over certain matters so as to protect the highest interests of the Company and its shareholders, including:

- · Strategy, business plan and budget
- Capital expenditure and expense which exceeds the approved authority of the relevant sub - committee or executives
- Strategic investments in new business and divestments
- Significant policies
- Material contracts
- Material litigation
- Dividend policy

Independent Directors

The Company's independent director criteria has been defined <u>stricter</u> than criteria established by the Securities and Exchange Commission and the Stock Exchange of Thailand in order to avoid conflict of interest and balance the power between committee. An independent director must:

 Holding shares not exceeding 0.5 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;

- 2) Neither being nor having been an executive director, employee, or advisor who receives salary or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic persons which may have conflicts of interest. Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing not less than two years prior to the date of appointment.
- 3) Not having any business relationship with the Company, its parent company, subsidiaries, affiliates or juristic persons which may have conflicts of interest, in any manner that may interfere with his or her independent judgment, and not be, or used to be, a substantial shareholder or controlling person in its parent company, subsidiaries, affiliates or juristic persons which may have conflicts of interest. Any Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing relationship not less than two years prior to the date of appointment.

The term 'Business Relationship' aforementioned 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 Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- 4) Not being a person related by blood or registration under laws, such as in the manner of father, mother, spouse, sibling, and child, including spouse of children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;

- 6) Neither being nor having been an auditor of the Company, its parent company, subsidiaries, affiliates or juristic persons which may have conflicts of interest and not having been a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, affiliates or juristic persons which may have conflicts of interest. Any Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing relationship not less than two years prior to the date of appointment;
- 7) Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiaries, affiliates or juristic persons which may have conflicts of interest, and not having been a substantial shareholder, controlling person or partner of the professional advisor. Any Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing relationship not less than two years prior to the date of appointment;
- 8) Not conduct any business of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor being a substantial partner, shareholder holding more than one (1) percent of the voting shares, director (having management role), employee, officer or advisor (obtaining a regular salary) of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and is in competition with them in any material respect.
- Not having any other manners, which may render him or her incapable of expressing independent opinions with regard to the Company's business affairs;

After having been appointed as an independent director with qualifications complying with the criteria under 1 to 9, the independent director may be assigned by the Board of Directors to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that decisions must be collective ones.

The Company may appoint a person who has a business relationship or provides a professional service described in i-tem 3 and 7 above if the Board carefully considers the business relationship or service provided and concludes that the appointment will not interfere with the exercise of independent

judgment in the independent director's responsibilities. The Company must disclose the following information in the item regarding the appointment of independent directors on the agenda of the shareholders' meeting:

- (1) The nature of the business relationship or professional service that excludes the nominated independent director from the standard requirements.
- (2) The reason or need to retain or appoint this person as an independent director.
- (3) The Board's opinion on proposing the appointment of this person as an independent director.

It is the Board's policy that an independent director may not be considered to remain "independent" after he or she has completed three (3) consecutive terms or a total of nine (9) years. In this regard, the board will consider the independency of such director every year thereafter.

The segregation of duty of the Board of Directors and management

The Board of Directors has its duty to govern the operations in accordance with the provisions of the law, the Company's objectives, articles of association, the resolutions of the shareholders' meetings, and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

The Management is responsible for implementing the Company's strategy, achieving the planned objectives, and handling the day-to-day administration and affairs of the Company.

The segregation of duty of Chairman of the Board of Directors and Chief Executive Officer

Both the Chairman of the Board of Directors and the Chief Executive Officer must be competent and have the appropriate experience and qualifications for their positions. In order to maintain a balance between the supervisory and management functions of the Company, one person cannot hold both of these positions simultaneously.

The Chairman of the Board of Directors is a non-executive director who acts as the Chairman of both Board of Directors and shareholders' meeting.

The Chief Executive Officer is the head and leader of the Company's executives, and is accountable to the Board of Directors for managing the Company in order to achieve all its planned objectives.

The Scope of Authority and Duties of the Sub - Committees

1. The Scope of Authority and Duties of the Audit Committee

- To review the accuracy of the Company's financial reports in accordance with legally defined accounting principles, and to ensure that there is adequate disclosure;
- To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the internal audit unit's independence, as well as to approve the appointment, transfer, dismissal, performance appraisal and remuneration of the Chief of Internal Audit;
- To review that the Company complies with the requirements of the Securities and Exchange Commission, SET, and all laws relating to its business;
- To review the overall performance of the external auditors and recommend to the Board on the proposal to shareholders on the appointment, reappointment or removal of the external auditors and the auditor's remuneration;
- To hold a meeting with the external auditor without management in attendance, at least once a year;
- To review the policy on the engagement of the external audit firm to provide non-audit service to the Company;
- To review all connected transactions and possible conflicts of interests to ensure they are in compliance with the laws and regulations of SET to ensure that all transaction are reasonableand beneficial to the Company and all its stakeholders;
- To review that the Company has established an appropriate and effective risk management system;
- To review and approve the Charter of Internal Audit activities, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
- To prepare, and to disclose in the Company's annual report, an audit committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:
 - An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (2) An opinion on the adequacy of the Company's internal control system;
 - (3) An opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business;
 - (4) An opinion on the suitability of an auditor;
 - (5) An opinion on the transactions that may lead to conflicts of interests;
 - (6) The number of Audit Committee meetings, and the attendance of such meetings by each committee member;

- (7) An opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
- (8) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
- To continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the law on the Security and Exchange and the Audit Committee shall report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the external auditor within thirty days;
- To report the discussion and/or decision of the Audit Committee at its meetings and make recommendation as necessary to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts, which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit:
 - (1) Any transaction which causes any conflict of interest; or
 - (2) Any fraud, irregularity, or material defect in an internal control system; or
 - (3) Any infringement of the law on securities and exchange, SET's regulations, or any law relating to the Company's business,

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or SET;

- To have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary;
- In performing their duties and responsibilities assigned, the Audit Committee may engage consultants or experts to provide opinions, advice or work, if necessary;
- To review the Company's compliance with Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy, and consider all concerns of misconduct or fraud and the final investigation report quarterly, and be one channel to receive complaints according to such policy;

- To evaluate the scope of the performance of the Audit Committee on an annual basis;
- To review the charter annually and propose to the Board of Directors for approval if changes are needed;
- To perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

2. The Scope of Authority and Duties of the Leadership Developmentand Compensation Committee

- Fix appropriate annual remuneration in monetary and/or non-monetary form for the Board of Directors, committee members, and high level executives for the benefit of shareholders as a whole;
- Prepare policy and guidelines to designate appropriate remuneration of the Board of Directors and high level executives to be proposed to the Board of Directors and/ or the shareholders' meetings for approval;
- Review and approve the Company's performance in order to determine the annual KPI bonus and merit - based salary increase across the Company;
- Consider and approve the Long Term Incentive Plan and related practices;
- Consider and approve the performance evaluation of the Company's Chief Executive Officer and those high - level executives who report directly to the Chief Executive Officer in order to determine their annual bonus, merit-based salary increase and long term incentives;
- Consider and approve the annual bonus allocation of the Board of Directors;
- Disclose policies governing the directors' remuneration in the annual report;
- In consultation with the Chief Executive Officer, identify and evaluate potential successors for the Chief Executive Officer position and those high level executives who report directly to the Chief Executive Officer, and report annually to the Board of Directors on executive succession planning;
- In consultation with the Chief Executive Officer, prepare succession planning policies for the Chief Executive Officer position and those high level executives who report directly to the Chief Executive Officer;
- Oversee the process by which the Chief Executive Officer and high level executives;
- Engage consultants or independent persons to provide opinions or advice if necessary, especially on leadership development;
- The Committee is accountable to the Board of Directors and under obligation to explain its decisions at the shareholders'

- meetings, and answer any questions that may arise;
- Annually review and reassess the adequacy of the charter and proposed any changes to the Board of Directors for approval;
- Report regularly to the Board of Directors on matters within the scope of the Committee, as well as any special issues that merit the Board of Directors' attention;
- Request members of the management or staff to attend the Committee meetings or provide pertinent information
 on the matters under discussion;
- Perform other tasks requested by the Board of Directors.

3. The Scope of Authority and Duties of the Nomination and Corporate Governance Committee

- Draw up criteria and policy with respect to nomination of Board members and committee members of the Company;
- Supervise implementation of the policy on the good corporate governance of the Company, annually review such policy including recommendation of any revision thereof for further consideration by the Board of Directors;
- Consider and nominate appropriate persons to become Board members and/or committee members to be proposed to and approved by the Board of Directors and/ or at shareholders' meetings, as the case may be; and
- Perform other tasks as designated by the Board of Directors.

4. The Scope of Authority and Duties of the Sustainable Development Committee

- Define policy, strategy, operating target and sufficient budget including any other relevant action in connection with sustainability development and propose to the Board of Directors for approval;
- Propose any material issues of the Company in connection with sustainability development to the Board of Directors for consideration;
- Ensure that the implementation of sustainability developmentpolicy and strategy meets the target;
- Advise and assist the Chief Executive Officer concerning the sustainability development operations;
- Report the sustainability development performance to the Board of Directors;
- Review the sustainability development report and propose to the Board of Directors for approval;
- Perform other tasks as designated by the Board of Directors.

5. The Scope of Authority and Duties of the Executive Committee

 Formulate the Company's strategic direction, management structure, and annual business plan and budget for the Board of Directors' approval;

- Manage the Company's business operations in order to achieve the planned objectives and targets;
- Monitor the Company's financial and operating results, and keep the Board members informed by monthly report;
- 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 resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of delegated approval authority granted by 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 and Exchange Commission). The approval for transactions shall be in accordance with the policies and principles already determined by the Board of Directors and regulatory bodies;
- Engage consultants or independent persons to provide opinions or advices 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 quarterly basis regarding the material actions taken by the Committee under the Chief Executive Officer Report agenda;
- Annually review its own performance and assess the adequacy of the Charter, which may be done in conjunction with the annual evaluation of the Board of Directors and its other committees, conducted under the oversight of the Nomination and Governance Committee; and
- 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 of Directors.

In addition to the Board of Directors and the Sub - Committees, the Company supports the performance of the Board of Directors with the following management team:

Management Team¹⁾

1. Mr. Somchai Lertsutiwong

2. Mr. Hui Weng Cheong

3. Mr. Kriengsak Wanichnatee

4. Ms. Kantima Lerlertyuttitham 2)

Chief Executive Officer and Chief Marketing Officer

Chief Operating Officer

Chief Technology Officer

Chief Human Resources Officer

Notes: 1) List of Management Team members as of 1 January 2016 was prepared in accordance with their definitions as stipulated in the notification of the Securities and Exchange Commission.

- 2) Appointed on 16 July 2015
- 3) The Company is on process of selecting new executives as the name list specified in page 56 according to succession plan

Nomination of Directors and Management

Criteria and Procedure for Director Nomination

- The Nomination and Corporate Governance Committee
 is responsible for identifying and selecting qualified
 candidates to be appointed by the Board of Directors
 or proposed through the Board of Directors for election
 at the shareholders' meetings in accordance with the
 Company's Articles of Association.
- The Nomination and Corporate Governance Committee is responsible for annually reviewing the skills and characteristics required of directors in the light of the Board of Directors' compositions and the Company's current and future business directions. The Committee must develop a skill matrix to identify gaps in the Board of Directors' current profile and make recommendations accordingly. In conducting this review, the Committee will also consider diversity in term of skills, experience, knowledge, independence, age, and gender.
- In determining whether to recommend a director for re-election, the Nomination and Corporate Governance 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 of Directors. In the case of independent directors, their respective independence qualifications shall also be considered.
- The appointment of the Board members shall comply with the Company's Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear through initially consider of Nomination and Corporate Governance Committee. In the shareholders' meeting:
 - (1) Each shareholder shall be entitled to one vote for each shareholding;
 - (2) Each shareholder shall be entitled to cast all the votes as defined under (1) to elect one or several persons

- to be the Company's director(s) but cannot split their votes for any particular person or persons;
- (3) Persons who receive the highest number of votes, arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed, are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors more than required, the Chairman of the meeting shall have the casting vote.

In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications, and without any characteristics that would prohibit him/her from acting as director, to serve as a new director in the board meeting, excluding such case where the remaining term is less than two months. Such appointed director shall assume the position for the remaining term of the vacating director. To approve such new director appointment, a resolution must be passed by not less than three - fourths of the total remaining directors.

The Company provides an opportunity for minority shareholders to nominate qualified candidates for election as the Company's directors in advance, at least three months prior to the fiscal year end date. The information is published as an SET Announcement and on the Company's website and includes the criteria and consideration procedure. In 2015, no minority shareholder nominated a candidate for directorship.

Nomination of Management

The Leadership Development and Compensation Committee shall nominate the suitable person(s) to be appointed as the Chief Executive Officer and other senior management positions which report directly to the Chief Executive Officer, including the preparation of a succession plan relating thereto. In this regard,

the Leadership Development and Compensation Committee shall seek to recruit the qualified person(s) either internally or externally with support from professional consultants if required.

In addition, the Company shall prepare the succession plan of the high level executives (AVP up) by identifying the suitable persons to hold such positions, and shall utilize the human resource development and management system to prepare the subordinates for succession.

Term of Directors

Term of Directorship

- According to the Public Companies Act B.E. 2535 and the
 Articles of Association, at the annual general meeting of
 shareholders, one-third of the directors shall vacate office.
 If one-third is not a round number, the number closet
 thereto shall be the applicable number. The directors
 who have held office the longest shall vacate. The vacating
 directors may be re-elected.
- In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications and without any characteristics that would prohibit him/her from acting as director, according to article 68 of the Public Companies Act B.E. 2535, to serve as a new director in the board meeting, excluding such case where the remaining term is less than two months. Such appointed directors shall assume the position for the remaining term of the vacating director.

Term of Membership of Audit Committee

- A Committee Member shall serve for a term as long as they
 are serving on the Board of Directors. A retiring member
 may be re elected. For a committee member who has
 completed a total of nine years, or three consecutive
 terms, the Board of Directors shall review their respective
 independent qualifications each year.
- A Committee Member who wishes to resign during his
 or her term of office must give notice to the Chairman of
 the Board of Directors. The resignation date is effective
 upon the Company receiving the notice in order that the
 Board of Directors can appoint a qualified director(s) in
 replacement. The Board of Directors must fill the vacancy
 within 90 days from the date on which such Committee
 Member resigned.

In the case that all members vacate office except otherwise by reason of disqualification or as prohibited by law, the Audit Committee shall remain in office as necessary until a new Audit Committee is appointed.

Term of Membership of Other Sub-Committees

- Members of the Committees may hold their posts for as long as they are serving on the Board of Directors. Any Member who vacates office at the end of their term may be re - elected.
- In addition to section (1), membership of the Sub-Committees will be automatically cancelled in the following situations:
 - (1) Death;
 - (2) Resignation;
 - (3) Being disqualified as sub-committee;
 - (4) Removal from office by resolution of the Board of Directors.

Remuneration for Directors and Management

The Company has specified the remuneration for directors which reflect to their duties and responsibilities and at a rate similar to the industry standards and companies of similar size. The remuneration is considered to be appropriate to retain quality directors within the Company. The remuneration for the directors and management is in accordance with the Company's operational performance and the performance of the individuals.

The Leadership Development and Compensation Committee will determine necessary and appropriate remuneration in both monetary and non - monetary terms for the Company's directors, members of the sub - committees, and the Chief Executive Officer, including senior executives reporting directly to the Chief Executive Officer. Additionally, the Directors' Compensation Survey published by the Stock Exchange of Thailand and the Thai Institute of Directors Association shall be considered annually.

The remuneration for directors and members of the subcommittees shall be proposed, respectively, to the Board of Directors meeting and the Company's general shareholders' meeting, which is held on an annual basis.

Directors' Remuneration

Total monetary remuneration for the Chairman of the Board of Directors, independent directors, and non - executive directors totaling 10 persons was Baht 26.77 million. The remuneration was paid from 2015 operating results as approved by the general meeting of shareholders, held on 24 March 2015, in an amount not exceeding than Baht 28 million which was approved by the shareholders and comprised of monthly allowances, meeting allowances and bonus payments. The criteria of payment are the same as those of year 2014.

Directors' Remuneration Policy for the year 2015 Monetary Remuneration (Baht) Director Meeting Allowance Monthly Retainer Bonus The Board of Directors 300,000 Chairman Χ Member 75,000 25,000 **Audit Committee** Chairman 25,000 25,000 Member 25,000 Χ Other Sub - Committees Chairman 10,000 25,000 Member 25,000 Χ

Notes: 1) Directors who are executives or employees of the Company or its shareholders are not entitled to receive such remuneration.

The Remuneration for 11 Directors in year 2015 is as follows:

Name	Position	Monthly Retainer (Baht)	Meeting Allowance (Baht) 1)	Bonus (Baht)	Others
Mr. Vithit Leenutaphong	 Chairman of the Board of Directors Chairman of Leadership Development and Compensation Committee 	3,600,000	0	2,900,000	0
Mr. Aviruth Wongbuddhapitak	Independent Director Chairman of Sustainable Development Committee Member of Leadership Development and Compensation Committee	233,065	175,000	200,000	0
Mr. Surasak Vajasit ¹⁾	Independent Director Chairman of Nomination and Corporate Governance Committee Member of Audit Committee	1,020,000	800,000	2,180,000	0
Mrs. Tasanee Manorot ¹⁾	Independent Director Member of Audit Committee Member of Sustainable Development Committee	900,000	775,000	2,075,000	0
Mr. Ng Ching - Wah	Director Executive Committee	375,000	200,000	280,000	0
Mr. Narulcha Chittreekan	• Director	85,714	25,000	55,000	0

Chairman of the Board of Directors is not entitled to receive an additional monthly retainer or meeting allowance when he or she holds any membership of the sub-committees.

The Remuneration for 11 Directors in year 2015 is as follows:

Name	Position	Monthly Retainer (Baht)	Meeting Allowance (Baht) 1)	Bonus from 2015 Operating Results	Others
Mr. Krairit Euchukanonchai ¹⁾	Independent Director Chairman of Audit Committee Member of Nomination and Corporate Governance Committee	1,200,000	800,000	3,000,000	0
Mr. Yek Boon Seng	• Director	326,613	50,000	0	0
Mrs. Preeya Danchaivijit	• Director	544,355	75,000	300,0000	0
Mr. Stephen Miller ²⁾	Director Executive Committee	522,500	325,000	1,252,500	0
Mr. Kan Trakulhoon ³⁾	DirectorChairman of Sustainable Development Committee	413,710	175,000	1,911,290	0
Total		9,220,957	3,400,000	14,153,790	0

Notes: 1) Included meeting allowance of Audit Committee for Intouch group which was held in 2015 for 1 time. The meeting objective is to share and exchange knowledge to uplift audit and operating standard of all company in Intouch group.

- 2) Mr. Stephen Miller was appointed to be Director and member of Executive Committee since the 2 June 2015.
- 3) Mr. Kan Trakulhoon was appointed to be Independent Director and Chairman of Sustainable Development Committee since the 3 August 2015.
- 4) The above payment is a transaction during 2015 period. Some directors currently retired/resigned from the Company as details provided under "Management Structure", page 58.

Management's Remuneration

The Leadership Development and Compensation Committee shall prepare guidelines and policy to designate appropriate remuneration and consider a long-term incentive plan for the Chief Executive Officer and senior executives on an annual basis. The remuneration for the management shall be in accordance with the Company's short-term and long-term operational performance, the performance of the individuals, and leading group standards and guidelines which are considered to be appropriate to motivate and retain quality executives for long-term benefit of the Company.

In 2015, the total amount of remunerations for seven (7) executives of the management team was calculated at Baht 98.56 million comprised of salary, bonus and provident fund and other benefits.

Other Remuneration

To enhance the Company's sustainability for long-term growth and to promote mutual benefits between the Company, its shareholders and the management team, the Company

has issued warrants to be converted into the Company's ordinary shares to the management. This is pursuant to the Performance Share Plan. The details are as follows:

The first year of the program in 2013

Offer price per unit : Baht 0 (zero Baht)

Term : Not exceeding 5 years from the date of issuance and offering

Exercise Price : Baht 206.672 per share (unless there is an adjustment to the exercise price

as prescribed under the terms and conditions of the warrants)

First Period of Exercise Date : 1 June 2016, entitled to exercise their rights to purchase once a year

The second year of the program in 2014

Offer price per unit : Baht 0 (zero Baht)

Term : Not exceeding 5 years from the date of issuance and offering

Exercise Price : Baht 211.816 per share (unless there is an adjustment to the exercise price as

prescribed under the terms and conditions of the warrants)

First Period of Exercise Date : 1 June 2017, entitled to exercise their rights to purchase once a year

The third year of the program in 2015

Offer price per unit : Baht 0 (zero Baht)

Term : Not exceeding 5 years from the date of issuance and offering

Exercise Price : Baht 249.938 per share (unless there is an adjustment to the exercise price as

prescribed under the terms and conditions of the warrants)

First Period of Exercise Date : 1 June 2018, entitled to exercise their rights to purchase once a year

As defined by the notification of the Office of Securities and Exchange Commission, the members of the management team who were granted the warrants are as follows:

			The Amount of Warrants (unit)									
No.	Name	2015	Percentage of Total Warrants	2014	Percentage of Total Warrants	2013	Percentage of Total Warrants	Total				
1.	Mr. Somchai Lertsutiwong	51,600	5.92	29,816	4.38	19,824	4.89	101,240				
2.	Mrs. Suwimol Kaewkoon	33,171	3.80	27,116	3.99	18,064	4.45	78,351				
3.	Mrs. Vilasinee Puddhikarant	30,174	3.46	29,816	4.38	20,764	5.12	80,754				
4.	Mr. Pong-amorn Nimpoonsawat	33,171	3.80	29,816	4.38	21,664	5.34	84,651				
5.	Mr. Kriengsak Wanichnatee	34,670	3.98	31,216	4.59	7,564	1.86	73,450				

Company Secretary

Mr. Chavin Chaivatcharaporn, appointed as company secretary, shall have the duties and responsibilities as designated by the Board of Directors as follows:

- Organizing the Board of Directors' meetings, sub-committee meetings and shareholders' meetings of the Company
- Organizing the Board of Directors' meetings and shareholders' meetings of the Company's subsidiaries
- Preparing, updating and presenting the corporate governance policy of the Company to the Nomination and Corporate Governance Committee for their approval
- Preparing and retaining documents as stipulated by laws
- Performing other assignments as requested by the Board of Directors and/or its sub-committees.

In this regard, the credentials of the Company secretary and head of compliance are provided on page 53.

Head of compliance

As Head of Compliance, Ms. Nattiya Poapongsakorn is responsible for overseeing the Company's operations and transactions to ensure that the Company is in compliance with SET/SEC regulations for listed companies and other enforcements related to Public Company Limited Acts.

Good Corporate Governance

Corporate Governance Policy

Since 2002, the Corporate Governance Policy has been prescribed by the Board of Directors to apply with all directors, executives, and employees within AIS group. The Company also published in the Company's website (http://investor.ais.co.th) in order to communicate with shareholders and others external parties and to welcome them to patrol the Company. The Board of Directors has authorized the Nomination and Corporate Governance Committee to supervise the implementation of the corporate governance policy and annually review such policy so as to incorporate it into the daily business operations and in accordance with the rules and regulations of the Securities Exchange of Thailand. The latest revision also complies with the guidelines of the ASEAN CG Scorecard and the guideline of Dow Jones Sustainability Indices (DJSI).

The policy has been consistently communicated throughout the Company via various channel i.e. e-mail, intranet, brochure, internal campaign etc. for their awareness and to facilitate its incorporation into the Company's normal business operations. The Company also provided insiders/outsiders whistle blower channel for reporting any illegal activities, acts of misconduct or unethical practices in the Company, while also granting protective measures for whistle blowers in accordance with the Whistle Blower Policy.

In 2015, the Company was selected to be listed in the DJSI Emerging Markets to confirm that the Company is operating sustainable development. It also covers economic dimensions, performing good corporate governance, environmental contribution, and social sustainability. The Company has been also recognized as one of the top 50 companies with the highest CG ASEAN Scorecard this year.

Performance Report on Corporate Governance

The Board of Directors

The Board of Directors is composed of ten (10) legally qualified experts with wide ranging leadership, vision, expertise and experience in various fields including the telecommunications industry. The Board of Directors has the freedom to consider any matter critical to the business direction of the Company. By stipulating that more than one third of the Board of Directors be independent directors and more than half non – executive directors, the Board of Directors contributes to the absolute benefit of the Company's shareholders as a whole. In addition, the Chairman of the Board of Directors and Chief Executive Officer shall not be the

same person nor have any genetic or business relationship.

The Company has separated the roles and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer. Also, key matters which have a significant impact on business performance require the Board of Directors' approval.

Details of the names and composition of the Board of Directors, the criteria for selection, nomination process and appointment of directors, definition of Independent Directors, and the separation of the roles and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer are listed in "Management Structure" on page 56 - 61.

The Board has set up five (5) committees. Details of Board of Directors and committee structure, including membership and the responsibilities of each committee, are listed in the "Management Structure" section on page 59 - 63.

Board of Directors' Meetings

In 2015 the Board of Directors' meeting was hold 11 times. This is in accordance with the policy to set up the meeting at least 6 times a year. The whole schedule of the meeting will be set in advance to ensure that all directors are able to attend all meetings. Notice of Board of Directors' meetings and all supplementary documentation are circulated to the Board of Directors at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance. The detail of number of and meeting attendant of the directors are listed in the "Management Structure" section on page 57-58.

In case of there being no Board of Directors' meeting in any particular month, the Company Secretary will provide the Board of Directors with the monthly operating report for their acknowledgement. The Chairman of the Board of Directors presides over the meetings and ensures that sufficient time is allocated for directors to discuss and express their opinions freely on each item on the agenda. In addition, the relevant management also provides the necessary information for the Board of Directors' consideration. After each Board of Directors' meeting, the Company Secretary shall be responsible for circulating the relevant Board of Directors' minutes within seven (7) days.

Non - Executive Directors Sessions

The Audit committee and other non – executive directors shall conduct meetings without the presence of executives at least once a year. This is to provide an opportunity to discuss any subjects of interest related to the business operations of

the Company. The conclusion made at each meeting shall be reported to the Board of Directors and the Chief Executive Officer. In 2015, there was 1 non - executive Directors meeting with 7 directors attendance.

Succession Plan

The Board of Directors has developed a succession plan for the Company's Chief Executive Officer and executives in order to maintain the confidence that the Company's business operations shall continue without interruption when these positions become vacant. The Board of Directors has authorized the Leadership Development and Compensation Committee to set up the succession plan which shall be reviewed, updated and reported to the Board of Directors annually.

The Company recognizes that employees, not only the executive, are key driving force of the organization. The challenge for the business is a risk of lacking personnel with knowledge and ability which readiness to keep pace with expansion and business changing. The Company is set up succession plan for vacant position and new positions as Corporate KPI in order to focus on staffs empowerment, competency, and advancement; the succession plan is set up for all departments equally and strictly. Also, the Company has advice from professional consultants regarding to support the employees' knowledge and capability continuously.

Communication with Management

The Company Secretary shall act as the coordinator between directors and the management team. Board Portal is a communication channel that the director are able to access the significant information and documents of the Company for fast and safety. While the Internal Audit Office shall act as the coordinator between audit committee and management team. The Company shall not obstruct communication between directors and management. However, this access and communication shall not interfere with or interrupt the Company's normal business operations.

Remuneration

The remuneration for the Company's directors shall reflect their duties, responsibilities and contribution, and be comparable to industry standards and companies of a similar size, which also reflects the Company's overall operation performance as well as that of each individual's performance. The Leadership Development and Compensation Committee

will determine adequate and appropriate remuneration for each person and propose this to the Board of Directors and the shareholders on an annual basis for their approval. The detail of the directors' remunerations 2015 are listed in the "Management Structure" section on page 66-68.

Orientation and Continuing Training for Directors

A newly - appointed director has been provided with all necessary business information about the Company required to perform their fiduciary duties.

The continuing training and development programs, paid for by the Company, is provided to all director, executives, and company secretary to ensure that they have all the necessary skills and knowledge required to perform their duties efficiently. This program may take a variety of forms such as internal and external courses, overseas trips, and site visits.

Board and Chief Executive Officer Assessment The Board of Directors' Self - Assessment

The Board of Directors shall evaluate its own performance as individual and quorum on an annual basis in order to assess and improve the directors' own fiduciary duties and their compliance with corporate governance policy and good practice as well as to consider the issue occurred this year.

Criterion

The evaluation form consists of two (2) key components. Component I: The evaluation is related to the following six (6) aspects of its operation:

- (i) Board of Directors' structure and qualifications of the Board of Directors:
- (ii) The roles, duties and responsibilities of the Board of Directors;
- (iii) Board of Directors' meetings;
- (iv) The Board's performance;
- (v) Relationships with management;
- (vi) Directors' self-development and executive development.
 Component II: The opinions and suggestions provided by the Board of Directors so as to identify special issues in its performance or any aspects of the Company's operation.

Procedure

The Company secretary will propose the form to directors every year, then gather and report the result of assessment to the Board of Directors for consideration.

Evaluation of the Chief Executive Officer's Performance

The Leadership Development and Compensation Committee is responsible for setting CEO performance targets and evaluating performance against the annual targets in order to determine the CEO's compensation.

Rights and Equitable Treatment of Shareholders

The Board of Directors respects the shareholders' rights and has a duty to protect the benefits of every shareholder equitably regardless of whether they are retail, foreign, institutional or major shareholders.

Every shareholder is entitled to the rights and equitable treatment detailed as below:

- The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policy on a timely basis.
- The right to an equitable dividend.
- The right to participate in a meeting, to vote, and to make recommendations on decisions concerning major corporate action.
- The right to elect or dismiss directors.

Annual General Shareholders' Meeting

The Company recognizes the rights and equitable treatment of shareholders. Accordingly, the Board of Directors ensures that the Company organizes annual shareholders' meetings in accordance with the laws, best practice and good corporate governance as follows:

Before the meeting date

- 1. The shareholders are entitled to propose items for inclusion on the meeting agenda and nominate qualified person(s) to be considered and appointed to be directors at the shareholders' meeting. For the 2016 annual general shareholders' meeting, this entitlement was from 1 October 2015 to 31 December 2015, the rules and procedures of which are posted on the websites of the Stock Exchange of Thailand and the Company. Nonetheless, the Company did not receive any proposed items for inclusion on the agenda nor any director nominations prior to the expiry of the said period.
- The shareholders are entitled to elect members of the Board of Directors, fix directors' remuneration, appoint the Company's auditor, fix the auditor's fee, dividend payments, and other entitlements as stipulated in all relevant law.
- 3. The Company prepares the meeting notice including the purpose and rationale for each item of the agenda,

Proxy Form B, supplementary documentation, and the procedure for making queries both in Thai and English versions, and posts said information on the Company's website thirty (30) days prior to the meeting date and also publishes said information on the Stock Exchange of Thailand's website, including delivering these documents and proxy forms to shareholders twenty one (21) days prior to the meeting date.

- The shareholders are entitled to raise questions thirty (30)
 days prior to the meeting date by posting their questions
 on the websites of the Company and the Stock Exchange
 of Thailand
- 5. In addition to Proxy Form B enclosed with the meeting notice, the Company prepares Proxy Form A and Proxy Form C, which shareholders can download from the Company's website to support the shareholders who cannot attend the meeting themselves by granting proxy to their representatives or an independent director. At least two (2) independent directors shall be assigned to take proxy for shareholders who will not attend the meeting. The names, credentials and qualifications of the assigned independent directors will be stated in the meeting notice.
- 6. The Company liaises with institutional investors at least fourteen (14) days prior to the meeting date to verify the shareholding data and encourage them to attend the meeting either through their authorized representatives or by granting proxy to the assigned independent directors.

On the meeting date

- 1. The Company encourages the shareholders, including the institutional investors, to attend and participate in all shareholders' meetings. The annual general meeting of shareholders was held at Centara Grand Central Plaza Ladprao. The meeting venue was appropriate for the large number of shareholders and convenient in terms of transportation and access. The Company assigned sufficient staff to facilitate the shareholders' meeting registration with a barcode system and the process to attend the meeting.
- The Chairman of the Board of Directors, the Audit Committee, the Nomination and Corporate Governance Committee, the Leadership Development and Compensation Committee, and the Executive Committee including senior executives attended the meeting so as to address and clarify any queries or concerns of the shareholders.

- 3. The Company conducted the meeting transparently by inviting an independent legal consultant to supervise the votina.
- 4. The Chairman presided over the meeting in sequence in accordance with the meeting agenda stated in the meeting notice without adding any additional matters and allocated sufficient time for shareholders to present any queries on each item in the agenda. Prior to the onset of the meeting, a company representative explained the meeting procedure and voting method to the shareholders.
- 5. The Company issued voting cards for each item on the agenda. For the director appointment item, the voting related thereto was organized on a one-by-one basis. The barcode system facilitated faster vote counting to speed up the process and also ensure information accuracy and reliability.
- 6. Participants were informed of the voting results for each agenda item and received the voting scores without any objection.
- 7. The Company provided an AGM quality assessment and used a quality assessment score to improve the process and efficiency of the next AGM.

After the meeting

- 1. The Company notifies the resolutions and voting results of the meeting to the Stock Exchange of Thailand promptly, including posting those resolutions on the Company's own website.
- 2. The Company secretary prepares the minutes of the meeting and posts them on the Company's website within fourteen (14) days after the meeting date. The minutes cover all material facts in compliance with the good corporate governance of the Stock Exchange of Thailand and such publications are posted on the Stock Exchange's website.

Communication with Stakeholders

The stakeholders may provide any suggestions to the Board of Directors or report any illegal or unethical action of any director, executive or employee through:

1. Company Secretary Office Advanced Info Service Public Company Limited 414, 28th Floor, AIS 1 Tower, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok 10400

Tel: (66) 2029 5352 Fax: (66) 2029 5108

E-mail: companysecretary@ais.co.th

2. Audit Committee

E-mail: AuditCommittee@ais.co.th

3. Investor Relations

Tel: (66) 2029 5014 Fax: (66) 2029 5165 E-mail: investor@ais.co.th

All suggestions, complaints or reports shall be forwarded to the related departments and all actions taken shall be reported to the Board of Directors.

Role to Stakeholders

The Company is aware of the rights of every group of stakeholders, irrespective of whether they have rights as customers, partners, communities, society, or the environment. As a result, the Company has established a policy of providing guidelines for all stakeholders according to legal rights and sustainable co - existence guidelines in the Company's Sustainability Development Policy, Code of Business Ethics, and Personnel Management Policy, as well as in a variety of other relevant policies of the Company. Additionally, the Company also designates appropriate guidelines and internal control systems and Anti - Bribery and Corruption Policy to prevent corruption in the organization, and assigns the Business Ethic Committee to operate measures or activities for creating the awareness of such matters among employees and partners of the Company. In this respect, the shareholders can study the guidelines for 4 groups of the Company's stakeholders - community, partners, employees, and customers - and the guidelines on the environment from the sustainability development report 2015.

Moreover, the Company still places emphasis on the participation of stakeholders in mutually examining the transparency of business operations in compliance with good corporate governance policy and the code of business ethics, inclusive of the guidelines on anti - corruption. If any of the Company's employees know of such a violation, he/ she can notify the Company via the Ethics online channel or the Whistle Blowing system. In the case of external stakeholders, he/she can notify the Board of Directors via the Audit Committee at AuditCommittee@ais.co.th. In this regard, the matters so notified shall be further brought into the fact-finding processes, and the informant shall receive the best possible protection from the Company. The shareholders can study additional information from the "Whistle Blowers Policy" as posted on the Company's website at http://investor.ais.co.th

Disclosure of Information and Transparency

- 1. The Company discloses the Company's financial and non-financial information, such as Article of Association, Memorandum of Association, Risk Management Policy, financial statements, and analysis and performance report, in accordance with the relevant laws and regulations accurately, completely, punctually, and transparently to all shareholders and investors. As such, the investors can have confidence in the Company's reliability and integrity. The Company has issued an Information Disclosure Policy applicable to all directors, executives and employees of the Company and its subsidiaries.
- 2. The Company has set up an Investor Relations Department to be responsible for communicating material information to shareholders, investors, analysts and other stakeholders. In addition, the Company has set up a Compliance unit to ensure that all material information of the Company is properly disclosed through various channels such as the Company's website, the Stock Exchange of Thailand's website, and this annual report. The communication and disclosure of material information shall comply with the principles stipulated in the Information Disclosure Policy and Corporate Governance policy. The Investor Relations Department can be contacted at:

Telephone (66) 2029 5014

Facsimile (66) 2029 5165

E-mail investor@ais.co.th

Website http://investor.ais.co.th

3. The Company has specified a period of non - communication with analysts and investors (silent periods) with respect to financial results, including not holding press conferences or disclosing financial information publicly by executive and/or investor relation officers, at least thirty (30) days prior to the specified announcement date so as to avoid any unfair treatment and possibly affecting the Company's share price.

Internal Control and Risk Management Systems

As the Board considers the internal control, audit and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets, it has therefore set up relevant policies, measures and supervising departments, the details of which are listed in the "Risk management Internal control, and Internal audit" section on page 81

Code of Business Ethics

The Company encourages all directors, managers, and staffs to work and conduct business activities transparently and in compliance with laws, business integrity and ethics. The Code of Business Ethics is part of the Corporate Governance Policy which establishes the guidelines and standards of conduct for all employees in the organization by published via intranet in page of AIS Ethics. The employees are required to sign and acknowledge the Code of Business Ethics upon commencing employment and upon have to acknowledge and understand any code revision. In this regard, the shareholders can study the details in the full version of the Code of Business Ethics at http://investor.ais.co.th

The Business Ethics Committee was established in 2006 to oversee the implementation of the Code of Business Ethics and compliance with the Corporate Governance Policy. The Company shall create awareness and conduct campaigns for directors, executives, and employees, who shall operate their work honestly, taking into account the benefits of the Company and its stakeholders. In 2015, the Business Ethics Committee conducted activities to encourage the compliance of business ethics as follows:

Make an awareness campaign about conflict of interest for managements, employees and partners

The directors, executives and employees may, from time to time, experience a conflict of interest while performing their duties. As a result, the Business Ethics Committee has set up campaigns so as to encourage executives, employees and business partners to be aware of the importance of business ethics, and to create moral values for employees to consider, based upon their own decision.

The campaigns were conducted by way of:

- Giving lectures to executives and employees including providing Q&A sessions in meeting rooms
- Communicating with employees via mass communication methods such as posters in the Company's common areas
- Sending letters to business partners to notify them of the Company's policy in relation to the receipt of gifts and the participation in business social events

Thereafter, the Business Ethics Committee has assessed the effectiveness of the campaign by requesting executives and employees to complete tests via the intranet so that the campaigns in relation thereto could be improved in the future. In 2015, the employees (including executive) have cooperated to do the questionnaire for 96.04 percent of total employees. The average score is 88.2 percent of total scores which over expectation 80 percent of total scores.

Further, the Business Ethics Committee has set up a channel so as to address and clarify any queries concerning the business ethics of the Company. The employees can contact the committee by e-mail at aisbusinessethics@ais.co.th.

2. Investigation and punishment

Enforcing a Code of Business Ethics is very important; good governance practices are an essential part of the successful running of the business. The Committee has established appropriate punishment for offenders and ensured protection of the identity of any person reporting an act of unethical conduct. In 2015, there are 2 breached cases against code of business ethics, detail is shown below:

Case	Unethical Conduct	Company Action
1	Employee used his position or authority to hire his relative to be the Company's contractor without notified to the Company in advance with intended to conceal any related transaction.	After investigation by the Business Ethics Committee, Internal Auditor, and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations.
2	Employees coordinated with outsider to charge additional commission on land lease agreement from the landlord, where the Company agreed to lease for building the site.	After investigation by the Business Ethics Committee, Internal Auditor, and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations.

Anti-Bribery and Corruption Policy

The Company is committed to conducting the business with integrity, transparency, and good corporate governance principles. The Company is against any giving or receiving bribery and corruption due to it may threaten free and fair competition and damage economic and social matter development. The Board of Directors has recognized the importance of Anti-Bribery and Corruption then set up the policy to be guideline for the operation of directors, executives, and employees. The Anti-Bribery and Corruption Policy has been published on the Company's website at http://investor.ais.co.th

Participation in Thailand's Private Sector Collective Action against Corruption - CAC

On 16 December 2013, the Company signed Thailand's Private Sector Collective Action Coalition against Corruption (CAC) to jointly declare its intention to counter corruption and not to accept any dishonesty in consequence of the

Company's business operations or the operations in the organization. The Company aims to operate its businesses with honesty and transparency in compliance with laws related to anti-bribery and anti-corruption and with the good corporate governance policy of the Company because organizational corruption is a risk to the sustainable growth of business operations. The Company is aware of anti-corruption in every form without exception and shall not participate in corruption, either directly or indirectly. Every director, executive, and employee of the Company shall adhere to and comply with the anti-corruption policy. In addition, the Company also arranges campaigns and communicates appropriate knowledge to the related parties both inside and outside the organization in a continuous manner via the Business Ethics Committee. On 15 December 2015, the Company has submitted the documentation applying for certificate of CAC membership. Nowadays, CAC publicly announced that the Company being certified as one of CAC member.

Monitoring the Business Operations of Subsidiaries and Associated Companies

The Board of Directors has monitoring each Subsidiary and Associated Company's business operations for the best interest of shareholders as follows:

- Support the Subsidiaries and Associate Companies to perform their duties in compliance with good corporate governance policy;
- The Board of Directors selects the representative of the Company to be appointed as directors of the Subsidiaries and Associated Companies in order to monitor and control business performance in proportion to its shareholding percentage;
- 3. Monitor through representative directors, executives, and policies which were issued at the parent company level;
- 4. Consider any significant matter including strategic, business plan, capital increase/decrease, dissolution, and any other important policies;
- Follow up the performance result through the Company's executives, Executive Committee, and the Board of Directors;

- Monitor the subsidiaries and associated companies to operate business under the rules and regulation of competent authorities including connected transaction, asset acquisition and deposition, information disclosure, and accounting and financial statement report;
- All transactions in any subsidiary, which may significantly
 affect the business operation or financial status of the
 Company, must be reviewed and approved by the Board
 of Directors of the parent company;
- 8. Being audited by the Company's Internal Audit Department to ensure that there is sufficient and effective internal control system;
- 9. In order to disclose the financial information and operating results of the subsidiaries, the Company has engaged auditors from the same auditing firm that provides auditing services for the Company to perform audits and disclose the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company.

Our Business in a Sustainable Way



Under the rapid change of technology which leads to the transformation of customer behavior from mobile phone usage to digital service usage. This has changed an environmental competition in more challenging way. AIS' stakeholders has been widely touched another industry and related business. An important thing to support the Company's ultimate goal in doing business in a sustainable way is to be accepted among all stakeholders.

AIS is committed to operate business in a sustainable way with our considering the impact we made to the society and environment as well as the expectation of our key stakeholders i.e. communities, partners, customers, and our people. We have established the sustainability policy and strategy to guide and shape the way we do business. We are striving to build trust and gain license to operate from all Thais under the ultimate goal, "The Most Admired Company".

To allow all key stakeholders to understand more about our way of sustainable business, we published "AIS sustainability report 2015" in accordance to the Global Reporting Initiatives revision 4 (GRI G4). Within this report, we have disclosed our sustainable business policy, strategy, material issues and management approach. Our sustainability report is available on website at http://investor.ais.co.th and upon request in hard copy.



Relationship with Investors



We are committed to delivering the highest standards of disclosure with accuracy, completeness, fairness, transparency, quality, and timeliness in all communications with our shareholders and the investment communities.

The AIS Investor Relations Department reports directly to the Chief Finance Officer. We provide Company information including financial and operational performance as well as business direction from a management perspective. The quarterly Management Discussion and Analysis (MD&A) contains quarterly operating results, significant events affecting the financial results, guidance, and other crucial information for investors. The guidance is revisited during the year in accordance with the ongoing results.

Fully understanding the crucial importance of investor relations, AIS management allocates an appropriate amount of time for investor relations activities. Our senior management regularly participates in and presents company strategy and business direction at investor meetings, analyst briefings, quarterly results meetings, and domestic and international conferences and roadshows.

AlS Investor Relations website (http://investor.ais.co.th) contains essential sources of information for investors, including historical performance, financial statements, conference call replays, annual reports, Form 56-1, SET disclosure, an investor calendar, shareholder meeting announcements, AIS share information, dividends, corporate governance news, sustainable development information, and more. Moreover, in order to keep investors informed about important issues, AIS regularly delivers IR news releases, including company news, earnings releases, and updated promotions.

AIS has also established the Compliance Department, which is responsible for the disclosure of information to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC) to ensure that the Company complies with all applicable laws and regulations.

In addition, the Company has regularly organised investor activities, which have been attended by various Company executives as shown in the following table:

Activity	2015	Objective	Attendees	Executive
Results Conference Call	Quarterly (4 times)	Quarterly results announcement and Q&A	Local and foreign analysts and institutional investors	Chief Executive Officer / Chief Operating Officer/ Chief Finance Officer
Analyst Briefing	Semi - annual and annual (2 times)	Presentation of the Company's semi - annual and annual performance, strategy and Q&A	Analysts and local institutional investors	Chief Executive Officer / Chief Finance Officer / other members of management team
Opportunity Day by SET / Investor Briefing at Brokerage Firm	Quarterly (5 times)	Quarterly results announcement and Q&A	Retail investors, investment consultants and analysts	Investor Relations Team

Investor Activities

Investor Activities				
Activity	2015	Objective	Attendees	Executive
Road Show/ Conference (domestic and international)	18 times	Communicate business direction, performance and strategy	Local and foreign institutional investors	Chief Executive Officer / Chief Finance Officer
Company Visit	85 times*	Provide access to management for discussing the Company's performance, direction, and strategy	Local and foreign analysts and institutional investors	Chief Executive Officer / Chief Finance Officer

^{*}Note: It is the number of meetings occurred during 2 January - 2 October 2015 because after 3 October onwards the Company entered silent period for 3Q15 results announcement. It was also followed by the silent period of spectrum license auction until the completion of the auction on 19 December 2015.

In 2015, AIS Investor Relations' achievements and standards received due recognition in the form of prestigious "Outstanding Investor Relations Awards" for SET market capitalization of over Baht 100 bn. from the Stock Exchange of Thailand.

The AIS IR team provides shareholders and investors with a direct point of contact by telephone at : +662 029 3112, +662 029 5014; by fax at : +662 029 5165; or by email at : investor@ais.co.th

Policy on Use and Disclosure of Inside Information

The Company is strongly committed to the responsible and transparent use of internal data under best practices. In doing so, the Company is resolved to adhering to the principles of good corporate governance and business integrity while facilitating equal access to complete, reliable, and updated internal information for all investors and concerned parties. Accordingly, the Company monitors and tracks all of the internal data usage and trading securities procedures of directors, executives, and employees to ensure conformance with the Securities and Exchange Act and business transparency. Outlined below are some of the key points of the policy:

- Directors, executives, and employees at all levels are forbidden from using internal data containing crucial information that would have a significant impact on the stock price and which has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of themselves or others. Furthermore, the aforementioned parties are to avoid or refrain from trading the Company's stock for 1 month prior to the announcement date of the Company's results.
- The Company is responsible for announcing information
 to the public regarding key Company decisions and/or
 actions, instantly and thoroughly, via appropriate and
 acceptable media to ensure that all data and information
 are accessible to stakeholder groups in a timely manner.
 Release of such information must be handled through
 the Investor Relations Department and Public Relations
 Department and in a manner congruent with the rules and
 regulations set out by the Stock Exchange of Thailand
 and Disclosure Policy.
- Directors and executives shall report ownership of all securities issued by the Company, including those that pertain to self, spouses, and/or underage children, to the Securities and Exchange Commission and to the Board of Directors on a quarterly basis.
- The Company maintains a strict policy regarding computer system usage and electronic information security in order to protect crucial information from unauthorised release. Misuse of internal Company data by directors, executives, or employees is considered a serious breach of Company policy and, in warranted cases, offenders will be prosecuted to the fullest extent of the law.

- The Investor Relations Department is forbidden from discussing forward-looking statements or making any comments on information pertaining to the following 6 months in order to comply with the Stock Exchange of Thailand's rules and international best practices; however, the long - term view regarding the Company's strategic direction and business trends can be discussed.
- The Investor Relations Department is obliged to declare quiet periods to investor communities one month ahead of the results announcement date. During the corporate silence period, the Company refrains from answering any inquiries with regard to the upcoming financial results and Company guidance. Exceptions are made only for the discussion of factual business information, clarifications of disclosed information, new events concerning share price sensitive information, and long-term business operations. Any arranged meetings with analysts and/or investors are not accepted in this period, and shall strictly be confined to discussions on long-term business operations only.

The Company has a Disclosure Policy outlining the official procedures for information disclosure. The policy is developed based on the principles that the disclosure of corporate information shall be in compliance with applicable legal and regulatory requirements. Disclosure of all corporate information shall be accurate, adequate, timely and consistent, regardless of whether it has a positive or negative impact on the Company, the investors, or the market. All non-public information shall be disclosed in a manner which ensures fair and equitable access by all investors. The policy stipulates responsible positions, levels of disclosure, and communication procedures. The policy reinforces the standards of disclosure and follows the principles of market efficiency.

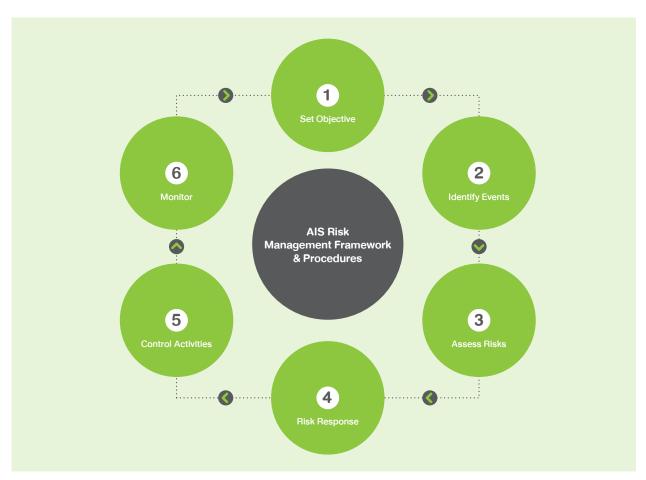


Risk Management, Internal Control and Internal Audit

Risk Management

In order to manage and maintain risks at an acceptable level, the Company has established an Enterprise Risk Management Policy and Framework. Applicable to all operations and all employees, the policy and framework include measures such as encouraging employees to take continuous personal responsibility for self-assessing risk and developing internal control systems to strengthen the

effectiveness of the internal control and risk management systems. The Company has in place proper and effective risk management systems, which are aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (Further information on risk - assessment is shown on page 85)

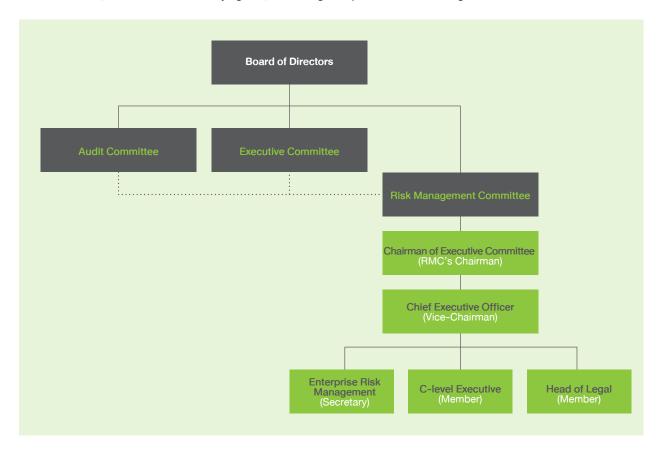


The 6 steps in the risk management process are:

- 1. Set both corporate and functional level objectives which are aligned with the Company's corporate strategy and are within its risk appetite levels as approved by the Board of Directors and reviewed annually.
- 2. Identify the events that could have a negative impact (risks) on the Company's ability to achieve its goals and its targets from both internal factors, for example, operational processes, and human resources, and external factors, for example, customers, the economy, politics, and regulations.
- 3. Assess the identified risks by considering the likelihood of the risk occurring and the potential impact if the risk occurred.
- 4. Plan risk response measures with consideration given to the level of risk involved and the corresponding cost and benefit.
- 5. Establish control activities to help ensure that the desired risk responses are implemented as intended and are effectively carried out.
- 6. Monitor and report the status of the risks and the effectiveness of the risk management processes.

The Company emphasizes the importance and value of risk management by appointing the Chairman of the Executive Committee as the Chairman of the Risk Management Committee. The Chairman is joined on the Risk Management Committee by the Chief Executive Officer and other members of senior management. The committee is responsible for establishing the Risk Management Policy and Framework, which includes identifying risk, assessing

and rating the risks, defining the risk management concept, and assigning responsibilities to those in charge of managing and controlling the risks to be maintained within approved risk appetite levels. This enables the Company to accomplish its goals and strategies and create confidence for all shareholders and stakeholders. The Company has established a Risk Management working structure as depicted in the following chart:



The Chief Executive Officer is responsible for implementing the Risk Management Policy and Framework throughout the Company. The policy and framework are communicated via the senior management of each business unit to all employees in order to set the risk management objectives, identify the risks, and manage those risks at the operation level. The Chief Executive Officer continuously monitors the risk management results to ensure the risk management system's effectiveness and efficiency in accomplishing the Company's goals and strategies.

In 2015, the Risk Management Committee held quarterly meetings in order to review and follow up on the accomplishments of its risk management strategy. This was achieved by comparing the management action plans

against the reliable measured results of the plans. At each meeting, the responsible management representative reported the results of the risk management approach identified in the previous meeting to the Risk Management Committee. The topic was then discussed by the committee to determine whether the risk level has been successfully mitigated, thus resulting in effective risk management.

The Risk Management Committee submits its report on risk management to the Audit Committee, the Board of Directors and the Executive Committee for close monitoring to ensure that its risk appetite is acceptable and that the Company is able to accomplish its goals.

In 2015, the Company disseminated knowledge and provided training on the subject of risk management for

executives and employees at all levels. The aim of this knowledge - sharing exercise was to enable management and employees to apply the risk management process under their responsibility efficiently and effectively. In 2015, the following 3 courses were provided:

- Risk Management Facilitators Course: Classroom training and workshops to provide the representatives of each function unit with better knowledge and more effective understanding of the risk management process and practices in their own unit while also enabling them to share their own knowledge and best practices with their colleagues and subordinates. In 2015, 126 employees completed this training.
- E-learning on risk management for manager level: This
 E-learning course aimed to provide knowledge and
 understanding of the risk management process and to
 enable the employees to apply the risk management
 practice in their responsible task. In 2015, 406 persons
 participated in this training.

Knowledge sharing on risk management for executives: This training aimed to provide executives with better understanding of the Risk Management Policy and Framework in order for them to satisfactorily and effectively implement risk management under their supervision and comply with both company policy and external guidelines.

Business Continuity Management

The Company has set in place a risk management system in the form of a business continuity management to cope in the event of natural disasters or any other situations that are beyond the Company's control and which have the potential for causing an interruption to the core operating system and a loss of company property and personnel.

To support this system, the Company has established the Business Continuity Management Committee, comprised of top executives from each business unit and chaired by the Chief Executive Officer, to oversee the effectiveness and sustainability of the Company's business continuity management.



- Prepare business continuity plan: Prepare a business continuity plan to cope in the event of a disaster in accordance with the objectives of the business continuity management of the core business processes.
- Deploy business continuity plan: Distribute the approved business continuity plan to all related parties and ensure its understanding.
- Conduct business continuity plan practice drills. Arrange
 to conduct business continuity plan practice drills
 according to the defined schedule and targets; update
 the plan to make it current and report the results of the
 practice drills to the commander accountable for the
 business continuity plan; gain acknowledgement from
 the Business Continuity Management Committee.
- Review & Improve business continuity management system: Review and improve the business continuity management system to ensure its effectiveness and alignment with the risk level currently faced by the Company.

AIS's Business Continuity Management Committee has assigned senior executives and the heads of related parties to prepare the business continuity plan to ensure continuation of the critical business processes which have a direct impact on the Company's ability to deliver its Critical Services. It is the responsibility of all management and staff to support the activities related to business continuity management, such as the preparation of the business continuity plan; the allocation of resources according to the business continuity plan, especially in the practice drills; and the review of the plan to ensure the effectiveness of the Company's business continuity management.

In year 2015, AIS conducted business continuity plan practice drills on the continuation of critical business processes, such as coping with a critical situation at our exchange which caused an interruption of our network and services. The Company also reviewed and updated the plan to align it appropriately with the current situation and ensure that the Company is ready and able to respond to and manage a variety of situations in times of crisis.

Internal Control

AIS fully understands the importance of internal control system as a mechanism to reduce, manage risks, and prevent events which might negatively affect the Company and its stakeholders. The internal control system contributes to business success through ensuring that operation is effective, resources are being utilized efficiently, assets are properly safeguarded (Operations); internal and external report including financial reports are reliable (Reporting); business practices strictly comply with all relevant regulatory requirements (Compliance). The Board of Directors regularly oversees the internal control system of the Company to ensure that it is effective, efficient, and being conducted continuously.

The Board of Directors applies the "Internal Control - Integrated Framework" which comprises 5 components and 17 principles, developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), to the Company and its subsidiaries' internal control systems to promote standard business practices leading to objective achievement at every functional level.

In the Board of Directors meeting no. 2/2016 on 4 February 2016, the directors, which include 4 independent directors, have assessed the adequateness of the Company's internal control system using the assessment form provided by the Securities and Exchange Commission Thailand (SEC) and concluded that the overall internal control system is adequate and effective.

Additionally, the Company's external auditor, KPMG, evaluated the effectiveness of the Company's internal control system in 2015 and concluded that the Company has effective, sufficient, and appropriate internal control system.

AIS Internal Control System comprises 5 Components and 17 principles as follows.

Control Environment

The Board of Directors is aware that control environment is the foundation of the organization's effective internal control system. The Company's good control environment is achieved though vigorous promotion of integrity and ethical value, leaders being role model in both personal and business conduct, and establishment of clear reporting line and responsibility resulting in personnel understanding what are being expected from them.

The Board of Directors is independent from the Management and has sufficient skills and expertise to

oversee the Management. And with board oversight, the Management established organizational structure and reporting line separating them into main operating functions and quality assurance functions to create proper check and balance. Clear delegation and limitation of authorities in both executing and operating level are established. The Management sets targets and performance indicators annually in the business plan and communicated them to the executives and personnel. The targets are revised semiannually to align with the changing environment and competition, reducing excessive pressure to the personnel. The performance results and rewards relating to the business plan are communicated.

The Company's executives and personnel have sufficient knowledge and skills needed for their duties and responsibilities. The Board of Directors conducts succession plan for key executives and personnel to ensure uninterrupted business operation. Human resource development policy is established based on framework of career path, developing both business knowledge and soft skill. The Company also encourages and supports personnel to apply for professional certification such as information security certificates, technical certificates, and international standard certificates.

AIS emphasizes on executive and personnel's commitment to integrity and ethical value, establishing Code of Business Ethics as standard to guide conducts of every executive and personnel. Moreover, the Company has a Whistle Blower Policy, providing separate communication channel to receive complaints on possible fraud and misconducts from both internal and external parties. All complaints are investigated, concluded, used as basis to improve the internal control system, and reported to the Audit Committee and/or the Board of Directors to demonstrate the Company's commitment to integrity, transparency, and responsibilities to every group of stakeholders.

On each year, the Internal Audit office assesses personnel's understanding and adherence to Code of Business Ethics and reports it to the Business Ethics Committee, for re-evaluation the Company's activities to promote business ethics, and to the Audit Committee, for their acknowledgment. In 2015, questionnaires were sent to executives and personnel of the Company, its subsidiaries, outsource and vendor company to assess their understanding in the code of business ethic. The assessment result based on 11,000 employees, and replying outsources and vendors indicated good understanding in the Business Ethics.

Risk Assessment

Amidst the business environment where uncertainties arises both internally and externally resulting in opportunities or threats to the Company, the Company has Risk Management Policy to ensure that business objectives can always be achieved. The policy establishes risk management framework, define duties and responsibilities in managing risks. Risk management manual is prepared to provide guidance to every level of executives and personnel to manage risk to be within acceptable level. Additionally, the fraud risk management framework is also established to manage risk of fraud from internal and external parties.

AIS sets clear business objectives on the annual business plan with objective areas including service revenue, network quality, customer experience, collection and payment, human resource management, asset management, and regulatory compliance. The objectives are also specified at department and functional levels aligning with the Company's vision, mission, objectives, and strategic directions. The personnel are communicated of the clear objectives including their duties and responsibilities toward those objectives.

Every executive and personnel in the organization is responsible for risk identification and assessment based on methodology stated on the risk management manual; defining acceptable level of risk at corporate and department levels; monitoring the risks to be within the acceptable level. To enable entity-wide systematic risk management at every level, ERM Facilitator staffs are appointed and trained to coordinate and support systematic risk management in each department, prepare risk management plan for their executive to monitor its risk management effectiveness, and promote Control Self-Assessment in their department.

The Company establishes Fraud Risk Management Framework which determines procedures, duties and responsibilities, fraud risk assessment methodology, various fraud risk scheme and scenario - internal & external frauds according to ACFE framework's risk categories to guide departments, such as Security Team, Fraud Management, Procurement, Accounting Department, in identifying and assessing every possible fraud risks.

Risk from significant changes in the telecommunication industry are carefully assessed in order to manage them properly in a timely manner. For example, 4G service was considered to be technology significantly impacting the operation and thus have been classified as a corporate risk to be managed thoroughly.

Control Activities

The Company selects and develops control activities to be appropriate with the specific risk and characteristic of the Company in terms of the business environment, complexity, type and scope of operation, or other specifications. Different approaches of control activities such as manual or automated controls, preventive or detective controls are considered and mixed to manage risks. Responsibility for approving, recording, and asset handling have been considered and segregated to properly create check and balance.

For business process on technology system, the Company selects and develops various general controls over technology to ensure that the technology and IT systems of the Company can always operate without interruption and safe from unauthorized access. The general controls include technology infrastructure controls, security management controls, and technology development and maintenance controls.

AIS deploys its control activities through written policies and procedures which clearly specifies responsible personnel, control timing, error correction protocols to ensure that the control activities are practical and can be carried out accurately. The policies and procedures are periodically revised for appropriateness.

The Company has established policies to ensure that all business decisions are approved based on the Company's interest, and on an equitable agreement with independent parties (arm's length transaction). The associated companies and subsidiaries are subjected to the equivalent policies and are monitored by their directors or management appointed by the Company.

Information and Communication

AIS uses relevant and quality information to support internal control. Data is gathered from internal and external considering costs and benefits. The data are gathered and processed by information systems into information supporting the functioning of internal control.

The Company has an internal communication system to relay internal control's objectives, policies, procedures, and accountabilities to every level of personnel. Various communication channels are appropriately selected for the communication efficiency and effectiveness. For examples, there are internal communications via the intranet, newsletters, 'CEO Talk Weekly', and confidential Whistle Blower Hotline.

The Company reports material information to the Board of Directors. The board members have access to and can request reviews of any information needed to exercise their oversight responsibilities. They can freely communicate with the external auditors, internal auditors, and other established contact persons other than the senior management. Extraordinary formal or informal meetings with the management can also be arranged.

The Company has an efficient communication system for external stakeholders using proper channels to support internal control. For examples, there are communications via the internet, social media, investor relations, service quality complaint centers, and Whistle Blower Hotline to the Audit Committee via AuditCommittee@ais.co.th.

Monitoring Activities

To monitor effectiveness of internal control system, the Company instructs managers and supervisors in each department to continuously assess effectiveness of their internal control system on all 5 components and 17 principles by considering whether important controls are in place (Present), operating continuously and effectively (Functioning) to identify any internal control system deficiencies investigating their causes and remediate them. There are also separate evaluations from independent parties such as internal auditors or external quality assessors. The frequency of the evaluations varies on rate of changes occurring.

When significant internal control deficiencies are identified, the executive has to analyze root cause of the deficiencies to communicate with responsible parties for timely corrective actions. Material deficiencies and their correction progress are reported to the Board of Directors and the senior management as appropriate. Fraud incidents or clues, violation of law, or any other irregularities which may materially affect the Company's reputation or financial position has to be immediately informed to the Board of Directors.

Internal Audit

The Internal Audit Office reported directly to the Audit Committee who oversees the internal audit's independence, objectivity, integrity, and professional adherence to the internal audit standard. The office reports administratively to the Chief Executive Officer.

The Internal Audit's duties include provision of assurance and consulting service through effectiveness and efficiency assessment of internal control system, risk management system, and governance supporting the Company's achievement of business objectives and targets. The internal audit operates under internal audit charter which specifies internal audit mission, scope, authority, duties and responsibilities, and procedure. The charter has been revised for its appropriateness periodically.

The Chief Audit Executive (CAE) acts as the secretary to the Audit Committee supporting their oversight responsibilities which is assigned from the Board of Directors. Additionally, the CAE gives advices relating to the internal control, risk management, business ethics, information security etc. (Further information about the CAE is shown on page 53).

The Internal Audit prepares its annual audit plan aligning with the Company and its subsidiaries' strategic directions and based on risk-based approach focusing on high risks to the Company's operations, objectives, and strategy. Assurance services relating to fraud prevention measures are also included. The Audit Committee approves the annual audit plan, acknowledges audit results, and monitors follow - up of the Management's action plan as recommended by the internal audit.

The Office is another secured channel to report any complaints on possible misconduct and fraud. All case tipped by internal staffs or external parties will be act on in accordance with the Whistle Blower Policy. The case results are reported to the Audit Committee quarterly.

The Office promotes and trains the Company and its subsidiaries to understand and effectively implement internal control system; gives consults relating to the SEC questionnaire on internal control; and evaluates internal control system in every audited process based on internal control framework - COSO 2013.

In its role relating to CSA, the Office facilitates CSA implementation by offering counseling and group-training workshops (CSA Facilitator) and evaluates the effectiveness of CSA implementation by the supervisors (CSA Validation).

Pursuant to the Company's vision to offer various digital products and services. Information technology systems are crucial and are consistently developed and updated to support changing product and services. The Internal Audit provides recommendations during the development of business systems to ensure that sufficient and effective internal controls are in place before the launch; and provide

IT assurance service after the system has been launched. The Office also audits information security management system in the Company per compliance with ISO 27001:2013 standard.

The Internal Audit adheres to the International Professional Practices Framework and the internal audit charter. The Office revises the internal audit manual and conducts the internal audit's quality self-assessment on an annual basis. It also receives the external assessment every five years. And in the last external assessment in 2011, the office 'generally conforms with the international standards' and 'performed remarkably well in relation to the qualitative benchmarking against high performing internal audit functions internationally'. This enhances the Company's reputation and supports sustainable development of internal control, risk management, and governance system, adding value to the stakeholders.

To keep the internal audit operation of the Company up-to-dated with the international practice, the Office follow update on standards and practices relating to internal control system, risk management, good governance, and other field relating to the Company's business presented by leading domestic and international profession institutes to consider applying them to the Office's operation.

The Internal Audit Office encourages all internal audit staffs to be integrated auditors who can perform various aspects of audits which include business, information technology and engineering systems audits; and be innovative in developing more effective audit techniques. There is also a strong focus on staffs' professional development. At present, staffs in the Internal Audit Office have total of 32 professional certificates which are seven Certified Internal Auditors (CIA), five Certified Information System Auditors (CISA), one Certified Information Systems Security Professional (CISSP), ten Certification in Risk Management Assurance (CRMA), three Certified Public Accountants (CPA), one Tax Auditor (TA), four Information Security Management System Auditor/Lead Auditor certificates (ISO/IEC 27001:2013), and one Business Continuity Management System Auditor/Lead Auditor (ISO 22301). The remaining staffs are studying to acquire CIA, CISA, CRMA, CCSA (Certification in Control Self-Assessment), and CFE (Certified Fraud Examiners).

Related Transactions

The Company and its subsidiaries have entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

To be aligned with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1), the Company's Board of Directors has approved in principle, on 13 August 2008, that the management shall have the authority to undertake the related transactions, whereas those transactions are transactions with general trading conditions. The approval of the above transactions shall not constitute such authority to allow the director, an executive, or a related person to approve with a conflict of interest.

For approval process, the related transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit Committee of the Company and its subsidiaries is responsible for reviewing the related transactions every quarter to ensure that no conflict of interest will be occurred in order to maximize the overall company's benefits.

For the fiscal year ended 31 December 2015 and 2014, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit Committee. The Audit Committee had an opinion that all related transactions are reasonable and based on the normal course of business. The Company charges / purchases products and services with related parties at reasonable prices and those prices are comparable to the market rate with general trading conditions. Details of related transactions are as follows;

Related parties/Relation	Detail of transactions		mber 2015 on Baht)		mber 2014 n Baht)	Rational and necessity
to the Company		Company	Consolidated	Company	Consolidated	
1. Intouch Holding Company Limited (INTOUCH)/ INTOUCH is a major shareholder, holds 40.45%, and has joint directors 1. Mr. Somprasong Boonyachai 2. Mr. Vithit Leenutaphong	The Company and its subsidiaries provide mobile services and handset sales to INTOUCH. While a subsidiary has interest expense from long-term debentures. Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable Purchase of goods and services 1. Other service expenses 2. Interest expenses 3. Long-term Debentures 4. Trade and other accounts payable	0.02 0.56 - 0.22 - -	0.93 1.23 0.13 0.24 1.34 37.00	0.02 - 0.01 3.62 - - 0.78	0.67 0.45 0.24 3.57 0.42 17.00 0.78	The Company and its subsidiary charge mobile services and handset sale at the same rate as external customers. The Company and its subsidiary pay service fee and interest expense to INTOUCH at the same rate as others parties.

Related parties/Relation	Detail of transactions	31 Decem	nber 2015 n Baht)		n ber 2014 n Baht)	Rational and necessity
to the Company	Detail Of transactions		Consolidated		, Consolidated	national and necessity
2. Thaicom Public Company Limited (THAICOM)/ INTOUCH is a major shareholder, holds 41.14%, and Mr. Somprasong Boonyachai is a joint director.	The Company and subsidiary leases satellite transponder (Thai Com 7) from THAICOM. The contract will effective until 19 November 2017. The Company and subsidiary pays US\$ 1,700,000 per year, moreover it has provides satellite downlink equipment and space for transponder equipment installation. While the Company and its subsidiaries provide domestic and international phone services, and handset sales to THAICOM.					THAICOM is the only satellite operator in Thailand.
	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	1.53 - -	3.54 0.38 0.15	0.73	2.73 0.46 0.04	The Company and its subsidiary charge mobile services and handset sales at the same rate as external customers.
	Purchase of goods and services 1. Rental and service expenses 2. Purchases of property and other assets 3. Trade and other accounts payable	6.87	67.19 59.19 69.11	58.26 - 9.03	66.37 - 9.03	The Company and its subsidiaries pay service fee to THAICOM at the same rate as external customer and purchase of assets with the bidding price.
3. Matchbox Company Limited (MB)/ INTOUCH is a major shareholder, holds 99.96%, and Mr. Somprasong Boonyachai is a joint director.	The Company and its subsidiaries hire MB as an agency to provide publicity for the Group products/services to customers through various media on a job-by-job basis.					MB is a creative advertising agency with good understanding of the Group's products & services. Furthermore, as a subsidiary of Intouch, we can ensure the confidential of information.
* Currently, MB is ceased operations, so these related transactions are occurred in the first half of the year 2015 before ceased operation.	Purchase of goods and services 1. Advertising and other service expenses 2. Trade and other accounts payable	10.95	26.08	25.05 10.28	283.72 95.26	The Company and its subsidiaries pay advertising and other service fees to MB at the same rate as other agencies.

Related parties/Relation to the Company	Detail of transactions	(Million	nber 2015 n Baht)		n Baht)	Rational and necessity
		Company	Consolidated	Company	Consolidated	
4. Teleinfo Media Company Limited (TMC)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire TMC to provide information or content on mobile phone such as astrology, lotto and more entertainment through SMS, call center service and pay service fee on monthly basis. While the Company and its subsidiaries provide mobile services and handset sales to					TMC has a specialization in providing information for content on mobile and call center service.
	TMC.					
	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	0.42 - -	0.42 0.04 0.76	1.18 - 0.47	1.81 - 0.47	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	Purchase of goods and services 1. Service expenses 2. Trade and other accounts payable	0.99 0.04	65.31 7.35	3.13 0.12	39.12 7.08	The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue and outsource call center fee to TMC at the same rate as other parties.
5. I.T. Applications and Services Company Limited (ITAS)/ INTOUCH is a major shareholders, holds 100% and Mr. Somprasong Boonyachai is a joint	The Company and its subsidiaries hire ITAS to provide SAP solution and application development. While a subsidiary provides mobile services to ITAS.					ITAS provides SAP application development and improvement, including maintenance services. The services are timely and rapidly while the service fee is reasonable.
director.	Sales and services 1. Service income	-	0.01	-	0.01	The Company and its subsidiaries charge mobile services at the same rate as external customers.
	Purchase of goods and services 1. Service expenses 2. Trade and other accounts payable	0.08 0.33	99.60 60.73	0.30	88.13 18.39	The Company and its subsidiaries pay consultant fee to ITAS depend on the type of work and the level of consultant with the same rate as other SAP consultant.

Related parties/Relation	Detail of transactions	31 Decen (Million	nber 2015 n Baht)	31 Decem	nber 2014 n Baht)	Rational and necessity
to the Company		Company	Consolidated	Company	Consolidated	
6. Group of SingTel Strategic Investments Private Limited (SingTel)/ SingTel is a major shareholder of the Company, holds 23.32%.	The Company and its subsidiaries enter into an agreement with companies of SingTel group for the joint International Roaming operation and Network telecom service operator i.e. International Private Leased Circuit (IPLC). While the Company pays the salary and remuneration to Singapore Telecom International Pte Ltd. (STI) for its operational staffs. The expense is charged on an actual basis.					The agreement of International Roaming (IR) with SingTel is under the ordinary course of business and both parties charge each other at the accepted price by deduct profit margin from their customers at the same rate as other operators.
	Sales and services 1. Service income 2. Trade and other accounts receivable	150.37	648.84 5.43	77.67 2.52	434.59 19.14	The Company and its subsidiaries charge IR services at the same rate as other operators.
	Purchase of goods and services 1. Service expenses 2. Salary and other remuneration 3. Trade and other accounts payable	1.27 72.93 83.35	463.64 72.93 259.59	32.72 84.41 30.41	470.84 84.41 33.17	The Company and its subsidiaries pay IPLC fee at the same rate with other operators and pay salary and other remuneration to STI with the actual basis according to the agreement.
7. CS Loxinfo Public Company Limited (CSL)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire CSL for providing the internet service by connecting the network within and outside the country. While the Company and its subsidiaries provide mobile services, handset sales and datanet equipment's rental to CSL.					CSL provides expertise on internet service by connecting internet data from local to worldwide through network.
	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	0.36 - -	12.62 6.63 3.08	0.65 - 0.05	12.55 5.81 3.41	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	Purchase of goods and services 1. Rental and service expenses 2. Trade and other accounts payable	2.97 0.29	5.22 0.38	3.75 0.34	8.25 0.77	The Company and its subsidiaries pays service fee to CSL at the same rate as other parties.

Related parties/Relation to the Company	Detail of transactions	(Million	nber 2015 n Baht)		n Baht)	Rational and necessity
8. AD Venture Public Company Limited (ADV)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire ADV to provide content and value added service for mobile phone to customers such as game, ringtone, wallpaper and etc. by charging per month. While the Company and its subsidiaries provide mobile services, software mall and handset sales to ADV.	Company	Consolidated	Company	Consolidated	ADV has a specialization in designing and creating website with variety contents which suit to the Company and its subsidiaries' need.
	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	6.02	9.40 0.04 0.02	18.89 - 1.19	19.48 0.72 1.19	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	Purchase of goods and services 1. Service expenses 2. Trade and other accounts payable	-	240.14 40.54	-	332.23 44.83	The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue to ADV at the same rate as other content providers.
9. DTV Service Company Limited (DTV)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire DTV to advertising on satellite television, while the Company and its subsidiaries provide mobile services and handset sales to DTV.					DTV has a specialization in media service, content services on satellite television and satellite dish distributor.
	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	0.03	0.07 0.03 0.01	0.06	0.06 - 0.01	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	Purchase of goods and services 1. Service expenses 2. Trade and other accounts payable	0.10	1.31 0.17	0.90	0.90	The Company and its subsidiaries pay advertising fee to DTV at the same rate as other parties.

Related parties/Relation to the Company	Detail of transactions	(Million	nber 2015 n Baht) Consolidated	(Millior	nber 2014 n Baht) Consolidated	Rational and necessity
10. Lao Telecommunications Company Limited (LTC)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries have cooperated with LTC to provide International Roaming (IR).					LTC, the telecommunications service provider in Laos, provides fixed line, mobile phone, internet, and international roaming services. Roaming price is based on market rate.
	Sales and services 1. Service income 2. Trade and other accounts receivable	0.25	6.62 1.26	0.33 0.07	5.27 5.32	The Company and its subsidiaries charge IR services at the same rate as external customers.
	Purchase of goods and services 1. Service expense 2. Trade and other accounts payable	0.95 0.13	5.68 1.09	2.07	12.96 0.56	The Company and its subsidiaries pay roaming fee to LTC at the same rate as other parties.
11. Thai Yarnyon Company Limited Group (TYY)/ Mr. Vithit Leenutaphong is a joint director.	The Company and its subsidiaries hire TYY to provide car maintenance services and space rental for base station. While the Company and its subsidiaries provide mobile services to TYY.					TYY is a car dealer with specialist in car maintenance services.
	Sales and services 1. Service income 2. Trade and other accounts receivable	0.16 0.05	2.11 0.31	0.05 0.05	2.48 0.27	The Company and its subsidiaries charge mobile services at the same rate as external customers.
	Purchase of goods and services 1. Service expense	-	0.35	0.08	0.41	The Company and its subsidiaries pay base station rental fee to TYY at the same rate as another lessor in the nearly area.

Related parties/Relation to the Company	Detail of transactions	(Million	nber 2015 n Baht) Consolidated		nber 2014 n Baht) Consolidated	Rational and necessity
12. Ookbee Company Limited (OOKB)/ INTOUCH is a direct shareholder, holds 22.26%.	The subsidiary hires Ookbee to provide E-booking application on smartphones and tablets by charging per monthly. While a subsidiary provides mobile services to Ookbee. Sales and services	Сотрану	Sonsolidated	Сотрану	Oorisolioate u	Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers.
	Sales and services Service income Trade and other accounts receivable	-	0.12 0.01	-	0.05	The subsidiary charges mobile services at the same rate as external customers.
	Purchase of goods and services 1. Service expenses 2. Trade and other accounts payable	-	8.24 1.32	-	11.77 1.46	The subsidiary pays service fee (Content on mobile) by the percentage of revenue at the same rate as other content providers.
13. Information Highway Company Limited (IH)/ AIS is an indirect major shareholder.	IH provides transmission network and facilities services for installation fibre optic transmission to the subsidiary. While a subsidiary provides mobile services to IH.					IH provides transmission network and facilities services for installation fibre optic transmission.
	Sales and services 1. Service income 2. Interest income 3. Short term loan to related party 4. Trade and other accounts receivable	- - -	0.03 2.31 - 0.01	-	1.82 95.00	The subsidiary charges mobile services at the same rate as external customers and interest income from loan to IH the same rate as other commercial bank.
	Purchase of goods and services 1. Service expenses 2. Interest expense 3.Trade and other accounts payable 4. Financial lease liabilities	- - -	42.61 2.79 15.14 72.00	- - -	- - -	The subsidiary pays transmission network fee to IH at the same rate as other operators.

Related parties/Relation to the Company	Detail of transactions	(Millior	nber 2015 n Baht) Consolidated	(Millio	nber 2014 n Baht) Consolidated	Rational and necessity
14. Computerlogy Company Limited (COML)/	The subsidiary provides mobile services to COML.					COML is a provider of software and application development services on online media.
INTOUCH is a direct shareholder, holds 25.01%.	Sales and services 1. Service income	-	0.09	-	-	The subsidiary charges mobile services at the same rate as external
*Currently, intouch disposed all of its investment in COML, therefore such transaction is occurred before the disposal date.						customers.
15. High Shopping Company Limited (High Shopping)/ INTOUCH is an indirect major shareholder.	The subsidiary provides mobile services to High Shopping.					High Shopping is a provider of digital content services to customer through TV, mobile devices, the internet, and other
	Sales and services 1. Service income 2. Trade and other accounts receivable	- -	0.03	- -	- -	advertising channels. The subsidiary charges mobile services at the same rate as external customers.
16. Krung Thai Bank Public Company Limited (KTB)/ Mr. Krairit	KTB provides financial services to the subsidiaries, while a subsidiary provides mobile services to KTB.					KTB is a provider of full financial services such as bank deposit, arranging loan, merchant services and other services.
Euchukanonchai, an independent Director and Chairman of Audit Committee of the Company, was appointed as Chairman	Sales and services 1. Service income 2. Trade and other accounts receivable	- -	25.54 9.73	-	-	The subsidiary charges mobile services at the same rate as external customers.
of the Executive Committee of KTB on 12 October 2015.	Purchase of goods and services 1. Interest income from bank deposit 2. Bank deposits	-	0.08	-	-	The subsidiaries receive interest income from bank deposit from KTB at the same rate as
	2. Bank deposits	-	190.91	-		other commercial bank.

Related parties/Relation	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
to the Company		Company	Consolidated	Company	Consolidated	
17. The Siam Cement Public Company Limited (SCG)/	The subsidiary provides mobile services and handset sales to SCG.					
Mr. Kan Trakulhoon, President and Chief Executive Officer of SCG, was appointed as an independent Director of the Company, effective from 3 August 2015.	Sales and services 1. Service income 2. Other income 3. Trade and other accounts receivable	0.03	1.89 0.16 0.40	-		The subsidiary charges mobile services and handset sales at the same rate as external customers.



Audit Committee Report 2015

To the Shareholders of Advanced Info Service Public Company Limited

The Audit Committee of Advanced Info Service Public Company Limited is composed of three independent directors with combined skills and expertise in finance, accounting, laws, and business administration. All members possess adequate qualifications as required by the Audit Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). Its members include:

Mr. Krairit Euchukanonchai
 Mrs. Tasanee Manorot
 Member of the Audit Committee
 Mr. Surasak Vajasit
 Member of the Audit Committee

And Mrs. Suvimon Kulalert, the Company's Chief Audit Executive, acts as secretary of the Audit Committee. The summary of meeting attendance of the members in 2015 is shown in "Management Structure".

The Audit Committee operates independently and performs its duties and responsibilities as assigned by the Board of Directors in overseeing the corporate governance and the internal control systems to ensure that the Company's business operations were carried out for the interests of its shareholders and other stakeholders and that the Management executed their duties with integrity, accountability, and in accordance with the Company's policies. The Audit Committee's operations in the year 2015 are summarized below:

1. The Audit Committee reviewed the quarterly and annual separate and consolidated financial statements of the Company and its subsidiaries for 2015 after they had been reviewed and audited by the external auditor. The Audit Committee also discussed the significant accounting policies, estimates, and judgments applied in the preparation of these reports with the Management and the external auditor prior to the reports being concurred and submitted to the Board of Directors for approval.

Moreover, the Audit Committee acknowledged the external audit plan and reviewed the external auditor's management letter recommending improvements to the internal control system. The Audit Committee also held a meeting with the external auditor without the Management's participation for the independent discussion on important issues concerning significant information in the financial statements and any points of concern arising from their reviews and audits, including independence of the external auditor.

The Audit Committee concluded that the internal control systems for financial reporting process were appropriate and the external auditor performed their duties without any audit scope limitation to ensure that the financial statements fairly present the Company's financial position and performance in all material respects and disclose adequate information, in accordance with the applicable Thai Financial Reporting Standards and Thai Accounting Standards.

- 2. The Audit Committee reviewed related party transactions or any transactions that potentially conflicts the Company's interests and concluded that the Management conducted these transactions in the interest of the Company and at an arm's length basis, with general business trading condition and reasonable price which had been compared with the general market price in such industry.
- 3. The Audit Committee reviewed the Company's compliance with the Securities and Exchange Act, the regulations of the SEC and SET, and other relevant laws, as well as business commitments with third party agreements. The Audit Committee concluded that the Company fully complied with the aforementioned regulatory requirements in all material respects. The Audit Committee and external auditor assures that all material relevant issues under dispute, which the Management believes that such issues shall turn out to be in the Company's favour, were disclosed in the notes to the financial statements adequately.

- 4. The Audit Committee reviewed the effectiveness and adequacy of the internal control systems. The internal audit reports during 2015 were reviewed. The internal control system was assessed according to the Internal Control Integrated Framework 2013 of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as well as the SEC guideline. The Management actions, pertaining to the recommendations in the internal audit and external audit reports, were regularly communicated to and monitored by the Audit Committee whereby root causes of the issues would be further evaluated in order to provide guidelines for the management to prevent future potential loss. Additionally, the Audit Committee had acknowledged the technology advancement for more understanding and given recommendations to further enhance the effectiveness of the internal control systems. No major internal control deficiencies were identified and the Audit Committee concluded that the internal control systems were appropriate.
- 5. The Audit Committee reviewed the risk management system in four meetings with participation of representatives from the Risk Management Committee during 2015. Recommendations to improve efficiency of risk management system were made. The Audit Committee concluded that the risk management system was properly designed, implemented, and functioning.
- 6. The Audit Committee reviewed the Company's adherence with Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy. All complaints and investigation results by the Investigation Committee were quarterly communicated to the Audit Committee whereby appropriate actions and fair treatments could be recommended additionally to be in compliance with the Corporate Governance Policy. Moreover, the follow-up on the penalties of the wrongdoers has been monitored continuously. Fifteen cases were reported in 2015, four of which was identified as fraud after the investigation. Additionally, the Audit Committee is one of the channels for both internal and external parties to securely report complaints.
- 7. The Audit Committee was responsible for overseeing the Internal Audit Department and held a formal exclusive meeting with the Chief Audit Executive to ensure that all assurance and advisory activities concerning the internal control systems, risk management systems, and corporate governance systems were performed effectively and efficiently. In doing so, the Audit Committee approved the Internal Audit Charter revision and reviewed its independence, internal audit reports during 2015, and its performance according to key performance indicators. The Audit Committee also evaluated the performance of the Chief Audit Executive and considered internal audit quality improvement plans based on the evaluations and suggestions received from the audited departments.

The Audit Committee approved the internal audit plan for 2016 which was based on the Company's strategies and risk based approach. The internal audit activities emphasized on the evaluation of the effectiveness of key preventive control, fraud prevention, and control self-assessment in each process. Moreover, the internal auditors should perform advisory role to share knowledge and provide tools for the second line of defense to realize the oversight roles and responsibilities in mitigating risks to an acceptable level. The Audit Committee also reviewed the internal audit's scope of work, responsibilities, annual budget, sufficiency of manpower, competency, and audit tools; for the internal audit quality conforming to international standards.

The Audit Committee concluded that the internal audit processes had been operating appropriately, effectively, and independently, in conformity with the International Standards for the Professional Practice of Internal Auditing. Its annual audit plan aligned with the Company's goals and key risk areas. The Internal Audit Department had achieved its performance targets and demonstrated continuous improvement in respect of its personnel development and tools advancement.

8. The Audit Committee quarterly reported its operation to the Board of Directors and provided to the management useful recommendations, which were subsequently adopted.

- 9. The Audit Committee reviewed and evaluated the adequacy of the Audit Committee Charter which the Board of Directors approved its amendments in the areas of the Audit Committee's scopes and duties and the Audit Committee Meeting to be aligned with the Good Corporate Governance.
- 10. The Audit Committee took into consideration the nomination and appointment of the external auditor and the annual audit fee for 2016 basing on the auditor rotation required by the notification of the Capital Market Supervisory Board, and the assessment of independence, competency of the team support, experience in auditing, value added service, and the competitiveness of the audit fee of the proposed auditors. After careful consideration, the Audit Committee therefore proposed to the Board of Directors to seek approval of appointing the external auditor from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. as the external auditor for 2016 at the Shareholder's Meeting.
- 11. The Audit Committee's self-performance assessment was conducted annually, both individual and group assessment according to the SET guideline which cover the structure and qualifications of the Audit Committee, the Audit Committee Meeting, and the roles and responsibilities of the Audit Committee aligning with the best practice guidelines from the SEC and the Audit Committee Charter. The result showed that the Audit Committee had performed its duties and responsibilities with sufficient skills, expertise, diligence, and independence. The Audit Committee had full access to all pertinent information from management, employees and associated parties. The Audit Committee had been given creative and useful comments and recommendations benefiting all stakeholders.

In summary, the Audit Committee determined that the Board of Directors, Management, and Executive Directors had performed their duties with integrity and diligence in pursuit of the Company's goals. And the Company demonstrated commitment to effective and transparent Corporate Governance which included appropriate risk management and internal control system.

Mr. Krairit Euchukanonchai Chairman of the Audit Committee

Mrs. Tasanee Manorot
Audit Committee Member

Toron. Mont, Salajant

Mr. Surasak VajasitAudit Committee Member





Board of Directors' Responsibility for Financial Reporting

The Board of Directors is responsible for Advanced Info Service Public Company Limited's financial statements and Advanced Info Service 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 estimation. Important information is adequately and transparency disclosed in the notes to financial statements for the Company shareholders and investors.

The Board of Directors provides and maintains risk management system and appropriate and efficient internal controls to ensure that accounting records are accurate, reliable and adequate to retain its assets as well as to prevent fraud or materially irregular operations.

In this regard, the Board of Directors has appointed an Audit Committee comprising independent directors to be responsible for reviewing quality of the financial reports, internal controls, internal audit and risk management system. The Audit Committee also reviews a disclosure of related party transactions. All their comments on these issues are presented in the Audit Committee Report included in this annual report.

The separate financial statements and the consolidated financial statements of the Company have been examined by an external auditor, KPMG Phoomchai Audit Limited. To conduct the audits and express an opinion in accordance with generally accepted auditing standards, all records and related data, as requested, are provided to the auditor. The auditor's opinion is presented in the auditor's report as a part of this annual report.

The Board of Directors considers the Company's overall internal control system satisfactory and provides credibility and reliability to Advanced Info Service Public Company Limited's financial statements and Advanced Info Service Public Company Limited and its subsidiaries' consolidated financial statements for the year ended 31 December 2015. 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. Vithit Leenutaphong
Chairman of the Board of Directors

Mr. Allen Lew Yoong Keong
Chairman of the Executive Committee

Independent Auditor's Report

To the Shareholders of Advanced Info Service Public Company Limited

I have audited the accompanying consolidated and separate financial statements of Advanced Info Service Public Company Limited and its subsidiaries (the "Group"), and of Advanced Info Service Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Separate Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(Charoen Phosamritlert)
Certified Public Accountant
Registration No. 4068

KPMG Phoomchai Audit Ltd. Bangkok 4 February 2016



		Consolidated financial statements			
	Note	31 December 2015	31 December 2014	1 January 2014	
Assets			(in Baht)		
Current assets					
Cash and cash equivalents	5	9,864,912,703	14,258,066,402	11,473,120,876	
Specifically-designated bank deposits	6	4,447,280,062	3,709,327,905	3,781,141,127	
Current investments	7	304,674,040	1,542,448,983	1,576,941,592	
Trade and other accounts receivable	4, 8	16,388,529,471	14,545,608,814	13,947,990,197	
Short-term loans to related parties	4	-	95,000,000	-	
Inventories	9	5,059,252,355	2,519,497,229	2,864,932,209	
Other current assets		1,942,220,774	1,288,942,559	660,084,923	
Total current assets	_	38,006,869,405	37,958,891,892	34,304,210,924	
Non-current assets					
Investments in associate	10	_	_	-	
Other long-term investments	7	58,399,310	58,399,310	104,360,750	
Property, plant and equipment	12	84,291,102,602	60,702,586,423	35,922,236,163	
Intangible assets under					
the Agreements for operations	13	-	8,738,038,803	20,499,802,732	
Goodwill	14	34,930,692	34,930,692	34,930,692	
Spectrum licenses	15	51,790,573,854	12,624,410,361	13,600,648,306	
Other intangible assets	16	3,192,332,249	2,504,683,294	2,178,034,730	
Swap and forward contracts receivable	34	795,449,411	568,880,941	653,397,782	
Deferred tax assets	17	1,251,587,959	1,441,855,941	3,557,332,641	
Other non-current assets	4	2,340,027,690	1,717,885,360	1,170,755,599	
Total non-current assets		143,754,403,767	88,391,671,125	77,721,499,395	
Total assets		181,761,273,172	126,350,563,017	112,025,710,319	

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

			Consolidated financial statements	
	Note	31 December 2015	31 December 2014	1 January 2014
Liabilities and equity			(in Baht)	2011
Current liabilities				
Short-term loans from financial institutions	18	8,500,000,000	-	4,000,000,000
Trade and other accounts payable	4, 19	27,750,537,994	23,092,055,329	21,254,377,894
Current portion of long-term borrowings	18	4,355,626,863	2,571,630,615	5,303,408,757
Current portion of spectrum licenses payable	15	-	3,656,250,000	3,656,250,000
Accrued revenue sharing expenses	1	5,364,084,953	5,130,156,868	3,534,750,009
Unearned income - mobile phone service		2,331,763,136	2,183,175,400	1,599,664,604
Advanced receipts from customers		4,447,280,062	3,709,327,905	2,985,927,727
Income tax payable		4,761,207,636	2,195,545,817	2,816,611,446
Other current liabilities		22,791,839	367,976,407	340,245,305
Total current liabilities	- -	57,533,292,483	42,906,118,341	45,491,235,742
N				
Non-current liabilities	1.0	52 534 443 230	24 470 201 266	15 254 770 702
Long-term borrowings	18	52,576,667,378	34,478,291,366	15,354,770,702
Employee benefit obligations	20	2,293,784,247	1,499,743,034	1,361,376,034
Spectrum licenses payable	15	19,902,471,117	-	3,656,250,000
Other non-current liabilities	-	962,076,164	601,655,751	269,491,753
Total non-current liabilities	-	75,734,998,906	36,579,690,151	20,641,888,489
Total liabilities	-	133,268,291,389	79,485,808,492	66,133,124,231
Equity				
Share capital	21			
Authorised share capital		4,997,459,800	4,997,459,800	4,997,459,800
Issued and paid-up share capital	=	2,973,095,330	2,973,095,330	2,973,095,330
Additional paid-in capital				
Premium on ordinary shares	21	22,372,276,085	22,372,276,085	22,372,276,085
Retained earnings		, , ,	, , ,	, , ,
Appropriated				
Legal reserve	22	500,000,000	500,000,000	500,000,000
Unappropriated		22,313,204,401	20,710,294,423	19,729,332,548
Other components of equity	23	217,756,435	194,732,371	173,403,605
Equity attributable to owners		217,730,133	171,132,311	175,105,005
of the Company		48,376,332,251	46,750,398,209	45,748,107,568
Non-controlling interests		116,649,532	114,356,316	144,478,520
Total equity	-	48,492,981,783	46,864,754,525	45,892,586,088
	-			,
Total liabilities and equity	=	181,761,273,172	126,350,563,017	112,025,710,319

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



		Separate financial statements			
	Note	31 December 2015	31 December 2014	1 January 2014	
Assets			(in Baht)		
Current assets					
Cash and cash equivalents	5	1,153,323,176	1,679,292,348	3,964,630,780	
Trade and other accounts receivable	4, 8	5,482,137,002	11,931,245,265	12,734,842,066	
Dividend receivables	4	19,944,391,312	-	-	
Short-term loans to related parties	4	44,243,900,000	35,589,760,000	35,386,900,000	
Inventories	9	38,632,788	52,163,408	80,021,810	
Other current assets		1,329,506,403	140,976,544	-	
Total current assets		72,191,890,681	49,393,437,565	52,166,394,656	
Non-current assets					
Investments in subsidiaries	11	7,660,665,448	7,912,145,488	7,912,143,008	
Other long-term investments	7	46,999,310	46,999,310	93,160,750	
Property, plant and equipment	12	499,589,004	1,103,188,064	1,580,204,790	
Intangible assets under					
the Agreements for operations	13	-	8,738,038,803	20,491,416,123	
Other intangible assets	16	72,491,069	112,532,688	159,337,759	
Swap and forward contracts receivable	34	795,449,411	568,880,941	653,397,782	
Deferred tax assets	17	64,889,855	667,900,342	3,216,666,321	
Other non-current assets	4	1,001,345,194	999,138,724	671,294,457	
Total non-current assets		10,141,429,291	20,148,824,360	34,777,620,990	
Total assets		82,333,319,972	69,542,261,925	86,944,015,646	

		Separate financial statements			
	Note	31 December 2015	31 December 2014	1 January 2014	
Liabilities and equity			(in Baht)		
Current liabilities					
Short-term loans from financial institutions	18	7,700,000,000	-	4,000,000,000	
Trade and other accounts payable	4, 19	3,475,832,250	4,109,956,530	6,546,796,165	
Short-term loans from related parties	4	6,490,000,000	-	4,400,000,000	
Current portion of long-term borrowings	18	4,327,462,057	2,560,792,322	5,297,776,745	
Accrued revenue sharing expenses	1	5,223,510,781	4,989,582,697	3,394,175,838	
Unearned income - mobile phone service		44,592,133	628,770,725	1,134,085,114	
Income tax payable		-	-	1,923,263,743	
Other current liabilities		1,816,750	330,908,064	304,012,947	
Total current liabilities		27,263,213,971	12,620,010,338	27,000,110,552	
Non-current liabilities					
Long-term borrowings	18	9,412,406,257	12,869,374,320	15,339,346,797	
Employee benefit obligations	20	431,365,867	406,012,895	767,853,695	
Other non-current liabilities	20	16,036,200	33,268,900	55,861,060	
Total non-current liabilities		9,859,808,324	13,308,656,115	16,163,061,552	
Total liabilities		37,123,022,295	25,928,666,453	43,163,172,104	
Equity					
Share capital	21				
Authorised share capital		4,997,459,800	4,997,459,800	4,997,459,800	
Issued and paid-up share capital		2,973,095,330	2,973,095,330	2,973,095,330	
Additional paid-in capital					
Premium on ordinary shares	21	22,372,276,085	22,372,276,085	22,372,276,085	
Retained earnings					
Appropriated					
Legal reserve	22	500,000,000	500,000,000	500,000,000	
Unappropriated		19,308,356,485	17,742,315,443	17,928,485,775	
Other components of equity	23	56,569,777	25,908,614	6,986,352	
Total equity		45,210,297,677	43,613,595,472	43,780,843,542	
Total liabilities and equity		82,333,319,972	69,542,261,925	86,944,015,646	

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



Statement of income Advanced Info Service Public Company Limited and its Subsidiaries

		Consolida financial stat		Separa financial sta	
	Note	For the year ended		For the year ended	
		2015	2014 (in Bah	2015	2014
			(III Bail	9	
Revenues					
Revenues from rendering of services and					
equipment rentals	4, 25	127,414,763,117	125,396,923,290	31,530,538,627	62,030,056,662
Revenue from sale of goods	4	27,798,086,571	23,331,862,141	185,224	8,379,611
Construction income from the Agreements					
for operations		63,590,862	600,261,701	63,590,862	600,261,701
Total revenues	_	155,276,440,550	149,329,047,132	31,594,314,713	62,638,697,974
Costs					
Cost of rendering of services and					
equipment rentals	29	(50,020,302,266)	(45,206,190,813)	(20,652,874,405)	(27,065,167,097)
Revenue sharing expense	1	(6,716,227,755)	(14,593,801,827)	(6,716,227,755)	(14,593,801,827)
Cost of sale of goods	1	(28,018,892,492)	(23,148,015,893)	(185,237)	(8,295,132)
Construction cost from the Agreements		(20,010,072,472)	(23,140,013,073)	(103,237)	(0,275,152)
for operations		(63,590,862)	(600,261,701)	(63,590,862)	(600,261,701)
Total costs	_	(84,819,013,375)	(83,548,270,234)	(27,432,878,259)	(42,267,525,757)
	_				
Gross profit		70,457,427,175	65,780,776,898	4,161,436,454	20,371,172,217
Selling and administrative expenses					
Selling expenses	29	(6,900,983,669)	(6,219,705,961)	(137,990,382)	(647,636,036)
Administrative expenses	29	(13,190,401,801)	(12,640,674,559)	(2,566,782,136)	(4,727,020,237)
Total selling and administrative expenses	_	(20,091,385,470)	(18,860,380,520)	(2,704,772,518)	(5,374,656,273)
Profit from sales, services and					
equipment rentals		50,366,041,705	46,920,396,378	1,456,663,936	14,996,515,944
Investment income	4, 11, 26	291,108,353	370,107,076	38,313,574,249	24,132,238,049
Other operating income	27	447,704,704	329,786,099	509,177,054	857,938,259
Share of loss of associate	10	(10,875,000)	(3,625,000)	-	-
Impairment loss on assets	11, 12, 13	-	(11,972,822)	(178,912,558)	-
Net foreign exchange gain		228,779,748	188,934,345	16,438,334	16,760,622
Management benefit expenses	4	(209,178,159)	(183,866,171)	(208,618,159)	(183,076,171)
Finance costs	4, 30	(1,959,562,798)	(1,526,869,915)	(710,177,347)	(902,333,098)
Profit before income tax expense	-	49,154,018,553	46,082,889,990	39,198,145,509	38,918,043,605
Income tax expense	31	(9,999,166,651)	(10,079,716,669)	(601,301,979)	(4,052,010,256)
Profit for the year		39,154,851,902	36,003,173,321	38,596,843,530	34,866,033,349
Profit attributable to:					
Owners of the Company		39,152,410,435	36,033,165,556	38,596,843,530	34,866,033,349
Non-controlling interests		2,441,467	(29,992,235)	<u> </u>	-
Profit for the year	_	39,154,851,902	36,003,173,321	38,596,843,530	34,866,033,349
Earnings per share	32				
Basic earnings per share	32	13.17	12.12	12.98	11.73
Diluted earning per share	_	13.17	12.12	12.98	
Direct carning per snare	_	13.17	12.12	12.70	11.73

Statement of comprehensive income Advanced Info Service Public Company Limited and its Subsidiaries

		Consolid financial sta		Separa financial sta	
		For the year ended		For the year ended	
		2015	2014	2015	2014
			(in Bah	nt)	
Profit for the year		39,154,851,902	36,003,173,321	38,596,843,530	34,866,033,349
Other comprehensive income					
Items that will never be reclassified to profit or loss					
Employee benefit obligation actuarial gains (losses)	20	(636,532,321)	-	14,012,680	-
Income tax on other comprehensive income	31	129,188,610	-	(2,802,536)	-
		(507,343,711)	-	11,210,144	-
Items that are or may be reclassified to profit or loss					
Net change in fair value of available-for-sale					
investments		(7,731,308)	2,428,205	-	-
		(7,731,308)	2,428,205	-	-
Other comprehensive income for the year,					
net of income tax		(515,075,019)	2,428,205	11,210,144	-
Total comprehensive income for the year		38,639,776,883	36,005,601,526	38,608,053,674	34,866,033,349
Total comprehensive income attributable to:					
Owners of the Company		38,637,285,511	36,035,572,060	38,608,053,674	34,866,033,349
Non-controlling interests		2,491,372	(29,970,534)		
Total comprehensive income for the year		38,639,776,883	36,005,601,526	38,608,053,674	34,866,033,349

Statement of changes in equity Advanced Info Service Public Company Limited and its Subsidiaries

Share capital premium				
Share Legal Unappropriated symment premium reserve for gain on payment investments (in Baht) Company Fair value components of equity Fair value components of equity Total other components Total equity Total other components Total equity To			Total equity	
Share Share Legal Unappropriated Esserve for reserve for reserve for tesserve for the forest fores			Non- controlling interestes	
Share Share Legal Unappropriated payment (in Baht)				
Share Legal Unappropriated			Total other components of equity	
Share Legal Unappropriated reserve	l statement	ents of equity	Fair value changes in available- for-sale investments	
Share Legal Unappropriated reserve	ed financial	Other compon	Gain on dilution of investment	(in Baht)
Share Legal reserve	Consolidate		Reserve for share-based payment	
Share L Dremium re		earnings	Unappropriated	
		Retained	Legal reserve	
Issued and paid-up share capital				
			Issued and paid-up share capital	

Year ended 31 December 2014 Balance at 1 January 2014		2,973,095,330	22,372,276,085	500,000,000	19,729,332,548	6,986,352	161,186,663	5,230,590	173,403,605	45,748,107,568	144,478,520	45,892,586,088
Transactions with owners, recorded directly in equity Contributions by and distributions to owner of the Company	;											
Share-based payment transaction Dividends	23				- (35 052 203 681)	18,922,262			18,922,262	18,922,262	- (149 190)	18,922,262
Total contributions by and distributions to owner of the Company					(35,052,203,681)	18,922,262			18,922,262	(35,033,281,419)	(149,190)	(35,033,430,609)
Changes in ownership interests in subsidiaries Acquisition of non-controlling interests without a change in control	lo			,	,				,		(2,480)	(2,480)
Total changes in ownership interests in subsidiaries		'		-	1				1		(2,480)	(2,480)
Total transactions with owners, recorded directly in equity		'			(35,052,203,681)	18,922,262		'	18,922,262	(35,033,281,419)	(151,670)	(35,033,433,089)
Comprehensive income for the year Profit			,	•	36,033,165,556		,	•	•	36,033,165,556	(29,992,235)	36,003,173,321
Other comprehensive income								2,406,504	2,406,504	2,406,504	21,701	2,428,205
Total comprehensive income for the year		1		•	36,033,165,556	•	1	2,406,504	2,406,504	36,035,572,060	(29,970,534)	36,005,601,526
Balance at 31 December 2014	ı	2,973,095,330	22,372,276,085	500,000,000	20,710,294,423	25,908,614	161,186,663	7,637,094	194,732,371	46,750,398,209	114,356,316	46,864,754,525

Statement of changes in equity Advanced Info Service Public Company Limited and its Subsidiaries

						Consolidate	Consolidated financial statements	statement				
				Retained	Retained earnings		Other components of equity	ents of equity	ı	l	l	ı
	Note	Issued and paid-up share capital	Share	Legal reserve	Unappropriated	Reserve for share-based payment	Gain on dilution of investment	Fair value changes in available for-sale investments	Total other components of equity	Total equity attributable to owners of the Company	Non- controlling interestes	Total equity
							(in Baht)					
Year ended 31 December 2015 Balance at 1 January 2015		2,973,095,330	22,372,276,085	500,000,000	0 20,710,294,423	25,908,614	161,186,663	7,637,094	194,732,371	46,750,398,209	114,356,316	46,864,754,525
Transactions with owners, recorded directly in equity Contributions by and distributions to owner of the Company Share-based payment transaction	23	,	'			30,661,163	'	,	30,661,163	30,661,163		30,661,163
Dividends	4, 33				- (37,042,012,632)					(37,042,012,632)	(198,149)	(37,042,210,781)
Total contributions by and distributions to owner of the Company	my	1			- (37,042,012,632)	30,661,163			30,661,163	(37,011,351,469)	(198,149)	(37,011,549,618)
Changes in ownership interests in subsidiaries Liquidation of a subsidiary		•	1		,	,	1	,	1		(7)	(7)
Total changes in ownership interests in subsidiaries								'			(7)	(7)
Total transactions with owners, recorded directly in equity		1			- (37,042,012,632)	30,661,163	·		30,661,163	(37,011,351,469)	(198,156)	(37,011,549,625)
Comprehensive income for the year Profit		•	,		39,152,410,435	,	,	. (000 000 0	- (000 FC) F)	39,152,410,435	2,441,467	39,154,851,902
Outer comprehensive income for the year			'		- 38,644,922,610			(7,637,099)		33	2,491,372	38,639,776,883
Balance at 31 December 2015		2,973,095,330	22,372,276,085	500,000,000	0 22,313,204,401	56,569,777	161,186,663	(5)	217,756,435	48,376,332,251	116,649,532	48,492,981,783

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

Statement of changes in equity Advanced Info Service Public Company Limited and its Subsidiaries

		Total equity		
	Other components of equity	Reserve for share-based payment		
Separate financial statements	Retained earnings	Unappropriated	(in Baht)	
Separate finan	Retained	Legal reserve	in E	
	d	onare premium		
	3	issued and paid-up share capital		
	(+) V	b C		

Year ended 31 December 2014 Balance at 1 January 2014	2,973,095,330	22,372,276,085	500,000,000	17,928,485,775	6,986,352	43,780,843,542
Transactions with owners, recorded directly in equity Share-based payment transaction		,	•	,	18,922,262	18,922,262
Dividends	4, 33		1	(35,052,203,681)	ı	(35,052,203,681)
Total transactions with owners, recorded directly in equity			1	(35,052,203,681)	18,922,262	(35,033,281,419)
Comprehensive income for the year Profit	,		•	34,866,033,349	•	34,866,033,349
Total comprehensive income for the year			1	34,866,033,349		34,866,033,349
Balance at 31 December 2014	2,973,095,330	22,372,276,085	500,000,000	17,742,315,443	25,908,614	43,613,595,472

Statement of changes in equity Advanced Info Service Public Company Limited and its Subsidiaries

				Separate financial statements	ial statements		
	otoly otoly	rii-bien baa bai aa	o co	Retained earnings	earnings	Other components of equity	
		share capital	premium	Legal reserve	Unappropriated	Reserve for share-based payment	Total equity
				(in Baht)	aht)		
Year ended 31 December 2015 Balance at 1 January 2015		2,973,095,330	22,372,276,085	500,000,000	17,742,315,443	25,908,614	43,613,595,472
Transactions with owners, recorded directly in equity Share-based payment transaction	23	,	,		•	30,661,163	30,661,163
Dividends	4, 33	ı	ı	1	(37,042,012,632)	•	(37,042,012,632)
Total transactions with owners, recorded directly in equity					(37,042,012,632)	30,661,163	(37,011,351,469)
Comprehensive income for the year Profit		ı			38,596,843,530		38,596,843,530
Other comprehensive income		ı	ı	1	11,210,144	•	11,210,144
Total comprehensive income for the year				-	38,608,053,674		38,608,053,674
Balance at 31 December 2015		2,973,095,330	22,372,276,085	500,000,000	19,308,356,485	56,569,777	45,210,297,677



Statement of cash flows Advanced Info Service Public Company Limited and its Subsidiaries

		Consol financial st		Sepa financial st	
		For the year ende	ed 31 December 2014	For the year ende 2015	d 31 December 2014
			(in Ba	aht)	
Cash flows from operating activities					
Profit for the year		39,154,851,902	36,003,173,321	38,596,843,530	34,866,033,349
Adjustments for					
Depreciation	12	10,153,064,049	6,224,630,590	289,207,391	496,367,600
Amortisation of intangible assets	13, 15, 16	10,342,113,949	12,697,121,500	8,647,077,182	11,354,678,791
Impairment loss on assets	11, 12, 13	-	11,972,822	178,912,558	-
Gain on write-off investment		-	-	(4,627)	-
Investment income	4, 11, 26	(291,108,353)	(370,107,076)	(38,313,574,249)	(24,132,238,049)
Finance costs	4, 30	1,959,562,798	1,526,869,915	710,177,347	902,333,098
Doubtful accounts and bad debts expense	8	1,315,294,405	1,240,096,982	(3,823)	37,392,229
Share-based payment transaction	23	30,661,163	18,922,262	30,661,163	18,922,262
(Reversal of) allowance for obsolete,					
decline in value and write-off inventories		206,635,330	60,996,823	(20,279,330)	2,341,242
Loss on disposals and write-off of assets		302,482,364	864,996,826	200,707,183	834,544,090
Unrealised (gain) loss on exchange rate		25,736,068	19,719,184	(16,206,033)	(37,711,641)
Share of loss of associate	10	10,875,000	3,625,000	-	-
Income tax expense	31	9,999,166,651	10,079,716,669	601,301,979	4,052,010,256
Cash provided by operation before changes in					
operating assets and liabilities		73,209,335,326	68,381,734,818	10,904,820,271	28,394,673,227
Changes in operating assets and liabilities					
Specifically-designated bank deposits		(737,952,157)	71,813,222	-	-
Trade and other accounts receivable		(2,046,091,556)	(1,403,348,194)	7,517,936,253	1,723,536,986
Inventories		(2,714,489,868)	284,438,157	33,809,950	25,517,160
Other current assets		(146,711,825)	(156,061,827)	(714,276,630)	-
Swap and forward contracts receivable (payable)		90,216,995	(24,199,251)	10,452,864	(24,756,405)
Other non-current assets		(622,142,330)	(568,973,340)	(2,206,470)	(327,844,267)
Trade and other accounts payable		2,018,694,672	2,411,268,604	(559,596,118)	(1,927,456,197)
Accrued revenue sharing expenses		233,928,085	1,595,406,859	233,928,084	1,595,406,859
Unearned income - mobile phone service		148,587,736	583,510,796	(584,178,592)	(505,314,389)
Advanced receipts from customers		737,952,157	723,400,178	-	-
Other current liabilities		(344,345,910)	190,894,611	(329,091,314)	190,892,751
Other non-current liabilities		97,008,392	84,478,109	23,340,663	(363,647,909)
Cash generated from operating activities		69,923,989,717	72,174,362,742	16,534,938,961	28,781,007,816
Income tax paid		(8,294,587,940)	(9,353,964,849)	(1,008,539,496)	(4,124,735,021)
Net cash from operating activities		61,629,401,777	62,820,397,893	15,526,399,465	24,656,272,795

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

Statement of cash flows Advanced Info Service Public Company Limited and its Subsidiaries

		Consol financial st		Sepa financial st	
		For the year ende	ed 31 December 2014	For the year ende	d 31 December 2014
			(in Ba	aht)	
Cash flows from investing activities					
Interest received		282,277,603	372,803,497	1,506,581,952	1,015,193,520
Purchase of property, plant, equipment					
and computer software		(32,107,980,096)	(31,731,849,208)	(76,708,367)	(281,229,371)
Sale of property and equipment		22,119,868	27,409,559	375,608,653	236,965,039
Purchase of intangible assets under					
the Agreement for operations		(146,548,316)	(830,272,648)	(146,548,316)	(830,272,648)
Payment of spectrum licenses		(24,159,783,315)	(3,656,250,000)	-	-
Net (increase) decrease in short-term loans					
to subsidiaries and associate		95,000,000	(95,000,000)	(8,654,140,000)	(202,860,000)
Net decrease in other investments	7	1,230,043,637	82,882,254	-	46,161,440
Cash received from return of capital from a subsid	iary	-	-	74,999,994	-
Cash received from liquidation of a subsidiary		-	-	11,572,116	-
Additional investments in subsidiaries					
and associate	10, 11	(10,875,000)	(3,625,000)	(14,000,000)	(2,480
Dividend received		40,000,000	10,000,000	16,800,110,540	22,852,750,810
Net cash from (used in) investing activities		(54,755,745,619)	(35,823,901,546)	9,877,476,572	22,836,706,310
Cash flows from financing activities					
nterest paid		(1,612,268,572)	(1,229,812,193)	(659,025,441)	(918,388,407)
Other finance costs paid		(178,230,431)	(124,185,478)	(3,755,693)	(11,680,623)
Finance lease payments		(42,625,067)	(35,511,069)	(23,454,382)	(25,549,603)
Net increase (decrease) in short-term loans					
from financial institutions		8,500,000,000	(4,000,000,000)	7,700,000,000	(4,000,000,000
Net increase (decrease) in short-term loans					
from subsidiaries		-	-	6,490,000,000	(4,400,000,000)
Proceeds in long-term borrowings		21,500,000,000	21,600,400,000	-	-
Repayments of long-term borrowings		(2,392,022,730)	(5,370,463,286)	(2,392,022,730)	(5,370,463,286)
Cash returned paid to non-controlling interests					
from liquidation of subsidiaries		(7)	-	-	-
Acquisition of non-controllong interests		-	(2,480)	-	-
Dividend paid		(37,042,102,092)	(35,052,352,871)	(37,042,012,632)	(35,052,203,681)
Net cash used in financing activities		(11,267,248,899)	(24,211,927,377)	(25,930,270,878)	(49,778,285,600)
Net increase (decrease) in cash and					
cash equivalents		(4,393,592,741)	2,784,568,970	(526,394,841)	(2,285,306,495)
Cash and cash equivalents at 1 January		14,258,066,402	11,473,120,876	1,679,292,348	3,964,630,780
Effect of exchange rate changes on					
balances held in foreign currencies		439,042	376,556	425,669	(31,937)
Cash and cash equivalents at 31 December	5	9,864,912,703	14,258,066,402	1,153,323,176	1,679,292,348
Supplemental disclosures of cash flow information	on				
Non-cash transactions					
Outstanding debts arising from investment in prop	erty,				
plant and equipment, intangible assets under	-				
the Agreements for operations and spectrum lice	enses	30,055,264,117	10,781,561,867	44,180,458	128,246,485



Notes to the financial statements Advanced Info Service Public Company Limited and its Subsidiaries

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Notes to the financial statements

Advanced Info Service Public Company Limited and its Subsidiaries

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 4 February 2016.

1 General information

Advanced Info Service Public Company Limited "the Company", is incorporated in Thailand and has its registered office at 414 AIS Tower 1, Phaholyothin Road, Phayathai, Bangkok, Thailand.

The Company was listed on the Stock Exchange of Thailand in November 1991.

Intouch Holdings Public Company Limited is a major shareholder, holding 40.45% (2014: 40.45%) of the share capital of the Company and is incorporated in Thailand. SingTel Strategic Investments Pte Ltd. is a shareholder holding 23.32% (2014: 23.32%) of the share capital of the Company and is incorporated in Singapore.

The major principal business operations of the Company and its subsidiaries ("the Group") are summarised as follows:

1) The operation of a 900 MHz CELLULAR TELEPHONE SYSTEM as the operator. The Company has been granted permission from TOT Public Company Limited ("TOT"), under the Agreement for operation dated 27 March 1990, to operate and service of Cellular Mobile Telephone, either analog (NMT) or Digital GSM, 900 MHz frequency nationwide, parallel operation for 25 years since 1 October 1990, being the first commercial operating date of service. The Agreement ends on 30 September 2015. The Company is obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, the Company shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operating the 900 MHz Cellular System to TOT when the installation has been completed and the Company shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from the mobile phone service prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement. The Agreement does not specify a minimum cumulative amount over the term of the Agreement. The percentages of the service revenues and minimum annual revenue sharing for each year are as follows:

Year	Percentage of revenues	Minimum annual revenue sharing (in million Baht)
1 - 5	15	13 to 147
6 - 10	20	253 to 484
11 - 15	25	677 to 965
16 - 20	30	1,236 to 1,460
21 -25	30	1,460

The Agreement for operation of the Company was expired on 30 September 2015. Thus, on 17 September 2015, the National Broadcasting and Telecommunications Commission ("NBTC") has announced a temporary customer protection measure after the Agreement expired (Issue no.2) to assign the operator to provide continuing services to the subscribers. The operator must comply with the rules and conditions set forth in the announcement.

On 15 October 2015, NBTC submitted a letter to the Company on determination on the end of customer protection period on 900 MHz and concluded that the Company must provide temporary continuing service until 19 November 2015.

Later, on 2 November 2015, National Telecommunication Commission ("NTC") decided to postpone the auction of 900MHz license from 12 November 2015 to 15 December 2015. However, NBTC has not yet announced the extension of the end of customer protection period on 900 MHz.

2) The operation of a DATAKIT VIRTUAL CIRCUIT SWITCH as the operator. Advanced Data network Communications Co., Ltd. ("ADC"), an indirect subsidiary, has been granted permission from TOT Public Company Limited ("TOT"), under the Agreement dated 19 September 1989, for rendering services for DATAKIT VIRTUAL CIRCUIT SWITCH in the area of the Metropolitan Telephone Exchange.

Under the Agreement, ADC shall be entitled to immediately transfer the ownership right of its tools and equipment or assets for operation of DATAKIT System to TOT when the installation has been completed and ADC shall pay TOT annual revenue sharing in accordance with the Agreement at the percentage of annual revenues and any benefit from service of DATAKIT VIRTUAL CIRCUIT SWITCH prior to deducting any expenses and any tax or the minimum annual revenue sharing stipulated in the Agreement.

ADC and TOT have mutually agreed to amend the Agreement and signed the Supplemental Agreement on 25 September 1997 to extend the validity period from 10 years to 25 years (such validity period shall be ended on 24 September 2022) and waive the collection of annual revenue sharing under the agreements effective from 25 September 1997. ADC issued 10.75 million ordinary shares at a par value of Baht 10 (11.23% of total shares) to TOT on 17 March 1998 in consideration of such waiver. As at 31 December 2015, TOT owns 48.12% of ADC's total shares (2014: 48.12%).

3) The operation of a 1800 MHz CELLULAR TELEPHONE SYSTEM as the operator. Digital Phone Company Limited ("DPC"), a subsidiary, has been granted permission from CAT Telecom Public Company Limited ("CAT"), under the Agreement for operation dated 19 November 1996 ("the Agreement"), to operate and service Cellular Mobile Telephone: Digital PCN (PERSONAL COMMUNICATION NETWORK) 1800, frequency between 1747.9 MHz to 1760.5 MHz and 1842.9 MHz to 1855.5 MHz, nationwide. DPC started the operation commencing from 28 May 1997, ending 15 September 2013 and DPC was obliged to comply with various conditions and pay revenue sharing in accordance with the Agreement.

Under the Agreement, DPC was entitled to immediately transfer the ownership right of its machineries, all equipment and tools or assets for operation to CAT upon installation completion and DPC paid CAT the annual revenue sharing at the percentage of annual revenues and any benefit in according with the accrual basis from the mobile phone service prior to deducting any expenses and any tax and fees which the minimum revenue sharing must accumulate, over the term of the Agreement, not less than Baht 5,400 million as follows:

		Minimum annual revenue sharing
Year	Percentage of revenues	(in million Baht)
1	25	9
2 - 9	20	60 to 320
10 - 14	25	350 to 650
15 - 16	30	670

As at 31 December 2015, DPC paid the revenue sharing to CAT in the total amount of Baht 15,853 million (2014: Baht 15,853 million).

The Agreement was expired on 15 September 2013. Thus, on 16 August 2013, The National Broadcast and Telecommunication Commission ("NBTC") has announced a temporary customer protection measure after the Agreement expired to assign the operator to provide continuing services to the subscribers for up to a further 1 year commencing from the Agreement expiration date. The operator must comply with the rules and conditions set forth in the announcement. On 17 July 2014, the National Council for Peace and Order ("NCPO") has announced an order No. 94/2557 "Suspension the implementation of the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Communications Services" to instruct NBTC to postpone an auction for spectrum licenses for 1 year commencing from the Order date. During the postpone period, the operator has to comply with the NBTC's announcement on 16 August 2013 to provide continuing services to the subscribers. The application of those rules and conditions has yet to be clarified in detail by NBTC (including expenses that may be deducted in arriving at a notional profit payable to the State). Consequently, the outcome of complying with this extension on DPC and the Group is, currently, uncertain.

On 24 November 2015, NBTC has announced the end of a temporary customer protection period on 1800MHz dated on 26 November 2015.

4) The operation of a 2.1-GHz CELLULAR TELEPHONE SYSTEM as the operator. Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary, has been granted permission from the Office of the National Broadcasting and Telecommunications Commission ("NBTC"), under the license certificate ("License") dated on 7 December 2012, to operate and service Cellular Mobile Telephone, frequency between 1950 MHz to 1965 MHz and 2140 MHz to 2155 MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1. AWN started the operation commencing from 7 December 2012, ending 6 December 2027 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

License of Spectrum for Telecommunications Service in the Frequency Band of 1800MHz.

On 17 November 2015, AWN has been granted permission from the Office of the National Broadcasting and Telecommunications Commission ("NBTC"), under the license certificate ("License") dated on 25 November 2015, to operate and service Cellular Mobile Telephone, frequency between 1725MHz to 1740MHz and 1820MHz to 1835MHz, nationwide in accordance with the license certificate no. NBTC/FREQ/TEL/55/1 (Addendum no.1). AWN started the operation commencing from 26 November 2015, ending 15 September 2033 and AWN is obliged to comply with various conditions and pay fees within the time period as specified in the License.

Details of the Company's subsidiaries and associate as at 31 December were as follows:

Name of the entities	Tune of husiness	Country of	Ownership interest (%)	
Name of the entitles	Type of business	incorporation	2015	2014
Advanced Internet Revolution Co., Ltd.	Liquidated on 19 October 2015	Thailand	-	99.99
Advanced Datanetwork Communications Co., Ltd. * (* Indirect subsidiary)	Service provider of online data communications service via telephone land line and optical fiber	Thailand	51.00	51.00
Advanced Contact Center Co., Ltd.	Service provider of call center	Thailand	99.99	99.99
Digital Phone Co., Ltd.	Service provider of digital mobile phone network	Thailand	98.55	98.55

	Country of	Ownership interest (%)	
Type of business	incorporation	2015	2014
Distributor of cash card business	Thailand	99.99	99.99
Service provider of electronic payment and cash card	Thailand	99.99	99.99
Service provider of international telephone service/gateway	Thailand	99.99	99.99
Service provider of cellular telephone network in 2.1-GHz and 1800MHz frequency, distributor of handsets and international telephone service, network operator, telecom service operator and national broadcasting network services	Thailand	99.99	99.99
Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television	Thailand	99.99	99.99
Importer and distributor of handset and accessories	Thailand	99.99	99.99
Operate in land and building rental and service, and related facilities	Thailand	99.98	99.98
Operate IT, content aggregator, and outsourcing service for billing and collection	Thailand	99.99	99.99
Currently not start the operation	Thailand	99.98	99.98
Transmission network provider	Thailand	29.00	29.00
	Service provider of electronic payment and cash card Service provider of international telephone service/gateway Service provider of cellular telephone network in 2.1-GHz and 1800MHz frequency, distributor of handsets and international telephone service, network operator, telecom service operator and national broadcasting network services Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television Importer and distributor of handset and accessories Operate in land and building rental and service, and related facilities Operate IT, content aggregator, and outsourcing service for billing and collection Currently not start the operation	Distributor of cash card business Service provider of electronic payment and cash card Service provider of international telephone service/gateway Service provider of cellular telephone network in 2.1-GHz and 1800MHz frequency, distributor of handsets and international telephone service, network operator, telecom service operator and national broadcasting network services Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television Importer and distributor of handset and accessories Operate in land and building rental and service, and related facilities Operate IT, content aggregator, and outsourcing service for billing and collection Transmission network Thailand	Distributor of cash card business Service provider of electronic payment and cash card Service provider of international telephone service/gateway Service provider of cellular telephone network in 2.1-GHz and 1800MHz frequency, distributor of handsets and international telephone service, network operator, telecom service operator and national broadcasting network services Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television Importer and distributor of handset and accessories Operate in land and building rental and service, and related facilities Operate IT, content aggregator, and outsourcing service for billing and collection Currently not start the operation Thailand 29.00 Thailand 99.98 Transmission network Thailand 99.98

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions ("FAP"); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS have no material effect on the financial statements.

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 financial statements beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group's/Company's operations are disclosed in note 39.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

Items	Measurement bases

Available-for-sale investments Fair value

Employee benefit obligations Present value of the employee benefit

obligations

Share-based payment Fair value of the equity instrument granted

(c) Functional and Presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest million unless otherwise stated.

(d) 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.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 3(s)	Current and deferred taxation
Note 8	Allowance for doubtful accounts
Note 9	Allowance for obsolete inventories

Note 12 Utilisation of property, plant and equipment

Note 13 Utilisation of intangible asset under the Agreements for operations

Note 11, 14, 15 Key assumptions used in discounted cash flow projections

Note 16	Utilisation of intangible assets
Note 20	Measurement of employee benefit obligations
Note 23	Measurement of share-based payments
Note 34	Valuation of financial instruments
Note 36, 37	Provisions and contingencies / Significant events, commercial disputes and
	litigation

Measurement of fair values

A number of the Group's/Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports directly to CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 3(g) Available-for-sale investments
- Note 3(n) Share-based payment arrangements;
- Note 34 Financial instruments

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associate.

Business combinations

The Group/Company applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group/Company 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 recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group/Company to the previous owners of the acquiree, and equity interests issued by the Group/Company. 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/Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

When share-based payment awards exchanged (replacement awards) for awards held by the acquiree's employees (acquiree's awards) relate to past services, then a part of the market-based measure of the awards replaced is included in the consideration transferred. If they require future services, then the difference between the amount included in consideration transferred and the market-based measure of the replacement awards is treated as post-combination compensation cost.

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

The Group/Company measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

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

Acquisitions from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP.

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 comprise interests in associates.

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

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees 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.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency (Thai Baht) of the Group entities 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 using the foreign exchange rates ruling at the dates of the transactions.

(c) Derivative financial instruments

The Group/Company uses financial instruments to manage exposure to fluctuations in foreign currency exchange and interest rates. These instruments, which mainly comprise forward foreign currency contracts and cross currency swap agreements, are recorded in the financial statements on the contract date. The purpose of these instruments is to manage risk.

Forward foreign exchange contracts protect the Group/Company from fluctuations in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Forward contracts are recorded as forward contracts receivable and payable on inception, and are translated at the year end exchange rate. Unrealised gains or losses on transactions are recognised in profit and loss. Premiums or discounts are amortised in the statement of income on a straight-line basis over the contract period.

Interest rate derivatives help the Group/Company to better manage effects from fluctuations in floating interest rates. Any differential to be received or paid on an interest rate derivative is recognised as a component of interest income or expense over the period of such instrument. Gains or losses of early termination of interest rate derivatives or on repayment of the borrowing are charged to profit or loss.

(d) 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.

(e) Trade and other accounts receivable

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

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) Inventories

Inventories comprise mobile phones, refill cards, sim cards, premiums and spare parts used for repairs and services.

Inventories are stated at the lower of cost and net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated as follows:

Finished goods
Spare parts (mobile phones and network)
Datanet equipment

- moving weighted average method
- moving weighted average method
- moving weighted average method

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.

An allowance is made for all deteriorated, changed, obsolete and slow-moving inventories.

(g) Investments

Investments in associate and subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are accounted for using the cost method less impairment losses. Investment in associate in the consolidated financial statements is accounted for using the equity method.

Investments in other debt and equity securities

Fixed deposit at bank is presented as part of current investment with maturities over three months, not exceeding one year.

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/Company 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 directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as held-for-trading and available-for-sale is determined as the quoted bid price at the reporting date.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group/Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

(h) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group/Company 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 profit or loss.

Subsequent costs

The cost of replacing a part of an item of property, plant 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/Company, 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, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Buildings and building improvements	5, 20	years
Leasehold building improvements	5, 10	years
Computer, tools and equipment	2 - 20	years
Furniture, fixtures and office equipment	2 - 5	years
Communication equipment for rental	3	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(i) Intangible assets

Assets under the Agreements for operations

Assets under the Agreements for operations represent the cost of certain equipment and other assets which have been or have to be transferred to the grantor of the Agreements of operations and are stated at cost less accumulated amortisation and impairment losses.

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(a). 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.

Licenses for operation right in spectrum of telecommunication

Licenses for operation right in spectrum of telecommunication represent with its value measured at the cash equivalent price based on the present value of the installments. The difference between the total payment to be made and the cash equivalent price is recognised as finance cost over the license fee payment period, with the cost being amortised starting on date of the license effective.

The operation right

The operation right represents the acquisition cost of certain rights and obligations to operate a mobile phone system.

Other intangible assets

Other intangible assets that are acquired by the Group/Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Assets under the Agreements for operations

- Mobile phone network digital system
- Datanet tools and equipments
- Computer system under the Agreement for operation of 1800-MHz operation

Software licences and software development costs

License for operation right in spectrum of telecommunication

The operation right

- 10 years not exceeding the remaining period of the Agreement for operations
- 10 years not exceeding the remaining period of the Agreement for operations
- 5 years not exceeding the remaining period of the Agreement for operations
- 5, 10 years

Over the period of the license

Over the period of the Agreement for operations

No amortisation is provided on advance payment and assets under construction of the assets under the Agreements for operations.

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

(j) Other assets

Deferred charges

Deferred charges represent commitment fees for long-term loans, bond issuing cost, costs of long-term leases of space for base stations, expenditures relating to the increase of power of electricity at base stations and expenditures relating to the improvement project of mobile phone service network and are stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Commitment fees of long-term loans

Bond issuing cost

Costs of long-term leases for base stations

Expenditures relating to the increase of power of electricity at base stations

Operation right of the datanet service

Over the loan agreement period

Over the debentures period

Over the lease agreement period

Over the remaining period of the Agreement

of operation period

10 years not exceeding the remaining period

of the Agreement for operations

(k) Impairment

The carrying amounts of the Group's/Company'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.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously 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 assets' 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 financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(I) 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.

(m) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(n) Employee benefits

Provident fund

The Group/Company had provident funds which is a defined contribution plan. The fund's asset of the provident fund is separated from the Group's/Company's asset and has been managed by a licensed fund manager. The provident fund receives a cash contribution from employee and the related Group/Company. The contribution expenditure of the provident fund is recognised as expense in profit or loss as accrued.

Employee benefit obligations and long-term service award

The obligation in respect of post-employment benefits that provide compensation according to labor law and long-term service award are recognised in the financial statements based on calculations by a qualified actuary using the projected unit credit method.

The Group/Company recognised all actuarial gain and loss arising from employee benefit obligations in other comprehensive income and all expenses related to employee benefit obligations in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group/Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group/Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Group/Company 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 Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date.

The expense of the Project is charged to the profit or loss from operation corresponding to the increase in "Reserve for share-based payment" in shareholders' equity over the periods in which the service conditions are fulfilled.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group/Company 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.

(p) Revenue

Revenue excludes value added tax and is arrived at after deduction of trade discounts and volume rebates.

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. Service income is recognised as services are provided. Revenue from mobile phone and call center services are recognised when services are rendered to customers. Revenue from rendering voice/data communications via telephone line network services is recognised when service is rendered.

Rental income

Rental income from rental equipment is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

Service concession arrangements

Revenue relating to construction or upgrade services under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group/Company. When the Group/Company provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Interest income

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

(q) 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, 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.

(r) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group/Company 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/Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group/Company 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/Company 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/Company's incremental borrowing rate.

(s) 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 for financial reporting purposes 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 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 Company 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 adjust, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group/Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group/Company 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/Company 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.

(t) Earnings per share

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(u) Segment reporting

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Related parties

Enterprises and 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. 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.

During the year, the Group/Company has entered into a number of transactions with related parties, the terms of which are negotiated in the ordinary course of business and according to normal trade conditions. Purchases of products and services are charged at reasonable prices and those prices are comparable to the market rate with general trading conditions. Consulting and management service fees are charged on a mutually agreed basis as a percentage of assets.

Relationships with related parties that control or jointly control the Group/Company or are being controlled or jointly controlled by the Group/Company or have transactions with the Group/Company were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships			
Subsidiaries	Thailand	More than 50% shareholding or being controlled.			
Intouch Holdings Public Company Limited and its related parties ("INTOUCH Group")	Thailand and Laos	Intouch Holdings Public Company Limited ("INTOUCH") is a major shareholder, 40.45% shareholding and has some joint directors.			
SingTel Strategic Investments Pte Ltd. and its related parties ("SingTel Group")	Singapore	SingTel Strategic Investments Pte Ltd. ("SingTel") is a major shareholder, 23.32% shareholding.			
Information Highway Co., Ltd.	Thailand	Associate			
Other related parties	Thailand	Other parties have some joint directors and directors of related parties.			

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

	Conso financial s	lidated tatements	Separate financial statements	
Year ended 31 December	2015	2014	2015	2014
		(in million	Baht)	
Service income				
Subsidiaries	-	-	24,377	36,172
INTOUCH Group	34	42	9	22
SingTel Group	649	434	150	77
Other related parties	2	2	-	1
Total	685	478	24,536	36,272
Sales of property and other assets Subsidiaries			365	227
Dividend income Subsidiaries			36,725	22,848
Interest income				
Subsidiaries	-	-	1,520	1,220
Associate	2	2		
Total	2	2	1,520	1,220

	Conso	lidatad	Sono	eato
	financial statements		Separate financial statements	
Year ended 31 December	2015	2014	2015	2014
		(in million	Baht)	
Other income				
Subsidiaries	-	-	310	704
INTOUCH Group	8	7	1	
Total	8	7	311	704
Rental and other service expenses				
Subsidiaries	-	-	8,838	11,411
INTOUCH Group	498	563	20	72
SingTel Group	464	555	74	117
Associate	43			
Total	1,005	1,118	8,932	11,600
Advertising expense				
INTOUCH Group	22	285	3	25
Sale promotion expense				
Subsidiaries	-	-	15	36
INTOUCH Group	-	1	-	-
Total	_	1	15	36
Commission expense				
Subsidiary			253	1,234
Management benefit expenses				
Short-term employee benefit	199	178	199	177
Share-based payments	10	6	10	6
Total	209	184	209	183
Purchases of property and other assets				
Subsidiaries	_	_	10	41
INTOUCH Group	59	-	-	-
Total	59		10	41
Finance costs				
Subsidiaries	_	_	57	168
INTOUCH	1	_	-	-
Other related parties	1	1	_	_
Associate	3	-	_	_
Total	5	1	57	168
Dividend paid				
INTOUCH	14,984	14,180	14,984	14,180
SingTel	8,638	8,175	8,638	8,175
Total	23,622	22,355	23,622	22,355
	, ~	,500		

Balances as at 31 December with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(in million l	Baht)	
Trade and other accounts receivable				
Trade accounts receivable				
Subsidiaries	-	-	711	5,049
INTOUCH Group	4	5	-	2
SingTel Group	1	17	-	-
	5	22	711	5,051
Accrued income				
Subsidiaries	_	-	910	2,292
INTOUCH Group	2	5	-	_
SingTel Group	4	3	-	3
	6	8	910	2,295
Total trade accounts receivable	11	30	1,621	7,346
Other accounts receivable				
- Accrued interest income				
Subsidiaries	-	-	508	444
Total other accounts receivable	_		508	444
Total trade and other accounts receivable	11	30	2,129	7,790
Dividend receivables				
Subsidiaries			19,944	
Short-term loans to related parties	_	_	_	
Subsidiaries	_	-	44,244	35,590
Associate	-	95	-	-
Total	_	95	44,244	35,590
·				

As at 31 December 2014, the Group has short-term loans to associate bearing interest at the rate of 5.25% per annum and as at 31 December 2015, the Company has short-term loans at call to subsidiaries represent promissory notes, bearing interest at the average rate of 3.67% per annum (31 December 2014: 3.83% per annum).

Movements during the years ended 31 December of short-term loans to related parties were as follows:

	Consolidated financial statements		Separate financial statements	
Year ended 31 December	2015	2014	2015	2014
		(in million	Baht)	
Short-term loans to related parties				
At 1 January	95	-	35,590	35,387
Increase	-	100	39,157	14,648
Decrease	(95)	(5)	(30,503)	(14,445)
At 31 December		95	44,244	35,590

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(in million	Baht)	
Long-term rental deposit				
Subsidiary			742	655
Trade and other accounts payable				
Trade accounts payable				
Subsidiaries	-	-	195	886
INTOUCH Group	89	30	1	1
SingTel Group	229	21	68	20
Other related parties	5	-	-	-
Total trade accounts payable	323	51	264	907
Other accounts payable				
- Other payables				
Subsidiaries	-	-	273	308
INTOUCH Group		30		1
	_	30	273	309
- Accrued expenses				
Subsidiaries	-	-	584	810
INTOUCH Group	91	118	-	19
SingTel Group	31	28	16	26
Associate	10			
	132	146	600	855
Total other accounts payable	132	176	873	1,164
Total trade and other accounts payable	455	227	1,137	2,071
Financial lease liabilities				
Associate	72		-	
Short-term loans from related parties				
Subsidiaries			6,490	

As at 31 December 2015, short-term loans from subsidiaries represent at call promissory notes, bearing interest at the average rate of 1.40% per annum.

Movements during the years ended 31 December of short-term loans from related parties were as follows:

	Consolidated financial statements		Sepa financial st	rate atements
	2015	2014	2015	2014
		(in million E	Baht)	
Short-term loans from related parties				
At 1 January	-	-	-	4,400
Increase	-	-	7,190	14,200
Decrease	-	-	(700)	(18,600)
At 31 December	_	_	6,490	_

		Consolidated financial statements		ate atements	
	2015	2014	2015	2014	
		(in million Baht)			
Long-term debentures					
INTOUCH	37	17	-	-	
Other related parties	13	17	-	-	
Total	50	34	_	_	

Significant agreements with related parties

The Group/Company has entered into agreements with related parties and has commitment for receipts and payments according to rates under the terms and conditions stipulated in the agreements. The significant agreements with related parties are as follows:

- 1) The Group has entered into interconnection and national roaming agreements among its related parties. The suspension or termination of the agreement shall be referred to the regulations and conditions of the National Telecommunications Commission.
- 2) The Group has entered into site share agreements among its related parties to provide site area including related facilities for installation of telecommunication equipment. The counterparty has a right to terminate the agreement by giving advance written notice to the counterparty of not less than 60 days.
- 3) The Group has received a service of a call center from Advanced Contact Center Co., Ltd. ("ACC"), a subsidiary. ACC will provide service and required information including resolving problem requests from the customers of the Group.
- 4) Advanced Contact Center Co., Ltd., a subsidiary, has entered into a call center service agreement with Teleinfo Media Plc. ("TMC"), a related party. TMC will arrange the agents and provide call center operation to execute each of incoming call service. The counterparty has a right to terminate the agreement by giving the counterparty a written notice for 30 days in advance.
- 5) The Company and its related parties have entered into an agreement with Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd. its subsidiaries, to provide payment service for goods/service purchased through electronic payments and cash card. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 6) Advanced Magic Card Co., Ltd. and Advanced Mpay Co., Ltd. its subsidiaries, have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to distribute electronic money and cash card. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 15 days.
- 7) The Company and its subsidiaries have entered into an agreement with Wireless Device Supply Co., Ltd., a subsidiary, to provide card packaging. The counterparty has a right to terminate the agreement by giving advance written notice of not less than 30 days.
- 8) The Company and its subsidiaries have entered into an international roaming service agreement with the SingTel Group, related parties. The counterparty has a right to terminate the agreement by giving a written notice of 60 days in advance.

- 9) The Company and its subsidiaries have entered into an agreement with MIMO Tech Co., Ltd., a subsidiary, of providing or aggregating the variety of content as value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving a written notice of 30 days in advance.
- 10) The Company and its subsidiaries have entered into an agreement with its related parties to provide or aggregate the variety of content as value added services on mobile network or wireless device. The counterparty has a right to terminate the agreement by giving advance written notice to the counterparty of not less than 30 days.
- 11) The Company and its subsidiary have entered into a satellite transponder lease agreements with Thaicom Public Company Limited, a related party, for a monthly fee according to the rate and condition specified in the agreements. The agreements of the Company and its subsidiary are valid until 19 September 2015 and 19 November 2017, respectively.
- 12) MIMO Tech Co., Ltd., a subsidiary, has entered into agreements with I.T. Applications and Services Company Limited, a related party, to receive computer system maintenance services. The agreement is valid for one year and is renewable on an annual basis. The counterparty has a right to terminate the agreement by giving advance written notice of 3 months.
- 13) Advanced Wireless Network Co., Ltd., a subsidiary, has entered into fibre optic system and its site facilities agreement with Information Highway Co., Ltd. ("IH"), an associate. IH will provide installation fibre optic transmission and maintenance services in specific areas. The counterparty has a right to terminate the agreement by giving the counterparty a written notice for 30 days in advance.

5 Cash and cash equivalents

	Note	Consolio financial sta		Separ financial sta	ate Itements
		2015	2014	2015	2014
			(in million	Baht)	
Cash on hand		6	16	2	13
Cash at bank - current accounts		811	716	81	38
Cash at bank - saving accounts		13,495	17,149	1,070	1,628
Highly liquid short-term					
investments		-	86	-	-
		14,312	17,967	1,153	1,679
Less Specifically-used bank					
deposits	6	(4,447)	(3,709)	-	_
Total		9,865	14,258	1,153	1,679

The currencies denomination of cash and cash equivalents as at 31 December were as follows:

	Consolidated financial statements		Separa financial sta	ate tements
	2015 2014		2015	2014
		(in million	Baht)	
Thai Baht (THB)	9,709	14,152	1,051	1,622
United States Dollars (USD)	153	80	100	1,622 52
Euro Dollars (EUR)	3	26	2	5
Total	9,865	14,258	1,153	1,679

As at 31 December 2015, the effective interest rate on cash and cash equivalents was 0.04% - 1.50% per annum (2014: 0.06% - 2.44% per annum).

6 Specifically-designated bank deposits

In order to comply with the Notification of the Bank of Thailand applicable to the electronic cash card business, the subsidiaries' held deposits at call with banks equal to the subsidiaries' outstanding balance of advance receipts from customers which cannot be used for other purposes apart from payments to service providers as at 31 December 2015 amounting to Baht 4,447 million (2014: Baht 3,709 million).

7 Other investments

		Consolidated financial statements		ate tements
	2015	2014	2015	2014
		(in million	Baht)	
Current investments				
Available-for-sale investments	305	1,542	-	-
	305	1,542	_	_
Other long-term investments		<u> </u>		
Fixed deposit at financial institutions				
- pledged	11	11	-	-
Other investments	47	47	47	47
	58	58	47	47
Total	363	1,600	47	47

Available-for-sale investments

As at 31 December 2015, the Group had investments held through private funds, managed by independent fund manager and have interest rates from 0.37% to 3.70% per annum (2014: 0.37% to 5.63% per annum).

Movements during the years ended 31 December of available-for-sale investments were as follows:

	Consolidated financial statements		Separ financial sta		
	2015	2014	2015	2014	
	(in million Baht)				
Current investments					
Available-for-sale investments					
At 1 January	1,542	1,485	-	-	
Increase during the year	1,155	1,940	-	_	
Decrease during the year	(2,392)	(1,883)	_	-	
At 31 December	305	1,542			

Fixed deposit at financial institutions

As at 31 December 2015, fixed deposit at financial institutions of the Group have interest rates of 1.00% per annum (2014: 1.50% per annum).

Other investments

As at 31 December 2015, other investments represent the followings:

Investment in Bridge Mobile Pte Ltd.

Investment in Bridge Mobile Pte Ltd. of 0.80 million ordinary shares (USD 1.30 million (Baht 47 million)). The Company owns 10% of its paid-up share capital.

On 30 September 2014, at the extraordinary general meeting of Bridge Mobile Pte Ltd., resolutions were passed to approve the decrease in ordinary shares of each shareholder. The Company's investment in Bridge Mobile Pte Ltd. has decreased from 2.20 million ordinary shares (USD 2.70 million (Baht 93 million) to 0.80 million ordinary shares (USD 1.30 million (Baht 47 million)). The Company still owns 10% of its paid-up share capital.

Investment in Clearing House for Number Portability Co., Ltd.

The Company and Advanced Wireless Network Company Limited ("AWN"), a subsidiary, invest in Clearing House for Number Portability Co., Ltd. totaling Baht 0.2 million and Baht 0.2 million, respectively. The Company and AWN each owns 10% of its paid-up share capital.

On 24 April 2015, at the annual general meeting of the Clearing House for Number Portability Co., Ltd., the shareholders approved the appropriation of dividend of Baht 10,000 per share to shareholders on 31 July 2015, amounting to Baht 40 million and Baht 20 million for the Group and the Company, respectively. (2014: Baht 10 million and Baht 5 million, respectively).

8 Trade and other accounts receivable

	Note	Consol financial st		Sepa financial st	
	Note	2015	2014	2015	2014
			(in million	n Baht)	
Trade accounts receivable					
Related parties:	4				
- Trade accounts receivable		5	22	711	5,051
- Accrued income		6	8	910	2,295
		11	30	1,621	7,346
Other parties:					
- Trade accounts receivable		5,973	5,889	842	1,038
- Accrued income		6,074	5,478	1,639	1,795
		12,047	11,367	2,481	2,833
Total trade accounts receivable		12,058	11,397	4,102	10,179
Less allowance for doubtful accounts		(1,028)	(982)	(194)	(235)
Total trade accounts receivable, net		11,030	10,415	3,908	9,944
Other accounts receivable					
Prepaid expenses		1,593	1,434	52	349
Account receivables - cash card/					
refill on mobile		705	969	-	-
Withholding tax receivable		1,159	807	1,008	698
Value added tax receivable		1,694	-	-	-
Others		207	920	514	940
Total other accounts receivable		5,358	4,130	1,574	1,987
Total trade and other accounts receivable		16,388	14,545	5,482	11,931
Bad and doubtful debts expense for the year		1,315	1,240		37

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(in millio	n Baht)	
Related parties				
Current - overdue 3 months	11	30	1,621	7,335
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	11
Overdue over 12 months	-	-	-	-
	11	30	1,621	7,346
Other parties				
Current - overdue 3 months	9,610	9,028	461	834
Overdue 3 - 6 months	393	305	56	52
Overdue 6 - 12 months	131	117	88	80
Overdue over 12 months	1,913	1,917	1,876	1,867
	12,047	11,367	2,481	2,833
Less allowance for doubtful accounts	(1,028)	(982)	(194)	(235)
	11,019	10,385	2,287	2,598
Net	11,030	10,415	3,908	9,944

The normal credit term granted by the Group/Company ranges from 14 days to 30 days.

The currencies denomination of trade accounts receivable as at 31 December were as follows:

	Consolidated financial statements		Separ financial sta	ate Itements
	2015	2014	2015	2014
		(in million	Baht)	
Thai Baht (THB)	10,970	10,085	3,899	9,826
United States Dollars (USD)	59	317	8	108
Euro (EUR)	1	13	1	10
Total	11,030	10,415	3,908	9,944

As at 31 December 2015, the Group/Company had the outstanding balance of accrued income of revenue sharing in international direct dial service (IDD) of Baht 1,584 million and Baht 1,574 million, respectively (2014: Baht 1,574 million and Baht 1,565 million, respectively). Part of that outstanding is presented in overdue 12 months of Baht 1,573 million and Baht 1,564 million, respectively (2014: Baht 1,515 million and Baht 1,506 million, respectively).

On 16 January 2013, the Company has submitted a dispute to the Arbitration Institute demanding TOT Public Company Limited ("TOT") to pay this receivable plus interest, the total amount of Baht 1,526 million.

On 26 November 2013, Digital Phone Company Limited, a subsidiary, has submitted a dispute to the Central Administrative Court demanding CAT Public Company Limited ("CAT") to pay this receivable plus interest, the total amount of Baht 11 million.

9 Inventories

	Consolid financial sta		Separa financial sta	
	2015	2014	2015	2014
		(in million	Baht)	
Finished goods	4,831	2,430	2	_
Supplies and spare parts	602	266	15	22
Spare parts for mobile phone				
network maintenance	478	468	440	468
	5,911	3,164	457	490
Less allowance for obsolescence				
and decline in value	(852)	(645)	(418)	(438)
Net	5,059	2,519	39	52

10 Investments in associate

	Consolid financial sta	
	2015	2014
	(in million	Baht)
At 1 January	-	_
Invest in share capital	11	4
Share loss from investment in associate	(11)	(4)
At 31 December		-

On 9 June 2014, Super Broadband Network Company Limited ("SBN"), a subsidiary, has invested in 145,000 shares of Information Highway Co., Ltd. ("IH") by Baht 25 per share, totaling Baht 3.6 million, representing 29% of ownership.

On 24 September 2014, Advanced Broadband Network Company Limited ("ABN"), a subsidiary, has purchased investment in IH from SBN by 145,000 shares of Baht 25 per share, totaling Baht 3.6 million, representing 29% of ownership.

On 15 July 2015, ABN made an additional payment for 75% paid-up in share capital of IH of Baht 10.88 million. The purpose of additional paid-up in share capital is for future investment and ABN remains 29% of ownership.

Investments in associate as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended were as follows:

Consolidated financial statements
Consolidated financial statements -up capital Cost Equity 2014 2015 2014 Equity (in million Baht)
Consolidated financial statements up capital Cost Cost 2014 2015 2014 2015
J-up capital
J-up capital
J-up capital
aid-up
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nip interest 2014
Ownersh 2015

4 15 12 50 29 29 Information Highway Co., Ltd. Associate

The following summarised financial information on equity-accounted investees is not adjusted for the percentage ownership held by the Group:

	Reporting date	Ownership interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Total revenues	Total expenses	Profit/ (loss)
		(%)					(in million Baht)				
2014 Associate Information Highway Co., Ltd. 31 December	31 December	29	99	126	192	198	1	198	1	19	(19)
2015 Associate Information Highway Co., Ltd. 31 December	31 December	29	132	200	632	247	370	617	159	175	(16)

11 Investments in subsidiaries

	Separa financial sta	ate tements
	2015	2014
	(in million	Baht)
At 1 January	7,912	7,912
Increase in share capital of a subsidiary	14	-
Decrease in share capital of a subsidiary	(75)	-
Impairment loss on investment in a subsidiary	(179)	-
Liquidation of a subsidiary	(11)	
At 31 December	7,661	7,912

Increase in share capital of a subsidiary

On 19 January 2015, Advanced Broadband Network Co., Ltd. ("ABN"), a subsidiary, registered the increase in the share capital from Baht 1 million (10,000 ordinary shares, Baht 100 par value) to Baht 15 million (150,000 ordinary shares, Baht 100 par value) with the Ministry of Commerce. The purpose of the capital increase is for future investment. The Company paid for the increased shares by Baht 100 per share, totaling Baht 14 million and holds 99.99% of the issued share capital.

Decrease in share capital of a subsidiary

On 12 January 2015, the Company received return share capital of Advanced Internet Revolution Co., Ltd. ("AIR"), a subsidiary, in the amount of Baht 75 million.

Impairment loss on investment in a subsidiary

The Company recorded impairment loss on investment in Advanced Internet Revolution Co., Ltd. ("AIR"), a subsidiary, for the year ended 31 December 2015 of Baht 179 million from the review of the carrying amount of AIR.

Liquidation of a subsidiary

At the Board of Directors' meeting held on 4 August 2014, the Board approved liquidation of Advanced Internet Revolution Co., Ltd. ("AIR"), a subsidiary, and the transfer of its internet business to Super Broadband Network Co., Ltd. ("SBN"), a subsidiary, and does not have any plans to continue its operation. AIR has registered the dissolution with the Ministry of Commerce on 8 September 2014. On 19 October 2015, AIR completed the process of liquidation.

Investments in subsidiaries as at 31 December 2015 and 2014, and dividend income from those investments for the years then ended were as follows:

						Separate financial statements	nancial stat	ements				
	Ownersh	Ownership interest	Paid-up capital	capital	Cost	st	Impairment	ment	At cost - net	- net	Dividend income	come
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
)	(%)					(in milli)	(in million Baht)				
Subsidiaries												
Advanced Internet Revolution Co., Ltd.	1	66.66	1	240	•	009	•	(335)	1	265	1	•
Advanced Contact Center Co., Ltd.	66.66	66.66	272	272	811	811	•		811	811	184	•
Digital Phone Co., Ltd.	98.55	98.55	3,655	3,655	12,493	12,493	(8,230)	(8,230)	4,263	4,263	•	•
Advanced Magic Card Co., Ltd.	66.66	66.66	250	250	250	250	•	•	250	250	88	•
Advanced Mpay Co., Ltd.	66.66	66.66	300	300	336	336	1	1	336	336	538	547
AIN GlobalComm Co., Ltd.	66.66	66.66	100	100	100	100	1	1	100	100	726	1,297
Advanced Wireless Network Co., Ltd.	66.66	66.66	1,350	1,350	1,485	1,485	1	1	1,485	1,485	31,793	15,873
Super Broadband Network Co., Ltd.	66.66	66.66	300	300	300	300			300	300	1,176	2,660
Wireless Device Supply Co., Ltd.	66.66	66.66	50	50	50	50	•		50	50	810	209
Fax Lite Co., Ltd.	86.66	86.66	1	1	1	1	1	1	1	1	933	683
MIMO Tech Co., Ltd.	66.66	66.66	50	50	50	50	1		50	50	477	1,181
Advanced Broadband Network Co., Ltd.	66.66	86.66	15	1	15	-	1	1	15	-	1	1
Total					15,891	16,477	(8,230)	(8,565)	7,661	7,912	36,725	22,848

12 Property, plant and equipment

				Consolida	Consolidated financial statements	atements			
	Land	Building and building improvements	Leasehold building improvements	Computer, tools and equipment	Furniture, fixtures and office equipment	Communication equipment for rental	Vehicles	Assets under construction and installation	Total
					in million Baht)				
Cost									
At 1 January 2014	175	200	952	56,531	1,561	∞	237	11,679	71,643
Additions	349	1	289	22,419	87	1	52	7,897	31,093
Transfers and reclassify	ı	ı	1	7,130	ı	ı	ı	(7,130)	1
Disposals	1	(7)	(114)	(2,700)	(33)	1	(50)	(19)	(2,923)
At 31 December 2014 and									
1 January 2015	524	493	1,127	83,380	1,615	∞	239	12,427	99,813
Additions	ı	1	342	24,508	117	ı	63	9,050	34,080
Transfers and reclassify	ı	(6)	(1)	7,452	(14)	ı	ı	(7,601)	(173)
Disposals	ı	(7)	(85)	(15,535)	(68)	ı	(65)	(86)	(15,879)
At 31 December 2015	524	477	1,383	508,66	1,629	∞	237	13,778	117,841
Depreciation and impairment losses									
At 1 January 2014		(401)	(657)	(33,055)	(1,434)	(8)	(139)	(27)	(35,721)
Depreciation charge for the year	ı	(21)	(108)	(6,015)	(46)	ı	(35)	1	(6,225)
Transfers and reclassify	ı	1	3	ı	1	1	1	1	3
Disposals	ı	2	93	2,657	39	1	43	1	2,837
Impairment losses	1	1	1	(4)	1	1	ı	1	(4)
At 31 December 2014 and									
1 January 2015	1	(417)	(699)	(36,417)	(1,441)	(8)	(131)	(27)	(39,110)
Depreciation charge for the year	ı	(19)	(148)	(9,887)	(61)	ı	(38)	1	(10,153)
Transfers and reclassify	1	6	1	(15)	12	1	ı	1	9
Disposals	1	7	62	15,486	68	ı	55		15,699
Reversal impairment losses	1	1		3	5	1	ı		8
At 31 December 2015	1	(420)	(755)	(30,830)	(1,396)	(8)	(114)	(27)	(33,550)
					I				

				Consolid	Consolidated financial statements	atements			
	Land	Building and building improvements	Leasehold building improvements	Computer, tools and equipment	Furniture, fixtures and office equipment	Communication equipment for rental	Vehicles	Assets under construction and installation	Total
					(in million Baht)				
Net book value At 1 January 2014									
Owned assets	175	66	295	23,476	127		6	11,652	35,833
Assets under finance leases	ı	1	1	1		1	68	•	68
	175	66	295	23,476	127	1	86	11,652	35,922
At 31 December 2014 and 1. January 2015									
Owned assets	524	92	458	46,963	174	1	∞	12,400	60,603
Assets under finance leases	ı	1	1	1	1	1	100	1	100
	524	92	458	46,963	174	1	108	12,400	60,703
At 31 December 2015									
Owned assets	524	57	628	68,902	233	1	6	13,751	84,104
Assets under finance leases	ı		1	73		1	114	•	187
	524	57	628	68,975	233	1	123	13,751	84,291

The gross amount of the Group's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 9,146 million (2014: Baht 25,179 million).

			Separat	Separate financial statements	atements		
	Building and building improvements	Leasehold building improvements	Computer, tools and equipment	Furniture, fixtures and office equipment	Vehicles	Assets under construction and installation	Total
				(in million Baht)			
Cost							
At 1 January 2014	412	200	24,737	1,362	196	226	27,723
Additions	,	183	176	31	24	(122)	292
Disposals	(40)	(400)	(3,015)	(192)	(89)	(6)	(3,724)
At 31 December 2014							
and 1 January 2015	372	573	21,898	1,201	152	95	24,291
Additions	1	57	16	24	30	•	127
Transfers and reclassify	(6)	1	46	ı	1	(45)	(8)
Disposals	(9)	(172)	(16,074)	(47)	(77)	(13)	(16,389)
At 31 December 2015	357	458	5,886	1,178	105	37	8,021
Donrociation							
At 1 January 2014	(369)	(572)	(23.807)	(1.277)	(118)	,	(26.143)
Depreciation charge for the year	(15)	(89)	(361)	(26)	(26)	1	(496)
Transfers and reclassify	` 1	`X`	` 1	` 1	` 1	•	'n
Disposals	38	216	2,974	163	57	•	3,448
At 31 December 2014							
and 1 January 2015	(346)	(421)	(21,194)	(1,140)	(87)	•	(23,188)
Depreciation charge for the year	(14)	(38)	(196)	(21)	(20)	1	(289)
Transfers and reclassify	6		(4)	1			5
Disposals	9	42	15,771	38	57	,	15,951
At 31 December 2015	(345)	(380)	(5,623)	(1,123)	(50)		(7,521)

	Total	
	Assets under construction and installation	
atements	Vehicles	
Separate financial statements	Furniture, fixtures and office equipment	(in million Baht)
Separat	Computer, tools and equipment	
	Leasehold building improvements	
	Building and building improvements	

Net book value							
At 1 January 2014							
Owned assets	43	218	930	85	~	226	1,510
Assets under finance leases	1	1	1	ı	70	1	70
	43	218	930	85	78	226	1,580
At 31 December 2014 and 1 January 2015							
Owned assets	26	152	704	61		95	1,045
Assets under finance leases		1	1	ı	58	1	58
ı	26	152	704	61	99	95	1,103
At 31 December 2015							
Owned assets	12	78	263	55	9	37	451
Assets under finance leases	,	ı	1	ı	49	ı	49
	12	78	263	55	55	37	200

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2015 amounted to Baht 7,069 million (2014: Baht 21,564 million).

13 Intangible assets under the Agreements for operations

		Consolidated fir	nancial statments	
	Cost of mobile phone networks	Cost of datanet tools and equipment	Advance payment and assets under construction of mobile phone networks	Total
		(in mill	ion Baht)	
Cost				
At 1 January 2014	167,418	1,548	2,334	171,300
Additions	600	-	_	600
Transfers and reclassify	1,402	-	(1,699)	(297)
Disposal and write-off	(23,997)	(300)	-	(24,297)
At 31 December 2014 and				
1 January 2015	145,423	1,248	635	147,306
Additions	676	-	(612)	64
Transfers and reclassify	(31)	-	(23)	(54)
Disposal and write-off	(21,721)	-	-	(21,721)
Transfer to TOT	(124,347)			(124,347)
At 31 December 2015		1,248		1,248
Annouticed on and important loss of				
Amortisation and impairment losses	(140.261)	(1.520)		(150,900)
At 1 January 2014 Amortisation charge for the year	(149,261) (11,308)	(1,539) (1)	-	(150,800) (11,309)
Impairment losses	(11,300)	(8)	-	(8)
Transfers and reclassify	63	(6)	-	63
Disposal and write-off	23,186	300	_	23,486
At 31 December 2014 and	23,100			23,400
1 January 2015	(137,320)	(1,248)	_	(138,568)
Amortisation charge for the year	(8,606)	(1,240)	_	(8,606)
Transfers and reclassify	21	_	_	21
Disposal and write-off	21,558	_	_	21,558
Transfer to TOT	124,347	_	_	124,347
At 31 December 2015	-	(1,248)		(1,248)
Net book value	10.455		2 22 4	20 700
At 1 January 2014	18,157	9	2,334	20,500
At 31 December 2014 and	0.102			0.700
1 January 2015	8,103		635	8,738
At 31 December 2015				

The gross amount of the Group's fully amortised assets under the Agreements for operations that was still in use as at 31 December 2015 amounted to Baht 1,248 million (2014: Baht 70,907 million).

	Separate financial statements				
	Cost of mobile phone networks	Advance payment and assets under construction of mobile phone networks	Total		
		(in million Baht)			
Cost					
At 1 January 2014	167,418	2,334	169,752		
Additions	600	_	600		
Transfers and reclassify	1,402	(1,699)	(297)		
Disposals	(23,997)	_	(23,997)		
At 31 December 2014 and 1 January 2015	145,423	635	146,058		
Additions	676	(612)	64		
Transfers and reclassify	(31)	(23)	(54)		
Disposals	(21,721)	-	(21,721)		
Transfer to TOT	(124,347)		(124,347)		
At 31 December 2015					
Amortisation					
At 1 January 2014	(149,261)	-	(149,261)		
Amortisation charge for the year	(11,308)	-	(11,308)		
Transfers and reclassify	63	-	63		
Disposals	23,186		23,186		
At 31 December 2014 and 1 January 2015	(137,320)	-	(137,320)		
Amortisation charge for the year	(8,606)	-	(8,606)		
Transfers and reclassify	21	-	21		
Disposals	21,558	-	21,558		
Transfer to TOT	124,347		124,347		
At 31 December 2015					
Net book value					
At 1 January 2014	18,157	2,334	20,491		
At 31 December 2014 and 1 January 2015	8,103	635	8,738		
At 31 December 2015	-	-	-		

The gross amount of the Company's fully amortised assets under the Agreement for operations that was still in use as at 31 December 2014 amounted to Baht 69,861 million.

Part of assets under the Agreement for operations is 13,198 towers that the Company has transferred to TOT Public Company Limited and is 152 towers and 115 containers that Digital Phone Company Limited, a subsidiary, has transferred to CAT Public Company Limited. The Group is of the opinion that the Tower and the Container are not the tools and equipment specified under the Agreement. Therefore, the Group shall not be obligated to transfer the Tower and the Container. The Group has also submitted the disputes to the Dispute Reconciliation Office, Justice Court Office requesting the Arbitral Tribunal to give an award that the said assets are not the property as stipulated in the Agreement in July 2014.

14 Goodwill

	Consolidated financial statements
	(in million Baht)
Cost	
At 1 January 2014	14,352
At 31 December 2014 and 1 January 2015	14,352
At 31 December 2015	14,352
Impairment losses	
At 1 January 2014	(14,317)
At 31 December 2014 and 1 January 2015	(14,317)
At 31 December 2015	(14,317)
Net book value	
At 1 January 2014	35
At 31 December 2014 and 1 January 2015	35
At 31 December 2015	35

15 Licenses for operation right in spectrum of telecommunication

	Consolidated financial statements
	(in million Baht)
Cost	
At 1 January 2014	14,644
At 31 December 2014 and 1 January 2015	14,644
Additions	40,366
At 31 December 2015	55,010
Amortisation	
At 1 January 2014	(1,043)
Amortisation charge for the year	(976)
At 31 December 2014 and 1 January 2015	(2,019)
Amortisation charge for the year	(1,200)
At 31 December 2015	(3,219)
Net book value	
At 1 January 2014	13,601
At 31 December 2014 and 1 January 2015	12,625
At 31 December 2015	51,791

On 16 October 2012, Advanced Wireless Network Co., Ltd. ("AWN"), a subsidiary, was the auction winner for 2.1GHz license (3G) at the bid price of Baht 14,625 million. On 7 December 2012, AWN was officially granted the license to operate 2.1GHz for 15 years from the National Broadcasting and Telecommunications Commission ("NBTC"). According to the auction terms and conditions, AWN paid 50% of the fee plus VAT, totaling Baht 7,824 million on 19 October 2012 and submitted bank guarantee to pay the remaining fee to the NBTC. Another 25% was paid in the second year on 22 December 2014, and the remaining was paid on 22 December 2015.

On 17 November 2015, AWN, a subsidiary, was the auction winner for 1800MHz license at the bid price of Baht 40,986 million. AWN is now officially granted the license to operate 1800MHz NBTC. According to the auction terms and conditions, AWN paid 50% of the fee plus VAT, totaling Baht 21,928 million on 23 November 2015 and submitted bank guarantee to pay the remaining fee to the NBTC. Another 25% will be paid in the second year, and the remaining will be paid in the third year.

16 Other intangible assets

	Consolidated financial statements				
	Software licences	Assets under installation	Total		
		(in million Baht)			
Cost					
At 1 January 2014	6,220	108	6,328		
Additions	713	25	738		
Transfers and reclassify	95	(95)	-		
Disposals	(2,410)	_	(2,410)		
At 31 December 2014 and 1 January 2015	4,618	38	4,656		
Additions	1,143	67	1,210		
Transfers and reclassify	45	(23)	22		
Disposals	(2)		(2)		
At 31 December 2015	5,804	82	5,886		
4					
Amortisation	(4.150)		(4.150)		
At 1 January 2014	(4,150)	-	(4,150)		
Amortisation charge for the year Disposals	(412) 2,410	-	(412) 2,410		
At 31 December 2014 and 1 January 2015					
Amortisation charge for the year	(2,152) (536)	-	(2,152) (536)		
Transfers and reclassify	(6)	_	(6)		
At 31 December 2015	(2,694)		(2,694)		
ALSI December 2013	(2,0)1)		(2,077)		
Net book value					
At 1 January 2014	2,070	108	2,178		
At 31 December 2014 and 1 January 2015	2,466	38	2,504		
At 31 December 2015	3,110	82	3,192		
	-,	Ü-	-,		

	Separate financial statements
	Software licences
	(in million Baht)
Cost	
At 1 January 2014	2,893
Additions	1
Disposals	(2,420)
At 31 December 2014 and 1 January 2015	474
Transfers and reclassify	8
Disposals	(2)
At 31 December 2015	480
Amortisation	
At 1 January 2014	(2,734)
Amortisation charge for the year	(47)
Disposals	2,419
At 31 December 2014 and 1 January 2015	(362)
Amortisation charge for the year	(41)
Transfers and reclassify	(5)
At 31 December 2015	(408)
Net hook value	
At 1 January 2014	159
At 31 December 2014 and 1 January 2015	112
At 31 December 2015	72

17 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements		Separate financial statements		
	2015	2014	2015	2014	
	(in million Baht)				
Deferred tax assets	1,273	1,509	86	735	
Deferred tax liabilities	(21)	(67)	(21)	(67)	
Net	1,252	1,442	65	668	

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

	Consolidated financial statements					
	(Charged)/credited to					
	At 1 January 2014	(Charged)/ credited to profit or loss	At 31 December 2014	Profit or loss	Other comprehensive income	At 31 December 2015
		(note 31)		(r	note 31)	
			(in mi	llion Baht)		
Deferred tax assets						
Accounts receivable (doubtful accounts)	125	61	186	(21)	_	165
Inventories (allowance for obsolete and decline	123	01	100	(21)		103
in value)	150	(36)	114	(78)	_	36
Assets under the Agreement for operation	100	(30)		(, 0)		50
(amortisation difference)	2,665	(2,310)	355	(355)	_	_
Unearned income - mobile phone service	,	() /		()		
(income recognised difference)	320	74	394	(4)	-	390
Employee benefit obligations	277	25	302	30	129	461
Others	130	28	158	63	-	221
Total	3,667	(2,158)	1,509	(365)	129	1,273
Deferred tax liabilities						
Prepaid expenses under the Agreement						
for operations (expense recognised difference)	(50)	23	(27)	27	-	_
Others	(60)	20	(40)	19	-	(21)
Total	(110)	43	(67)	46		(21)
Net	3,557	(2,115)	1,442	(319)	129	1,252

	Separate financial statements					
	(Charged)/credited to					
	At 1 January 2014	(Charged)/ credited to profit or loss	At 31 December 2014	Profit or loss	Other comprehensive income	At 31 December 2015
		(note 31)			(note 31)	
			(in mi	illion Baht)		
Deferred tax assets						
Accounts receivable (doubtful accounts)	55	(14)	41	(41)	_	_
Inventories (allowance for obsolete	129	(41)	88	(88)		
and decline in value)					-	-
Assets under the Agreement for operation (amortisation difference)	2,665	(2,310)	355	(355)	_	
Unearned income - mobile phone service (income recognised difference)	227	(105)	122	(122)	-	-
Employee benefit obligations	158	(76)	82	7	(3)	86
Others	93	(46)	47	(47)	-	-
Total	3,327	(2,592)	735	(646)	(3)	86
Deferred tax liabilities						
Prepaid expenses under the Agreement						
for operations (expense recognised difference)	(50)	23	(27)	27	-	-
Others	(60)	20	(40)	19		(21)
Total	(110)	43	(67)	46		(21)
Net	3,217	(2,549)	668	(600)	(3)	65

Deferred tax assets arising from significant temporary differences and unused tax losses that have not been recognised in the financial statements as at 31 December 2015 and 2014 were as follows:

	Consolidated financial statements			arate statements
	2015	2014	2015	2014
		(in millio	on Baht)	
Tax losses	1,410	375	1,022	-
Impairment loss on investments	-	-	1,649	1,713
Assets under the Agreements for operations	-	754	-	664
Accrued expense of the Agreements for				
operations	238	238	-	-
Others	-	63	-	-
Total	1,648	1,430	2,671	2,377

The tax losses expire in 2019-2020. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

18 Interest-bearing liabilities

		Consolidated Separate financial statements financial statemen			
	Note	2015	2014	2015	2014
			(in millio	n Baht)	
Current					
Short-term loans from financial					
institutions		8,500	_	7,700	_
Short-term loan from related				.,	
parties	4	-	-	6,490	-
Current portion of long-term					
borrowings		4,314	2,540	4,314	2,540
Current portion of finance lease					
liabilities		41	32	13	21
		12,855	2,572	18,517	2,561
37					
Non-current		25.026	17.010	0.260	12 010
Long-term borrowings, net	,	35,836	17,819	9,369	12,819
Long-term debentures, net	4	16,580	16,575	-	-
Finance lease liabilities		161	84	44	50
		52,577	34,478	9,413	12,869
Total		65,432	37,050	27,930	15,430

The periods to maturity of interest-bearing liabilities, excluding finance lease liabilities, as at 31 December were as follows:

	Consolidated financial statements		Sepa financial st	rate atements	
	2015	2014	2015	2014	
	(in million Baht)				
Within one year	12,814	2,540	18,504	2,540	
After one year but within five years	30,536	22,243	9,369	12,819	
After five years	21,880	12,151	-	-	
Total	65,230	36,934	27,873	15,359	

The currencies denomination of interest-bearing liabilities as at 31 December were as follows:

	Consoli financial st		Separate financial statements		
	2015	2014	2015	2014	
	(in million Baht)				
Thai Baht (THB)	55,715	25,634	18,213	4,014	
United States Dollars (USD)	9,717	11,416	9,717	11,416	
Total	65,432	37,050	27,930	15,430	

Long-term borrowings

As at 31 December, the details of long-term loans are summarised as follows:

Outstan in foreigi	Outstanding loan in foreign currency	ctor to control	Term of	lociochd	Consolidated financial statements	dated tements	Separate financial statements	ate Itements
2015 (in m	2014 (in million)	(per annum)	interest payment	payment term	2015	2014 (in million Baht)	2015 n Baht)	2014
The Company	A							
USD 35.54	USD 49.75	LIBOR plus margin	Semi-annual	20 equal installments from 2008 to 2018	1,288	1,647	1,288	1,647
USD 62.50	USD 125.00	LIBOR plus margin	Semi-annual	2 equal installments in 2015 and 2016	2,265	4,139	2,265	4,139
USD 85.00	USD 85.00	LIBOR plus margin	Semi-annual	4 equal installments in 2016 and 2017	3,082	2,815	3,082	2,815
USD 85.00	USD 85.00	LIBOR plus margin	Semi-annual	Entirely redeemed in 2018	3,082	2,815	3,082	2,815
ı	ı	Fixed interest rate as stipulated in the agreement	Semi-annual	Entirely redeemed in 2018	4,000	4,000	4,000	4,000
Advanced Wi	Advanced Wireless Network Co., Ltd.	ς Co., Ltd.						
ı	1	Fixed interest rate as stipulated in the agreement	Semi-annual	4 equal installments from 2019 to 2021	5,000	5,000	1	ı
ı	ı	6MTHBFix plus margin	Semi-annual	2 equal installments in 2020	12,300	1	ı	ı
	1	Fixed interest rate as stipulated in the agreement	Semi-annual	7 equal installments from 2019 to 2022	5,000	ı	1	ı
ı	1	6MTHBFix plus margin	Semi-annual	Entirely redeemed in 2020	4,200	1	•	1
Total loans Less transactio Net	n cost balance	Fotal loans $Less$ transaction cost balance at 31 December Net		1 1	40,217 (67) 40,150	20,416 (57) 20,359	13,717 (34) 13,683	15,416 (57) 15,359

Long-term debentures

As at 31 December, the Group's long-term debentures represent unsubordinated and unsecured debentures with a par value of Baht 1,000 each and are detailed as follows:

Issue date	No. of unit	Amount	Interest rate	Term of interest	Principal	Conso financial s	Consolidated financial statements	Sepa financial s	Separate financial statements
			(per annum)	payment	payment term	2015	2014	2015	2014
	(Million)	(Million Baht)					(in million Baht)	ın Baht)	
Advanced Wireless Network Co., Ltd. 11 April 2014 0.39	s Network Co 0.39	., Ltd. 397	Fixed interest rate	Semi-annual	Entirely redeemed on 11	397	397	•	1
11 April 2014	7.79	7,789	Fixed interest rate of 4 17%	Semi-annual	April 2017 Entirely redeemed on 11	7,789	7,789	1	1
11 April 2014	1.78	1,776	Fixed interest rate of 4 56%	Semi-annual	April 2019 Entirely	1,776	1,776	1	1
11 April 2014	6.64	6,638	Fixed interest rate of 4.94%	Semi-annual	April 2021 Entirely redeemed on 11	6,638	6,638	1	1
Total debentures Less bond issuing cost balance at 31 December Net	ost balance at 3	31 December			April 2024	16,600 (20) 16,580	16,600 (25) 16,575	1 1	1 1

Under the terms and conditions of the long-term borrowings and debentures, the Company has to comply with certain restrictions and maintain certain financial ratios.

As at 31 December 2015, the Group and the Company has undrawn committed loans amounting to Baht 32,000 million and the Company has none (2014: no undrawn committed loans).

The carrying amounts and fair values of long-term debentures (gross of issuing costs) as at 31 December are as follows:

	С	onsolidated finan	cial statements	
	Carrying at 2015	mount 2014	Fair valu 2015	ues* 2014
		(in million	Baht)	
entures	16,600	16,600	17,958	17,734

^{*} Fair values for traded 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.

Movement during the years ended 31 December of interest-bearing liabilities was as follows:

	Consoli financial sta		Sepa financial st	rate atements
	2015	2014	2015	2014
		(in million	n Baht)	
At 1 January	37,050	24,658	15,430	29,037
Additions	46,329	24,658	31,116	17,224
Borrowing cost	(32)	(29)	-	_
Repayments	(18,635)	(12,406)	(19,315)	(30,996)
Terminate cost	-	(10)	(17)	(10)
Unrealised loss on foreign exchange	693	152	693	152
Amortisation	27	27	23	23
At 31 December	65,432	37,050	27,930	15,430

The effective weighted interest rates as at 31 December were as follows:

	Consolid financial sta		Separa financial stat	
	2015	2014	2015	2014
		(% per an	num)	
Long-term borrowings	2.45	3.50	3.25	3.23
Long-term debentures	4.50	4.50	-	-
Finance lease liabilities	5.59	4.86	4.84	4.87

19 Trade and other accounts payable

	Note	Consolio financial sta		Separa financial sta	
	Note	2015	2014	2015	2014
			(in million E	Baht)	
Trade accounts payable					
Related parties	4	323	51	264	907
Other parties		14,035	11,852	279	379
Total trade accounts payable		14,358	11,903	543	1,286
Other accounts payable					
Accrued expenses	4	12,668	9,997	2,527	2,063
Value added tax payable		154	244	79	136
Withholding tax payable		280	330	45	38
Others	4	291	618	282	587
Total other accounts payable	•	13,393	11,189	2,933	2,824
Total trade and other accounts		·		·	
payable		27,751	23,092	3,476	4,110

The currencies denomination of trade accounts payable as at 31 December were follows:

	Consolic financial sta		Separ financial sta	ate Itements
	2015	2014	2015	2014
		(in million	Baht)	
Thai Baht (THB)	10,525	6,703	372	1,152
United States Dollars (USD)	3,611	5,185	108	130
Euro (EUR)	56	4	58	1
Japanese Yen (JPY)	166	11	5	3
Total	14,358	11,903	543	1,286

20 Employee benefit obligations

The Group and the Company had an employee benefit obligation based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service and long - term service awards.

The defined benefit plans expose the Group/Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The statement of financial position obligation was determined as follows:

	Consolio financial sta		Separa financial sta	
	2015	2014	2015	2014
		(in million	Baht)	
Present value of obligations	2,294	1,500	431	406

Movement in the present value of the employee benefit obligations

	Consoli financial st		Separ financial sta	ate itements
	2015	2014	2015	2014
		(in million	Baht)	
Employee benefit obligations at 1 January	1,500	1,361	406	768
Benefits paid	(15)	(29)	(4)	(25)
Current service costs and interest	172	168	51	43
Transfer out	-	-	(8)	(380)
Actuarial losses (gains) in other				
comprehensive income	637	-	(14)	-
Employee benefit obligations at 31 December	2,294	1,500	431	406

Expense recognised in profit or loss

	Consoli financial st		Separ financial sta	rate atements
	2015	2014	2015	2014
		(in million	Baht)	
Current service costs	114	115	35	28
Interest on obligation	58	53	16	15
Total	172	168	51	43

The Group/Company recognised the expense in the following line items in the statement of income:

	Consoli financial st		Separ financial sta	ate atements
	2015	2014	2015	2014
		(in million i	Baht)	
Cost of rendering of services and equipment rental	9	8	-	-
Administrative expenses	104	105	34	26
Management benefit expenses	1	2	1	2
Finance costs	58	53	16	15
Total	172	168	51	43

Actuarial losses (gains) recognised in other comprehensive income:

	Consoli financial st		Separ financial sta	ate atements
	2015	2014	2015	2014
		(in million	Baht)	
Included in retained earnings:				
At 1 January	723	723	417	417
Recognised during the year	637	-	(14)	-
At 31 December	1,360	723	403	417

Actuarial (gains) and losses recognised in other comprehensive income arising from:

	Consolio financial sta		Separate financial statements	
	2015	2014	2015	2014
		(in million	Baht)	
Financial assumptions	439	_	64	_
Demographic assumptions	(23)	-	(12)	-
Experience adjustment	221	-	(66)	-
Total	637	-	(14)	-

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

	Consol financial s			arate tatements
	2015	2015 2014		2014
		(%	6)	
Discount rate	3.5	3.9	3.5	3.9
Future salary increases	9	8	9	8

Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2008 ("TMO08").

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.

		lidated tatements	Sepa financial s	arate tatements
		(in millic	n Baht)	
Defined benefit obligation at 31 December 2015	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(338)	414	(49)	58
Future salary growth (1% movement)	385	(323)	54	(47)

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.

21 Share capital

	Par value	201	5	2014	1
		Number	Amount	Number	Amount
	(in Baht)		(million share / l	million Baht)	
Authorised At 1 January					
- ordinary shares	1	4,997	4,997	4,997	4,997
At 31 December					
- ordinary shares	1	4,997	4,997	4,997	4,997
<i>Issued and paid-up</i> At 1 January					
- ordinary shares	1	2,973	2,973	2,973	2,973
At 31 December - ordinary shares	1	2,973	2,973	2,973	2,973

As at 31 December 2015 and 2014, the total issued number of ordinary shares is 2,973 million shares with a par value of Baht 1 per share. All issued shares are fully paid.

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.

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.

22 Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public 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.

23 Other components of equity

Share-based payment

The performance share plan

Grant I

In March 2013, the Annual General Meeting of shareholders No.1/2013 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan ("Project"). The major information is listed below:

Approved date: 27 March 2013

Number of warrants offered: 405,800 Units

Exercise price: 206.672 Baht/share

Number of reserved shares: 405,800 Shares

Term of the Project: 5 years from the date of initial offer of the warrants

Offered price per unit: Baht 0 (zero Baht)

Exercise ratio: 1 unit of warrant per 1 ordinary share

Grant II

In March 2014, the Annual General Meeting of shareholders No.1/2014 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan ("Project"). The major information is listed below:

Approved date: 26 March 2014

Number of warrants offered: 680,000 Units

Exercise price: 211.816 Baht/share

Number of reserved shares: 680,000 Shares

Term of the Project: 5 years from the date of initial offer of the warrants

Offered price per unit: Baht 0 (zero Baht)

Exercise ratio: 1 unit of warrant per 1 ordinary share

Offer period: Within one year from the date on which the issuance and

offer of the warrant under the program is approved by the

2014 annual general meeting of shareholders

Grant III

In March 2015, the Annual General Meeting of shareholders No.1/2015 approved to issue warrants to purchase the ordinary shares of the Company. The warrants are offered to employees of the Company and its subsidiaries, including the board of directors of the Company, who are qualified to the Performance share plan ("Project"). The major information is listed below:

Approved date: 24 March 2015

Number of warrants offered: 872,200 Units

Exercise price: 249.938 Baht/share

Number of reserved shares: 872,200 Shares

Term of the Project: 5 years from the date of initial offer of the warrants

Offered price per unit: Baht 0 (zero Baht)

Exercise ratio: 1 unit of warrant per 1 ordinary share

Offer period: Within one year from the date on which the issuance and offer of

the warrant under the program is approved by the 2015 Annual

General Meeting of shareholders

Movements in the number of outstanding warrants are as follows:

	Transaction during the period								
	At 1 January 2015	Issued	Exercised	Forfeited	At 31 December 2015				
			(in units)						
ESOP - Grant I									
- Directors	19,824	-	-	-	19,824				
- Employees	352,476	-	-	-	352,476				
	372,300	-	-	_	372,300				
ESOP - Grant II									
- Directors	29,816	-	-	-	29,816				
- Employees	611,768	-	-	-	611,768				
	641,584		_	_	641,584				
ESOP - Grant III									
- Directors	-	51,600	-	-	51,600				
- Employees		725,716			725,716				
	-	777,316	-	-	777,316				
Total	1,013,884	777,316	_	_	1,791,200				

Fair value measurement

The Group measured the expense of the Project by reference to the fair value of the equity instrument granted at the grant date using the Monte Carlo Simulation technique. The major assumptions are as below:

Grant I

Weighted average fair value at the grant date	183.499 Baht/share
Share price at the grant date	262.000 Baht/share
Exercise price	206.672 Baht/share
Expected volatility	23.51%
Expected dividend	4.16%
Risk-free interest rate	3.07%

Grant II

Weighted average fair value at the grant date	101.617 Baht/share
Share price at the grant date	240.000 Baht/share
Exercise price	211.816 Baht/share
Expected volatility	25.15%
Expected dividend	5.00%
Risk-free interest rate	3.08%

Grant III

Weighted average fair value at the grant date	82.907 Baht/share
Share price at the grant date	236.000 Baht/share
Exercise price	249.938 Baht/share
Expected volatility	22.99%
Expected dividend	5.28%
Risk-free interest rate	2.34%

For the year ended 31 December 2015, the Group/Company recognised share-based payment expense of Baht 31 million and Baht 31 million, on the consolidated and separate financial statements, respectively (2014: Baht 19 million and Baht 19 million, respectively).

Unrealised gain on dilution of investment

The unrealised gain on dilution of investment comprises the cumulative net change in portion of investment until the investment is sold or otherwise disposed of.

Fair value changes in available-for-sale investments

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

24 Segment information

The Group has three reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group/Company's reportable segments.

• Segment 1 Mobile phone and call center services

• Segment 2 Mobile phone sales

• Segment 3 Datanet and broadband services

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Information about reportable segments:

	Mobile phone and call center services	none and r services	Mobile phone sales	ne sales	Datanet and broadband services	dband services	Total reportable segments	ole segments
	2015	2014	2015	2014	2015	2014	2015	2014
				(in millic	(in million Baht)			
External revenue	126,435	125,061	27,827	23,414	1,014	854	155,276	149,329
Investment income Finance costs	268 (1,958)	343 (1,523)	14 (2)	19 (3)	6 -	8 (1)	291 (1,960)	370 (1,527)
Depreciation and amortisation	(20,291)	(18,716)	(7)		(197)	(199)	(20,495)	(18,922)
Segment profit (loss) before income tax	51,185	47,670	(1,476)	(1,545)	(555)	(42)	49,154	46,083
Material items of expenses Segment assets	15,064 170,199	13,044	1,119	1,588	11111,670	274	16,294	14,906
Capital expenditure Segment liabilities	73,816 127,207	31,486 75,880	4,758	3,155	1,684	944	75,504 133,268	32,433 79,486

Geographical segments

The Group/Company is managed and operates principally in Thailand. There are no material revenues derived from, or assets located in, foreign countries.

25 Revenue of the Company under the NBTC's regulation

Revenue from rendering of services and equipment rentals of the Company for the year ended 31 December 2015 and 2014 was classified as follows:

	Sepa financial st	rate atements
	2015	2014
	(in millio	n Baht)
Internet License Type 1	1	1
Other service income	31,530	62,029
Total	31,531	62,030

26 Investment income

	Note	Consoli financial st		Sepa financial s	arate tatements
	Note	2015	2014	2015	2014
			(in millio	on Baht)	
Dividend income					
Subsidiaries	4, 11	_	_	36,725	22,848
Other		40	10	20	5
	•	40	10	36,745	22,853
Interest income	-				
Related parties	4	_	_	1,520	1,220
Associate	4	2	2	-	-
Financial institutions		249	358	49	59
	•	251	360	1,569	1,279
Total	-	291	370	38,314	24,132

27 Other operating income

	Note	Consolio financial sta		Separ financial sta	
	Note	2015	2014	2015	2014
			(in million	Baht)	
Bad debt recovery		111	110	33	70
Management income	4	-	-	209	163
Others	4	337	220	267	625
Total		448	330	509	858

28 Provident Fund

The defined contribution plans comprise provident fund established by the Group/Company for its employees. Membership to the fund 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/Company at rates ranging from 3% to 7% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

29 Expenses by nature

The statements of income include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

		Consol financial s		Sepa financial st	rate tatements	
		2015	2014	2015	2014	
			(in million	Baht)		
Depreciation of bulidings and equipment	12	10,153	6,225	289	496	
Amortisation of assets under Agreements for operations	13	8,606	11,309	8,606	11,308	
Amortisation of intangible assets	15, 16	1,736	1,388	41	47	
Doubtful accounts and bad debts	8	1,315	1,240	_	37	
Marketing expenses Staff costs		6,901 8,078	6,220 7,446	138 1,183	648 1,596	

30 Finance costs

	Note	Consolidated financial statements		Separate financial statements		
		2015	2014	2015	2014	
		(in million Baht)				
Subsidiaries	4	-	-	57	168	
Related parties and associate	4	5	1	-	-	
Financial institutions		1,954	1,526	653	734	
Total		1,959	1,527	710	902	

31 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
			(in million E	Baht)	
Current tax expense					
Current year		9,666	7,950	_	1,499
Adjustment for prior years		14	15	1	4
3	-	9,680	7,965	1	1,503
Deferred tax expense	17	•	•		
Movements in temporary					
differences	_	319	2,115	600	2,549
Total income tax expense		9,999	10,080	601	4,052

Income tax recognised in other comprehensive income

Consolidated financial statements						
	2015			2014		
Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax	
		(in million	Baht)			
(637)	129 129	(508)				
	tax	Before Tax (expense) benefit (637) 129	Before Tax (expense) Net of tax (in million) (637) 129 (508)	Before Tax (expense) Net of Before tax benefit tax tax (in million Baht) (637) 129 (508) -	2015 Before Tax (expense) Net of Before tax benefit (in million Baht) (637) 129 (508)	

	Separate financial statements						
		2015			2014		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax	
			(in million	Baht)			
Employee benefit obligation actuarial gains Total	14 14	(3)	11 11	<u>-</u>			

Reconciliation of effective tax rate

	Consolidated financial statements				
		2015	2	2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	
Profit before income tax expense		49,154		46,083	
Income tax using the Thai corporation					
tax rate	20	9,831	20	9,217	
Income not subject to tax		(6)		(2)	
Expenses not deductible for tax purposes		9		155	
Recognition of previously unrecognized					
temporary difference		(1,042)		-	
Adjustment for prior years		14		15	
Effect from elimination with subsidiaries		(32)		(11)	
Current year losses for which no deferred tax		` ′			
assets was recognised		1,087		42	
Written-off deferred tax assets		138		664	
Total	20	9,999	22	10,080	

	Separate financial statements				
		2015	2	2014	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	
Profit before income tax expense		39,198		38,918	
Income tax using the Thai corporation					
tax rate	20	7,840	20	7,784	
Income not subject to tax		(7,349)		(4,571)	
Expenses not deductible for tax purposes		58		171	
Recognition of previously unrecognized					
temporary difference		(1,109)		-	
Adjustment for prior years		1		4	
Current year loss for which no deferred tax					
asset was recognised		1,022		_	
Written-off deferred tax assets		138		664	
Total	2	601	10	4,052	

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.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group/Company has applied the tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

32 Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separ financial sta	
	2015	2014	2015	2014
		(in million Baht / i	million shares)	
Profit attributable to ordinary shareholders of the Company (basic)	39,152	36,033	38,597	34,866
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Earnings per share (basic) (in Baht)	13.17	12.12	12.98	11.73

Diluted earnings per share

The calculation of diluted earnings per share for the years ended 31 December 2015 and 2014 were based on the profit for the years attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding during the years after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
		(in million Baht /	million shares)	
Profit attributable to equity holders of	20.152	26.022	20.507	24.966
the Company (basic)	39,152	36,033	38,597	34,866
Profit attributable to equity holders of the Company (diluted)	39,152	36,033	38,597	34,866
Weighted average number of ordinary shares outstanding (basic)	2,973	2,973	2,973	2,973
Effect of share-based payment				
Weighted average number of				
ordinary shares outstanding (diluted)	2,973	2,973	2,973	2,973
Earnings per share (diluted) (in Baht)	13.17	12.12	12.98	11.73

33 Dividends

At the annual general meeting and the board of directors meeting of the company, resolutions were passed to approve the dividend and interim dividend payment to the shareholders as follows:

Year ended 31 December 2014

The resolution of:	Date of meeting	Dividend rate (Baht/share)	Total dividend (in million Baht)
The general shareholders	26 March 2014	5.75	17,095
The board of directors	4 August 2014	6.04	17,957
			35,052

Year ended 31 December 2015

The resolution of: Date of me	Date of meeting	Dividend rate	
		(Baht/share)	(in million Baht)
The general shareholders	24 March 2015	5.96	17,718
The board of directors	3 August 2015	6.50	19,324
			37,042

34 Financial instruments

(a) Financial risk management policies

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

(b) Capital management

- The Group/Company aim to manage its capital structure to be stronger than industry peer and commit to be investment grade rating. This will allow the Group/Company to retain superior financial flexibility in order to capture future growth prospect. The Group's/Company's financial flexibility means diversified source of capital, ease of funding, and appropriate cost of capital.
- In an intermediate term, the Group/Company view that telecommunications industry in Thailand will face another phase of technology change and hence new investment will be required. The statement of financial position of the Group/Company is flexible to prepare the Group/Company for such investment and the Group/Company aim to leverage on its gearing through debt instrument.

(c) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows because some of debt securities and loan interest rates are floating interest rate. The Group/Company is primarily exposed to interest rate risk from its borrowings (Note 18). The Group/Company mitigates this risk by ensuring that the majority of its debt securities and borrowings are at fixed interest rates and uses derivative financial instruments, principally interest rate swaps, to manage exposure to fluctuations in interest rates on specific debt securities and borrowings.

(d) Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to expense and borrowings which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies and swap and forward contracts to hedge long-term borrowings denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to borrowings, denominated in foreign currencies, for the subsequent period.

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

	Note	Consoli financial st		Separ financial sta	
	74010	2015	2014	2015	2014
			(in million	n Baht)	
Cash and cash equivalents	5				
United States Dollars (USD)		153	80	100	52
Euro Dollars (EUR)		3	26	2	5
Total		156	106	102	57
Trade accounts receivable	8				
United States Dollars (USD)		59	317	8	108
Euro (EUR)		1	13	1	10
Total		60	330	9	118
Interest-bearing liabilities	18				
United States Dollars (USD)	10	(9,717)	(11,416)	(9,717)	(11,416)
Total		(9,717)	(11,416)	(9,717)	(11,416)

	Note		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014	
			(in million	Baht)		
Trade accounts payable	19					
United States Dollars (USD)		(3,611)	(5,185)	(108)	(130)	
Euro (EUR)		(56)	(4)	(58)	(1)	
Japanese Yen (JPY)		(166)	(11)	(5)	(3)	
Total		(3,833)	(5,200)	(171)	(134)	
Gross statement of financial						
position exposure		(13,334)	(16,180)	(9,777)	(11,375)	
Swap contracts		8,159	10,499	8,159	10,499	
Forward contracts		8,190	484	147	209	
Net exposure		3,015	(5,197)	(1,471)	(667)	

^{*}Forward contracts were held to hedge currency risk for gross statement of financial position exposure as at 31 December 2015 and 2014 and to retain future purchases.

As at 31 December swap and forward receivables (payables), net as follows:

	221 499) 722
Swap contracts: 9,565 11,221 9,565 11 Swap contracts receivable swap contracts payable** (8,159) (10,499) (8,159) (10 Total swap contracts receivable/(payable) 1,406 722 1,406	<u>499)</u> 722
Swap contracts receivable 9,565 11,221 9,565 11 Swap contracts payable** (8,159) (10,499) (8,159) (10 Total swap contracts receivable/(payable) 1,406 722 1,406	<u>499)</u> 722
Swap contracts receivable 9,565 11,221 9,565 11 Swap contracts payable** (8,159) (10,499) (8,159) (10 Total swap contracts receivable/(payable) 1,406 722 1,406	<u>499)</u> 722
Swap contracts payable** (8,159) (10,499) (8,159) (10,499) Total swap contracts receivable/(payable) 1,406 722 1,406	<u>499)</u> 722
Total swap contracts receivable/(payable) 1,406 722 1,406	,
Forward contracts:	197
	197
Forward contracts receivable 8,227 471 152	1//
,	209)
Total forward contracts receivable/(payable) 37 (13) 5	(12)
	,
Total swap and forward contracts: Swap and forward contracts receivable 17,792 11,692 9,717 11.	418
	708)
Total swap and forward contracts	700)
receivable/(payable) 1,443 709 1,411	710
Comment accepts (lightlifties)	
Current assets (liabilities) Other current assets 648 141 616	141
Other current liabilities - (1) -	-
Total current assets (liabilities) 648 140 616	141
1000 011 011 011 0110 0110	
Non-current assets (liabilities)	
Swap and forward contracts receivable 795 569 795	569
	569
Total 1,443 709 1,411	710

The nominal amounts and fair values of swap and forward contracts as at 31 December are as follows:

	Consolidated financial statements				
	Nominal an 2015	Nominal amounts** 2015 2014		ues* 2014	
		(in million Baht)			
Swap contracts Forward contracts	8,159 8,190	10,499 484	9,326 8,289	10,945 477	
Total	16,349	10,983	17,615	11,422	

		Separate financial statements				
	Nominal amounts** 2015 2014		Fair values* 2015 2014			
		(in million Baht)				
Swap contracts	8,159	10,499	9,326	10,945		
Forward contracts	147	209	153	200		
Total	8,306	10,708	9,479	11,145		

^{*} The fair value of swap and forward contracts were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date.

(e) Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Group/Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk.

(f) Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

(g) Fair values of financial assets and liabilities

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

^{**} The nominal amount of swap and forward contracts is the value of the original contracts which the Company entered with the commercial banks and must be repaid at the maturity date.

Financial assets and liabilities measured at fair value

		Consolidated financial statements			
	Carrying amount	Level 1	Fair va Level 2	lue Level 3	Total
			(in million B	aht)	
31 December 2015 Available-for-sale investments	305	-	305	-	305
31 December 2014 Available-for-sale investments	1,542	-	1,542	-	1,542

Financial assets and liabilities not measured at fair value (but with fair value disclosed)

		Consolidated financial statements			
	Carrying amount	Level 1	Fair v Level 2	value Level 3	Total
			(in million	Baht)	
31 December 2015					
Swap and forward contracts	16,349	-	-	17,615	17,615
Debentures	16,600	-	17,958	-	17,958
31 December 2014					
Swap and forward contracts	10,983	-	-	11,422	11,422
Debentures	16,600	-	17,734	-	17,734

		Separate financial statements				
	Carrying amount	Level 1	Fair v Level 2	alue Level 3	Total	
			(in million E	Baht)		
31 December 2015	0.206			0.470	0.470	
Swap and forward contracts	8,306	-	-	9,479	9,479	
31 December 2014 Swap and forward contracts	10,708	-	-	11,145	11,145	

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 available-for-sale investments using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

For disclosure purposes, the Group determines Level 2 fair values for traded 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.

For disclosure purposes, the Group/Company determines Level 3 fair values for fair value of swap and forward contracts were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date.

The fair value of accounts receivable and accounts payable - trade and others is taken to approximate the carrying value.

The fair value of loans to and loans from related is taken to approximate the carrying value because most of these financial instruments bear interest at market rates.

The fair value of long-term borrowings is taken to approximate the carrying value because most of these financial instruments bear interest at market rate.

35 Commitments with non-related parties

	Consoli financial st		Separate financial statements		
	2015	2014	2015	2014	
		(in million	Baht)		
Capital commitments Contracted but not provided for Intangible assets under the Agreements for operations Thai Baht United States Dollars	-	69 3	- -	69 3	
Buildings and equipment Thai Baht United States Dollars Japanese Yen SG Dollars	21,174 385 82 3	18,765 314 97	33	30	
Service maintenance agreements Thai Baht United States Dollars Japanese Yen	2,025 23 12	1,651 16 12	507 1 7	607 6 10	
Purchase orders for goods and supplies Thai Baht United States Dollars	25,554 629	6,340 114	- -	15	

	Consolio financial sta		Separate financial statements		
	2015	2014	2015	2014	
		(in million	Baht)		
Non-cancellable operating lease commitments					
Within one year	2,274	1,722	221	292	
After one year but within five years	3,038	2,073	56	262	
After five years	1,751	-	-	-	
Total	7,063	3,795	277	554	
Other commitments					
Forward and swap contracts	16,349	10,983	8,306	10,708	
Bank guarantees:					
- The Agreements for operations	-	1,460	-	1,460	
- Spectrum licenses payable	21,928	3,912	-	_	
- Others	1,052	1,029	259	313	
Total	39,329	17,384	8,565	12,481	

The Group has entered into lease and related service agreements for office space, cars, computers and base stations for periods ranging from 1 year to 15 years with options to renew.

36 Contingent liabilities

Pursuant to the letter dated 18 January 2013, the Revenue Department has challenged the Company and Digital Phone Company Limited ("DPC"), a subsidiary, to pay surcharge of Baht 128 million and Baht 6 million, respectively, regarding the withholding tax on revenue sharing payment after excise tax deduction by giving the opinion that the excise tax is a part of revenue sharing. Therefore, the Company and DPC will be liable to pay the shortage of withholding tax amount of excise tax which came from the revenue sharing payment without excise tax deduction. The Company and DPC have submitted the appeal to the Commission of Appeal. At present, the said cases are pending on the consideration process of the Commission of Appeal.

37 Significant events, commercial disputes and litigation

The Company

1) The opinion of the Council of State relating to the amendments or supplements to the Agreement for Operation

Pursuant to the letter of the Ministry of Information and Communication Technology to the Council of State requesting opinion on whether the amendments or supplements to the agreement between TOT Public Company Limited who is the Telephone Organization of Thailand at that time ("TOT") and Advanced Info Service Public Company Limited after the enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 are legitimately effected and in case those amendments or supplements to the Agreement are not legitimately effected according to such Act, what guidelines TOT should implement.

The Council of State was of the opinion by its Memorandum of the Council of State no. 291/2550 on Enforcement of the Act on Private Participation in State Undertaking, B.E. 2535 (in the case of the Agreement Permitting Undertaking of Cellular Mobile Telephone Services, "the Agreement" between TOT Public Company Limited and Advanced Info Service Public Company Limited) that

*"... since TOT being the contracting party in this case acted on behalf of the State by virtue of the authority and duty pursuant to Telephone Organization of Thailand Act, the executed Agreement thus represents the agreement between the State and the private sector in order to authorise the private sector to provide public services to the public on behalf of the State. The State therefore is obligated to perform according to those stipulated in that Agreement.

However, since the amendments to the Agreement upon which the consultation is being sought were not legitimately carried out according to the Act on Private Participation in State Undertaking, B.E. 2535 which was in force at the time of effecting those amendments because those amendments had not been proposed for the consideration of the Coordination committee according to Section 22 and not forwarded to the Cabinet, being the organ charged with the authority to approve of the amendments to the Agreement pursuant to the Act as aforesaid, the amendments made to the Agreement with TOT as the contracting party were therefore carried out without legal authority.

However, the procedures to amend the Agreement represent administrative juristic acts which are capable of being separated from the amendments to the Agreement already effected and those amendments to the Agreement are still in force so long as they are not rescinded or extinguished by statute of limitation or by other causes. In case the Cabinet, vested with the authority under the law and having considered the causes for the rescission, the impact, and the propriety on the basis of the State's and the public interest, is of the opinion that the illegitimate procedures have resulted in damage that warrants rescinding the amendments to the Agreement already effected, the Cabinet may legitimately rescind such amendments to the Agreement. However, if the Cabinet, upon having considered the same, deems it justified, with regard to the State's or the public interest and the continuity of providing public services, the Cabinet may exercise its discretion to grant approval for the procedures to further amend the Agreement, as appropriate, with the unit owning the project and the Coordination committee pursuant to Section 22 being the parties to submit the facts, justifications, and opinion for the consideration of the Cabinet."

*The above clauses in "..." represent some parts of the Memorandum of the Council of State no. 291/2550. The full text Memorandum of the Council of State is available only in Thai language.

In addition, the Coordinating Committee according to Clause 22 has already submitted the opinion regarding the amendments of the Agreement of the Company to the Minister of the Information and Communications Technology.

Notwithstanding, during the period of the Agreement for Operation until the expiration date on 30 September 2015, the Cabinet had never issued the resolution to revoke or revise the amendments or supplements to the Agreement for operation.

2) The deduction of excise tax from the revenue sharing between the Company and TOT Public Company Limited ("TOT")

On 22 January 2008, TOT Public Company Limited ("TOT") submitted a dispute under the black case no. 9/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding the Company to pay additional payment of revenue sharing under the Cellular Mobile Phone Contract in the amount of Baht 31,463 million under the Cellular Mobile Phone Contract plus interest at the rate of 1.25 percent per month computing from the default date on 10 January 2007 until the full payment is made.

This amount is the same as an excise tax that the Company had delivered to Excise Department during 28 January 2003 to 26 February 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Thus, the Company has fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet. Moreover, TOT had sent letter no. Tor Sor Tor. Bor Yor./843 dated 10 March 2003 stating that the Company has fully complied with the Cabinet's resolution and the Company's burden remains at the same percentage rate as specified in the contract and the submission of the said excise tax return shall not affect the terms of the contract.

On 20 May 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that the Company was not in breach of the Agreement since the Company has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, TOT has no right to re-claim for the alleged deficit amount.

On 22 September 2011, TOT has submitted the black case no. 1918/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

3) Interconnection agreement in accordance with the announcement of National Telecommunication Commission ("NTC")

According to Telecommunication Business Operation Act B.E. 2544 and the announcement of National Telecommunication Commission ("NTC") regarding the Use and Interconnect of Telecommunication Network B.E. 2549, the Company has entered into an interconnection ("IC") agreement with other operators approved by NTC and the effective period of the agreement is listed below:

Operators	Effective period
 Total Access Communication Public Company Limited Truemove Company Limited Digital Phone Company Limited CAT Telecom Public Company Limited Advanced Wireless Network Company Limited dtac TriNet Company Limited Real Future Co., Ltd. 	30 November 2006 onwards 16 January 2007 onwards 1 June 2009 onwards 7 April 2010 onwards 1 April 2013 onwards 1 July 2013 onwards 1 July 2013 onwards

On 31 August 2007, TOT Public Company Limited ("TOT") has filed a lawsuit against NTC to the Central Administrative Court to revoke the said announcement. On 15 September 2010, the Central Administrative Court has dismissed the case which TOT filed to revoke the announcement of NTC regarding the Use and Interconnect of Telecommunication Network B.E. 2549. TOT has appealed such dismissal to the Supreme Administrative Court. On 4 February 2008, TOT sent a letter to the Company informing that the Company should wait for the final judgment of the Court. Should the Company undertake the IC agreements per the NTC announcement before the final judgment of the Court, TOT shall not recognise the Company's related actions and the Company must be responsible for such actions.

Having considered the said TOT's letter, related laws and the legal counsel's opinion, the Company's management is of the opinion that non-compliance by the Company with the IC agreements shall be deemed violating the said NTC announcement. Therefore, the Company has decided to comply with the IC agreements in line with the current legal provisions.

According to the Agreement to operate cellular mobile telephone service, the Company has to pay the higher of stipulated annual minimum payment or the percentage of service revenues prior to deducting expenses and taxes. However, the Company had to comply with the regulation while TOT would like to wait for the final judgment of the Court. As a result, the Company anticipated entering into a negotiation with TOT in relation to a calculation method of the revenue sharing. The Company calculated the revenue sharing from the net IC revenue which is similar to other operators in the telecommunication industry on a conservative basis. The revenue sharing amount to be paid to TOT is subject to the final judgment of the Court in relation to revoking the announcement of NTC and a negotiation between TOT and the Company. The Company will make adjustment in the financial statements in the period when the issue has been agreed. The Company's management is certain that it will not incur significant expense more than the revenue sharing amount which the Company has recorded.

However, after having considered the letter from TOT, the relevant laws and the comments of the legal consultant, the management of the Company is of the opinion that non-compliance with the above Interconnection Agreements would be in conflict with the announcement of NTC regarding the Use and Interconnect of Telecommunication Network. Therefore, the Company decided to comply with the said Agreements which are in line with the legal provisions currently in force by issuing invoices to collect the interconnection charge from the contractual parties.

On 30 December 2008, the Company has remitted the revenue sharing incurred from the interconnection of the telecommunication network since February 2007 to June 2008 in the amount of Baht 761 million based on the rate and calculation method of the Company to TOT. Later, the Company and TOT had set up the negotiation committee to seek for the conclusion but it could not be done as TOT required the Company to pay revenue sharing calculated on gross interconnection charges received by the Company at the rate specified in the Agreement without deduction of interconnection charges which the Company has to pay to other operators. Thus, on 26 January 2011, TOT sent a letter demanding the Company to pay the revenue sharing on the interconnection charges of the Agreement for operation years 17th - 20th in the amount of Baht 17,803 million plus interest at the rate of 1.25% per month. But the Company disagreed and sent a letter opposing the said claim to TOT and the Company has submitted the dispute to the Alternative Dispute Resolution Office, the Arbitration Institute ref. black no. 19/2554 on 9 March 2011 requesting the Arbitral Tribunal to give an award that TOT has no right to claim for such revenue sharing.

On 29 July 2014, TOT has submitted a dispute no. 55/2557 demanding the Company to pay additional payment for the revenue sharing on the interconnection charges of the operation years 21st - 22nd in the amount of Baht 9,984 million plus interest at the rate of 1.25% per month on its outstanding and computing from the default date until the full payment is made. In addition, TOT has requested this case to be under the same consideration with the black case no. 19/2554 to the Arbitral Tribunal. At present, the said disputes are pending on the Arbitration process.

4) Obligations of the bank guarantees in connection with the Agreement for Operations

According to the Agreement, the Company has the duties to deliver the bank guarantees to TOT Public Company Limited ("TOT") to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

TOT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation years 17th - 21st for a total value of Baht 7,007 million by claiming that the Company had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 11 May 2011 and on 5 October 2012, the Company has submitted the disputes to the Alternative Dispute Resolution Office, the Arbitration Institute black case no. 40/2554 and 119/2555 requesting the Arbitral Tribunal to award an order to TOT to return the bank guarantees to the Company because the Company has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects.

On 10 February 2014, the Arbitral Tribunal has given the arbitration award to order TOT to return the bank guarantees for the operation years 17th - 21st to the Company. On 16 May 2014, TOT has submitted the black case no. 660/2557 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 19 May 2014, the Company has submitted the black case no. 666/2557 to the Central Administrative Court requesting TOT to return the bank guarantees for the operation years 17th - 21st to the Company according to the arbitration award and pay the bank guarantees fee of Baht 6.65 million which had been paid by the Company to the banks as well as interest at the rate of 7.5% per annum computing from the date that Company paid to the banks. Currently, this black case is in the Central Administrative Court process.

5) 900 MHz subscribers migration to 3G 2100 MHz

On 25 September 2014, TOT Public Company Limited ("TOT") has submitted a dispute under the black case no. 80/2557 to the Arbitration Institute demanding the Company to pay compensation from the 900 MHz subscribers porting to 3G 2100 MHz provided by its subsidiary in the amount of Baht 9,126 million plus interest at the rate of 7.5% per annum from 25 September 2014 until the full payment is made.

Currently, the case is in the Arbitration process. The Company's management believes that the Company has correctly and fully complied with the related conditions of the Agreement in all respects then the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

6) The claim for additional revenue from the 6 th and 7 th Amendments to the Concession Agreement

On 30 September 2015, the Company submitted the dispute black case no. 78/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary to decide regarding the 6th Amendment dated 15 May 2001 and 7th Amendment dated 20 September 2002 to the Concession Agreement to conduct business of Cellular Mobile Telephone that the said amendments bind the Company and TOT Public Company Limited ("TOT") to comply with the said amendments until the expiration of the Concession Agreement and that the Company has no obligation to pay for the additional revenue according to the letter claimed by TOT to the Company on 29 September 2015 regarding to request the payment of additional revenue in the amount of Baht 72,036 million which TOT has claimed that the 6th and 7th Amendments were material which caused TOT to receive lower revenue than the rate as specified in the Concession Agreement.

At present, the dispute is under the consideration of the arbitrators which the management of the Company believes that the 6th and 7th Amendments to the Concession Agreement are binding and effective until the expiration of the Concession Agreement on 30 September 2015 because the Company has fully complied with all concerned Agreements. Moreover, the Council of State opined on this matter that the amendments to the Concession Agreement between TOT and the Company, case no. 291/2550 that "...the amendment process of the Concession Agreement which is the administrative contract can be separated from such amendment attached hereto, the amendments have still been in effect as long as it is not revoked or terminated by time, or otherwise...". Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

Later, on 30 November 2015, TOT submitted the dispute black case no. 122/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary to decrease the amount of the revenue claimed by TOT to Baht 62,774 million according to the percentage adjustability of revenue sharing upon the Concession Agreement. This case is the same as the dispute black case no. 78/2558.

7) Space rental fee for tower and equipment for service under the Concession Agreement

On 30 September 2015, TOT Public Company Limited ("TOT") submitted the dispute black case no. 76/2558 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary to decide regarding the Company rents 11,883 base stations, which used for the installation of towers and telecommunication equipment to provide telecommunication services (Cellular Mobile Telephone Service), under the Concession Agreement for additional 2 years from the expiration of the Concession Agreement. In case that the Company cannot perform such rental, the Company shall pay the said rental and all expenses during additional 2 years in the amount of Baht 1,911 million or to place the money to the court.

At present, the dispute is under the consideration of the arbitrators which the management of the Company believes that the Company has no obligation to pay for the space rental fee for tower and equipment related after the expiration of the Concession Agreement because the Company has rightfully conducted everything in accordance with the Concession Agreement. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the financial statements of the Company.

Digital Phone Company Limited ("DPC")

1) The deduction of excise tax from the revenue sharing between DPC and CAT Telecom Public Company Limited ("CAT")

On 9 January 2008, CAT Telecom Public Company Limited ("CAT") submitted a dispute under the black case no. 3/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC, a subsidiary, to pay additional payment of revenue sharing under the Digital Personal Communication Network Contract in the amount of Baht 2,449 million plus penalty at the rate of 1.25% per month of the unpaid amount of each year computing from the default date until the full payment is made which total penalty calculated up to December 2007 is Baht 1,500 million, totalling Baht 3,949 million.

Later, on 1 October 2008, CAT has submitted the petition to adjust the amount claimed to Baht 3,410 million which calculated from the outstanding revenue sharing up to January 2008 including penalty for Baht 790 million and value added tax for Baht 171 million.

This amount is the same as an excise tax that DPC had delivered to Excise Department during 16 September 2003 to 15 September 2007 and deducted it from revenue sharing according to the resolution of the Cabinet dated 11 February 2003. Moreover, CAT has sent a letter No. CAT 603 (Kor Tor.) 739 notifying DPC to comply with such Cabinet's resolution. Thus, DPC has correctly and fully complied with the Cabinet's resolution dated 11 February 2003 and this practice is the same as other operators in mobile phone or cellular radio telecommunication industries according to the resolution of the Cabinet.

On 1 March 2011, the Arbitral Tribunal has dismissed the case by giving the reason which can be summarised that DPC was not in breach of the Agreement since DPC has completely made the payment of the revenue sharing and all debt was therefore paid in full. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty and the value added tax.

On 3 June 2011, CAT has submitted the black case no. 1259/2554 to the Central Administrative Court to revoke the Arbitral Tribunal's award.

On 28 July 2015, the Central Administrative Court reached its decision to dismiss such dispute made by CAT to revoke the Arbitral Tribunal award.

On 3 September 2015, CAT has appealed such dismissal the black case no. Oor.1070/2558 to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

2) The deduction of access charge from revenue sharing between DPC and CAT Telecom Public Company Limited ("CAT")

Pursuant to the resolution of the meeting on 14 January 2004 between TOT Public Company Limited ("TOT"), CAT Telecom Public Company Limited ("CAT"), Digital Phone Company Limited ("DPC"), a subsidiary, and True Move Company Limited ("True Move") by the Minister of the Information and Communications Technology Ministry, the Chairman, that TOT consented to reduce access charge of mobile phone from revenue sharing which TOT received from CAT in the amount of Baht 22 /number/month to DPC and True Move starting from the 6th operation year as Total Access Communication Public Company Limited ("DTAC") had received from TOT.

On 12 October 2006, TOT sent a letter to CAT that TOT could not reduce access charge of mobile phone to DPC and True Move and demanding CAT to pay the access charge that DPC and True Move have deducted as a discount of access charge plus legal interest rate computing from the default date until the fully payment is made.

On 29 July 2008, CAT submitted a dispute under black case no. 68/2551 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 154 million (additional consideration of the 7th - 10th operation year) plus value added tax and interest at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year since the 7th -10th operation year until the full payment is made.

On 15 October 2009, CAT submitted a dispute under black case no. 96/2552 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay access charge of mobile phone that DPC had deducted for Baht 22 million (additional consideration of the 11th operation year) including the penalty at the rate of 1.25 percent per month which calculated up to 15 October 2009, total amount of claim is Baht 26 million.

On 23 March 2012, the Arbitral Tribunal has dismissed the said two disputes by giving the reason which can be summarised that CAT has not yet paid the discount Baht 22/number/month to TOT. Moreover, CAT cannot prove that DPC has breached the Agreement and has made the payment of revenue sharing incorrectly. Therefore, CAT has no right to re-claim for the alleged deficit amount, including the penalty fine and the value added tax.

On 25 June 2012, CAT has submitted the black case no. 1016/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award, and on 16 September 2014, the Central Administrative Court has issued the dismissal order of this case. On 15 October 2014, CAT has appealed such dismissal to the Supreme Administrative Court. At present, the said case is pending for consideration of the Supreme Administrative Court.

3) Access charge payment between DPC, CAT Telecom Public Company Limited ("CAT") and TOT Public Company Limited ("TOT")

On 9 May 2011, TOT Public Company Limited ("TOT") has submitted the black case no. 1099/2554 to the Central Administrative Court against CAT Telecom Public Company Limited ("CAT") as the defendant no. 1 and Digital Phone Company Limited ("DPC") as the defendant no. 2 demanding CAT and DPC to pay the access charge amounting to Baht 2,436 million plus value added tax and interest calculated up to 9 May 2011, total amount of claim is Baht 2,954 million plus interest until the full payment is made as follows:

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 432 million
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 2,331 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 191 million. Part of this demand is the same amount as CAT has claimed according to the dispute under black case no. 68/2551 mentioned above but different in terms of the calculation period and interest.

Later, on 31 July 2014, TOT has submitted a petition for revision to adjust the access charge amounting to Baht 5,454 million calculated up to 16 September 2013 which is the date of the Agreement for operation period ended plus valued add tax and interest calculated up to 10 July 2014 plus interest calculated from 10 July 2014 until full payment is made as follows.

- 1) Part of DPC calculating on the amount of the mobile phone number which DPC had rendered the service at the rate of Baht 200/number/month, in the amount of Baht 1,289 million.
- 2) Part of CAT calculating on a half of the revenue sharing which CAT had received from DPC, in the amount of Baht 3,944 million.
- 3) The discount of access charge at the rate of Baht 22/number/month that DPC deducted from the revenue sharing, in the amount of Baht 221 million.

At present, the said case is pending consideration of the Central Administrative Court. The Company's management believes that the outcome of the said case shall be in favour of DPC and have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

4) To deliver and transfer ownership of towers and equipments of power supply between DPC and CAT Telecom Public Company Limited ("CAT")

On 3 February 2009, CAT Telecom Public Company Limited ("CAT") has submitted a dispute under the black case no. 8/2552 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC, a subsidiary, to deliver and transfer ownership of 3,343 towers including 2,653 equipments of power supply under the Digital PCN ("Personal Communication Network Agreement"). Failure to do so, DPC must reimburse Baht 2,230 million to CAT. DPC considers that all disputed assets, towers and the equipment of power supply are not the property as stipulated in the Agreement.

On 18 July 2012, the Arbitral Tribunal has given the arbitration award to dismiss the said disputes under the reason that the request by CAT to demand the delivery of the assets from DPC was the premature exercise of legal claim under the contract.

On 25 October 2012, CAT has submitted the black case no. 2757/2555 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

5) The reduction of roaming fee between DPC and CAT Telecom Public Company Limited ("CAT")

Starting from 1 July 2006, CAT Telecom Public Company Limited ("CAT") allowed Digital Phone Company Limited ("DPC"), a subsidiary, to reduce roaming fee per minute from Baht 2.10 to Baht 1.10 to be in line with the decrease of mobile phone service fee. The approval has been renewed for 3-month period several times thereafter until 31 March 2007. After that, CAT did not notify DPC of any changes until on 24 March 2008, CAT had sent a letter to notify DPC to charge roaming fee at Baht 2.10 per minute starting from 1 April 2007. On 8 May 2008, DPC sent a request letter to CAT to reconsider the roaming fee adjustment. The reason for such request was based on the market environment where the prevailing mobile phone service charge to consumers in the market was significantly lower than the specified roaming fee. Such high roaming fee is therefore unreasonable for DPC to provide the roaming service to any operators. In the letter, DPC informed CAT that during the period when CAT is reconsidering the request, DPC will charge roaming fee at Baht 1.10 per minute according to the previous agreed terms and conditions. On 31 March 2009, CAT has approved DPC to charge roaming fee at Baht 1.10 per minute during 1 January 2009 - 31 March 2009. Moreover, DPC has entered into the national roaming agreement with the Company to charge roaming fee at Baht 1.10 per minute approved by National Telecommunication Commission ("NTC") on 16 June 2009.

On 15 July 2010, CAT has submitted a dispute under black case no. 62/2553 to the Alternative Dispute Resolution Office, the Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 12th operation year that DPC reduced roaming fee per minute from Baht 2.10 to Baht 1.10 during 1 April 2007 - 31 December 2008 amounting to Baht 1,636 million plus penalty computing up to March 2010 of Baht 364 million, totaling Baht 2,000 million and penalty at the rate of 1.25 percent per month from April 2010 until the full payment is made by alleging that CAT had approved the said roaming fee reduction up to 31 March 2007 only.

On 12 September 2011, CAT has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute; black case no. 89/2554 demanding DPC to make additional payment of revenue sharing of 12th operation year which DPC reduced roaming fee from Baht 2.10 per minute to Baht 1.10 per minute during 1 April 2009 - 15 June 2009 in the amount of Baht 113 million plus penalty at the rate of 1.25% per month from 1 April 2009 until full payment is made.

At present, the said dispute is pending on the Arbitration process. The Company's management believes that the outcome of the said dispute shall have no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the relating Agreements in all respects.

6) The damage arisen from uncollectible international call service charges between DPC and CAT Telecom Public Company Limited ("CAT")

On 8 April 2011, CAT Telecom Public Company Limited ("CAT") submitted a dispute under black case no. 32/2554 to the Arbitration Institute, the Alternative Dispute Resolution Office, Office of the Judiciary demanding DPC to pay Baht 33 million including interest at the rate of 15% per annum of the claimed amount, total amount of claim Baht 35 million by alleging that DPC has committed a breach of the Digital PCN (Personal Communication Network) 1800 Service Agreement due to subscriber fraud on the Digital PCN 1800 Service Agreement between DPC and subscribers for 1,209 numbers during 1997 - 2003 causing damages to CAT where CAT was unable to collect the international call service charges occurred from the use of such numbers.

On 28 May 2013, the Arbitral Tribunal reached its decision to dismiss such dispute by stating that it is not about breach of the agreement but whether there has been a wrongful act. Therefore, the dispute is not within the Jurisdiction of the Arbitral Tribunal.

On 6 September 2013, CAT has submitted the black case no. 1767/2556 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is pending on the Central Administrative Court process.

7) Revenue sharing on interconnection charge between DPC and CAT Telecom Public Company Limited ("CAT")

On 24 August 2012, CAT has submitted a dispute under black case no. 110/2555 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 10th - 14th operation year amounting to Baht 183 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

On 1 April 2014, CAT has submitted a dispute under black case no. 26/2557 to the Alternative Dispute Resolution Office, The Arbitration Institute, demanding DPC to pay additional payment of revenue sharing of 15th operation year amounting to Baht 141 million and penalty at the rate of 1.25 percent per month of the above principal amount starting from the default date of each year until the full payment is made.

Such amount represents the revenue sharing which CAT calculated on gross interconnection charge received by DPC from other operators at the percentage rate specified in the Agreement without deduction of interconnection charge which DPC has to pay to other operators.

At present, the said dispute is pending on the Arbitration procedures. The Company's management believes that the outcome of the said dispute shall be settled favourably and has no material impact on the consolidated financial statements of the Group since DPC has correctly and fully complied with the law and the related conditions of the Agreement in all respects.

8) Obligations of the bank guarantees in connection with the Agreements for Operations

According to the Agreement, Digital Phone Company Limited ("DPC") has the duties to deliver the bank guarantees to CAT Telecom Public Company Limited ("CAT") to secure the payment of the minimum revenue sharing for each operation year and shall recover the bank guarantee of the operation year back.

CAT did not return the bank guarantees which have secured the payment of the minimum revenue sharing for the operation years 10th - 14th for a total value of Baht 2,606 million by claiming that DPC had not completely paid the revenue sharing due to the deduction of the revenue sharing for the Excise Tax and the deduction of the Interconnection Charges, the discount of Access Charges and the reduction of the rate of roaming charge where the disputes of which have been pending the consideration of the Arbitral Tribunal.

On 8 October 2012, DPC has submitted a dispute to the Alternative Dispute Resolution Office, the Arbitration Institute, black case no. 120/2555 requesting the Arbitral Tribunal to award an order to CAT to return the bank guarantees to DPC because DPC has completely paid the revenue sharing for each operation year and has correctly and fully complied with the law and the relating Agreements in all respects.

On 28 May 2015, the Arbitral Tribunal reached its decision to award an order to CAT to return the bank guarantees and its bank fees to DPC. Later, on 15 September 2015, CAT has submitted the black case no. 1671/2558 to the Central Administrative Court to revoke the Arbitral Tribunal's award. Presently, the said case is under consideration from the Central Administrative Court.

9) The claim for usage/revenue from the usage of telecommunication equipment and telecommunication network during the temporary customer protection period after the Concession expired

On 20 May 2015, CAT Telecom Public Company Limited ("CAT") has filed a lawsuit against the National Broadcasting and Telecommunication Committee Office ("NBTC Office"), National Telecommunication Committee ("NTC"), National Broadcasting and Telecommunication Committee ("NBTC"), True Move Company Limited ("True Move"), and Digital Phone Company Limited ("DPC"), a subsidiary, to the Central Administrative Court black case no.918/2558 for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT during the temporary customer protection period, subject to the announcement of NBTC regarding the Temporary Customer Protection Plan Following the Expiration of the Concession Agreement or Telecommunication Service Agreement, calculated from 16 September 2013 to 15 September 2014. The total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 24,117 million including interest at the rate of 7.5% per annum.
- 2) True Move with NBTC Office, NTC and NBTC in the amount of Baht 18,025 million including interest at the rate of 7.5% per annum.
- 3) DPC with NBTC Office, NTC and NBTC in the amount of Baht 6,083 million including interest at the rate of 7.5% per annum.

Later, on 11 September 2015, CAT has filed a lawsuit to the Central Administrative Court black case no. 1651/2558 claimed for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network of CAT calculated from 16 September 2014 to 17 July 2015, total amounts are as follows:

- 1) NBTC Office, NTC and NBTC in the amount of Baht 6,521 million including interest at the rate of 7.5% per annum.
- 2) True Move with NBTC Office, NTC and NBTC in the amount of Baht 4,991 million including interest at the rate of 7.5% per annum.
- 3) DPC with NBTC Office, NTC and NBTC in the amount of Baht 1,635 million including interest at the rate of 7.5% per annum.

At present, the dispute is under the consideration of the Central Administrative Court which the management of the Company believes that DPC has no obligation to pay for the usage fees and revenue from the usage of telecommunication equipment and telecommunication network as claimed by CAT as DPC has rightfully complied in accordance with the announcement of NBTC. Therefore, the outcome of the said dispute should be settled favourably and has no considerable impact on the consolidated financial statements of the Group.

10)The claim to the Central Administrative Court for revocation of the NTC order regarding to revenue incurred from the temporary service for customer protection period after the Concession end

On 16 November 2015, Digital Phone Company Limited ("DPC"), a subsidiary, has filed a lawsuit against the National Broadcasting and Telecommunication Committee ("NBTC") to the Central Administrative Court no. 1997/2558 for revoke NTC resolution which office of the NBTC has demanded DPC to deliver revenue at remedy period starting from 16 September 2013 to 17 July 2014 in the amount of Baht 628 million.

The Company's management believes that DPC has complied with NBTC announcement regarding the Temporary Customer Protection Plan Following the Expiration of the Concession Agreement or Telecommunication Service Agreement, and the Company has obliged to submit the revenue after deducting any expenses to NBTC but DPC has the expenses more than the revenue incurred from the service. Thus DPC has no revenue remaining in order to submit to NBTC as stipulated in the announcement. At present, the said case is under consideration by the Central Administrative Court.

AIN Globalcomm Company Limited ("AIN")

The international direct dialling service by using the symbol "+" between AIN and CAT Telecom Public Company Limited ("CAT")

On 7 March 2008, CAT Telecom Public Company Limited ("CAT") has submitted the black case no. 1245/2551 to the Civil Court against Advanced Info Service Public Company Limited ("the Company") as the defendant no. 1 and AIN Globalcomm Company Limited, a subsidiary, as the defendant no. 2 requesting the Company and the subsidiary to pay compensation with interest rate at 7.5% per annum for damage up to the date of case submission equalling to Baht 130 million. The reason is to change traffic of the international direct dialling service by the Company and the subsidiary during 1-27 March 2007 through the Company subscriber by using the symbol "+" dialling from no. 005 of the subsidiary, instead of no. 001 of CAT without the prior notification to subscriber. On 4 September 2008, CAT submitted a petition revision to adjust compensation for Baht 583 million (including interest) because CAT was damaged consecutively until 7 March 2008.

On 19 November 2008, CAT submitted the request for the order of provisional remedial measure before delivery of judgment to cease the Company and the subsidiary to transfer the traffic 001 or symbol "+" of CAT to traffic 005 of the subsidiary. On 26 February 2009, the Civil Court dismissed the CAT' request and on 20 March 2009, CAT has appealed the dismissal. On 16 August 2012, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 19 October 2012. On 3 February 2015, the Supreme Court has issued an order confirming the dismissal order of the Appeal Court.

On 17 December 2009, the Civil Court has dismissed the case as the facts cannot be proved that CAT has either an exclusive right to use the symbol "+" or the right to prohibit the Company and AIN to use the symbol "+" and it cannot also been proved that the changing of the connection setting of the international direct dialing service from using the symbol "+" for the code 001 of CAT to "+" for the code 005 of AIN has caused the subscribers who use international direct dialing service to believe that they are using the code 001 of CAT, therefore, the acts of the Company have not infringed any right of CAT and also of AIN which CAT alleged to jointly commit the wrongful act against the Company and have not infringed the right of CAT as well. CAT has appealed to the Court of Appeal on 10 March 2010. Subsequently, on 27 June 2013, the Court of Appeal has issued an order confirming the dismissal order of the Civil Court and CAT has submitted the petition to the Supreme Court on 16 September 2013. Presently, the said case is pending on the Supreme Court process.

38 Events after the reporting period

Dividends

At the Board of Directors' meeting held on 4 February 2016, the Board passed a resolution proposing to the annual general shareholders' meeting the payment of dividends for the year 2015, at the rate of Baht 12.99 per share, Baht 6.50 each of which was paid as an interim dividend on 1 September 2015. The proposed dividends shall be approved by the shareholders.

39 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January 2016, are set out below. The Group/Company does not plan to adopt these TFRS early.

TFRS	Topic
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

TFRS	Торіс
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and
	Environmental Rehabilitation Funds
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits – The Limit on a Defined Benefit
	Asset, Minimum Funding Requirements and their Interaction
TFRIC 21	Levies

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the Group's and Company's financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

40 Reclassification of accounts

Certain accounts in the 2014 financial statements have been reclassified to conform to the presentation in the 2015 financial statements as follows:

			20)14		
	Consolid	ated financial sta	atements	Separa	te financial state	ments
	Before reclass.	Reclass.	After reclass.	Before reclass.	Reclass.	After reclass.
			(in milli	ion Baht)		
Statement of financial position						
Trade accounts	10.415	(10.415)		0.044	(0.044)	
receivable	10,415	(10,415)	-	9,944	(9,944)	-
Other receivables	5,901	(5,901)	-	1,987	(1,987)	-
Trade and other						
accounts receivable	_	14,545	14,545	-	11,931	11,931
Other current assets	686	603	1,289	-	_	_
Other non-current			,			
assets	550	1,168	1,718	-	-	_
Trade accounts payable	11,903	(11,903)	-	1,286	(1,286)	-
Other payables	11,189	(11,189)	-	2,824	(2,824)	_
Trade and other	,	())		,	())	
accounts payable	-	23,092	23,092	-	4,110	4,110

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group's business.

Management Discussion and Analysis

Executive Summary

AIS saw service revenue growth slightly below guidance In 2015, Thai economy recovered slowly with improvement in domestic consumption and tourism, along with government's economic stimulus starting in 4Q15. During a slow economic recovery in the year, AIS saw 2.2% growth in service revenue (excluding IC) which was slightly below approx. 3% full year guidance. The growth from postpaid segment, due to more demand for data usage compensates the impact from prepaid identification.

Despite handset subsidy, better cost structure from 3G migration helped improve profit With target to migrate 2G customers to use 3G network, in the second half of the year AIS launched handset trade-in campaign while handsets sold in the first half had margin, resulted in FY2015 handset sales margin of -0.8%. However, when customers migrated to 3G network on 2.1GHz license, regulatory fee saving occurred when compared to cost structure of 2G on 900MHz under concession. Percentage of regulatory fee to service revenue (excluding IC) of FY2015 declined to 11.7%, compared to 16.5% in 2014. EBITDA improved by 6.5% to Bt 70,776mn, with 55.7% service EBITDA margin from 52.8% last year, above FY15 guidance of 200bps growth. Net profit improved by 8.7% to Bt 39,152mn. In 4Q14, AIS booked a one-time deferred tax asset written-off of Bt 664mn, so the normalized net profit growth in FY15 was 6.7%.

AIS launched 4G services on 1800MHz-license network and focused on 3G network enhancement After granted 1800MHz license from the spectrum auction in November 2015, AIS commercially launched 4G service on 26 January 2016 in 42 provinces and is expanding. As for the service for 2G customers on 900MHz network under an expired concession, we target to migrate these customers to 3G. The current 3G network on 2.1GHz license is enhanced both in terms of coverage and capacity to support migrating customers from 2G network. Necessary sites are identified for network improvement to make sure that the current 3G - 2.1GHz network can completely replace the 2G - 900MHz network.

Guidance for FY2016 Due to shutdown of 2G service, compensating with growth from new 4G 1800MHz service and our fixed broadband business, service revenue (excluding IC) for 2016 is expected to be flat. FY16 EBITDA margin is expected to be in range of 37-38%, due to impact from 2G network shutdown and expenses for TOT partnership deal. Bt 40bn CAPEX is expected to be used mainly for 4G network roll and 3G network enhancement. The dividend policy remains 100% payout. Please see full guidance on page 200.

Significant Events

In 4Q15, AIS adjusted definition and grouping of other revenue relating to WiFi revenue and voice/non-voice revenue allocation. WiFi revenue will be separated from other revenue and added to service revenue instead. The adjustment impacted blended ARPUs to be slightly higher. The ARPUs were restated since 4Q13, which was the beginning of WiFi revenue booking. The reallocation of voice/non-voice revenue affected voice revenue to be higher and non-voice to be lower while service revenue remained unchanged. The revenues were reallocated since 1Q13. Please refer to the operational data for further details.

Moreover, the network OPEX was also restated since 1Q13 with a minimal impact due to a reallocation of elements under other cost of service to network OPEX.

FY15 Market and Competitive Environment

In 2015, Thai economy recovered slowly with continued pressure to consumer sentiment and spending. In 3Q15, the bombing incident in Bangkok's city center worsened consumer sentiment but that was only short-lived. Tourism picked up quickly in the high season in December and overall tourist number was higher than 2014. Government economic stimulus starting 4Q15 was also positive to consumer spending.

Consumer behavior followed the same trend of declining voice usage with compensation from growth of mobile data. Key driver was supported by an increase of smartphone penetration. In the industry, postpaid continues to see growth due to the demand to use mobile data accommodated by attractive non-stop data price plans. Overall prepaid revenue declined slightly when customers geared towards postpaid. Also the prepaid identification affected number of prepaid subscribers to be lower in a short-term. Going forward, the net additions of prepaid subscribers should be stabilized.

In the first half of the year, operators used handset strategy to attract customers. Free handsets were given away, starting with feature phones and expanding to entry-level smartphones. AIS introduced handset trade-in campaign in July 2015 in order to migrate existing customers from using 2G network under 900MHz concession to 3G on 2.1GHz-license network, and to protect market share. In December 2015, after not pursuing the 900MHz license from the auction, AIS renewed the handset subsidy campaign more effectively to address mass migration in three-month period as we intended to migrate as many as possible 2G customers to 3G network before the 900MHz spectrum would be handed to new licensees.

AIS won a 1800MHz license from the auction held in November 2015. The 15MHz bandwidth is used for providing 4G service, which is officially launched in January 2016 starting in 42 provinces with 7,000 sites. Before that, competitors tried to promote on the advantage of having 4G to attract customers by offering competitive packages. More 4G handsets were introduced in the market with more affordable price points.

As for fixed broadband market, when AIS entered with AIS Fibre in April 2015, competitors started to promote offers on broadband internet with FTTx technology as well. Convergence strategy was emphasized more by operators who could offer mobile, fixed broadband and other services

Operational Summary

At the end of 2015, number of **total subscribers** of AIS was 38.5mn, decreasing from 2014 due to an adjustment

of prepaid subscriber base in 1Q15 and effect of prepaid identification in 2Q and 3Q15. At the end of 2015, **prepaid subscriber** was 33.1mn with a net addition of 0.6mn in 4Q15, stabilizing after the impact from prepaid identification in 2Q15 and 3Q15. **Postpaid subscriber** was 5.4 mn with a slight net addition of 68k in 4Q15, following the trend of pre-to-post. **Restated** blended ARPU in 4Q15 was Bt 254, an increase from Bt 249 in 3Q15 (restated).

Blended MOU slightly increased to 292 and blended VOU reached 2GB/data sub/month, increasing in both prepaid and postpaid segments. The driver of VOU growth was from the smartphone penetration rate that increased from 53% to 59%, mainly supported by a successful handset campaign with LAVA smartphone. Also, attractive non-stop price plan for data contributed to the growth of mobile data usage

Subscribers	4Q14	1Q15	2Q15	3Q15	4Q15
900MHz-BTO ¹⁾	3,546,800	3,094,800	2,727,700	1,915,900	653,100
2.1GHz-License ²⁾	40,754,500	38,856,000	37,333,400	35,894,800	37,835,000
Postpaid	4,940,700	5,059,500	5,219,900	5,363,200	5,431,200
Prepaid	39,360,600	36,891,300*	34,841,200	32,447,500	33,056,900
Total subscribers	44,301,300	41,950,800	40,061,100	37,810,700	38,488,100
Net additions					
900MHz-BTO ¹⁾	-1,567,800	-452,000	-367,100	-811,800	-1,262,800
2.1GHz-License ²⁾	2,073,900	-1,898,500	-1,522,600	-1,438,600	1,940,200
Postpaid	154,000	118,800	160,400	143,300	68,000
Prepaid	352,100	-2,469,300*	-2,050,100	-2,393,700	609,400
Total net additions	506,100	-2,350,500	-1,889,700	-2,250,400	677,400
ARPU (Baht/sub/month)					
900MHz-BTO ¹⁾	216	229	246	230	159
2.1GHz-License ²⁾	223	228	241	250	257
Postpaid	639	629	627	630	612
Prepaid	173	178	188	192	195
Blended	222	228	242	249	254
MOU (minute/sub/month)					
900MHz-BTO ¹⁾	210	218	214	209	154
2.1GHz-License ²⁾	275	275	289	296	297
Postpaid	373	355	342	339	330
Prepaid	256	260	275	283	286
Blended	269	271	283	291	292

^{1) 900}MHz-BTO refers to the subscription of customers under 900 & 1800MHz Build-Transfer-Operate contract.

²⁾ 2.1GHz-License refers to the subscription of customers under 2.1GHz license issued by NBTC. The subscribers who are holding 2G devices have to roam on the 900MHz network.

^{*} one-time adjustment discarding customers who have been inactive for more than 90 days.

VOU (MB/data sub/month)	4Q14	1Q15	2Q15	3Q15	4Q15
Postpaid	1,620	1,740	1,990	2,150	2,360
Prepaid	1,450	1,610	1,510	1,680	1,910
Blended Device Penetration on 2.1GHz-Lice	1,480 ense	1,630	1,600	1,770	2,000
3G handset penetration	54%	58%	62%	67%	70%
Smart phone penetration	39%	44%	49%	53%	59%

^{1) 900}MHz-BTO refers to the subscription of customers under 900 & 1800MHz Build-Transfer-Operate contract.

4Q15 Snapshot

In 4Q15, service revenue excluding IC was Bt 29,887mn, a slight decline of 0.2% QoQ and 0.5% YoY. However, excluding the one-time adjustment of Bt 152mn in 3Q15, normalized service revenue ex. IC would grow 0.3% QoQ. This 4Q15, AIS launched various handset campaigns including 4G LAVA models together with iPhone 6s, so SIM & devices sales increased significantly by 57% QoQ. However, sales margin was -0.8%, better than -11% in 3Q15, resulting from high margin of iPhone 6s and AIS 4G LAVA despite handset subsidy.

As concession with TOT expired in 3Q15, there was no revenue shared to TOT after the expiry. Regulatory fee dropped by 20% QoQ and 31% YoY to Bt 2,662mn due to the migration of 2G customers to use 3G network on 2.1GHz license. It represented 8.9% of service revenue excluding IC, comparing to 12.8% in 4Q14. Furthermore, D&A of 4Q15 was Bt 3,495mn, decreasing dramatically by 40% QoQ and 31% YoY as 2G assets were fully amortized after the concession ended in 3Q15. Meanwhile, 3G-2.1GHz network and capacity had been continuously enhanced, resulting in an increase of maintenance and base utilities; network OPEX was Bt 2,672mn, an increase of 19% QoQ and 19% YoY. Marketing expenses also increased by 27% QoQ and 18% YoY to Bt 2,209mn, mainly due to 4G advertisement on various channels together with handset subsidy campaign started in December. In summary, EBITDA was Bt 17,204mn, declining 1.3% QoQ and 3% YoY, an effect from an increase in SG&A especially marketing expenses, in spite of the slight increase in revenue and a decrease in regulatory fee. Nonetheless, net profit was Bt 10,791mn, rising by 25% QoQ and 18% YoY mainly from much lower regulatory fee and D&A. Excluding the one-time deferred tax write off in 4Q14, normalized profit of 4Q15 would grow by 10% YoY.

FY15 Financial Summary

Revenue

AIS's total revenue (excluding construction) was Bt 155,213mn, increasing 4.4% YoY, composing of service revenue, device sales and IC revenue as follows.

SIM & device sales were Bt 27,798mn, a significant increase of 19% YoY as a result of 7.8mn handset units sold throughout FY15, underpinned by 6mn units from AIS LAVA. The rest were from international brands e.g. SAMSUNG, iPhone 6, and others. The handset subsidies in 2H15 drove the overall sales margin down to -0.8% for FY15.

Service revenue (excluding IC) was Bt 120,621mn, growing 2.2% YoY. It was driven by growth in mobile data, offsetting with a decline in voice revenue following the customers' behavior trend.

- Voice revenue was Bt 60,547mn, a decrease of 12% YoY, following a declining trend of customers' voice calls usage as customers tend to consume more of mobile data.
- Non-voice grew by 27% YoY to Bt 53,193mn in FY15 from Bt 42,043mn in FY14, mainly due to the increasing trend of mobile data consumption as well as the support of higher smartphone penetration of 59% in FY15 from 39% in FY14. Mobile data accounted for 41% of service revenue (excluding IC), compared to 31% in 4Q14 and 39% 3Q15.
- International Roaming (IR) grew 4.3% YoY to Bt 2,336mn supported by an increasing trend in 9M15 even though there was an impact of IR revenue decline in 4Q15 from termination of 2G - 900MHz international roaming.
- International call & other businesses declined by 3.1%
 YoY to Bt 4,544mn in FY15.

²⁾ 2.1GHz-License refers to the subscription of customers under 2.1GHz license issued by NBTC. The subscribers who are holding 2G devices have to roam on the 900MHz network.

^{*} one-time adjustment discarding customers who have been inactive for more than 90 days.

Net Interconnection charges (Net IC) was Bt 681mn, increasing slightly from Bt 641mn in FY14. Nonetheless, the IC revenue and IC cost dropped in latter half of the year FY15 mainly from the IC rate adjustment started in 3Q15.

Cost & Expense

In 2015, cost of service (excluding IC) was Bt 50,624mn dropping by 4.5% YoY, mainly from a significant decline in regulatory fee despite higher D&A from new additional sites and base stations and an increase in network OPEX on 3G and 4G network.

- Regulatory fee was Bt 14,116mn, decreasing by 27% YoY due to a success of 3G handset migration with 3G handset penetration on 2.1GHz-license rising to 69% in FY15, in line with our target of 70%. After the expiry of 900MHz concession in September 2015, there was no revenue sharing to TOT but during the remedy period, we provision a similar amount under NBTC regulation. The proportion of regulatory fee to service revenue excluding IC in FY15 was 11.7% decreasing from 16.5% in FY14.
- Depreciation & Amortization was Bt 20,146mn, an increase of 8.1% YoY. The increase was mainly from 3G-2.1GHz network expansion, while 2G assets under the agreement for operations were fully amortized by 3Q15, totaling Bt 8.7bn. The amortization of spectrum licenses of Bt 1,200mn included 2.1GHz and newly-granted 1800MHz since November 2015.
- Network OPEX grew 12% YoY to Bt 9,620mn in line with the increasing numbers of 3G base stations. These are mainly costs of site rental, electricity and maintenance.
- Other costs of service were Bt 6,742mn, increasing by 5.8% YoY primarily from equipment and installation of fixed broadband along with higher call-center staff cost.

SG&A expense were Bt 20,091mn, increasing by 6.5% YoY. It was mainly due to higher marketing spending.

- Marketing expenses rose 11% YoY to Bt 6,901mn mainly from spending on promotions and advertisements on brand awareness as well as handset campaigns and fixed broadband.
- General admin expenses were Bt 11,526mn, an increase of 3.7% YoY, contributed by higher staff costs but lower admin expenses.
- Depreciation & Amortization was 349mn, rising to 21% YoY primarily from expansion and renovation of AIS shops and other distribution channels.
- Bad debt was Bt 1,315mn, growing 6.1% YoY mainly from higher number of postpaid customers. It is accounted for 3.4% of postpaid revenue, same level compared to 3.5% in FY14. It is considered to be in a manageable range.

Finance costs was Bt 1,960mn, an increase of 28% YoY, due to additional loan for 1800MHz license payment.

Net gain on foreign exchange was Bt 229mn, an increase of Bt 40mn in FY14. AIS has a policy to fully hedge debt in foreign currency while partially hedge on CAPEX. Therefore, with a benefit from hedging position, net gain occurred in 2015.

Profit

In FY15, **EBITDA** grew 6.5% YoY to Bt 70,776mn, due to a significant decrease of regulatory fee despite growth in network OPEX and SG&A. This also drove the **consolidated EBITDA margin** to 45.6%, growing by 90bps from FY14 and the **service EBITDA margin** rose to 55.7%, growing by 290bps from FY14. **Net profit** of FY15 was Bt 39,152mn, an increase of 8.7% YoY. Excluding effect of the one-time write-off of deferred tax assets of Bt 664mn in 4Q14, FY15 normalized net profit growth would be 6.7% YoY.

Financial Position

AIS had total asset of Bt 181,761mn, a significant increase of 44% YoY, due to the 1800MHz license and network. Total liabilities rose 68% YoY to Bt 133,268mn due to an additional short-term and long-term loans that were issued in the latter half of FY15. Total equity grew slightly to Bt 48,493mn. The current ratio was 0.66x showed a slight increase. Despite higher interest-bearing debt, net debt to EBITDA considered to remain strong at 0.72x with a full-year average interest cost of 3.6% p.a.

Trade accounts receivable was Bt 11,030mn, increasing by 6% YoY mainly from the revenue growth, especially postpaid revenue.

Inventory was Bt 5,059mn, a significant increase of 101% YoY due to higher amount of handset inventory for handset trade-in campaign.

Trade accounts payable was Bt 14,358mn, rising by 21% YoY due to more order of network equipment.

Cash Flow

In FY15, AIS generated net operating cash flow of Bt 62bn, decreasing from Bt 63bn in FY14. AIS continued enhancing on network and capacity, resulting in total accumulated CAPEX spent in FY15 of Bt 32bn, below our guidance of Bt 36bn. Free cash flow (net operating cash flow — CAPEX) was Bt 30bn. Net increase in loan was Bt 27.6bn, mainly to support spectrum license payment. AIS paid Bt 20.5bn for the first payment of 1800MHz spectrum and Bt 3,656mn for the scheduled last payment of 2.1GHz spectrum. Full year dividend paid was Bt 37bn.

Commitments with Non-related Parties

In 2015, AIS had commitments for investment and expenses that will be paid in the future. Key commitments are as follows.

- Building and equipment Bt 21,174mn, increasing from Bt 18,765mn in 2014 due to a plan for more investment on network
- Purchase orders for goods and supplies Bt 25,554mn, increasing from Bt 6,340mn in 2014 due to orders
- for handsets in response to increasing demand for smartphones
- Forward and swap contracts Bt 16,349mn, increasing from Bt 10,983mn due to hedging position for more CAPEX
- Bank guarantees for spectrum license payable —
 Bt 21,928mn, increasing from Bt 3,912mn due to the installments of newly granted 1800MHz spectrum license

Income Statement (Bt mn)	4Q14	3Q15	4Q15	%YoY	%QoQ	2014	2015	
Voice revenue	16,651	14,478	14,085	-15%	-2.7%	69,015	60,547	-12%
Non-voice revenue	11,595	13,759	14,174	22%	3.0%	42,043	53,193	27%
International Roaming	650	653	494	-24%	-24%	2,240	2,336	4.3%
Others (IDD, other fee)	1,141	1,066	1,134	-0.7%	6.3%	4,691	4,544	-3.1%
Service revenue (excluding IC)	30,037	29,956	29,887	-0.5%	-0.2%	117,990	120,621	2.2%
IC revenue	1,953	1,456	1,475	-25%	1.3%	7,407	6,794	-8.3%
SIM and handset sales	8,454	5,356	8,422	-0.4%	57%	23,332	27,798	19%
Total Revenues (excluding construction	on) 40,444	36,769	39,784	-1.6%	8.2%	148,729	155,213	4.4%
Regulatory fee	(3,856)	(3,344)	(2,662)	-31%	-20%	(19,427)	(14,116)	-27%
Depreciation & Amortization	(5,040)	(5,861)	(3,495)	-31%	-40%	(18,633)	(20, 146)	8.1%
Network operating expense	(2,242)	(2,253)	(2,672)	19%	19%	(8,600)	(9,620)	12%
Other cost of services	(1,642)	(1,666)	(1,749)	6.5%	5.0%	(6,374)	(6,742)	5.8%
Cost of service (excluding IC)	(12,780)	(13,124)	(10,578)	-17%	-19%	(53,034)	(50,624)	-4.5%
IC cost	(1,738)	(1,314)	(1,349)	-22%	2.7%	(6,766)	(6,113)	-9.7%
Cost of SIM and handset sales	(8,299)	(5,951)	(8,485)	2.2%	43%	(23,148)	(28,019)	21%
Total Costs (excluding construction)	(22,816)	(20,389)	(20,412)	-11%	0.1%	(82,948)	(84,755)	2.2%
Gross profit	17,628	16,379	19,372	9.9%	18%	65,781	70,457	7.1%
SG&A	(5,069)	(4,896)	(5,643)	11%	15%	(18,860)	(20,091)	6.5%
Marketing Expense	(1,866)	(1,733)	(2,209)	18%	27%	(6,220)	(6,901)	11%
General administrative & staff cost	(2,782)	(2,769)	(3,020)	8.6%	9.1%	(11,111)	(11,526)	3.7%
Bad debt provision	(340)	(305)	(321)	-5.5%	5.3%	(1,240)	(1,315)	6.1%
Depreciation	(81)	(90)	(93)	15%	3.9%	(289)	(349)	21%
Operating Profit	12,560	11,483	13,730	9.3%	20%	46,920	50,366	7.3%
Net foreign exchange gain (loss)	(26)	(132)	196	-867%	-249%	189	229	21%
Other income (expense)	134	222	68	-50%	-69%	500	519	3.8%
Finance cost	(458)	(463)	(597)	31%	29%	(1,527)	(1,960)	28%
Income tax	(3,100)	(2,495)	(2,598)	-16%	4.1%	(10,080)	(9,999)	-0.8%
Non-controlling interest	11	1	(7)	-166%	-603%	30	(2)	-108%
Net Profit for the Period	9,122	8,616	10,791	18%	25%	36,033	39,152	8.7%
Income Statement (Bt mn)	4Q14	3Q15	4Q15	%YoY	%QoQ	2014	2015	%YoY
900MHz-BTO revenue 1)	2,787	1,623	592	-79%	-64%	24,240	6,589	-73%
2.1GHz-License revenue 2)	26,108	27,267	28,162	7.9%	3.3%	89,059	109,488	23%
Total	28,896	28,890	28,753	-0.5%	-0.5%	113,298	116,077	2.5%
% 2.1GHz-License revenue	90%	94%	98%			79%	94%	
	/ •							

¹⁾ Revenue from 900 MHz BTO is subjected to revenue share to TOT: Prepaid 20% and Postpaid 30%.

²⁾ Revenue from 2.1GHz license is subjected to NBTC fee of 5.25%. Additionally, roaming revenue from subscribers using 2G devices is subjected to 30% revenue share to TOT.

EBITDA (Bt mn)	4Q14	3Q15	4Q15	%YoY	%QoQ	2014	2015	%YoY
Operating Profit	12,560	11,483	13,730	9.3%	20%	46,920	50,366	7.3%
Depreciation & Amortization	5,121	5,951	3,588	-30%	-40%	18,922	20,495	8.3%
(Gain) loss on disposals of PPE	110	75	1	-99%	-99%	865	303	-65%
Management benefit expense	(38)	(38)	(74)	95%	92%	(184)	(209)	14%
Other financial cost	(26)	(39)	(41)	57%	4.7%	(96)	(178)	86%
EBITDA	17,727	17,431	17,204	-3.0%	-1.3%	66,428	70,776	6.5%
Consolidated EBITDA margin (%)	43.8%	47.4%	43.2%			44.7%	45.6%	
Service EBITDA margin (%)	54.9%	57.4%	55.1%			52.8%	55.7%	

Service EBITDA margin is derived from service business which excludes handset business. Service EBITDA margin = (EBITDA — Net sales)/(Total revenue — Sales revenue)

Revenue & Cost from Construction (Bt mn):IFRSI12	4Q14	3Q15	4Q15	%YoY	%QoQ	2014	2015	%YoY
Construction revenue	18	10	-	-100%	-100%	600	64	-89%
Construction cost	(18)	(10)	-	-100%	-100%	(600)	(64)	-89%

Financial Position (Bt mn/% to total asset)	4 Q	4Q14		
Cash	17,967	14%	14,312	7.9%
ST investment	1,542	1.2%	305	0.2%
Trade receivable	10,415	8.2%	11,030	6.1%
Inventories	2,519	2.0%	5,059	2.8%
Others	5,515	4.4%	7,301	4.0%
Current Assets	37,959	30%	38,007	21%
Spectrum license	12,624	10%	51,791	29%
Network and PPE	69,441	55%	84,291	46%
Intangible asset	2,505	2.0%	3,192	1.8%
Defer tax asset	1,442	1.1%	1,252	0.7%
Others	2,380	1.9%	3,229	1.8%
Total Assets	126,351	100%	181,761	100%
Trade payable	11,903	9.4%	14,358	21%
ST loan & CP of LT loans	2,572	2.0%	12,856	7.1%
Accrued R/S expense	5,130	4.1%	5,364	3.0%
Others	23,301	18%	24,956	7.1%
Current Liabilities	42,906	34%	57,533	32%
Debenture & LT loans	34,394	27%	52,416	29%
Others	2,185	1.7%	23,319	13%
Total Liabilities	79,486	63%	133,268	73%
Retained earnings	21,210	17%	22,813	13%
Others	25,655	20%	25,680	14%
Total Equity	46,865	37%	48,493	27%

Key Financial Ratio	4Q14	3Q15	4Q15
Interest bearing debt to equity	0.78	1.22	1.3
Net debt to equity	0.39	0.91	1.02
Net debt to EBITDA	0.26	0.50	0.72
Current Ratio	0.88	0.60	0.66
Interest Coverage	29	27	25
DSCR	13	3.3	3.7
ROE	93%	79%	100%

Debt Repayment Schedule		(Bt mn)
	Debenture	Loan
4Q15	-	4,953
2016	-	12,125
2017	397	1,719
2018	-	6,963
2019	7,789	1,964
2020	-	20,429
2021	1,776	2,679
2022	-	1,429
2023	-	-
2024	6,638	-

Source and Use of Fund : 2015			
Source of Fund	(Bt mn)	Use of Fund	(Bt mn)
Operating cash flow	69,924	Dividend paid	37,042
Proceed of ST loan	8,500	CAPEX & Fixed assets	32,255
Proceed of LT loan	21,500	Spectrum license	24,160
Net change in investments	1,230	Income tax paid	8,294
Dividend & Interest received	322	Repayment of LT borrowings	2,392
Sale of property	22	Finance cost & Financial lease paid	1,833
ST loan & investment in associate	85		
Cash decreased	4,393		
Total	105,976	Total	105,976

2016 MANAGEMENT OUTLOOK & STRATEGY

Revenue	arowth
nevenue	growti

- Service revenue (excludes IC) growth is expected to be flat due to shutdown of 2G service, compensating with the growth from 3G&4G adoption and fixed broadband
 - Normal device sales is expected to be flat with 3-4% handset margin while the 2G-to-3G handset subsidies are booked under marketing spending

EBITDA margin

• With 2G shutdown and assuming a payment based on TOT partnership, consolidated EBITDA margin is expected in range of 37-38%

CAPEX

• Cash CAPEX is expected to be around Bt 40bn covering 4G network rollout, 3G network expansion, FTTH expansion, and AIS shops expansion.

D&A

- Network D&A is expected to decline 25% due to fully amortized 2G asset following concession expiry in Sep-15
- Total license amortization of 3.3bn for 1800MHz and 2100MHz

Dividend

• Maintain 100% dividend payout

Short-term Impact on 2G Shutdown

In 900MHz auction last year, AIS decided not to pursue the bidding as the price did not yield an accretive value. This will result in the shutdown of 2G-900MHz network expected nearly end of March. After that, we expect to continue providing 2G service through roaming agreement with another operator who has nationwide 2G network. Meanwhile, starting in early January 2016, handset subsidy campaign has been launched to migrate 12mn 2G users to 3G and will continue in parallel to 2G roaming service. We expect total cost for handset subsidies and roaming cost to be around Bt 8bn. In addition, we also factored in partial loss of 2G subscribers and revenue due to network shutdown as some customers could fall out of service and move to other operators. An additional investment of around Bt 10bn in filling the coverage gap is included in total CAPEX this year to ensure the 3G-2.1GHz footprint matches 900MHz network that we shutdown, mostly in rural area.

New 4G Service Launch and 3G Expansion will Uplift Growth in Mobile Data Revenue

In November 2015, we obtained additional 15MHz bandwidth of 1800MHz license for 18 years. In January 2016, we launch 4G service on 1800MHz initially in 42 provinces and will expand to cover all urban area of 77 provinces by mid-year and 50% population coverage by year end. This will result in an immediate uplift of customer experience compared to last year where we only served 3G with 15MHz bandwidth. With higher data allowance on 4G plan, we expect again doubling volume of data usage per subscriber while 4G device penetration continues to increase. Meanwhile as mass adoption of low-cost smartphone continues, adding to this with the subsidy push from 2G shutdown, we expect a continued strong demand for 3G. Investment in 3G network expansion will aim on adding new capacity and enhancing coverage beyond 98%. Overall this will strengthen the quality and reliability of 3G/4G network to maintain our competitive edge.

FTTH Expansion to Reach Full Urban Coverage 24 Provinces and 6.5mn Homepass

With a renewed strategy, AIS adopts more aggressive approach to compete and win customer's mind in fixed broadband market. An investment budget of Bt 7bn for this

year is allocated to cover the full urban area of 24 provinces with a reach of 6.5mn homepass. We target to achieve a significant market share in the next three years with more budget and manpower dedicated to the business.

TOT Partnership

AIS has been selected by TOT as key partner in developing mobile business with TOT. Within the scope of partnership discussion, there are potential use of 2100MHz as well as use of disputed towers and equipment rental. The partnership creates long-term benefit to AIS in enhancing AIS competitiveness and cost optimization in the next 3-5 years. While TOT partnership is under finalizing process, we shall not disclose details of the deal structure until contract is concluded. However, we now factored into our guidance this year assuming the expected payment to TOT pending finalization.

Margin Affected by Temporary Impact of 2G Shutdown and TOT Partnership

With 2G network shutdown, effective regulatory fee will fall to near 5.25% (annual license fee + USO paid to the NBTC). However, factors that will be strained to EBITDA are short-term revenue drop from 2G customer loss, the rise of marketing expenses due to handset subsidy and 2G roaming service to the leftover 2G subscribers. In addition, we factored in the cost from potential TOT partnership. Taking into account all of these impacts, consolidated EBITDA margin is expected to decline to 37-38%.

100% Dividend Payout Maintained

Without burden from the high license bidding price, AIS maintains financial strength and flexibility for future investment as well as shareholders' return. Our dividend policy of 100% payout ratio and twice-a-year payment is maintained. The payout ratio is based on consolidated earnings and subject to the availability of retained earnings on the separate financial statements. The commitment is supported by strong operating cash flow and strong capital structure. If and when there are any new business opportunities or significant changes that may impact on our future operation and investment, and hence capital structure, the Company will promptly discuss any new direction with the investment community.

Audit fee and non-audit fee

In 2015, the Company had the audit fee and quarterly review fee of total Baht 4.48 million and the audit fee and quarterly review fee of its subsidiaries was Baht 4.96 million.

The Company had a non-audit fee of total Baht 4.16 million.

General Information and Other Significant Information

General information of the Company

The Company name

Symbol for trading

Registered date on the SET

Market capitalization

Registered capital

Paid-up capital

Total shareholders

Free float

Type of business

Head office

Registered No.

Corporate website

IR website

Telephone

Facsimile

: Advanced Info Service Public Company Limited

: ADVANC

: 5 November 1991

: Baht 451,910.49 million (as of 30 December 2015)

: Baht 4,997,459,800

: Baht 2,973,095,330

: 34,071 persons (as of 17 August 2015, the latest book closing date for the rights to receive dividend)

: 36.22%

: Provide mobile telephone service in the 900MHz*

: 414, AIS Tower 1, Phaholyothin Road, Samsen Nai,

Phayathai, Bangkok 10400

: 0107535000265

: http://www.ais.co.th

: http://investor.ais.co.th

: (66) 2029 5000

: (66) 2029 5165

American depositary receipt

ADR ticker symbol

Exchange Depositary

ADR to ORD share ratio

ADR CUSIP number

: AVIFY

Over The Counter (OTC)

: The Bank of New York Mellon

: 1:1

: 00753G103

Note: * The Company will discontinue 900MHz operation when the NBTC announces to stop remedy period.

General information of subsidiaries and affiliates					
Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Digital Phone Co., Ltd. (DPC) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Service provider of digital mobile phone network	365.55	10	3,655.47	98.55
Advanced Datanetwork Communications Co., Ltd. (ADC) (an indirect subsidiary via DPC) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019 Website: www.adc.co.th	Service provider of online data communication service via telephone landlines and optical fiber	95.75	10	957.52	51.00 1/
Advanced Contact Center Co., Ltd. (ACC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Call center service	27.2	10	272	99.99
Advanced MPAY Co., Ltd. (AMP) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Service provider of electronic payment and cash card	30	10	300	99.99

General information of subsidiaries and affiliates					
Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Advanced Magic Card Co., Ltd. (AMC) 414 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Distributor of cash card business	25	10	250	99.99
AIN GlobalComm Co., Ltd. (AIN) 408/127 Phaholyothin Place Tower, 29 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019 Website: www.ain.co.th	International telephone service gateway	2	100	100	99.99
Super Broadband Network Co., Ltd. (SBN) 408/157 Phaholyothin Place Tower, 38 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019 Website: www.sbn.co.th	Network operator and telecom service operator i.e. internet (ISP), international & national internet gateway, International Private Leased Circuit (IPLC), Internet Protocol Virtual Private Network (IP VPN), voice over IP, and IP Television	3	100	300	99.99
Wireless Device Supply Co., Ltd. (WDS) 404 Phaholyothin Center Tower, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Importer and distributor of handsets and accessories	0.5	100	50	99.99

Genera	I information of	f subsidiaries and	l affiliates
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Subsidiaries	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Advanced Wireless Network Co., Ltd. (AWN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Telecommunication service provider of 2.1GHz and 1800MHz license, distributor of handsets, international telephone service, network operator, telecom service operator and national broadcasting network services.	13.5	100	1,350	99.99
MIMO Tech Co., Ltd. (MMT) 1291/1 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Operate IT, and content aggregator businesses and outsourcing service for billing and collection	0.5	100	50	99.99
Fax Lite Co., Ltd. (FXL) 1291/1 Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Operate in acquiring and/or lease building, and related facilities for telecommunications business	0.01	100	1	99.98
Advanced Broadband Network Co., Ltd. (ABN) 408/60 Phaholyothin Place Tower, 15 th Floor, Phaholyothin Road, Samsen Nai, Phayathai, Bangkok Tel: (66) 2029 5000 Fax: (66) 2029 5019	Currently not start the operation	0.15	100	15	99.99

General information of subsidiaries and affiliates

Joint Venture	Business	Registered Capital (Million Share)	Par Value (Baht per share)	Paid-up Capital (Million Baht)	% of Investment
Clearing House for Number Portability Co., Ltd. (CLH) 598 Q House Ploenchit Building, 6 th Floor, Ploenchit Road, Lumpini, Pathumwan, Bangkok Tel: (66) 2646 2523 Fax: (66) 2168 7744	Jointly invested, operate the information system and the centralized database for the mobile number portability service	0.02	100	2	20.00
Bridge Mobile Pte. Ltd. (BMB) 750 Chai Chee Road, #03-02/03, Technopark @ Chai Chee, Singapore 469000 Tel: (65) 6424 6270 Fax: (65) 6745 9453	Jointly invested, provide international roaming service (incorporated in Singapore)	9	USD 1	USD 9 Million	10.00
Information Highway Co., Ltd. (IH) 52/1 Moo 5 Bang Kruai- Sai Noi Road, Bangsitong, Bang Kruai, Nonthaburi	Transmission network provider	0.5	100	14.5 ³⁾	29.00
Notes:					

Notes:

- 1. The remaining 49% shareholding is non related person.
- 2. The dissolution of Advanced Internet Revolution Co., Ltd. (AIR) is now finished.
- 3. On 15 July 2015, ABN paid the last installment in IH which increased IH's paid up capital to Baht 14.5 million

Other references

Ordinary Share Registrar

Thailand Securities Depository Company Limited

The Stock Exchange Thailand Building,

93, Ratchadapisek Road,

Dindang, Dindang, Bangkok 10400

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Fax: (66) 2009 9476

Auditor

Mr. Charoen Phosamritlert

Certified Public Accountant Registration Number 4068

KPMG Phoomchai Audit Limited

50th - 51st Floors, Empire Tower 1,

South Sathorn Road, Yannawa, Sathorn, Bangkok 10120

Tel: (66) 2677 2000

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Tel.: (66) 2029 5000 Fax.: (66) 2029 5165 www.ais.co.th