



AIS
DIGITAL
FOR THAIS

THE NEXT GENERATION THAILAND

Annual Report and Sustainability Report 2017
Advanced Info Service Public Company Limited

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NEXTG



Next Generation **Network**

The first Southeast Asia's phenomenon at the fastest speed up to 1 Gbps to leverage Digital Infrastructure on top advancement.

Next Generation **Economy**

Push Thai businesses up to a trend of sharing economy, encouraged sharing resources via internet.

Next Generation **Xperience**

Explore innovative digital technology to build up a new experience for all next generation's lifestyle.

Next Generation **Team**

Create service differentiation combined with our advanced technology to deliver the best customer service experience.





AIS DIGITAL FOR THAIs

Utilize strength in digital technology to improve the living quality of Thais in four aspects: agriculture, health, education, and business startups, moving forwards to Thailand 4.0



CHAIRMAN MESSAGE

Digital advancement is a compelling opportunity for the company to create added value by providing comprehensive digital life services, while optimizing the digital transformation to enhance company-wide efficiency and competitiveness to capture the growth in digital age.

Capturing growth in the new era with digital life services

Digital technologies are emerging at a rapid pace and have changed the way the world works. In the past decade, we have witnessed a wide range of new business models, which empowered by technology advancement to serve more sophisticated consumer and business needs e.g. Sharing economy, Over-The-Top (OTT) and Cloud platforms. Digital platforms together with internet connectivity empower people lives in every aspect while traditional voice communication would no longer fulfill a new wave of consumer demands. In light of these trends, telecom operators are facing with ongoing market disruption and structural change. On the flip side, we believe this is a compelling opportunity for the company to create added value by providing comprehensive digital life services, while optimizing the digital transformation to enhance company-wide efficiency and competitiveness in this fast changing environment to capture the growth in digital age.

Gearing toward digital transformation

We are gearing toward digital transformation with an aim to leverage new technologies to enrich customer's digital experience, to improve operational efficiencies, and to enhance revenue generation. In 2017, we set a foot in the digital transformation in key areas including network, services, people and culture. We launched trial technology to be ready for the 5G network. We introduced new convergence lifestyle packages. We deployed new online self-service platform to our customers. During the year, Baht 100 million budget was allocated to drive digital culture and learning platform for our staffs. Looking ahead, our telecommunication infrastructure will need to be agile and cost effective by enabling process and infrastructure with cloud-base and automation. Our people will need to learn new relevant skills and digital tools and effectively build-in digitization through customer journey.

Creating substantial positive impact to the nation

It is clear that digital solutions are one of the biggest drivers to the nation's prosperity. As we look to 2018 and beyond, with the "Digital for Thais" concept in mind, we are determined to drive the sustainable economic development for the country, leveraging our specialization, infrastructure on top with digital advancement. Currently, we witnessed an unequal distribution of academic and healthcare resources within the country. Similarly, people in agricultural sector remain limited access to fair marketplaces and tools to enhance their profitability and capability. Working alongside our local and international partners in different fields ranging from startup, content providers, to equipment manufacturers, we are keen to bridge this digital divide. It is our aim to gear the company's actions toward improving standard of living and help creating positive impact to the country.



Mr. Kan Trakulhoon
Chairman of the Board of Directors



CEO MESSAGE

In 2017, we confirmed the arrival of AIS THE NEXT GENERATION through which we aim to continue our leadership in deploying the best Network, supporting all kinds of Economies including startups, building excellent after-sales services and privilege to uplift the customer eXperience, and improving the capabilities of the AIS Team in an environment of swiftly-changing technology.

Dear Shareholders,

As we reflect on 2017, we see a year in which AIS solidified its position as the Digital Life Service Provider of mobile, fixed broadband, and digital services in Thailand. When compared to the previous year, our financial results improved accordingly, with service revenue growth of 4.9%, EBITDA of 16%, while net profit slightly declined 1.9%. The key contribution to this growth firstly came from the increasing mobile data usage, which grew 2 times, on our nationwide 4G network newly launched last two years. Secondly, our fixed broadband business also continued to expand with growing number of subscribers, amounting to 521,200. We recently have our fixed broadband service in 50 cities and are on our plan to expand in 2018. The connectivity of both wireless and wireline networks of AIS service is an important fundamental for this era of Thailand 4.0 and AIS is determined to continue investing in this infrastructure to enable the delivery of products and services from all sectors to customers at all time via a smartphone.

Digital services also played a significant role in 2017. Firstly, AIS announced our partnerships with both local and foreign content partners to bring entertainment such as movies, sports, and variety shows to AIS customers either they are outside of home through AIS' 4G network or inside their home through AIS Fibre. This is not only creating differentiation for AIS in the market but also leading us to a new potential revenue stream. Moreover, AIS announced our readiness in providing the Business Cloud for Enterprises and SMEs. AIS' Enterprise Cloud is an end-to-end service ranging from the enterprise data service (EDS), data centers, Platform-as-a-Service, Software-as-a-Service to the 24/7 managed service and consultancy. Also, the acquisition of CS Loxinfo Plc into a part of our business will certainly strengthen our service for enterprises next year.

In 2017, AIS has strongly announced that we are **AIS THE NEXT GENERATION** in which we aim to continue our leadership in deploying the best Network, supporting all kinds of Economies including startups, building excellent after-sales services and privilege to uplift the customer eXperience, and improving the capabilities of the AIS Team amid swiftly-changing technology. This shows that although AIS is a large organization providing core telecom infrastructure for the country, we realize of our moving environment and are determined to adjust our company's business direction and strategy so as to face new opportunities and challenges. For the upcoming 2018, AIS has clearly set our compass as shown in the guidance to our investors (page 38-39). This is the yearly plan as a part of our long-term strategic move. As the CEO and on behalf of AIS' colleagues, AIS is ready to continue our task in creating sustainably return to Thailand, shareholders, and stakeholders.

Warm regards,



Somchai Lertsutiwong
Chief Executive Officer



VISION

To become the most-admired Digital Life Service Provider in Thailand.



MISSION

To enhance people's lives through Digital Services.

- Deliver superior products and services to enrich people's daily lives and business capabilities.
- Enhance customer intimacy through the best customer experience.
- Drive intrapreneurship and employees' professionalism, and promote a positive, lively and agile work culture.
- Build win-win growth to all stakeholders.

Operational Highlights

Mobile

Rolled out advanced technology to strengthen mobile leadership position

1
with
48%
revenue
market share
45%
subscriber
market share

Launched
network with **1 Gbps speed**



Network superiority guaranteed by OOKLA



Deployed nationwide **4G/3G**
coverage with 2- and 3-carrier
aggregation technology in key cities

Increasing data consumption supported
revenue growth.



Volume of Usage (GB/data sub/month)

Fixed Broadband

Expanded coverage with a focus on quality acquisition



Service coverage available in **50 cities**

Leading with **FTTH** technology
with **521,200** subscribers

Strengthening integrated position with
fixed-mobile convergence



of AIS Fibre customers
are AIS mobile
customers

- AIS Fibre and AIS mobile
- AIS Fibre but non-AIS mobile

Digital Service

Supported core businesses with differentiation



Video Content

offering world-class entertainment
to provide exclusivity and variety
via AIS mobile and fixed platforms

Business Cloud ready to serve

end-to-end Cloud system including
consultancy for Thai corporates
and SMEs

mPAY

AIS' mobile payment platform for
top-up, bill pay, and money
transfer, all in one application

Awards and Recognition

 Selected as a
constituent of the
FTSE4Good FTSE4Good Index
Series demonstrating strong
Environmental, Social and
Governance (ESG) management

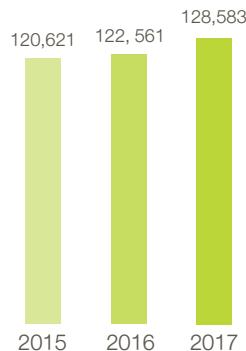
 Listed in Thailand
Sustainability
Investment
for three consecutive years from
the ongoing long-term value
creation to shareholders

 Became the first digital
life service provider in
Thailand granted the
“TGO Guidance of the Carbon Footprint for
Organizations” certification

Financial Highlights

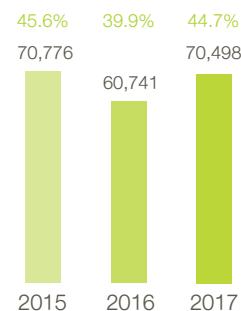
Service revenue ex. IC (Bt mn)

Service revenue continued to grow 4.9% YoY from both mobile and fixed broadband.



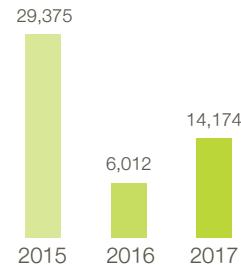
EBITDA (Bt mn) and margin (%)

EBITDA improved 16% YoY following revenue growth and cost control.



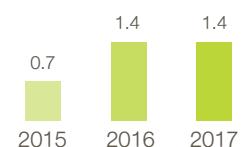
Free cash flow (Bt mn)

Strong operating cash flow to support investments for the long term



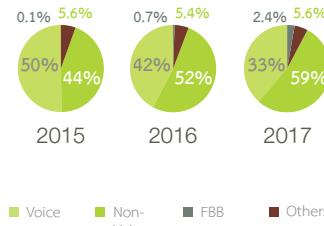
Net debt to EBITDA (times)

Gearing level was in a manageable range with room to support future operations.



Breakdown of service revenue

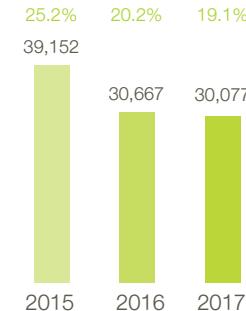
4G consumption and FTTH subscriptions have been key revenue drivers.



Voice Non-Voice FBB Others

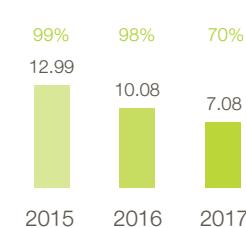
Net profit (Bt mn) and margin (%)

Net profit was maintained despite continued network investments.



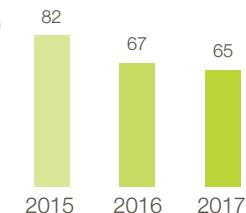
Dividend Payment (Bt/share) and Payout Ratio

Continued to deliver high dividend payout and maintained optimal cost structure



Return on Equity (%)

Continued to create high return to shareholders amid competitive landscape



Financial Ratio

For the years ended 31 December

Consolidated financial statements	2015	2016	2017
Liquidity Ratio			
Current Ratio (time)	0.66	0.47	0.50
Quick Ratio (time)	0.37	0.33	0.36
Operating cash flow to current liability (time)	1.07	0.89	0.94
A/R turnover (time)	13.23	12.27	11.11
Collection period (day)	27	29	32
Inventory turnover (time)	7.39	6.12	7.29
Day sales period (day)	49	59	49
A/P turnover (time)	5.94	5.17	5.69
Payment period (day)	61	70	63
Cash Cycle (day)	15	19	19
Profitability Ratio			
Gross profit margin ratio (%)	45.38	45.45	41.51
Operation income ratio (%)	32.44	25.88	25.61
Other operating income ratio (%)	0.48	0.37	0.48
Free cash flow to EBIT (%)	13.65	16.59	35.70
Net profit margin (%)	25.21	20.16	19.07
Return to Equity (%) (average)	82.12	67.25	64.59
Return to Equity (%) (as at end)	80.74	71.80	59.65
Efficiency Ratio			
Return on total assets (%)	25.41	13.41	10.75
Return on fixed assets (%) ^{/1}	49.12	29.23	23.19
Total assets turnover (time)	1.01	0.67	0.56
Financial Policy Ratio			
Debt to equity ratio (time)	2.75	5.45	4.63
Interest coverage ratio (time)	28.27	13.90	12.45
Debt service ratio (time)	3.87	3.35	3.92
Dividend payout ratio (%)	98.64	97.72	69.98
Data on per Share Capital			
Net book value per share (Baht)	16.31	14.36	16.96
Net Profit per share (Baht)	13.17	10.31	10.12
Dividend per share (Baht)	12.99	10.08	7.08
Percentage Growth on			
Total Assets (%)	43.85	51.67	3.05
Total Liabilities (%)	67.66	74.81	0.29
Revenue from services & sales (%)	3.98	(2.01)	3.66
Selling & admin. expenses (%)	6.53	48.20	(15.78)
Net Profit (%)	8.66	(21.67)	(1.92)

^{/1} excluding spectrum licenses

Key Developments Towards Sustainable Growth

Business Strategy



- Announced the AIS vision on “**Digital for Thais**”, utilizing AIS’s strength in digital technology and staff expertise to improve the living quality of Thai people in four aspects: agriculture, public health, education, and business startups.
- Announced “**AIS Business Cloud 2017**”, an AIS vision and policy to promote collaboration with partners in providing end-to-end cloud services for enterprise customers with international standard security. Counseling, co-planning, full-scale cloud system management and maintenance by professional AIS staff are also available.

Products and Services to Meet Digital Lifestyle

- Joined **Netflix**, world’s leader in streaming services, to offer exclusive marketing for Thais customer to access world-class movies and TV series on smartphones and tablets at affordable prices.
- Expanded collaboration in digital content with multiple partners, both domestic and international, to exceed 100 channels such as Workpoint, HBO, FOX and Warner TV. The content can be viewed in full HD quality on smartphones via AIS Play or via AIS Playbox for AIS Fibre customers.
- Created differentiation through innovative services, including, **My AIS Application**, which empowers customers to access all services available at AIS Shop and all AIS privileges via a mobile phone or tablet anywhere, anytime. This initiative will help reduce transportation costs and time while providing a more superior customer experience.
- Collaborated with Samsung Pay to develop Samsung pay platform that support cashless society by enabling AIS mPAY Mastercard user to purchase products and services by Samsung Pay for more convenient.
- AIS Fibre introduced Power 4, the first convergence package featuring high-speed fiber internet, a data SIM to enjoy world-class entertainment, and Super Wifi. The package is expected to fulfill customers’ demands for 24-hour internet connection and access to high-quality content.
- Introduced AIS mPay PromptPay, a new service that enables customers to transfer and receive money via the PromptPay service. PromptPay QR Code is also available for product and service purchases made from partners’ shops, including QR codes issued by banks.



Partnered with Microsoft Corporation to provide the most secure and reliable Microsoft Cloud Service on the AIS network for general and enterprise customers in Thailand. The partnership agreement includes infrastructure development, business development, and customer service management. Through this enhanced access infrastructure, enterprise customers who use Microsoft Azure, Office 365, Dynamic 365, and EMS through the Enterprise Data Service (EDS) can reduce the cost of operations that require international bandwidth for connecting to Microsoft’s overseas data center.

Network Innovation

- Launched the first Narrow Band IoT Live (NB-IoT) in Thailand and Southeast Asia. This initiative aims to support the Thailand 4.0 policy and the Smart City in the future.
- Succeeded in developing and testing 4G Massive MIMO 32T 32R technology in FDD ready for 5G. Able to increase customers' capacity by 5-8 times.



- Collaborated with Qualcomm Technologies, Inc. on developing LTE Advanced (LTE-A) technology and supporting equipment, enabling users to achieve high efficiency in communication technology. The initial test results showed a 30% increase in downlink connections and more than 50% increase in uplinks. The collaboration between AIS and Qualcomm is aimed at strengthening the mobile ecosystem in Thailand and preparing for new technologies such as Downlink 3x carrier aggregation (DL-3xCA) and 4x4 MIMO.
- Became the first digital service provider to launch 4.5G. Utilizing 256QAM, 4x4 MIMO and Carrier Aggregation technology, AIS managed to maximize internet speed to as fast as 550 Mbps, and increase massive data transmission by 30% compared to the 4G service. These improvements help AIS pave the way for 1 Gbps speed.
- Launched "AIS NEXT G" to meet customers' demands for more data usage by combining the frequency efficiency of AIS 4G Advanced and AIS Super WiFi using Multipath TCP technology that enabling customers to experience internet speed as fast as 1 Gbps.

Expanding the business opportunity through social and environmental development



- Launched "AIS D.C.", a new knowledge center for the public, content developers and startups. AIS DC offers API (Application Programming Interface) to benefit application developers and startups in testing their applications, products and services before launching to the market. Knowledge sharing from gurus and experts in various fields of digital business is also provided.
- Opened the AIS Contact Center Development & Training Arena to enhance the call center capacity by reserving 8-10 million customer lines a month as well as to improve the competency of all call center staff. This is to support the young generation to return to work in their home provinces. AIS provides more than 1,000 job opportunities in Nakhon Ratchasima and the Northeastern region.



- Granted the "TGO Guidance of the Carbon Footprint for Organizations" certification from the Thailand Greenhouse Gas Management Organization (a public organization) for the accuracy and efficiency in the greenhouse gas data (direct and indirect emission) collected from our business activities. The purpose of this program is to quantify and identify any significant sources of greenhouse gas emissions from our activities that could be mitigated.

Awards and Recognition

Best Company

- **Super Brand 2016 award** (presented in 2017) for the 13th consecutive year based on the scores given by customers for the best quality brand which they believe in and trust the most, and which has achieved a high level of satisfaction in customer engagement.
- **Best Organization Management Award** from Drive Award 2017 organized by the MBA Alumni Association of the Faculty of Commerce and Accountancy, Chulalongkorn University. The award is given to companies which have demonstrated the highest level of organization management with sustainable and transparent business practices, clear strategic planning, good governance, and emphasis on initiating social projects.
- **Best Company 2017 award** for the 8th consecutive year from Money & Banking Awards 2017 for being a listed company in the Stock Exchange of Thailand which has demonstrated excellent performance in the past year.
- **Thailand Top Company Awards 2017** in the category of Information and Communications for the 2nd consecutive year. AIS was recognized as a company with excellent performance and outstanding management, and was seen as a good example. The event was organized by the University of the Thai Chamber of Commerce and Business+ Magazine of the ARIP Group.
- **Outstanding Investor Relations Award** for the 6th Consecutive Year in the Category of Companies with Market Capitalization of More Than Baht 100,000 million. The award ceremony was held during the SET Awards 2016 and organized by the Stock Exchange of Thailand in partnership with Money & Banking magazine.
- **“Best in Sector: Telecommunications”** organized by IR Magazine Awards - South East Asia 2017. Awarded for the 2nd consecutive year in recognition of outstanding investor relations roles which investors and shareholders believe in and trust the most.
- **The Technology Stock Award** presented at the Popular Stock Awards for 2016. This honor recognized AIS as the most trusted and trustworthy organization in the technology industry in Thailand. Organized by Kaohoon Magazine, the Stock Exchange of Thailand and the

University of the Thai Chamber of Commerce, the award was based on a compilation of the results of an assessment of the popularity of shares to investors from all the public companies listed on the Stock Exchange of Thailand.

- **Four Outstanding Awards for “Leadership”, “Marketing”, “Product and Service”, and “Human Resource Management”** from the Thailand Corporate Excellence Awards 2016 organized by the Thailand Management Association (TMA) in partnership with the Sasin Graduate Institute of Business Administration.

Best Brand

- **“The Most Powerful Brands of Thailand 2016”** organized by the Marketing Department, the Faculty of Commerce and Accountancy, Chulalongkorn University for strength in brand and popularity with the highest number of subscribers in the telecommunications industry.
- **“Hall of Fame Brand 2017”** from Thailand’s Most Admired Brand award for the 17th consecutive year. AIS was recognized as the most popular and trusted brand for having the largest market share in the telecommunications industry, constantly introducing innovative products and services to the market, and continuously recording growth in business performance.
- **“Thailand’s Top Corporate Brand Values Hall of Fame”** for maintaining the highest corporate brand value for the 5th consecutive year based on company ranking for the highest corporate brand values in Thailand calculated by CBSV (Corporate Brand Success Valuation). The award was organized by the Faculty of Commerce and Accountancy at Chulalongkorn University.

Best Product and Service

- **“Thailand’s Fastest Mobile Network 2017”** awarded by Ookla, the global leader in internet testing and analysis. AIS maintained its leadership position in 4G service for the 2nd consecutive year based on a customer survey conducted during a testing period involving more than 9 million tests a day from July 2015-December 2016.

- “Best Brand Performance on YouTube 2017” at the Thailand Zocial Awards 2017. The award is given to companies which use social media most effectively through the continuous use of videos and customer engagement on YouTube as well as for their overall management of their YouTube channel.

Best Human Resource Management

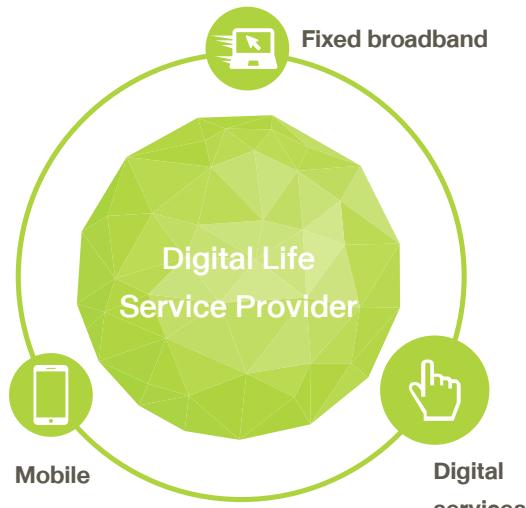
- “The Global HR Excellence Award 2017” in the Managing Health at Work category from the World HRD Congress, which promotes innovation and practice in strategic human resource management worldwide.
- “Promoting Health in the Workplace Award” for the AIS Wellness program initiative to promote excellent holistic health care among employees. The award was presented at the Best Employer Brand Awards 2017.
- AIS and ACC received “Best Employers Thailand Award 2017” for their excellence initiative and continuity in human resource management based on a survey by Aon Hewitt (Thailand) in partnership with the Sasin Graduate Institute of Business Administration.
- “The 2017 award for Most Admired Companies Thais Want to Work with” organized by Jobs DB (Thailand) Limited Company, which surveyed job applicants by asking which company they most want to work with and why.
- “Best Employers 2017” organized by Forbes Magazine based on outstanding internal communication methods to achieve employee recognition in various aspects. Over 2,000 companies worldwide were evaluated.

Best Sustainability Management

- The Winner of the WSIS Prizes 2017 under the E-Employment category for the AorSorMor Online application with regard to digital innovation for sustainable development that improves processes in working, learning, and healthcare in 2017. WSIS Prizes 2017 was organized by the International Telecommunication Unions (ITU) and United Nations (UN).

- The AorSorMor Online application won an Outstanding Award in Sustainable Business Project 2017 from the Thailand ICT Excellence Awards 2017 organized by the Thailand Management Association (TMA) in partnership with the Ministry of Digital Economy and Society.
- The AorSorMor Online application received the second prize from the Thailand ICT Awards 2017 organized by the Association of Thai ICT Industry (ATCI) under the category of Inclusion & Community. AIS’s application was recognized for demonstrating the use of ICT to benefit society and reduce the digital divide.
- Listed in MSCI Global Sustainability Indexes for the 3rd consecutive year as a result of AIS’s commitment to building a value-added organization to deliver long-term yield for stockholders while creating added value for society and the environment.
- Listed in FTSE4Good Indexes conducted by the FTSE Group, which designs indexes in collaboration with the Stock Exchanges in various countries in Europe and Asia. AIS has been selected for the 2nd consecutive year based on the Company’s performance, financial strength, and business development towards sustainability in accordance with global standards.
- Listed as one of 65 companies by the Stock Exchange of Thailand (SET) in the category of “Sustainable Stocks” for two consecutive years, setting a good example in balancing environmental care, social contribution, good governance, and business performance.
- Received ESG 100/2017 rating by Thaipat Institute for three consecutive years. ESG 100 accredits companies listed in Thailand’s stock market for their outstanding performance in caring for the environment, contributing to society, and practicing good governance.
- “Sustainability Report Award 2017” from Thai Listed Companies Association for the 3rd consecutive year in recognition of sharing information transparently and completely, with clear policy in sustainability reporting.

Business Overview



AIS: the Digital Life Service Provider

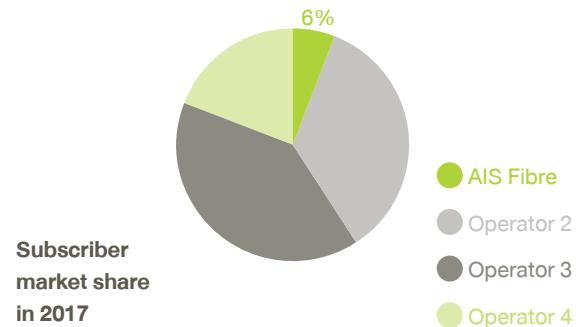
Advanced Info Service Public Company Limited (AIS) is the “Digital Life Service Provider”. Operating three core businesses in the telecom industry, AIS provides mobile, fixed broadband, and digital services, while also being one of the largest contributors to the development of Thailand’s telecom infrastructure. As Thailand’s Digital Life Service Provider, AIS also develops and delivers a range of products and services that support the changing lifestyles and usage trends of both retail and corporate customers in the digital era. In 2017, AIS had total assets of Baht 284,067 million and market capitalization of Baht 567,800 million, ranked number 5 in the Stock Exchange of Thailand.

Leader in mobile market



At the end of 2017, AIS confirmed our position as the leader in Thailand’s mobile market with revenue market share of 48% and a total of 40.1 million customers nationwide. Having provided mobile services for more than 27 years, AIS still generates 97% of our service revenue from this sector. In 2017, mobile revenue continued to grow 3.1% YoY. With the spectra AIS currently owns and operates, we provide quality 4G, 3G, and 2G networks nationwide to more than 98% of the population. AIS is also collaborating with vendors to conduct research and development with the aim of deploying advanced technology that can further improve network quality and effectively serve the growing demand for data consumption. This also provides a strong foundation in preparation for the coming 5G era. The mobile services provided by AIS include voice calls, mobile data, WiFi, international direct dialing (IDD), and international roaming.

Growing in the fixed broadband market



As an addition to our mobile business, AIS launched a fixed broadband service in 2015 under the brand name “AIS Fibre”. Since its launch, the service has grown continuously on the back of an increasing subscriber base and expanded coverage that now reaches 50 cities or 6 million households. AIS Fibre has successfully penetrated the market by drawing on our ability to provide FTTH technology for connecting households to the internet and upgrading existing ADSL users to the fibre optic network which can deliver higher reliability and superior speed of up to 1 Gbps. As a result, fixed broadband revenue grew 264% YoY in 2017 and contributed 3% of service revenue with total subscriber numbers of 521,200 or around 6% of the market. The goal is for AIS Fibre to become established as a significant player in the market by 2020.

Building upon existing businesses via digital services

The third business of AIS is digital services. Following the arrival of the digital era, AIS has achieved our objective of becoming Thailand's leading digital life service provider through a focus on the research and development of digital services for both retail and corporate customers. AIS believes in collaborating with digital service creators and providers to develop a digital ecosystem in which we grow together. Currently, AIS is focusing on four areas which are video, the Enterprise Cloud, mobile money, and the internet of things (IoT). One example of our successes in 2017 was the progress of our AIS PLAY and AIS PLAYBOX which provide customers with world-class entertainment content such as movies, TV series, and sports, both on the go and at home. This has helped differentiate the AIS brand in the market. AIS also leveraged our extensive nationwide fibre footprint to render the enterprise data service (EDS) for our corporate customers. We also announced our readiness for providing an end-to-end Enterprise Cloud service to help uplift the cost structure of Thai corporations to be on par with international standards.

Digital services are set to become an important propeller that will enable AIS to access a new source of revenue, on top of the current mobile internet charges. These services will also allow AIS to be an integrated player offering convergence products and services from our three core businesses.

Operating under licenses regulated by the NBTC

AIS is under the regulation of the NBTC. The NBTC is a regulator formed in accordance with the Frequency Allocation

Act 2010. AIS, through a subsidiary, has been granted three licenses at 2100, 1800 and 900MHz from the NBTC after winning the spectrum license auctions. AIS also partners with TOT to utilize TOT's 2100MHz spectrum. This has resulted in AIS having 55MHz of frequency in total in 2017. The license fee, universal service obligation (USO) fee, and numbering fee that AIS is mandated to pay to the NBTC amounts to approximately 4% - 5% of service revenue each year.

Paying not less than 70% of net profit as dividends

It is the Company's policy to pay at least 70% of consolidated net profits as dividends. Dividend payments are made twice a year. The first payment is based on the operating results during the first half of the year while the second payment is based on the operating results during the second half of the year. The total annual dividend payment must be approved in the annual shareholders' meeting.

With regard to each subsidiary, dividend payments are based on its operating results, financial conditions and other material factors.

In all cases, dividend payments are dependent on cash flow and the investment plan including any other future obligations of the Company and/or its subsidiaries. Total dividend payments shall not exceed the retained earnings of the Company's financial statements nor adversely affect the ongoing operations of the Company or its subsidiaries. The past five years of dividend payments are shown below.

	2013	2014	2015	2016	2017
Total dividend payment (Baht per share)	12.15	12.00	12.99	10.08	7.08
1. Dividend for first half	6.40	6.04	6.50	5.79	3.51
2. Dividend for second half	5.75	5.96	6.49	4.29	3.57
Dividend payout ratio	100%	99%	99%	98%	70%

Top Ten Shareholders

Top ten shareholders as of 10 August 2017,
the latest book closing date for the right to receive dividend.

No.	Name	No. of shares held	% of shareholding
1	Intouch Holdings Plc	1,202,712,000	40.45
2	Singtel Strategic Investments Pte. Ltd.	693,359,000	23.32
3	Thai NVDR Co, Ltd.	149,850,387	5.04
4	Littledown Nominees Limited	100,370,100	3.38
5	Social Security Office	72,026,900	2.42
6	State Street Bank Europe Limited	39,847,498	1.34
7	Chase Nominees Limited	36,963,717	1.24
8	The Bank of New York Mellon	30,832,000	1.04
9	State Street Bank and Trust Company	26,540,300	0.89
10	GIC Private Limited	20,065,037	0.67
Total		2,372,566,939	79.80

Note: Information from Thailand Securities Depository Company Limited

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:

No.	Name ⁽¹⁾	Number of shares held	% of shareholding
1	Singtel Global Investment Pte. Ltd. ⁽²⁾	673,348,264	21.00
2	The Hongkong and Shanghai Banking Corporation ⁽³⁾	509,766,840	15.90
3	Thai NVDR Co., Ltd.	438,202,756	13.67
4	Aspen Holdings Limited ⁽⁴⁾	115,485,120	3.60

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

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

⁽³⁾ Anderton Investments Pte Ltd. holds 509,766,840 shares in the Company, representing 15.90%, under the name of The Hongkong and Shanghai Banking Corporation Limited.

⁽⁴⁾ On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 14 November 2017, Aspen Holdings Limited is 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% held by Singapore Telecommunications Ltd.

(Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 31 December 2017)

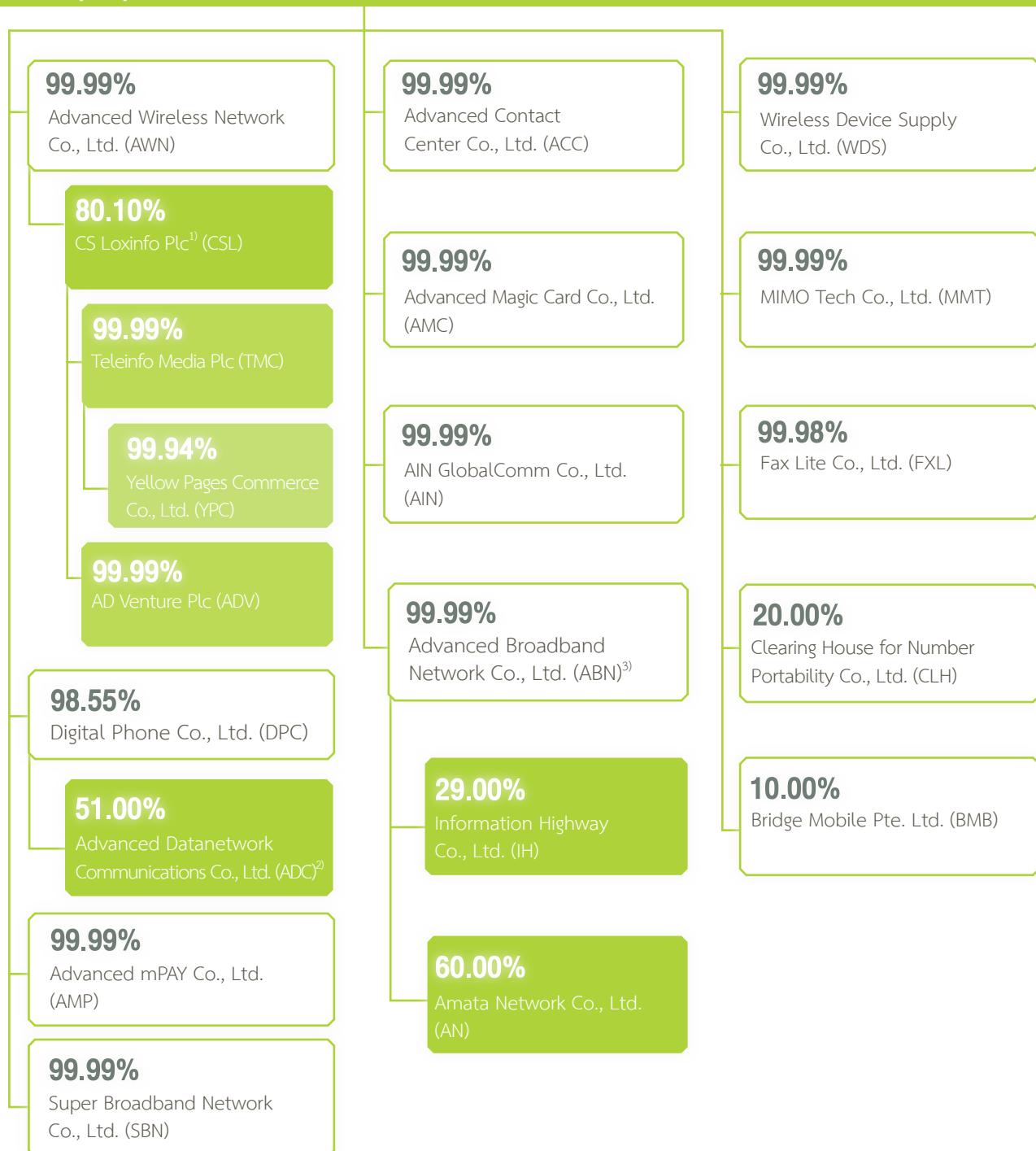
Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None -

Investment Structure of AIS

As of 23 January 2018

Advanced Info Service Public Company Limited (ADVANC) Registered capital Baht 4,997 Million, Paid-up capital Baht 2,973 Million



¹⁾ Advanced Wireless Network Co., Ltd. (AWN) acquired ordinary shares in CS Loxinfo Plc. (CSL), equivalent to 80.10% of the paid-up capital, through a voluntary tender offer. (This information as of 23 January 2018 is from the report on the result of the Tender Offer (Form 256-2) submitted by AWN to the Office of the Securities and Exchange Commission.

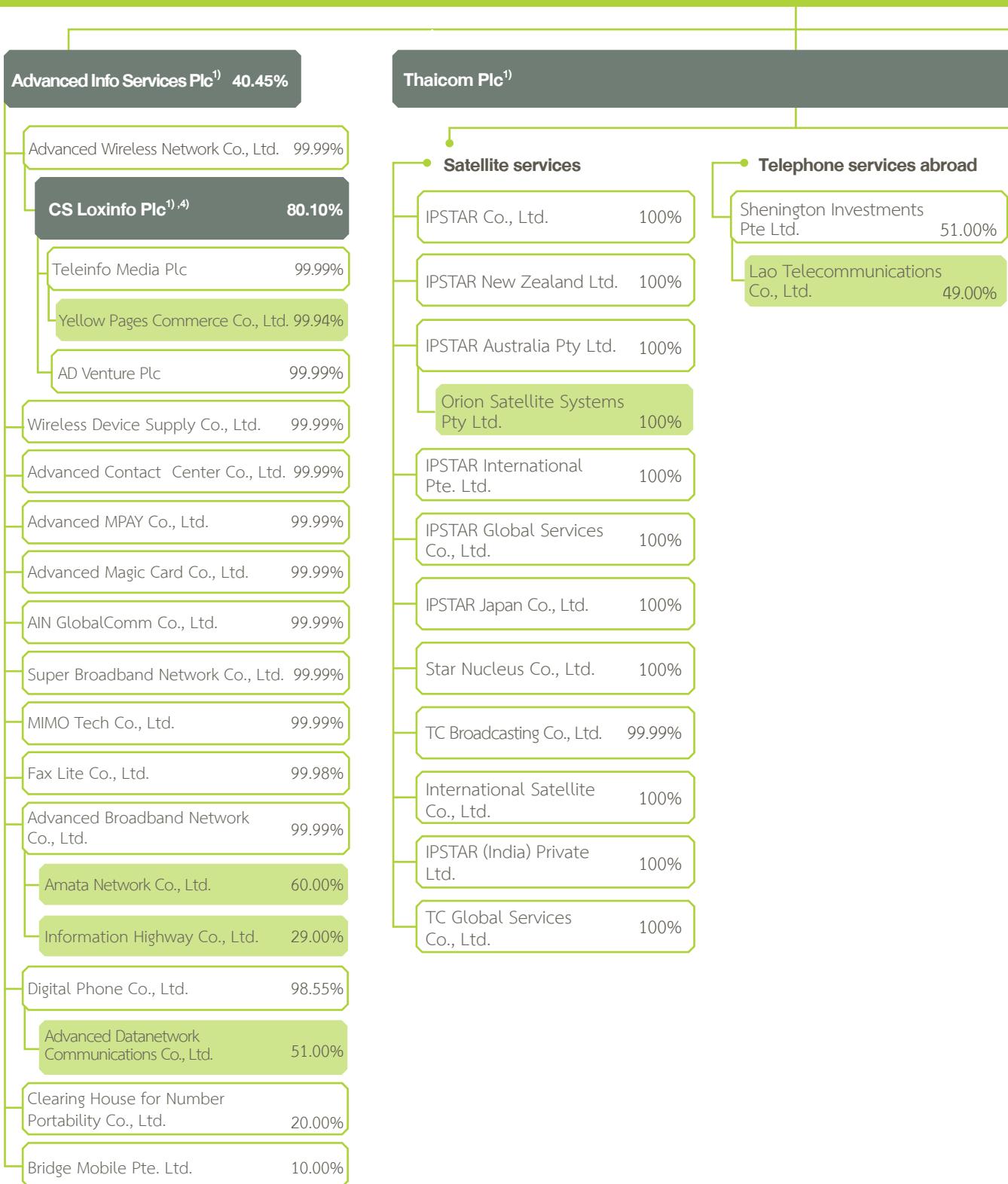
²⁾ The remaining share percentage of ADC in the amount of 49% is held by other persons with no conflict of interest

³⁾ ABN is currently not start the operation

INTOUCH Group's Investment Structure

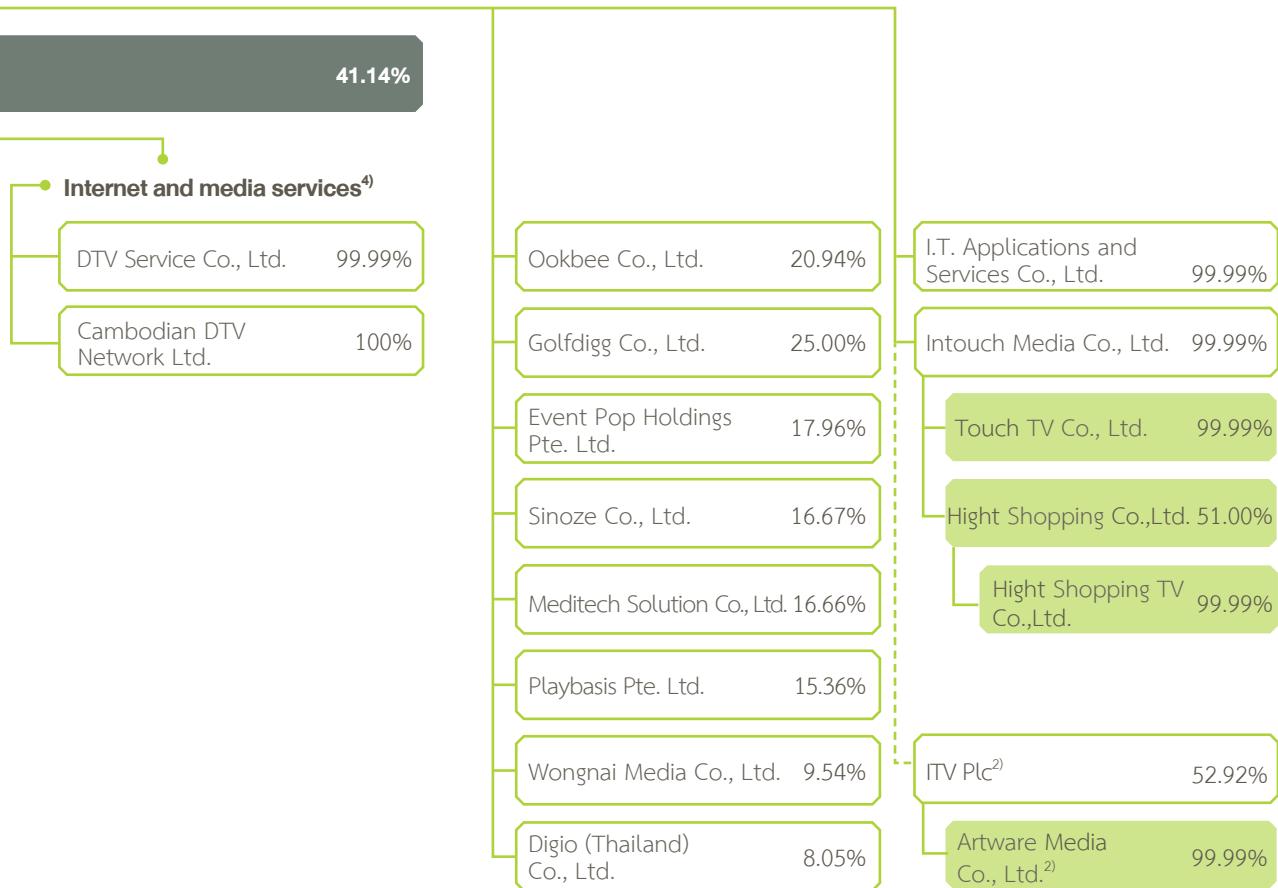
As of 23 January 2018

Intouch Holdings Plc¹⁾



Wireless Telecommunication Business

Satellite and International Businesses



¹⁾ Listed Company on the Stock Exchange of Thailand

²⁾ Currently not in operation

³⁾ Excluded investment in debt security

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

Other Businesses

Venture Capital³⁾

Others