



Message from the President

Throughout 2016, the public telecommunications sector has faced changes from various factors, including changing of consumer behaviors, and rapid development of digital communication technologies. This affected adjustment of business direction of telecommunications organizations. Future operations need to take into account modifications to keep pace with those changes.

In 2016, business performance of CAT Telecom Public Company Limited (CAT) earned better than business plan with net profit of Baht 2,020 million, as a result of effective management and control of expenditure. It was the year that CAT has accomplished its critical mission of concluding the ongoing dispute over the concessionaire, resulted in the ability of the organization to fully drive more business. At the same time, CAT has been proceeded in accordance with the State Enterprise Policy Committee (SEPC)'s policies by implementing the organization reform plan and establishing a subsidiary company within time constraints.

For the support of the Government's Thailand 4.0, CAT has played a significant role in various aspects such as the study of new international submarine cable system in ASEAN region and Indochina terrestrial cable network connection. CAT collaborated with major partners in China and India to drive the expansion of Indochina's overall network portfolio, with more connectivity to the world via submarine cable systems. This was to prepare for future growth in traffic volume, which is the basic factor necessary for bringing the country into being the digital hub of ASEAN.

Besides, CAT has created digital innovation projects for Thailand 4.0. The major projects which CAT continuously operates are Smart City project in Phuket and Khon Kaen, Digital Park Thailand project on 600 Rai in Si Racha, Chonburi province. Other major projects launched in the previous year to promote Thailand 4.0 included development of "4.0 GovConnect" Platform supporting system linking the Ministry of Finance's governmental information system, establishment of Tree Pay (Thailand) Co., Ltd., a joint venture with partner from South Korea who had high experience in developing world-class digital technology, to providing modern and secure payment system to support future trends where businesses and individuals will increasingly use technology for their financial transactions. Also CAT has already initiated IoTs (Internet of Things) business unit of innovation that will open up new business opportunity, with a focus on developing Digital Solutions to address government agencies' trends in using IoTs as an effective way to serve people in all dimensions. This is expected as part of future revenue streams.

As forming new businesses, CAT also focuses on improving our core business mobile (my) and Broadband Internet (C internet). In the past year, the two services have managed to the growth in the past year, and are expected to be growing slightly in 2017 as CAT will improve its regulations and internal management system to be more flexible. This is believed to help reduce barriers to our operations nationwide, central and regional ; as well as promote competitiveness and efficient service to both public and private sectors

CAT places importance on corporate governance and transparency with good governance principles by joining the announcement of the intention to be government alignment in the operation of the organization with transparency and anti-corruption. This is consistent with the government policy and anti-corruption measures of the Office of the National Counter Corruption Commission (NACC). In addition, CAT pledged to adhere to the royal guidance of His Majesty King Bhumibol Adulyadej, the King who was at the heart of all Thai, as principle of operation consisting of morality, harmony, and self-fulfillment. CAT determine to lead the organization complying operating with these principles in order to continuously move forward in the future, in the environment where technologies are rapidly changing.

Lastly, as the President of CAT Telecom Public Company Limited (CAT), I would like to thank all customers, shareholders, business partners, all executives and staffs who supported CAT's operation over the past year. Through the contribution of the management and staff, CAT's business performance has grown over the years. However, as compared to the declining segment, this growth was not enough. It is necessary for the organization to accelerate the growth of existing core services as well as to add new businesses. ...CAT's future challenges are about the company's adaptation to the rapid technological changes. It is believed that the focus on developing toward a clear direction of Digital Service will significantly increase CAT's revenues, leading to new capabilities and enhance the organization's role in driving Thailand in the Technology 4.0 era.

Colonel



(Sanpachai Huvanandana)

President

CAT Telecom Company Limited