

# Grow Together Win Together



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"Investors can find more information of True Corporation Public Company Limited from the Annual Registration Statement (Report 56-1) posted on the Securities and Exchange Commission's website at [www.sec.or.th](http://www.sec.or.th) or on the Company's website at [www.truecorp.co.th](http://www.truecorp.co.th)"

Glossary and acronyms	
AC	Access charge
ADC	Advanced Datanetwork Communications Company Limited
Agreement for Joint Venture	Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions Cable (Thai Cable Vision Plc., at that time) dated June 6, 1994, with subsequent additions and/or amendments, or the Agreement for Joint Venture in the Membership Television between MCOT (the Mass Communications Organization of Thailand, at that time) and TrueVisions (International Broadcasting Corporation Plc., at that time) dated April 17, 1989, with subsequent additions and/or amendments, whichever applies in the relevant context.
Agreement to Operate	Agreement to Operate and Provide Services under the Digital PCN 1800 System between CAT Telecom (Communication Authority of Thailand, at that time) and TrueMove (Wireless Communication Service, at that time) dated June 20, 1996.
AI or Asia Infonet	Asia Infonet Company Limited
AIS	Advanced Info Service Public Company Limited
AP&J	AP&J Production Company Limited
AWC	Asia Wireless Communication Company Limited
Beboyd	BeboydCg Co., Ltd.
BEC TERO TVS	BEC-Tero True Visions Company Limited
BFKT	BFKT (Thailand) Limited
BITCO	Bangkok Inter Teletech Public Company Limited
BMA	Bangkok Metropolitan Area
BPL or EPL	Barclays Premier League (previously English Premier League)
Broadcasting Committee	Broadcasting Committee of the NBTC
CAT or CAT Telecom	CAT Telecom Public Company Limited

## Glossary and acronyms

CDR	Call Detail Record
DIF	Digital Telecommunications Infrastructure Fund
China Mobile	China Mobile International Holdings Limited
CHNP	Clearing House for Number Portability Company Limited
CNP	Cineplex Company Limited
DSI	Department of Special Investigation
DTAC	Total Access Communication Public Company Limited
Frequency Allocation Act	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2553
Frequency Allocation Act B.E. 2543	Act on Organization to Assign Radio Frequencies and to Regulate the Broadcasting and Telecommunications Services B.E. 2543
Gold Palace Logistics <BVI>	Gold Palace Logistics Limited (Registered in foreign)
Golden Light	Golden Light Company Limited (Registered in foreign)
Goldsky	Goldsky Company Limited (Registered in foreign)
GP Logistics <BVI>	GP Logistics Company Limited (Registered in foreign)
GPG <BVI >	Golden Pearl Global Limited (Registered in foreign)
GPI <BVI>	Gold Palace Investments Limited (Registered in foreign)
HCWML / HutchCAT	Hutchison CAT Wireless Multimedia Limited
HD/ HDTV	high definition/ high-definition television
HMSTL	Hutchison MultiMedia Services (Thailand) Limited
HSPA	High Speed Packet Access
HSPA wholesale agreement	A wholesale agreement for HSPA mobile services between CAT Telecom as a wholesale operator and Real Move as a reseller, dated 27 January 2011 with subsequent additions and/or amendments
HTTCL	Hutchison Telecommunications (Thailand) Company Limited
HWMH	Hutchison Wireless Multimedia Holdings Limited
IC	Interconnection
IC Regulation	Interconnection Regulation B.E. 2549



Glossary and acronyms	
IFC	International Finance Corporation
IKSC	Internet Knowledge Service Center Company Limited
IM	Information Memorandum
IMT	International Mobile Telecommunications
IMT 2.1 GHz spectrum license	License to operate international mobile telecommunications on the 2.1 GHz spectrum
JAS or Jasmine	Jasmine International Public Company Limited
Joint Operation Agreement	Agreement for Joint Operation and Joint Investment for Expansion of Telephone Service between TOT (previously Telephone Organization of Thailand) and the Company (CP Telecommunication, at the time) dated August 2, 1991 with subsequent additions and/or amendments
Joint-Venture Act	Public-Private Joint Venture Act B.E.2535
K.I.N. <BVI>	K.I.N. (Thailand) Company Limited (Registered in foreign)
KfW	Kreditanstalt für Wiederaufbau
KSC	KSC Commercial Internet Company Limited
MCOT	MCOT Public Company Limited
MKSC	MKSC World Dot Com Company Limited
MNP	Mobile Number Portability
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MVNO	Mobile Virtual Network Operator
NACC	National Anti-Corruption Commission
NBC	National Broadcasting Commission
NBTC	National Broadcasting and Telecommunications Commission
NEC	NEC Corporation (Thailand) Company Limited
NOC	Network Operation Center
NTC	National Telecommunications Commission
NVDR	Thai NVDR Company Limited

## Glossary and acronyms

PCN	Personal Communication Network
PCT	Personal Communication Telephone
Prospect Gain	Prospect Gain Limited (Registered in foreign)
PTE	Panther Entertainment Company Limited
Real Move or RMV	Real Move Company Limited
Rosy Legend	Rosy Legend Limited (Registered in foreign)
SD	Song Dao Company Limited
SM	Samut Pakan Media Corporation Company Limited
SMT	SM True Company Limited
SSV	Sattellite Service Company Limited
TAM	Telecom Asset Management Company Limited
TDS	True Distribution & Sales Company Limited
TE	Tele Engineering and Services Company Limited
Telecom Business Act	Telecommunications Business Act B.E. 2544
Telecom Committee	Telecom Committee of the NBTC
TGS	True GS Company Limited
TH	Telecom Holding Company Limited
The Company or True / TRUE	True Corporation Public Company Limited
TI or True Internet	True Internet Company Limited
TIC	True International Communication Company Limited
TICT	True Icontent Co., Ltd.
TIG	True International Gateway Company Limited
TIT	True Information Technology Co., Ltd.
TITS	True Internet Technology (Shanghai) Company Limited (Registered in foreign)
TKSC	Telecom K S C Co., Ltd.

Glossary and acronyms	
TLP	True Life Plus Co., Ltd.
TM or True Multimedia	True Multimedia Company Limited
TMD	True Media Solutions Co., Ltd. (Formerly : True Digital Media Co., Ltd.)
TMR	True Music Radio Co., Ltd.
TMV	True Move Company Limited
TNN	Thai News Network (TNN) Co., Ltd.
TOT	TOT Public Company Limited
TPC	True Public Communication Company Limited
True Group or the Group	True Corporation Public Company Limited and its subsidiaries
True Incube	True Incube Co., Ltd. (Formerly : KOA Company Limited)
True Internet	True Internet Co., Ltd.
True Music	True Music Co., Ltd.
True Trademark	True Trademark Holdings Company Limited (Formerly : Dragon Delight Investment Limited)
True4U	True4U Station Company Limited (Formerly : True DTT Company Limited)
TrueMove	True Move Company Limited
TrueVisions Cable or TVC / TVSC	True Visions Cable Public Company Limited
TrueVisions Group or TVG	True Visions Group Company Limited
TrueVisions or TVS	True Visions Public Company Limited
TSC	Thai Smart Card Company Limited
TT	True Touch Company Limited
TU	True Universal Convergence Company Limited
TUC	True Move H Universal Communication Company Limited (Formerly : Real Future Company Limited)
TUFC	True United Football Club Company Limited
TV	True Voice Company Limited

## Glossary and acronyms

TVT	True Vistas Company Limited. (Formerly: True Magic Company Limited)
UCOM	United Communication Industry Public Company Limited
UIH	United Information Highway Company Limited
USO	Universal Service Obligation
Verizon	Verizon Communications Inc.
VoIP	Voice over Internet Protocol
WCS	Wireless Communication Services Limited

# FINANCIAL HIGHLIGHTS

- Annual Report 2015
- Grow Together
- Win Together

(Unit: Baht million)

	2015	2014 (Restated)	2013 (Restated)
<b>Consolidated Financial Results</b>			
Service revenues <sup>1/</sup>	74,803	67,497	66,291
Total revenues	118,781	109,216	96,214
EBITDA	22,109	20,050	16,408
Operating profit	4,608	2,922	(1,627)
Results from ongoing operations	2,690	5,728	(11,480)
Results from ongoing operations before deferred income tax	2,468	3,045	(10,269)
Net profit (loss) to equity holders of the Company	4,412	1,294	(9,168)
<b>Consolidated Balance Sheets</b>			
Total assets	282,844	234,103	205,532
Total liabilities	207,638	163,377	200,883
Total shareholders' equity	75,207	70,726	4,649
<b>Key Financial and Efficiency Ratios</b>			
Operating profit margin			
(on revenue excl. IC and network rental)	4.72%	3.26%	-1.95%
Asset turnover (times)	0.46	0.50	0.50
Interest coverage ratio (times)	7.27	3.63	1.90
Net debt / EBITDA (times) <sup>2/</sup>	3.67	1.61	4.18
<b>Per Share Data and Others</b>			
Profit (loss) per share (Baht)	0.18	0.07	(0.56)
Book value per share (Baht)	3.06	2.87	0.32
Share price at the end of period (Baht)	6.70	11.10	7.50
No. of outstanding shares at year end (million shares)	24,608	24,608	14,530
Market capitalization	164,873	273,148	108,977

<sup>1/</sup> Revenues from telephone and other services excluding interconnection (IC) revenue and network rental revenue

<sup>2/</sup> Total short-term and long-term borrowing exclude liabilities under finance leases

# COMPANY BACKGROUND AND BUSINESS OVERVIEW

- Annual Report 2015
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## COMPANY BACKGROUND AND BUSINESS OVERVIEW

True Group is Thailand's only fully-integrated telecommunication provider and convergence leader.

True Group determines to provide high-quality products and services for Thai consumers through innovation, advanced technology and superior networks and coverage nationwide. These increase opportunities and channels for Thai people throughout the country to thoroughly access news and information, bridge the digital divide and facilitate Thailand's evolvement into a knowledge-base society. The Group seeks to develop Thai telecommunications industry to be at the forefront of the international community while supporting the country's transition into a digital economy. Four key brand values – credible, creative, caring and courageous – guide its work as True Group aims to enhance value for shareholders, customers, organization, society and employees alike.

Convergence strategy remains one of the key competitive advantages for True Group. Its high-value convergence offerings that bundle products and services within the Group continue to prove popular while fulfilling customers' various demands and lifestyles. This not only strengthens True Group's core operations but also helps drive subscriber growth, retention and loyalty.

True Group's three core business segments are: **True Mobile Group**, which operates cellular business under the brand TrueMove H with superior network quality and coverage through the country's highest bandwidth under licenses. TrueMove H delivers the best mobile experience for Thai people in communicating on all platforms comprising 4G, 3G and 2G networks. True Mobile Group ended 2015 with 19.1 million subscribers. Its network strength yielded record postpaid acquisition during the years. **TrueOnline**, the largest fixed-line phone provider in the BMA and the Broadband and WiFi leader with the most comprehensive nationwide network using FTTx, DOCSIS cable modem and xDSL technologies. TrueOnline's broadband Internet continued remarkable growth, achieving an all-time high net addition in 2015. This boosted its subscriber base up to 2.4 million at the end of the year; and **TrueVisions**, the leading nationwide pay TV and HD TV operator. TrueVisions accelerated its customer base to 3.1 million at the end of 2015, of which 1.4 million were premium and standard customers while the rest were FreeView and Free-to-air customers.

The Company is backed by the Charoen Pokphand Group ("CP Group"), Asia's largest agro-conglomerate, and China Mobile, the world's largest mobile operator, with shareholding of 51% and 18% of the Group's total number of issued shares, respectively. As of 31 December 2015, True Group's total registered and paid-up capital was Baht 98,432 million. The Company's main operations are not directly and materially related to its major shareholders. It only has minor transactions in some occasions with its major shareholders.

## Business Background

True Group was incorporated in November 1990 as a fixed-line phone service provider and in the following year it signed a build-transfer-operate concession with TOT to build, install, jointly operate and maintain a 2.6 million-line wireline network in the BMA for a period of 25 years, ending in October 2017.

The Company was registered as a public limited company in 1993 under the name TelecomAsia Corporation Public Company Limited and was listed on the Stock Exchange of Thailand in December 1993 under the security symbol “TA”. The Company rebranded under the “True” name and adopted the security symbol “TRUE” in April 2004.

In addition to its traditional fixed-line phone and public phone services, True Group started providing hi-speed data communication services, including ADSL and cable modems, in 2001, WiFi services in 2003, International Internet Gateway services in 2007, and International Data Gateway and International Direct Dialing services in 2008. Since then, True Group remains committed to deliver customers with an ultimate Internet experience. Throughout 2015, True Group continued to expand its fiber and cable broadband networks, which already passed 6 million households with an aim to reach 10 million households nationwide by 2016, while commercially launching the FTTx package for consumer broadband segment on top of its existing offerings for corporate customers. This not only enables True Group to offer Thailand’s fastest standard speed for consumer broadband service at 1 Gbps but also facilitates the real triple-play offering, a combination of products and services within the Group through the same network.

True Group extended its services into the mobile telecommunications segment through a subsidiary, BITCO (the parent company of TA Orange), in October 2001. TA Orange’s mobile services were fully launched in March 2002. TA Orange was subsequently rebranded “TrueMove” at the beginning of 2006.

True Group further expanded its mobile business through the purchase of shares of four local companies – Hutchison Wireless Multimedia Holdings Company Limited, BFKT, Rosy Legend Limited, and Prospect Gain Limited – from Hutchison Group which was completed in January 2011 with a transaction size of around Baht 6.3 billion including the settlement of any liabilities of the acquired companies to the Hutchison Group. The transaction gave the Group a first-mover advantage in launching commercial 3G services nationwide using HSPA technology on CAT Telecom’s 850 MHz spectrum. Full commercial 3G services were officially launched by its subsidiary Real Move (as a reseller of CAT Telecom) under the “TrueMove H” brand on August 30, 2011 and will operate until at least 2025.

True Move H Universal Communication Company Limited (“TUC”) was granted the IMT 2.1 GHz spectrum license by the NBTC in December 2012 and later launched Thailand’s first 4G LTE services together with 3G services on the 2.1 GHz spectrum in May 2013. In addition, TUC is one of the winners in the 1800 MHz and 900 MHz spectrum auctions in November and December 2015, respectively. These additional licenses will extend the Group’s mobile business at least until 2033, while reinforcing its leadership in 4G and wireless high-speed broadband services with the most variety of frequencies and largest amount of licensed bandwidth. The perfect combination and unique strengths of high-band frequencies (1800 MHz and 2100 MHz) in terms of capacity and low-band frequencies (850 MHz under CAT Telecom and 900 MHz) in terms of network coverage will better serve Thai customers the best mobile experience on all platforms comprising 2G, 3G and 4G networks. This will also enable the Group to deploy 4G Advance technology and offer 3 times greater mobile speeds at over 300 Mbps. In 2016,

True Group will further accelerate its 4G and 2G networks to reach 98% population coverage on top of its 3G network which already covers 97% of the Thai population.

For Pay TV business, True Group purchased shares of the United Broadcasting Corporation (“UBC”) from MIH in January 2006 and completed the tender offer for UBC shares held by the public in March 2006, allowing the Company to own 91.8% (effective holding) of UBC. The pay TV operator was renamed “TrueVisions” at the beginning of 2007. After the restructuring of TrueVisions Group in the first half of 2010 and the repurchasing of shares from minority shareholders from November 2010 to February 2011, the Group’s effective holding in TrueVisions Group Company, which is a holding company for True Group’s pay TV business, has been 100.0% while True Group’s indirect holding in True Visions Public Company Limited and True Visions Cable Public Company Limited was 99.5% and 99.1% respectively at the end of 2015. While TrueVisions’ main revenue source comes from monthly subscription fees, MCOT in 2009 authorized the Company to carry advertising, significantly increasing the business’ opportunity to drive revenue growth and profitability.

Meanwhile, TrueVisions’ activation of an enhanced and more secure broadcasting system (MPEG-4 encryption technology) in mid July 2012 effectively prevents the illegal access of its premium content and enhances customers’ viewing experience through expanded HD offerings. Furthermore, subsidiaries under TrueVisions Group were granted two digital terrestrial TV licenses from the NBTC in April 2014. The Group’s digital TV channels, news channel “TNN 24” and variety channel “True4U”, have received positive response with rising popularity, particularly “True4U” which were ranked among the top 10 digital TV channels. The Group’s full range of attractive content, competitive advertising packages, and world-class entertainment events contributed to TrueVisions’ ongoing service revenue growth. In addition, outstanding response to value convergence packages and True digital HD set-top boxes raised TrueVisions’ customer base to 3.1 million, further widening its advertising revenue potential.

One of the key milestones for True Group was its successful recapitalization which dramatically improved its capital structure and financial performance, facilitating future business growth opportunities.

In 2013, True Group sold an investment in ordinary shares of eight non-core business companies to Thana Telecom Corporation Limited with a selling price of around Baht 5.4 billion, enabling it to recognize gain on sale of this investment while focusing more on the core businesses’ operations. In addition, Digital Infrastructure Fund “DIF” (Previously named “TRUEIF”), the first telecommunication infrastructure fund in Thailand, was successfully established and listed on the Stock Exchange of Thailand in late December 2013. True Group’s holding in DIF was 28.1% at the end of 2015. True Group agrees to dispose telecom infrastructure assets and to transfer rights to receive future benefits from telecom infrastructure assets of True Group to DIF as well as to lease certain telecom infrastructure assets back from DIF for its usual business operations. These telecom infrastructure assets include 12,183 telecommunications towers, over 1,106,827 core-km of FOC and related transmission equipment held by True Group’s subsidiaries, and an upcountry broadband system with a capacity of approximately 1.2 million ports.

In September 2014, True Group successfully raised Baht 65.0 billion of capital through a rights offering to existing shareholders worth approximately Baht 36.4 billion and a private placement to the new strategic partner, China Mobile, worth around Baht 28.6 billion. The Company mainly used the proceeds from recapitalization for debt repayment which significantly enhanced its credit profile and capital structure. Meanwhile, the strategic partnership with China Mobile further strengthens True’s business fundamentals through collaborations in several areas, including network and device procurement as well as international business.



## Major Developments in 2015

### True Group

- July: True Group affirmed its convergence leadership by introducing the new convergence campaign “TRUE Super Speed FIBER”, offering hi-speed Internet via fiber network capable of delivering speeds up to 10 Gbps. This worthily combined attractive products and services from TrueMove H, TrueOnline, TrueVisions and various privileges for customers while supporting Thai Telecommunications infrastructure to reach global standard.
- August: True Group reinforced its leadership as “The smart digital life” provider, unveiling the latest communications innovations and solutions to elevate digital lifestyles under concept “True Smart Life, Smart City” with 5 innovative solutions; Smart LIFE, Smart HOME, Smart BUILDING, Smart BUSINESS and Smart CITY. True Group determines to develop communications services and infrastructure throughout Thailand, driving the country to become a new hub of the digital economy in the region.
- September: True Group introduced new convergence package “TRUE Smart Choices”; the quad-play value package that suits all customers’ lifestyles at a starting price of Baht 999 per month. Subscribers can enjoy TrueOnline’s internet broadband speed up to 30 Mbps (internet via fiber cable) together with its fixed-line telephone service, TrueVisions’ Enjoy package and TrueMove H’s 4G/3G voice and data services.
- September: True Business tapped SME customers by launching “SME Select”, the value voice and data packages on superior 4G, 3G and WiFi networks with several additional privileges. The packages comprise “SME Smart Talk” and “SME Smart Net” at a starting price of Baht 190 and 399 per month, respectively.
- September: True Corporation Public Company Limited registered the reduction of the authorized and paid-up capital with the Department of Business Development, the Ministry of Commerce on 25th September 2015. This followed shareholders’ approval at the Annual General Meeting 2015 to reduce retained loss by transferring appropriated legal reserve and net amount of share premium and discount as well as decreasing the authorized and paid-up capital of the Company from Baht 246,079 million to Baht 98,432 million by means of reducing par value from Baht 10 per share to Baht 4 per share.
- November: True Corporation supported “One Young World Summit 2015” in Bangkok, as the first Asian city to host the global summit, where over 1,300 young leaders from 196 countries met to discuss and find solutions for global issues. In support of the event, True Group provided its world-class communications services including TrueOnline’s fiber optic network connections that link the broadcast signal at 4 Gbps speed to ensure HD quality broadcast throughout the entire summit on TrueVisions’ “One Young World Channel”, while 2,000 TrueMove H SIM cards were distributed to delegates. This supports the Group’s plan to nurture young change agents who will fuel business growth in parallel to social development.

### True Mobile Group

- February: True Mobile Group and China Mobile further strengthen collaboration, unveiling the innovative “Thailand – Greater China Number Service”, which is specifically designed to provide local China and Hong Kong numbers on one TrueMove H SIM card, along with the launch of the multi-band handset “True Smart 4G 5.5” Enterprise”. Combined together, they offer a convenient and optimum communications experience for Thai business travelers to China and Hong Kong along with a single mobile device that is useable worldwide.

- February: TrueMove H complied with the NBTC's prepaid registration regulation, serving the national security policy, through an introduction of the new promotion "Pro Khum Took Wi", the per-second call rates, for prepaid customers who register their SIM cards.
- May: TrueMove H launched new value prepaid promotions under the "Sabai" brand, targeting voice-centric users, with competitive per-second call rates starting at one Satang per second. The campaign includes three promotions customers can choose in accordance with their preference with free of charge when changing promotion.
- May: TrueMove H launched "4G Net SIM", offering data-centric customers with an optimum mobile Internet experience on TrueMove H's superior 4G network. The SIM costs only Baht 79 with 4G/3G data usage price at 20 Satang per MB, while customers are eligible for purchasing supplementary package at a special price.
- August: TrueMove H introduced new 4G smartphone models under "True Smart Series", comprising True SMART 4G 5.0" and True SMART 4G 4.0" with advanced technology and valued promotions. Prepaid and postpaid customers are eligible for special privileges, including calling bonus and internet usage.
- November: TrueMove H was the first operator in Thailand to launch the new innovative "4G Car WiFi" equipment that transforms an ordinary car into a smart car, leveraging on TrueMove H's 4G service speed while connecting up to 5 devices (Baht 2,290) and 10 devices (Baht 2,790) within the vehicle.
- December: TrueMove H joined the NBTC in improving life of people living with disabilities under the concept "Creating a Better Life for the Disabled". The business introduced innovative "Deaf SIM" with competitive data promotion for prepaid users, offering more convenient communications and connectivity through its superior 4G and 3G networks.
- November – December: True Move H Universal Communication is one of the auction winners of the "1800 MHz IMT Spectrum License" and the "900 MHz IMT Spectrum License" in November and December 2015, respectively. This reinforces the Group's 4G and mobile broadband leadership with the most variety of frequencies and largest amount of licensed bandwidth. The business will further expand its network through the perfect combination of 850 MHz (under CAT Telecom), 900 MHz, 1800 MHz and 2100 MHz frequencies, accommodating all platforms with a complete range of 2G, 3G, 4G and 4G Advance services.

## TrueOnline

- February: TrueOnline introduced the first "Fixed Mobile Convergence" in Thailand, serving lifestyle of all family's members on fixed broadband usage, under the campaign "Yim Yog Baan". This promotion comprises high-speed Internet of 18 Mbps and Fixed line plus, an innovative fixed-line phone service through the same fiber cable network. The offering also includes free landline and call worth Baht 200 to all networks throughout Thailand; all these start at only Baht 699 per month.
- July: TrueOnline launched the "TRUE Super Speed FIBER" campaign, combining broadband Internet via fiber cable network with attractive offerings from TrueMove H and TrueVisions. The packages comprise 3 services, 2 services and 1 service at a starting price of only Baht 799, 699 and 599 per month, respectively.
- July: TrueOnline launched the "TRUE Hi Speed Net" campaign, combining high speed Internet via ADSL with attractive offerings from TrueMove H and TrueVisions. The packages comprise 3 services, 2 services and 1 service at a starting price of only Baht 799, 699 and 599 per month, respectively.

## TrueVisions

- January: TrueVisions launched “True Digital HD” set-top box at Baht 1,690 with no monthly fee. The box supports both KU and C Band signals while offering over 200 quality channels.
- February: TrueVisions is the sole live broadcaster of Thailand’s no.1 professional league “Toyota Thai Premier League” for the 2014-2016 seasons. TrueVisions subscribers (Sports Family, Super Family, Gold HD, and Platinum HD packages) can watch all 306 matches throughout the season on TrueVisions platform and TrueVisions Anywhere application. In addition, the business further enhanced customers’ viewing experience by utilizing advanced virtual technology while increasing its broadcasting matches in HD format.
- May: TrueVisions introduced “Hybrid Digital HD 2”, the new set-top box that supports both digital and satellite TV signals, offering free access to more than 200 TV channels at Baht 1,690. Customers can also top up with additional package to receive full entertainment from TrueVisions.
- September: TrueVisions secured the exclusive rights in live broadcasting the three world-class major Leagues, including UEFA Champions League, UEFA Europa League, and La Liga Spain for 2015/2016 season in Thailand through beIN Sports (TrueVisions channel 676) and True Sport HD 2 (TrueVisions channels 123, 667).

## Awards received in 2015

### Awards for Business Excellence

2015 Frost & Sullivan Thailand Excellence Awards for Business Operations Excellence

- True Group won two awards for its excellence in business operations at the 2015 Frost & Sullivan Thailand Excellence Awards event: 1) TrueOnline was awarded Thailand Fixed Broadband Service Provider of the Year for outstanding broadband services for three consecutive years; and 2) True Universal Convergence was awarded Thailand Data Communications Service Provider of the Year for remarkable data communications.

2015 Frost & Sullivan Asia Pacific Telecom CEO of the Year Award

- Mr. Suphachai Chearavanont, President & CEO of True Corporation Plc was awarded the 2015 Frost & Sullivan Asia Pacific Telecom CEO of the Year which was one of the top recognitions (Best of the Best) at The Asia Pacific ICT Awards announcement ceremony. Mr. Chearavanont was considered as a role-model executive leader with outstanding achievements in developing the telecommunications industry within the Asia Pacific region. The award reflects Mr. Chearavanont's strong leadership as well as his internationally-recognized vision, achievement, and management.

### Awards for Innovation

2015 Thailand ICT Excellence Awards from the Thailand Management Association (TMA)

- True Group won two best innovation awards from the 2015 Thailand ICT Excellence Awards from the Thailand Management Association (TMA). The awards were given to honor and support the corporations with ICT excellence and development capabilities for: 1) KMS (Knowledge Management System) Project for Best Knowledge Management; and 2) myCampus Project for Best Enabler. True Group also won a Recognition Innovation Award for its Mari Project that provides speech recognition service.

International Innovation Awards

- True's We Grow application was awarded the Gold Medal for Best Environment & Energy at the 43rd International Exhibition of Inventions 2015 in Geneva organized by the Swiss Government and the World Intellectual Property Organization (WIPO). The application was developed as a user-friendly and complete tool to support tree planting. Moreover, it also won the Special Prize for The Best Invention from The International Federation of Inventors' Associations (IFIA) and the Special Prize for Outstanding Invention Award from Hong Kong. True was the only telecommunications company from Thailand that received a gold medal and special prizes for two consecutive years.

## **Awards for Customer Service**

Honorable Plaques for Outstanding Call Centers for Consumers

- True Group won three Honorable Plaques for Outstanding Call Centers for Consumers. The Plaques were received by True Corporation Plc, Real Move Co., Ltd., and True Internet Co., Ltd. at the Seminar to Develop the Abilities of Call Centers which was held by the Office of The Consumer Protection Board together with the Management System Certification Institute (Thailand). This success reflects True Group's commitment to develop products and services to best fulfill consumers' satisfaction.

## **Awards for Corporate Social Responsibility**

2015 Thailand Corporate Excellence Awards for Corporate Social Responsibility, Products and Services, Innovation, and Marketing

- True Group won 4 outstanding awards at the 2015 Thailand Corporate Excellence Awards for: 1) Corporate Social Responsibility; 2) Products and Services; 3) Innovation; and 4) Marketing. The event was held by the Thailand Management Association in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University. These awards were given to honor corporations for excellence in business operations and to encourage others to develop their businesses accordingly.

Honorable Plaque at the International Day of Persons with Disabilities 2015

- True Group for three consecutive years received an Honorable Plaque in recognition of its continuous support for the disabled. The Plaque was presented by the National Office for Empowerment of Persons with Disabilities and the Thai Disabled Development Foundation on the International Day of Persons with Disabilities in 2015.

Honorable Plaque for Sustainable Educational Support to Schools and Communities from the Thai Chamber of Commerce

- True received a 2015 Honorable Plaque under the Thai Chamber of Commerce's Project to Reduce the Inequality in the Income Distribution of People for its sustainable educational support to schools and communities through its True Plookpanya Project.

## **Awards for Promoting and Supporting Ethics**

2015 Chor Sa-ard Awards from the National Anti-Corruption Commission

- True Group was a recipient of the 2015 Chor Sa-ard Awards for its TV program that supports cultivating Dharma and promoting anti-corruption campaigns through The Novice Monks Cultivate Dharma Wisdom TV Program Year 4 which was the first Dharma Reality TV program. The awards were presented by the National Anti-Corruption Commission to: 1) TrueVisions channels which aired The Novice Monks Cultivate Dharma Wisdom TV Program; and 2) True Corporation Plc which produced this TV program. In addition, True Corporation Plc also won a recognition certificate for producing the LOL or Think Positive TV Series whereas Thai News Network (TNN) Co., Ltd. won a recognition certificate for its Building a Transparent and Honest Nation Talk Show.

HRH Princess Maha Chakri Sirindhorn's Sema-Dhammachaka Award for Supporting Buddhism

- Mr. Suphachai Chearavanont, President & CEO of True Corporation Plc was awarded the HRH Princess Maha Chakri Sirindhorn's Sema-Dhammachaka Award for his support of Buddhism at the 2015 Visakha Puja Festival or the World Day of Vesak.

Best Children's TV Program Award at the 6th Annual Natharat Awards 2014

- True Group and TrueVisions won the 6th Annual Natharat Awards 2014. The Novice Monks Cultivate Dharma Wisdom TV Program Year 3 was awarded as Best Children's TV Program for its continuous value creation for Thai youths and society.

### **Awards for Branding**

Top No. 1 Brand Award for 3G and 4G Network at the 2015 No. 1 Brand Thailand Event

- TrueMove H won the Top No. 1 Brand award for its 3G and 4G Network at the 2015 No. 1 Brand Thailand event held by Marketeer Magazine in collaboration with Video Research International (Thailand) Company Limited. The award was judged according to Thai consumers' satisfaction with brands in each category of goods and services.

Top Fans No.1 on LINE Official Account at Thailand Zocial Awards 2015

- True Move H was awarded the Top Fans No.1 LINE Official Account in Thailand for two consecutive years with 28 millions followers at Thailand Zocial Awards 2015 Presented by TrueMove H.

Honorable Plaque at the Day of the Thai Red Cross Organ Donation Center 2015

- True Group received an Honorable Plaque in recognition for its continuous support for the Let them See Love campaign to increase people's awareness of eye donation since 2007. The Honorable Plaque was presented by the Thai Red Cross Organ Donation Center at the Day of the Thai Red Cross Organ Donation Center 2015. This event was organized to celebrate HRH Princess Maha Chakri Sirindhorn's 60th Birthday Anniversary, as well as to make merit in remembrance of deceased organ donors.

### **Awards for the Environment**

Carbon Footprint Certification to Support the Government for Voluntary Greenhouse Gas Emissions Reduction

- True Information Technology Co., Ltd. was awarded two certifications for: 1) carbon footprint; and 2) carbon offsetting by the Thailand Greenhouse Gas Management Organization (Public Organization). The certifications were presented at the Combining Hearts, Reducing Green House Gas event to honor each corporation that set a good example at managing their greenhouse gas emission reduction activities in the country

## **Business Profile of the Company, Subsidiaries, Joint venture and Associated Companies**

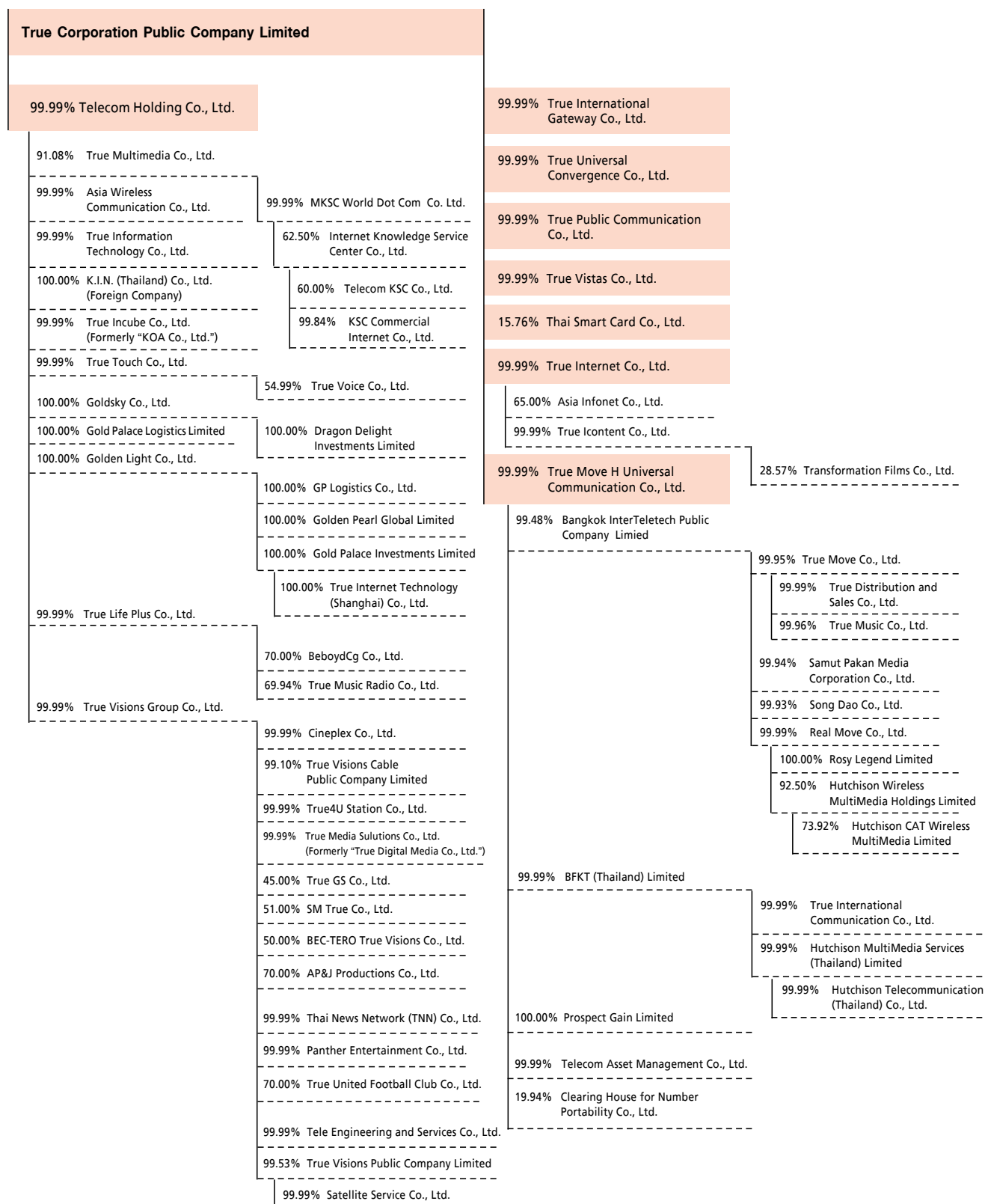
The Company group reports its financial results in three segments: TrueOnline, TrueMobile Group and TrueVisions.

- (1) TrueOnline consists of the Company and its 28 active subsidiaries and 3 joint venture.
- (2) True Mobile Group consists of 8 active subsidiaries.
- (3) TrueVisions consists of 13 active subsidiaries, 1 joint venture and 1 Associates.

# GROUP INVESTMENT STRUCTURE

As at 31<sup>st</sup> December 2015

• Annual Report 2015  
• Grow Together  
• Win Together



Remark: 1. Group investment structure shown investment holding 10% up.

2. There has been no persons who may have conflict of interests with the Company holding its subsidiaries and associated companies' shares more than 10% of total issued shares

3. As at 31 December 2015 the Company had holding 1,632,790,800 units or equivalent to 28.11% of the total units offered of Digital Telecommunications Infrastructure Fund. (Formerly "True Telecommunications Growth Infrastructure Fund")

# INVESTMENT STRUCTURE BY BUSINESS GROUP

As at 31<sup>st</sup> December 2015

• Annual Report 2015  
• Grow Together  
• Win Together

2.6 million line Telephone Services,  
Value Added Service and Digital Data Network  
True Corporation Public Company Limited

TrueMobile	TrueVisions	TrueOnline				
True Move H Universal Communication Co., Ltd. 100.00 %	True Visions Group Co., Ltd. 100.00 %					
True Move Co., Ltd. 99.44 %	True Visions Public Company Limited 99.53 %		Fixed Line Service	Data Service	Broadband and Internet	Other Business
True Distribution and Sales Co., Ltd. 99.44 %	Cineplex Co., Ltd. 100.00 %	True Corporation Public Company Limited		True Multimedia Co., Ltd. 91.08 %	True Multimedia Co., Ltd. 91.08 %	Holding Company
True Music Co., Ltd. 99.40 %	True Visions Cable Public Company Limited 99.10 %	True Public Communication Co., Ltd. 100.00 %		True Corporation Public Company Limited	True Internet Co., Ltd. 100.00 %	Telecom Holding Co., Ltd. 100.00 %
Telecom Asset Management Co., Ltd. 100.00 %	Satellite Service Co., Ltd. 99.53 %	True Touch Co., Ltd. 100.00 %		True Universal Convergence Co., Ltd. 100.00 %	Asia Infonet Co., Ltd. 65.00 %	Bangkok Inter Teletech Public Company Limited 99.48 %
Real Move Co., Ltd. 99.48 %	Panther Entertainment Co., Ltd. 99.92 %	Asia Wireless Communication Co., Ltd. 100.00 %			True Life Plus Co., Ltd. 100.00 %	K.I.N. (Thailand) Co., Ltd. (Foreign) 100.00 %
True International Communication Co., Ltd. 99.99 %	AP&J Productions Co., Ltd. 70.00 %	True Voice Co., Ltd. 55.00 %			Internet Knowledge Service Center Co., Ltd. 56.93 %	MKSC World Dot Com Co., Ltd. 91.08 %
BFKT (Thailand) Limited. 100.00 %	True Media Solutions Co., Ltd. (formerly "True Digital Media Co., Ltd.") 100.00 %				KSC Commercial Internet Co., Ltd. 56.83 %	True Incube Co., Ltd. (formerly "KOA Co., Ltd.") 100.00 %
	True United Football Club Co., Ltd. 70.00 %				True International Gateway Co., Ltd. 100.00 %	Dragon Delight Investments Limited 100.00 %
	SM True Co., Ltd. 51.00 %					Gold Palace Investments Limited 100.00 %
	Thai News Network (TNN) Co., Ltd. 100.00 %					Golden Light Co., Ltd. 100.00 %
	True GS Co., Ltd. 45.00 %					Goldsky Co., Ltd. 100.00 %
	Tele Engineering and Services Co., Ltd. 100.00 %					GP Logistics Co., Ltd. 100.00 %
	BEC-TERO True Visions Co., Ltd. 50.00 %					Golden Pearl Global Limited 100.00 %
	True4U Station Co., Ltd. 100.00 %					Gold Palace Logistics Limited 100.00 %
						Others
						True Information Technology Co., Ltd. 100.00 %
						BeboydCg Co., Ltd. 70.00 %
						True Vistas Co., Ltd. 100.00 %
						True Music Radio Co., Ltd. 69.94 %
						Clearing House for Number Portability Co., Ltd. 19.94 %
						True Internet Technology (Shanghai) Co., Ltd. 100.00 %
						True Icontent Co., Ltd. 100.00 %
						Transformation Films Co., Ltd. 28.57 %



# REVENUES BREAKDOWN

• Annual Report 2015  
• Grow Together  
• Win Together

## Revenues breakdown by business group

Business Group	Full year of 2015		Full year of 2014		Full year of 2013	
	Baht Million	%	Baht Million	%	Baht Million	%
1. TrueOnline	27,734	23.3%	26,640	24.5%	23,086	24.0%
2. TrueMobile	81,553	68.7%	73,581	67.3%	63,073	65.5%
3. TrueVisions	9,494	8.0%	8,995	8.2%	10,055	10.5%
Total Revenues	118,781	100.0%	109,216	100.0%	96,214	100.0%

## Revenues breakdown by company

Business Group / Operation by	Full year of 2015		Full year of 2014		Full year of 2013	
	Baht Million	%	Baht Million	%	Baht Million	%
<b>1. TrueOnline</b>						
True Corporation Public Company Limited	10,667	9.0%	11,264	10.4%	6,380	6.6%
True Multimedia Co., Ltd.	48	0.0%	46	0.0%	52	0.1%
True Internet Co., Ltd.	12,709	10.8%	11,455	10.6%	10,012	10.4%
True Leasing Co., Ltd.	-	-	-	-	1,199	1.2%
True Life Plus Co., Ltd.	192	0.2%	356	0.3%	636	0.7%
KSC Commercial Internet Co., Ltd.	534	0.4%	508	0.5%	470	0.5%
Wire & Wireless Co., Ltd.	-	-	-	-	397	0.4%
Asia Wireless Communication Co., Ltd.	368	0.3%	-	-	1	0.0%
True Touch Co., Ltd.	404	0.3%	409	0.4%	372	0.4%
True Digital Content & Media Co., Ltd.	-	-	-	-	283	0.3%
True International Gateway Co., Ltd.	469	0.4%	371	0.3%	297	0.3%
True Lifestyle Retail Co., Ltd.	-	-	-	-	168	0.2%
True Money Co., Ltd.	-	-	-	-	296	0.3%
True Universal Convergence Co., Ltd.	2,191	1.8%	2,089	1.9%	1,829	1.9%
True Internet Data Center Co., Ltd.	-	-	-	-	62	0.1%
True Digital Plus Co., Ltd.	-	-	-	-	303	0.3%
True Internet Technology (Shanghai) Co., Ltd.	-	-	25	0.0%	242	0.3%
Others	152	0.1%	117	0.1%	87	0.0%
Total	27,734	23.3%	26,640	24.5%	23,086	24.0%
<b>2. TrueMobile</b>						
BITCO Group of Companies	18,207	15.4%	17,823	16.3%	30,862	32.0%
BFKT (Thailand) Co., Ltd.	16,018	13.5%	16,785	15.4%	7,410	7.7%
Hutchison CAT Wireless Multimedia Co., Ltd.	-	-	-	-	7	0.0%
Real Move Co., Ltd.	36,832	31.0%	33,000	30.2%	23,464	24.4%
True Move H Universal Communication Co., Ltd.	10,447	8.8%	5,948	5.4%	1,326	1.4%
Telecom Asset Management Co., Ltd.	49	0.0%	25	0.0%	4	0.0%
Total	81,553	68.7%	73,581	67.3%	63,073	65.5%
<b>3. TrueVisions</b>						
True Visions Group Group of Companies	9,494	8.0%	8,995	8.2%	10,055	10.5%
<b>Total Revenues</b>	<b>118,781</b>	<b>100.0%</b>	<b>109,216</b>	<b>100.0%</b>	<b>96,214</b>	<b>100.0%</b>

## Products and Services

True Group is Thailand's only fully-integrated telecommunications provider and convergence leader. The Group differentiates itself and facilitates subscribers' various lifestyles through the convergence of its products within True Group comprising voice (fixed-line and mobile), wired and wireless broadband Internet, pay TV, data and content. By offering a comprehensive selection of networks, services and content, True Group is well placed to accelerate growth alongside Thailand's transition into the digital economy while supporting the development of the country's telecommunications industry to reach global standards.

True Group's convergence lifestyle strategy is unique within the Thai market. It focuses on providing customers with their preferred combinations of content and services from its integrated platform. This helps the Group differentiate itself from the competition, drive subscriber growth and customer loyalty as well as maximize the full potential of its services. True Group believes convergence delivers significant benefits while enhancing value for its customers.

True Group's core businesses have been organized into the three following categories:

- Online business under TrueOnline, comprising fixed-line phone and value-added services, business data services, Internet and broadband Internet services and WiFi;
- Cellular business under True Mobile Group, offering a full range of mobile services through 4G, 3G and 2G networks nationwide under the brand TrueMove H and TrueMove;
- Pay TV and Digital TV businesses under TrueVisions

## TrueOnline

TrueOnline comprises fixed-line telephone and public phone services, Internet and broadband Internet, business data services and data gateways. Broadband Internet business is the key contributor for solid performance of TrueOnline.

### i) Fixed-line phone and public phone services

TrueOnline is the largest fixed-line telephone service provider in the BMA with a fixed-line capacity of 2.6 million lines, of which approximately 1.5 million lines are in commercial use. It also provides 26,000 public phones in the BMA under the approval of the Telephone Organization of Thailand (later renamed TOT).

In August 1991, True Group signed a 25-year Joint Operation Agreement under Build-Transfer-Operate terms with the Telephone Organization of Thailand (later renamed TOT) to construct, install, maintain and jointly operate a 2-million-line wireline network in the BMA, which will expire in 2017. The agreement was subsequently extended to cover an additional 600,000 lines. True Group transferred its fixed-line network to TOT which collects revenues from subscribers and makes payment to the Group of its proportion as stipulated by the Joint Operation Agreement at the rate of 84.0 percent for two million lines and 79.0 percent for 600,000 lines. True Group receives an 82.0 percent share of revenue from each value-added service and 76.5 percent from the public phone service.

## Value-Added Services

In addition to fixed-line phone and public phone services, True Group offers a range of value-added services to meet customers' needs, including:

- Voice Mailbox, Call Waiting, Conference Calling, Call Forwarding, Hot Line, Abbreviated Dialing, Automatic Call Repetition, Outgoing Call Barring, Caller ID and Smart Alert.

The Group also provides services for corporate customers requiring a large number of telephone lines and provides a range of value-added services including:

- Direct Inward Dialing or DID;
- Hunting Lines service, which bundles two or more telephone lines at one location into a single number;
- Integrated Service Digital Network or ISDN, which can carry all forms of voice, data and image communications simultaneously on the same telephone line;
- Televoting;
- Free Phone 1-800, allowing businesses to provide their customers with a free contact call service;
- Voice Conferencing; and
- VoIP service, called NetTalk by True.

## Fixed-line network

True Group's core fixed-line network is fiber-rich, enabling the Group to minimize the use of copper cables and provide high-quality voice and data communications services.

## Fixed-line subscriber and ARPU

True Group's fixed-line subscriber base decreased 6.6 percent from the previous year to 1.5 million, comprising 983,078 residential subscribers and 523,564 business customers, at the end of 2015. The average revenue per user (ARPU) was Baht 223 per month in 2015 compared to Baht 239 in 2014. The decline in fixed-line subscribers and revenue is in line with the global trend following consumers' behavior shift towards mobile usage.

## ii) Broadband Internet, other Internet services and VAS

### Broadband Internet

True Group is Thailand's leading broadband or hi-speed Internet operator with an estimated 37.3 percent share of broadband subscribers in the market at the end of 2015. The Group provides the service using FTTx, DOCSIS (cable

modem) and xDSL technologies. TrueOnline determines to enhance customers' Internet experiences on its high-quality broadband services by continuously expanding broadband network, which already covers 6 million households, with an aim to reach 10 million households nationwide near the end of 2016. In addition, it remains committed to providing uniquely attractive offerings, bringing in innovative and advanced technologies as well as enhancing service quality.

True Group also offers rich content catering for all consumer lifestyles, including music, gaming, sports and e-books, as well as a variety of value-added services such as Internet Security Program (allowing safe online with leading Anti-Virus program).

True Group's subsidiary, TU, was granted a Type Three license from the NTC to provide fixed-line telephone, broadband and data services nationwide. TU provides data and broadband circuits as well as data network services to the Group's subsidiaries including True Internet and True Multimedia. These provide hi-speed Internet and data services to end customers and non-voice services to consumers and business customers, respectively.

In 2001, True Group started offering hi-speed data services comprising ADSL and cable modem and later, in 2003, introduced WiFi services whose network features 100,000 hotspots with the highest download speed of 200 Mbps. In 2009, TrueOnline launched the "ULTRA Broadband" service, which offered a connection speed of up to 50 Mbps via VDSL and later expanded its premium offering to incorporate FTTH (Fiber to the home) technology with the download speeds of 50 Mbps to 100 Mbps. Moreover, in 2011, TrueOnline officially launched new broadband service under DOCSIS 3.0 technology which can support download speed of over 1 Gbps and triple-play services, a combination of high-speed Internet, pay TV and voice services through the same router and cable network.

TrueOnline remains committed to enhance customers' Internet experience by upgrading the standard download speeds of its broadband offering. In 2014, TrueOnline was the first and only operator to set a new record of high speed Internet in the country with the standard speed upgraded to 15 Mbps for standalone package, to 18 Mbps for double-play package and to 30 Mbps for triple-play package.

Throughout 2015, TrueOnline accelerated its fiber network expansion to elevate customers' Internet experience while supporting Thailand's transition into a digital economy. In July 2015, TrueOnline launched campaign "TRUE Super Speed FIBER", a fiber cable network that can deliver speeds of 15 – 1,000 Mbps, offering value quad-play packages to consumers through a perfect combination of the Group's various products and services. These premium services provide stable connections for downloading and uploading high-definition content, as well as supporting audio-visual streaming.

Remarkable response to the fiber broadband offerings fueled TrueOnline's broadband subscriber base up to 2.4 million, achieving an all-time high net additions of 306,682 subscribers, with an ARPU of Baht 668 in 2015.

For the enterprise segment, True Group offers converged data and voice communication solutions, and managed services to business customers through various technologies. These include: Digital Data Network or Leased-Line; Multiprotocol Label-Switching; Metro Ethernet (a fiber-to-the-building technology designed specifically for business customers); and IP-Lease Line (a hybrid between an IP-based data service and a lease line service which improves the quality of connection beyond standard IP-based services). In addition, True Group offers a Managed Network Service (a combination of three network operation services: network performance management, fault management and

configuration management). Furthermore, its service infrastructure is built on modern IP technology that supports cloud computing.

True Ethernet Fiber service, an advanced IP network which enables the secure transferring of large multi-format files over fiber-optic cables with download speeds of 2 Mbps to 10 Gbps, was the first in Thailand to have attained global service quality assurance from the Metro Ethernet Forum. The Group also provides data communication solution, using Multiprotocol Label Switching technology, to better respond to specific needs of online game stores across the country. This solution gives a competitive advantage to these stores by highlighting its strengths on stability, high speed with the same upload and download speed as well as an automatic backup. In addition, True Group's focus on the fiber market presents high growth opportunities. It has invested in the fiber-optic network via Gigabit-capable Passive Optical Network (GPON) technology which reaches corporate clients located in buildings on key roads in the BMA as well as several provincial industrial estates and tourist destinations. Furthermore, True Internet was the first service provider in Asia to upgrade its Internet backbone to 100 Gbps with the deployment of the world-class standard "Cisco Nexus 7000". This enhanced its capability to support an expansive upward trend of customers' Internet usage in the future while delivering a better experience to its customers.

Beside large corporate clients, the Group expands its business customer base more aggressively into the SME segment, which represents significant growth opportunity, by introducing the "Leased Line for Business and Small Business" with reliable and high quality Internet services; this provides SME customers with best-valued offering, matching their internet usage and demand, which has received positive response from the targeted segment.

True Group is one of the major players in the data transmission business in Thailand while its modern network gives it a competitive advantage. The Group seeks to differentiate itself from competitors through a focus on service quality and by meeting customer needs. Moreover, the Group also benefits from combining various products and services within the Group. At the end of 2015, there were 31,890 circuits in operation with average revenue per circuit of Baht 9,065 a month.

### **Other Internet services and VAS**

True Group provides Internet (including content and applications) services through:

- (1) True Internet, in which True Group has a 100.0 percent equity interest, is the Group's main subsidiary which operates high-speed Internet or broadband and additional broadband services. In August 2014, True Internet's Type One ISP license, granted by the NBTC, was extended for another five years to expire on August 17, 2019. The license is renewable every five years; and
- (2) KSC, in which True Group has a 56.8 percent equity interest, is an ISP which provides services to the Group's corporate customers. In June 2014, KSC's Type One ISP license, granted by the NBTC, was extended for another five years to expire on June 22, 2019. The license is renewable every five years.

True Group is Thailand's No.1 Internet Service Provider ("ISP") offering Internet access to both consumers and business customers, along with a range of value-added services. In addition, the Group's Internet and broadband services took full advantage of the international Internet gateway license granted to one of its subsidiaries, True International Gateway, which has allowed True Group to provide a better quality and less costly service to its customers.

### iii) International Gateway services

TIG, previously known as True Internet Gateway, a subsidiary of True Corp, received an International Internet Gateway and Domestic Internet Exchange License (Type Two with Network) from the NBTC on May 19, 2011, and an International Private Leased Circuit (Type Three) on November 11, 2009.

The aforementioned licenses allow TIG to provide international Internet and international data services. TIG has Points of Presence in Bangkok, Singapore, Hong Kong, Netherlands, the UK and the US which enhance the efficiency of international connections and service quality.

Since its launch, TIG has considerably expanded its capacity to support the growth of Internet and international data services which have grown every year. At the end of 2015, TIG's backbone capacity reached approximately 300 Gbps while it aims to increase to 600 Gbps by the end of 2016. Most of TIG's international Internet bandwidth capacity is utilized within True Group with the rest utilized by external customers including local ISPs, local and multinational corporations, and international telecom operators.

TIG offers three types of international data services – International Private Leased Circuit ("IPLC"), Internet Protocol Virtual Private Network ("IP VPN") and Virtual Nodes. Currently, TIG is focusing on serving major international carriers who have a presence in the Asia-Pacific region and demand a large amount of international connectivity as well as a reliable network and high quality of services. To facilitate corporate customers requiring a variety of bandwidth sizes and international destinations, TIG continues to partner with global international carriers to reach many more countries.

TIG has signed a number of contracts to provide Virtual Node services for many leading international carriers. TIG also continued to expand its Internet and data gateway operations into Laos, Cambodia, Vietnam and Myanmar as part of a new focus to develop its business in neighboring countries. These developments not only help generate more revenue but also facilitate continual growth for the Group.

### True Mobile Group

True Mobile Group operates 4G, 3G and 2G mobile businesses through the country's largest licensed frequency resources, accommodating all market segments and ecosystems, under the brand TrueMove H and TrueMove. True Group holds 100.0 percent of the shares in TUC, which is the Group's holding company and a type-3 telecom operator, and indirectly holds an equity interest in TrueMove (previously TA Orange) and Real Move (a CAT Telecom's 3G+ reseller under the flagship brand, TrueMove H) through a subsidiary, BITCO. True Group's shareholding in BITCO was 99.5 percent at the end of 2015.

TrueMove operated under the Agreement to Operate, dated June 20, 1996, granted by CAT Telecom. This allowed for the provision of services under the Digital PCN 1800 system until September 2013. Under the Agreement to Operate, TrueMove shared 25 percent of its revenue, after deducting access charge payments and other deductible expenses (e.g. content), with CAT Telecom until September 2011, after which the proportion of revenue shared with CAT Telecom was increased to 30 percent until the end of the agreement. TUC was granted the 1800 MHz spectrum license by NBTC in December 2015, resulting in service continuity to the Group's customers previously under the Agreement to Operate.

In January 2011, True Group completed the purchase of shares of four local companies from Hutchison Group which increased its business scale through the acquisition of approximately 800,000 subscribers. In April 2011, under the reseller agreement between Real Move and CAT Telecom, which is effective until 2025, the TrueMove H brand was established to facilitate the launch of nationwide commercial 3G services using HSPA technology on the 850 MHz spectrum. The official launch of TrueMove H on August 30, 2011 effectively gave the Group's 3G services a nationwide first-mover advantage. Additionally, following the acquisition of the 2.1 GHz license, TrueMove H was the first operator to launch 4G service on the 2.1 GHz frequency in May 2013. Since then, the business has secured its 4G leadership while lifting consumers perception on the Group's networks and offerings.

In 2015, TUC was one of the winners in the 1800 MHz and 900 MHz spectrum auctions, further expanding the Group's mobile business until at least 2033. These spectrum acquisitions are the Group's major stepping stones to further seal its 4G and wireless broadband leadership through the largest licensed bandwidth and superior networks, leveraging on the combined strengths of high-band frequency (1800 MHz and 2100 MHz) for capacity and low-band frequency (850 MHz under CAT telecom and 900 MHz) for coverage.

## **Subscribers**

In 2015, True Mobile Group continued to build on its strengths in terms of network, technology and competitive bundled packages with a wide range of smart devices and saw its revenues and postpaid subscriptions grow tremendously. Its postpaid subscriber base achieved outstanding growth, outperforming the industry, with record net additions of 847,237 while its prepaid subscribers declined 5.4 million from the previous year, in line with the industry, due to impact from NBTC's prepaid registration regulation. As a result, True Mobile Group ended 2015 with 19.1 million subscribers, representing 23 percent of Thailand's mobile market by subscribers (excluding CAT Telecom, TOT and its MVNOs). Its blended ARPU sustained upward trend, increasing to Baht 171 per month in 2015, compared to Baht 130 per month in 2014.

## **Pre Pay**

True Mobile Group's revenue is partly derived from sales of prepaid airtime, which does not require a monthly subscription fee. Subscribers purchase a SIM card with an initial credit balance and can top-up their credit balance through various means, including cash cards, top-up cards, ATMs, the transfer of credit from other True Mobile Group phone accounts, and "over-the-air" top-up. True Mobile Group also provides subscribers with a mobile payment channel via TrueMoney to meet a new generation of lifestyle needs.

## **Post Pay**

True Mobile Group's postpaid service allows customers to choose a monthly service plan comprising voice-only, data-only or voice and data services to match their lifestyles. Top-up packages allow subscribers to purchase voice or non-voice services on top of their monthly package. Subscribers are billed monthly for subscription fees, airtime and the use of other voice and non-voice services.

## **Voice Services**

True Mobile Group's subscribers have access to local, domestic and international long-distance dialing. In addition, it offers a variety of value-added services in different combinations according to the airtime package selected. These

services include call waiting, call forwarding, call conferencing and caller ID. True Mobile Group also offers its voice subscribers international roaming services, enabling them to make and receive calls when they are outside of Thailand.

### **Non-Voice Services**

True Mobile Group provides a range of non-voice services to enhance customer lifestyles. Content is delivered through various channels covering all mobile-accessible channels and web-based services. Non-voice services comprise a variety of popular content, including photo-based communication, financial information services, games, cartoons, screen savers, ring tones, music and sports. True Mobile Group subscribers are increasingly using its non-voice services, in particular downloadable and uploadable pictures, video, as well as the accessing of social networks, through mobile Internet services.

True Mobile Group currently groups non-voice services into three main categories:

- Messaging, which includes Short Messaging Service (“SMS”), allowing subscribers to send short text messages; Voice SMS whereby subscribers send audio messages to fixed-line and mobile handsets; and Multimedia Messaging Service (“MMS”), allowing the sending of pictures, text and sound/voice in a single-packet message.
- Mobile Internet service via 4G LTE, 3G+/HSPA, EDGE/GPRS and WiFi technologies which provide subscribers access to a range of data services from their handsets, including email, Internet, VoIP, audio and video services. Additional services include Mobile Chat, a WAP-based instant-messaging service that allows subscribers to engage in online and mobile chat
- Content, which includes Ring-back Tones (personalized ring-back tones and exclusive song selections); Voicemail; and Multimedia Content Services, which allow subscribers to access content such as music, sports, news and finance. True Mobile Group is able to use content as a growth driver by leveraging the exclusive content assets of TrueMusic, TrueLife, TrueOnline and TrueVisions.

The rising popularity of smart devices and social networking as well as True Mobile Group’s attractive promotions contributed to a surge of mobile Internet usage, driving non-voice revenue up by 40.5 percent YoY to Baht 23.4 billion in 2015; this represented 52.1 percent of True Mobile Group’s service revenue (excluding IC and network rental).

### **Mobile Handsets and Accessories Sales**

The Group offers a broad range of mobile handsets and related accessories. Its key handset products are high-quality smartphones and smart devices. True Group also offers a wide selection of 3G and 4G capable handsets under the Group’s house brand, such as True Smart 4G 5.5” Enterprise (through collaboration with China Mobile), True Beyond, True Smart Series, and True Super; these competitive devices have received positive market response, facilitating accessibility to 3G and 4G services among a wider range of Thai consumers. Handsets are either sold outright (untied to any service) or tied with True Mobile Group’s competitive mobile packages.

### **International Roaming Services**

International Roaming Services are value-added services that enable True Mobile Group subscribers to use the



networks of international operators with whom it has entered into international roaming agreements (Outbound Roaming Service). The roaming services True Mobile Group offers include voicemail, SMS, MMS, mobile Internet, Email, Caller Identification, Missed Call Alerts, Short Code service, BlackBerry roaming and WiFi. These services ensure True Mobile Group customers to stay in touch with both business and personal contacts in more than 230 destinations worldwide.

In addition, visitors to Thailand whose network operators have international roaming agreements with True Mobile Group can use True Mobile Group's cellular network when traveling in Thailand (Inbound Roaming Service).

True Mobile Group joined Conexus Mobile Alliance in 2008 and partnered with Vodafone in 2012. Conexus Mobile Alliance and Vodafone have combined customer base of approximately 690 million at present. As a result, these subscribers can use roaming services in Thailand on True Mobile Group's network. True Mobile Group subscribers also have more options on the roaming services, both voice and non-voice, when traveling in the Asia, Europe, North America and Oceania regions. True Mobile Group, Conexus Mobile Alliance and Vodafone also rolled out a mobile data roaming plan for smartphones among their members. This offers a high mobile-data-access ceiling in most markets, allowing corporate email access and convenient wireless Internet access as well as providing cost benefits to active business travelers who use the alliance's and Vodafone's services.

TrueMobile Group launched the "Data Roaming Flat Rate" promotion in 2009, allowing subscribers to use mobile data roaming on Conexus Mobile Alliance networks with a maximum charge of Baht 399 per day. Due to its popular demand, this promotion has been continued. True Mobile Group re-launched the promotion, offering a maximum charge of Baht 499 per day for data usage, receiving and outgoing call rate of Baht 25 per minute, and SMS rate of Baht 11 per message for customers who travel to Europe, North America and Oceania regions. In addition, subscribers can enjoy its data roaming package with a maximum charge of Baht 280 per day for data usage when traveling to Hong Kong, Japan, South Korea and Singapore and Baht 333 per day for data usage when traveling to other Asian countries. The receiving and outgoing call rate is Baht 33 per minute while SMS rate is Baht 11 per message. Currently, True Mobile Group subscribers can enjoy benefit from the Data Roaming Flat Rate on 99 mobile networks in 51 countries worldwide.

Meanwhile, the strategic partnership agreement between True Group and China Mobile enabled True Mobile Group to successfully launch the "Thailand - Greater China Number Service", the latest unique and innovative international service integrating local service and international roaming together, in February 2015. This service is specifically designed to provide local China and Hong Kong numbers on TrueMove H SIM card in line with Thai business customers' requirement for value and convenient communication when travelling to China and Hong Kong.

### **International Direct Dialing service**

IDD was originally introduced, operated and reported under TrueOnline. At the 2010 AGM, shareholders approved the transfer of TIC to be under TrueMove. TIC was granted a Type Three license from the NTC to provide overseas call services. "True 006" is the premium grade IDD service via "006" prefix. This service offers an unparalleled crystal clear signal without any delay or dropped calls due to high quality transmission technology, Time Division Multiplexing (TDM), with network coverage in 230 destinations worldwide. Other IDD services, offering customers with greater value and competitive rates, include "00600" dialing prefix via VoIP technology, "SIM 3G Tourist Inter" with two alternatives (top-up or ready-to-use Internet and call at local rates) and "NetTalk by True". True Group's IDD services, currently, are provided for its fixed-line and True Mobile Group subscribers.

The Group's IDD service has continue to grow well. In order to capture potential growth in Indochina and AEC, TIC further introduced various competitive offerings in 2015 including international calls topping via 006 prefix at competitive rates, which received positive market response. The offerings include "China topping package", a collaboration between True Group and its strategic partner "China Mobile", at only Baht 1.50 per minute, "India topping package" at only Baht 5 per minute, "Cambodia topping package" starting at only Baht 3 per minute and "AEC Connect special topping package", premium quality international calls to 9 ASEAN countries, comprising Singapore, Malaysia, Laos, Indonesia, Cambodia, Brunei, Myanmar, Philippines and Vietnam, at a minimum monthly charge of Baht 300 with special call rate starting from Baht 2.5 per minute.

## Network

True Mobile Group remains committed to developing and enhancing its network quality and coverage while increasing mobile accessibility to Thai consumers throughout the country. The Group has continued to expand its network utilizing advanced technologies such as 4G whose network covers 80% of the Thai population. In 2016, True Mobile Group will aggressively roll out its 4G and 2G networks to reach 98% population coverage on top of its existing 3G footprint, covering 97% of the Thai population nationwide. The Group's key distanced leadership in network superiority through the country's largest amount of licensed frequency resources with a perfect combination of low-band and high-band frequencies greatly give its cellular business a competitive edge over other operators.

## TrueVisions

TrueVisions is Thailand's leading nationwide pay TV provider, offering its service via digital direct-to-home satellite (DStv) and digital HFC (hybrid-fiber-coaxial) cable network platforms.

TrueVisions was formed in 1998 by a merger of UBC (formerly IBC) and UBC Cable (formerly UTV). TrueVisions operated pay TV services under a 25-year Agreement for Joint Venture in the Membership Television (and Cable Television) Services with MCOT which ended on September 30, 2014 for services via satellite and is due to end on December 31, 2019 for services via cable. Nevertheless, in January 2013, TrueVisions Group secured the Broadcasting and Television Network licenses from NBTC, which further extends the Group's pay TV business until at least January 2028. The business successfully migrated its customers onto the license-based entity, TrueVisions Group.

TrueVisions provides its DStv service using KU-band and C-band transmission and MPEG-2 and MPEG-4 video compression. This enables TrueVisions to increase the number of channels, improve sound and picture quality, control access to its signal, and distribute its service everywhere in Thailand. This service is transmitted via Thaicom satellite. TrueVisions provides its cable TV services using networks of True Group's subsidiaries, namely TM and TU.

At the beginning of 2006, TrueVisions was successfully integrated into the Group following the acquisition of TrueVisions shares which increased True Group's effective shareholding to 91.8 percent. In 2010, TrueVisions was restructured into TrueVisions Group. This was aimed at facilitating operations, especially the obtaining of pay TV licenses from the regulator, and business growth opportunities. True Group's effective holding in True Visions Group Company Limited, which is a holding company for the Group's pay TV business, was 100.0 percent. True Group indirectly held 99.5 percent in True Visions Public Company Limited and 99.1 percent in True Visions Cable Public Company Limited, as at December 31, 2015.

On October 8, 2009, the MCOT Board of Directors approved for TrueVisions to air advertising subject to revenue sharing of 6.5 percent. Following this decision, TrueVisions began gradually introducing paid advertising while ensuring the viewer experience was not impacted. TrueVisions' advertising revenue continued to grow, reaching Baht 1.8 billion in 2015 supported by its strong platform with a wide selection of quality content as well as rising popularity of its digital TV channels which subsidiaries under TrueVisions Group acquired two licences for news and variety channels from the NBTC in April 2014. This paves the way for solid advertising growth while facilitating TrueVisions opportunity to market its content through a much larger viewer base.

TrueVisions conducted various strategies to facilitate future business opportunities as well as to pave the way for an expanding customer base. In May 2010, TrueVisions became the first cable or satellite operator in Thailand to offer HD-format channels targeting premium subscribers with the enhanced viewing experience. In October 2011, TrueVisions launched early-bird incentives for premium subscribers to replace their set-top boxes with a new hybrid model, which not only supports high-definition content with greater viewing experience but is also equipped with MPEG-4 encryption and secured silicon technology. The new, more secure MPEG-4 broadcasting system, which was successfully activated in mid-July 2012, effectively eradicated the unauthorized access of TrueVisions' premium content.

TrueVisions continued to differentiate and strengthen its platform with a wide array of world-class quality content as well as exclusive partnership with several world's leading content providers. Innovative premium value-added-services such as Thailand's first 3D service as well as TrueVisions Anywhere, allowing access to TrueVisions' content anywhere, anytime via multiple platforms, were also introduced.

In 2015, TrueVisions affirmed its pay TV leadership by equipping its portfolio with a wide variety of local and international quality content as well as live broadcasting popular content including Thai Premire Leage, UEFA Champion League and La Liga Spain. Additionally, TrueVisions further strengthened its mass-market strategy by introducing competitive convergence campaigns, bundling with other products and services within True Group, which have received excellent reponse from Thai consumers. Meanwhile, TrueVisions successfully diversified its revenue stream by arranging world leading events as well as producing quality content that serve customers' preferences. These not only expanded TrueVisions' customer base but also resulted in its solid revenue growth despite impact from competition and economy. TrueVisions also launched the new set top box "Hybrid True Digital HD 2", offering a variety of attractive channels while customers can top up with additional packages; This has broadened opportunity to market its content through a wider audience, paving the way for incremental advertising revenue as well as package subscription.

The aforementioned developments as well as TrueVisions' fully-diversified platform with superior quality content and improved customer services will see TrueVisions continue to secure pay TV leadership.

At the end of 2015, TrueVisions had 3.1 million customers, of which 1.4 million subscribed to normal (premium and standard) packages while the rest were FreeView and Free-to-Air box customers.

TrueVisions offers a variety of top local and international channels including movies (e.g. HBO, Cinemax and Fox); sports (e.g. Star Sports and TrueVisions' own sports channels), infotainment (e.g. Discovery Channel, National Geographic), and news (e.g. CNN, CNBC, Bloomberg, and BBC World), in addition to free TV channels and pay-per-view.

TrueVisions' packages along with the number of channels included in each package are presented below.

แพ็คเกจ	จำนวนช่องรายการ	ค่าบริการต่อเดือน (บาท)
Platinum HD	188	2,155
Gold HD	163	1,568
Super Family HD	161	899
Smart Family HD/ Super Knowledge	151/148	590/490
Sports Family HD/ Super Sports	129	495/590
Happy Family HD/ Knowledge	121	299

In addition to the above packages, TrueVisions provides A-La-Carte packages with a maximum of 5 channels where customers can choose according to their subscribed packages.

Other key products/services include:

- High Definition Personal Video Recorder (HD PVR), providing advanced features (e.g. recording, zooming, instant-replay) that enhance the viewing experience; and
- TrueVisions Anywhere, enabling customers to enjoy TrueVisions' and free-to-air channels anywhere at anytime via multiple platforms, including smartphone, tablet, computer and notebook. This application comes with special features such as 2 hours time-shift and 2 days catch-up.

### Convergence Packages

True Group provides customers with greater value offerings through unique and attractive convergence packages, bundling products and services within the Group, that suit their various preferences and lifestyles. The Group believes convergence is the key strategy to build sustainable growth to its products and services.

- "TRUE Smart Choices", the quad-play value package, offering TrueOnline's broadband Internet with a download speed of 30 Mbps via fiber cable network, TrueVisions' 100 channels plus 3 HD channels, TrueMove H's 300 minutes voice call and 4G/3G data services for 2GB, and 50 minutes call through fixed-line telephone service, starting from Baht 999 per month.
- "TRUE Super Speed FIBER: 3 Services", offering TrueOnline's hi-speed Internet via fiber network with a download speed of 30 Mbps, TrueVisions' 99 channels plus 3 HD channels, and TrueMove H's iSmart/iNet/iTalk package (Baht 199 per month), starting from Baht 799 per month.

- “TRUE Super Speed FIBER: 2 Services”, offering TrueOnline’s hi-speed Internet via fiber cable network with a download speed of 18 Mbps and a choice between TrueVisions’ 99 channels plus 3 HD channels and fixed-line telephone service worth Baht 200 per month, starting from Baht 699 per month.
- “TRUE Hi-Speed Net: 3 Services”, offering TrueOnline’s broadband Internet via ADSL with a download speed of 16 Mbps, TrueVisions’ 99 channels plus 3 HD channels, together with TrueMove H’s iSmart/iNet/iTalk package (Baht 199 per month), starting from Baht 799 per month.
- “TRUE Hi-Speed Net: 2 Services”, offering TrueOnline’s broadband Internet via ADSL with a download speed of 13 Mbps and TrueVisions’ 99 channels plus 3 HD channels, starting from Baht 699 per month.
- “TRUE Hi-Speed Net: 2 Services”, offering TrueOnline’s broadband Internet via ADSL with a download speed of 16 Mbps and fixed-line telephone service worth Baht 200 per month at Baht 899 per month.

## Marketing Strategy

True Group determines to provide superior telecommunications services through ongoing network expansion, tailored solutions and a range of convergence offerings across its wired and wireless broadband, voice service and pay TV that can fulfill all lifestyle needs. These strategies differentiate True Group from competitors while facilitating greater market share and lowering churn rates. Service excellence and localized marketing activities that better respond to diverse preferences of each customer group are also keys to further accelerate growth.

## Distribution and Sales

To reach the consumer segment, True Group offers all of its services through shops in the BMA and the provinces. Each of these outlets is staffed by its personnel and is equipped for one-stop shopping, offering a range of wireline, wireless communications services, pay TV services, handsets, accessories, modems and other telecommunications equipment, as well as, in the case of the larger True stores, Internet access. True Group also sells its products and services throughout Thailand through accredited dealer shops, independent distributors and dealers who work on a commission basis.

True Group’s conventional distribution channels include:

- Wholesale partners who purchase deactivated SIM cards and top-up cards, mobile devices and accessories from the Group for distribution onto sub-dealers, manage sub-dealers and provide logistical support. Wholesale partners primarily sell True Group’s prepaid SIM cards and top-up cards. Sub-dealers also provide other services such as mobile handset repairs as well as music and games downloads;
- The direct sales channel markets True Group’s services to SME and corporate clients. The Group further categorizes the direct sales channel into direct sales teams, direct sales agents, and freelancers;
- Multi-retailers located in hypermarkets, specialty stores, and convenience store chains;

- Retail shops, which refer to True shops, True Group partners' shops and kiosks, located in high visibility and high traffic locations, such as shopping malls, hypermarkets, office buildings, etc. TrueLife shops and TrueCoffee also fall into this category; and
- Retail channel partners who comprise retail partners and mobile sales vans, or "Move Up Vans", which are mobile sales points for True Group sales agents nationwide.

For top-up services, the Group offers several electronic channels in addition to using physical cards (i.e. Cash card and Top-up card) as follows:

- ATM – Subscribers can top up by transferring funds directly from their bank account;
- TrueMoney – Mobile payment services;
- E-cash card – Airtime purchases can also be made over the counter at True Group's partners such as 7-Eleven;
- Direct top up – Customers can use a device installed at several of the Group's own locations as well as its partners, such as 7-Eleven, to directly top-up their accounts (an online top-up transaction is also categorized as a direct top-up); and
- Public phone booths – True Mobile Group prepaid subscribers can top-up by as little as Baht 10 through public phone booths.

In addition, TrueMove/TrueMove H airtime can be sold through independent non-mobile agents or "over-the-air" airtime resellers such as individuals or small shops who are provided with a special SIM card to allow airtime transfer to end-users. These agents can refill their airtime credit through several means (e.g. Cash card, Top up card and ATM). Electronic channels have become increasingly popular among True Group's customers due to the variety of payment methods and the increased number of electronic top-up locations, thus effectively saving costs associated with physical cards (production, logistics and warehousing, etc.).

## **Procurement of Products and Services**

### **Network Acquisition**

True Group primarily imports network equipment directly from leading telecommunications technology suppliers from around the world. The Group has also employed a number of suppliers to assist in network acquisition and installation to expand its service coverage and, as such, is not dependent upon any specific distributor or supplier. In addition, True Group is well positioned to enjoy an economy of scale when purchasing network equipment by leveraging on synergies with China Mobile.

### **Technical and Management Support**

In the past True Group and its subsidiaries acquired technical and management support from strategic partners: Verizon

Communications Inc for True, Orange SA for TrueMove and MIH for TrueVisions. No further support has been provided from these partners since they sold or reduced their shareholdings. These strategic partners all transferred substantial telecommunications expertise to True Group during the time when they were its shareholders and its management team is capable of operating without their support. Meanwhile, the strategic partnership with China Mobile since 2014 brought about collaboration and support in terms of personnel, knowledge and best practices sharing, further strengthening True Group's efficient operations.

## Thai Telecom Industry

### Mobile Business

The Thai mobile industry continued to grow in 2015 mainly due to solid growth of non-voice services as well as rising popularity of smart devices adoption and social networking while contribution from voice services further declined. Competition in the Thai mobile market, nevertheless, remained intense throughout the year. Operators actively focused on network expansion and introduced various competitive mobile packages, particularly the 3G/4G device-bundling promotions, which played crucial roles for revenue growth and subscriber migration from 2G to 3G and 4G services. At the end of 2015, total subscribers in Thailand's mobile market (excluding subscribers of CAT Telecom, TOT and its MVNOs) reduced to 82.8 million as prepaid customers declined following the impact of the prepaid SIM registration regulation mandated by the NBTC while postpaid subscriber base grew healthily. True Mobile Group ended 2015 with 19.1 million subscribers, accounting for 23 percent of the market (excluding subscribers of CAT Telecom, TOT and its MVNOs), comprising 14.4 million of prepaid subscribers and 4.7 million of postpaid subscribers. True Mobile Group's postpaid acquisition achieved remarkable growth and outgrew the industry, representing 58% of the market net adds in the fourth quarter of the year.

2015 marked an important milestone for the Thai telecommunications industry along with the success of the 900 MHz and 1800 MHz spectrum auctions held in November and December, respectively. This not only puts the industry into a more liberalized landscape but might also bring about the new player in the market, which should further benefit Thai consumers through more options and attractive offerings.

Competitive intensity in the Thai mobile market should still be high in 2016. Operators should compete on network quality and coverage, particularly to capture growth from rising demand of high-speed data usage, as well as service excellence. Various attractive promotions should be introduced to better match preferences of each target segment while more affordable 3G and 4G devices will be in place to further expand 3G and 4G subscriptions.

True Mobile Group is well positioned to secure its mobile broadband leadership and accelerate growth, particularly non-voice services, alongside Thailand's transition into the digital economy through its network superiority with the largest licensed bandwidth. The Group will aggressively roll out the 4G and 2G networks to reach 98% population coverage on top of its 3G nationwide presence, accommodating all market segments and ecosystems.

### Fixed-line Telephone Business

The fixed-line market in Thailand is currently serviced by three companies. TOT, the state-owned enterprise that formerly regulated the provision of fixed-line telephone services, is still the only nationwide provider of local and domestic long-distance fixed-line telephone services in Thailand. True and the other operator are providing fixed-line telephone services under agreements to operate granted by TOT. While the Group's service coverage concentrates in the BMA, the other operator covers certain provinces of Thailand.

At the end of 2015, fixed-line subscribers in Thailand further decreased to 5.4 million subscribers, representing approximately 8.0 percent of the Thai population (Source: NBTC). The continued decline was owing to consumers behavior shift towards mobile usage while rising Internet usage and the growing availability of personal computers and smart devices also contributed to the increasing usage of these devices by Thai consumers for making VoIP calls. True Group was the largest fixed-line operator in the BMA with approximately 1.5 million subscribers, accounting for 27.8 percent of the overall market.

### **Business Data Services**

The business data market in Thailand grew approximately 8 percent in 2015 due to rising demand for online data transmission and an increase in corporate Internet users. Currently, there are several players in the data service market in Thailand while True Group's principal competitors are CAT Telecom, TOT and UIH. The competition among the large number of operators and suppliers of alternatives remained high.

In 2015, the nationwide market value of business data services was approximately Baht 18.7 billion. True Group was the largest business data provider with an estimated 24 percent share while the second and third largest players accounted for 20 percent and 17 percent, respectively (Source: True Group's estimation).

### **Broadband Business**

Broadband Internet market in Thailand continued to post healthy growth during the past several years due to elevating trend of online media consumption given increasing popularity of online games, content and social networking. This further pushed demand for higher Internet speeds. Meanwhile, in preparation for the country's transition into the digital economy and determination to increase Internet access among a wider range of Thai consumers, broadband networks in Thailand have continuously been expanded, supported by both public and private sectors. True Group's broadband network already covers 6 million homes passed with an aim to reach 10 million homes passed nationwide near the end of 2016.

The broadband Internet access in Thailand was relatively low compared to other Asian countries. According to the World Economic Forum survey in 2015, the network readiness index indicated that Thailand's Internet access by household ranked 88th in the world while other Asian countries such as Singapore, Hong Kong and Malaysia were ranked 14th, 24th, and 46th respectively (Source: WEF, The Global Information Technology Report 2015). The government's direction to transform Thailand into a digital economy will definitely accelerate broadband coverage and penetration in the country, reducing the digital divide while transforming the kingdom into a knowledge-based society. True Group therefore believes that the broadband Internet market in Thailand will experience rapid growth in the coming years.

At the end of 2015, broadband subscriber base in Thailand increased 12.5 percent from the previous year to 6.4 million with a household penetration of 31.1 percent, up from 27.6 percent in 2014 (Source: NBTC). The main high-speed broadband operators in Thailand are True Group, TOT and Jasmine, operating under "3BB" brand. TrueOnline under True Group remained the largest broadband service operator in Thailand based on the number of subscribers, having 37.3 percent share of broadband subscribers in the market in 2015 (Source: Thailand's total broadband subscribers from NBTC). TrueOnline continued to experience solid growth of its broadband subscriber base, achieving an all-time high net additions of 306,682 customers in 2015, increasing its broadband subscriber base to 2.4 million at the end of the year. This strong performance was driven by the Group's ongoing network expansion, especially fiber network, and positive response to the "TRUE Super Speed FIBER" campaign which was officially launched in July.



## Pay TV Business

Thailand had roughly 5.1 million pay TV subscribers at the end of 2015, representing a household penetration rate of approximately 21 percent. Including satellite and free-to-air subscribers, total subscriber numbers at the end of 2015 reached approximately 18.8 million households in equivalent to 77 percent household penetration (Source: True Group's estimate). The pay TV penetration in Thailand was considered low compared to Asian developed countries such as Hong Kong, whose penetration reached 97 percent (Source: Hong Kong's Office of the Communications Authority). This presents growth potential for the industry.

The completed establishment of NBTC in October 2011, led to the draft of regulations governing TV broadcasting operators including terrestrial TV, satellite TV and cable TV operators. As a result, all operators are under the same supervision of NBTC as TrueVisions. Meanwhile, in January 2013, the Broadcasting Committee approved the issuance of satellite TV licenses to a number of operators including TrueVisions, enabling all operators to compete in a more level-playing field while operating according to the same regulatory standards as TrueVisions.

The issuance of the digital terrestrial licenses, two of which were granted to TrueVisions Group's subsidiaries by the NBTC in April 2014, marked another chapter for television industry in Thailand. This brought newcomers into the industry, resulting in a greater variety of content offerings and higher competition for advertising. TrueVisions is well placed to capture growth in the digital TV market by leveraging on its complete range of quality contents, strong platform and diverse characteristic of customer base. Meanwhile, its digital TV variety channel "True4U" continued to prove popular while ranking among top 10 of the digital TV channels. In 2015, advertising revenue from the digital TV sector represented 25% of total advertising expenditure for television medium totaling Baht 84.5 billion in Thailand (Source: AGB Nielsen). This provides long-term growth opportunity for the industry.

Despite intensified competition in Thailand's television industry with new players, TrueVisions' fully diversified platform with leading international and local content and the Group's strong convergence propositions should continue to be key differentiators that further secure its pay TV leadership while strengthening its position in the mass and digital TV segments.

## licenses obtained by True Group's subsidiaries and associates

True's subsidiaries/ associates	Type	Business	Validity	Date of Board approval	Expiry date
<b>Internet Service Provider (ISP) license</b>					
1 KSC Commercial Internet (KSC)	1	ISP	5 years	23 Jun 2014	22 Jun 2019
2 True Internet (TI)	1	ISP	5 years	18Aug2014	17 Aug 2019
3 True International Gateway (TIG)	2	International Internet Gateway & Internet Exchange (IIG & IX)	5 years	19 May 2011	18 May 2016
4 TrueMove (TMV)	1	ISP	5 years	25 Aug 2014	24 Aug 2019

True's subsidiaries/ associates	Type	Business	Validity	Date of Board approval	Expiry date
Telecommunications license					
5 True Internet (TI)	1	International Calling Card (ICC)	5 years	11 Oct 2014	10 Oct 2019
6 True Public Communication (TPC)	1	Public Phone Service	5 years	29 Jun 2014	28 Jun 2019
7 True International Gateway (TIG)	3	International Private Leased Circuit (IPLC)	15 years	11 Nov 2009	10 Nov 2024
8 True International Communication (TIC)	3	International Direct Dialing (IDD)	20 years	25 Jan 2007	24 Jan 2027
9 True Universal Convergence (TU)	3	Fixed Line Service	20 years	8 Dec 2006	7 Dec 2026
10 True Universal Convergence (TU)	1	Resale PSTN (GPRS, DSL) & leased circuit/ channel services	5 years	26 Aug 2014	25 Aug 2019
11 KSC Commercial Internet (KSC)	1	Resale IPLC	5 years	11 Nov 2014	10 Nov 2019
12 Real Move (RMV)	1	Resale mobile services	5 years	16 Dec 2015	15 Dec 2020
13 True Move H Universal Communication (TUC)	3	Wireless Network service 2.1 GHz	15 years	7 Dec 2012	6 Dec 2027
		Wireless Network service 1800 MHz	18 years	4 Dec 2015	15 Sep 2033
Telecommunications license					
14 True Visions Group Co., Ltd.	Broadcasting and Television Network	Subscription Television Network Service	15 years	21 Jan 2013	20 Jan 2028
15 True4U Station Co., Ltd.	Broadcasting and Television Service	Digital Terrestrial Television Service	15 years	25 Apr 2014	20 Apr 2029
16 Thai News Network Co. Ltd.	Broadcasting and Television Service	Digital Terrestrial Television Service	15 years	25 Apr 2014	20 Apr 2029

True Group sees significant growth opportunities in year 2015 for all core business segments after achieving key milestones particularly in mobile service business. The foregoing notwithstanding, True Group and/or its subsidiaries could possibly face a variety of risks that may impact on operations as follows :

## **Risks related to business operations**

### **Risks related to market competition**

The Company and its subsidiaries will continue to face intensifying competition in the telecommunications market after the progression into a more liberalized landscape. The competition continues to increase after the NBTC hold the auction of 1800 MHz and 900 MHz spectrum in November and December 2015, respectively. Operators continued to focus on expanding network coverage, introducing mobile packages together with various devices to increase market share and growth as the demand for mobile internet service is rising continuously and to further acquire and migrate subscribers from 2G to 3G and 4G services. True Group, however, has a competitive edge over other operators since it has determined to provide the best value service to its customers through high quality network. True Group's 4G and 3G network coverage has reached 80 per cent and 97 per cent population coverage nationwide, respectively. Furthermore, True Group won both spectrum auctions which will enable the mobile operator under True Group to offer services and promotion campaigns including True Group's attractive convergence campaigns. True Group has a competitive advantage given the strength of its highly-trusted brand which should strengthen its continuous revenue growth.

The Company's fixed-line business unit, which provides fixed-line telephone network under Joint Operation Agreement with TOT, faces growing competition from mobile phone business and VoIP services as service fees for those businesses are lower than service fees for traditional fixed-line services although the fixed-line services may have better quality.

In the broadband Internet market, even though the market has new operator but True Group's major competitors are still TOT and 3BB which have continued to expand their services in the BMA, which is TrueOnline's core market. However, TrueOnline's broadband Internet offerings via advanced and efficient FTTx and DOCSIS 3.0 technologies, which also support cable TV services, give it a competitive edge over other high-speed Internet providers. This enables True Group to generate a higher return on investment than its competitors while also providing customers with high-value offerings through a combination of the Group's various products and services. In addition, TrueOnline continued to expand network coverage further into provincial areas which represent a larger market and greater potential for revenue growth than the BMA alone. Its broadband network already reached 6 million households nationwide with a target to cover 10 million households by 2016.

While True Group expects overall competition across all of its businesses to remain intense, True Group has a competitive advantage given the strength of its brand and its ability to provide fully-integrated services and diverse content via its convergence strategy. These bundled offerings differentiate True Group from other operators.

### **Risks unique to TrueVisions**

Key risks relating to TrueVisions' operations include relying on third-party suppliers for international content as well as rising competition in the pay TV and digital TV segments after the NBTC granted 24 nationwide digital terrestrial TV licenses in April 2014 which offer variety of content, resulting in operators competing on acquiring market share and key content and competing with TrueVisions' business. TrueVisions may incur higher content-acquisition expenses as a result. In addition, the unauthorized access to TrueVisions' programming signals, or piracy, also has an impact on its business. If TrueVisions is unable to obtain attractive programming or if the cost of this programming substantially increases in the future, its performance would be adversely affected. Subscribers who are interested in overseas programs typically subscribe to premium packages which, at the end of 2015, were approximately 300,000 subscribers. This equals to 10 per cent of TrueVisions's overall subscribers.

True Group believes that TrueVisions' superior-quality content, most of which is exclusive, continued popularity of its own-produced content, and the competitive convergence campaigns are its key competitive advantages. In addition, TrueVisions' large customer base and its extensive experience in the pay TV industry assure content providers that it can provide a stable revenue stream. This has kept the business relationships content providers have established with TrueVisions attractive and reliable.

In addition, NBTC's channel lineup regulations create risk to TrueVisions' ability to satisfy its subscribers' demand which differs from such regulations.

### **Risks of TrueVisions relating to the potential collection of royalty fees for copyrighted content**

It is TrueVisions' policy to broadcast (video and/or audio) content that was produced in-house or for which it has obtained the broadcasting rights from the original publishers. It is TrueVisions' understanding that when granted broadcasting rights to any content, the channel providers have obtained relevant rights and permission for such content. Additionally, TrueVisions has entered into a contract with the Royalty Collection Organization to guarantee the payment of royalties for musical works accompanying with the copyrighted content.

Despite TrueVisions' best effort, there is a risk that the copyright owner is not a member of the Royalty Collection Organization which may result in legal claims if the content is broadcasted without permission.

### **Risks from technological change**

The communications industry is characterized by rapid changes in technology, evolving customer needs which are driven by the evolution of new products and services, and regulatory changes. These changes have contributed to the opening up of the market and the introduction of new technologies. These aforementioned factors are expected to continue to affect Thailand's communications industry in the future. Due to the need to respond to new technological trends, True Group may experience significant increases in investment and operating expenses. Failing to invest in new technology may result in a decline in the Group's competitiveness and lower levels of customer satisfaction.

However, True Group believes that with diversified services, products, revenue and customer bases, it is in a better position to cope with these changes and retain revenues within the Group than operators that only provide a single service.

## **Risks related to the regulatory environment**

### **Mobile Number Portability risks and limitation**

Since the mobile operators has launched Mobile Number Portability or MNP services, allowing customers to change their mobile carriers without changing their phone numbers, this MNP service creates robust competition in the mobile market and when combine with the new mobile operator may cause True Mobile Group to lose some customers to other mobile operators. Furthermore, other mobile operators may deny or prevent customers from porting to use True Mobile Group's service.

### **Risks from changes in the regulatory environment which will create risks for operators**

Presently, the NBTC has promulgated and revised many rules and regulations which may put True Group in a regulatory risk from enforcement or different interpretations between True Group and the NBTC.

On January 6, 2015, the cabinet approved the principles of the Draft Act on Committee for Digital Economy and Society, B.E. ...., Draft Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services (No. ...), B.E. .... If such acts are enforced, they may change the current rules and regulations by setting up a National Committee for Digital Economy and Society to lay down strategic policies and national plans regarding digital economy promotion, to oversee and evaluate that the government agencies' compliance and to consider join digital projects between government and private sectors. Furthermore, there is a possibility that the sub-committees which act on behalf of the NBTC, namely the NBC and the NTC, will be cancelled and the NBTC has to follow policies and be under supervision of the National Committee for Digital Economy. Operators granted with spectrum licenses from the NBTC might have to report their licenses to the National Committee for Digital Economy including their overall investment summary reports. Such possible regulatory changes in the future may impact True Group's business. Presently, on January 18, 2016, the National Reform Steering Assembly approved the Committee of the National Reform Steering Assembly in Communication Sector's reform plan to amend the Frequency Allocation Act and sent such plan to the Cabinet

### **Risks from the allocation of frequencies for operating mobile businesses**

TUC has been granted with 2.1 GHz and 1800 MHz spectrum licenses and also won the 900 MHz spectrum auction from the NBTC. This will likely result in intensifying competition in mobile market and commit True Group with the obligation to pay for spectrum fee and to invest in network roll out as required by the terms of the auctions and licenses. In addition to investment for expanding services under 850 MHz and 4G service, True Group will have to build and expand both network and equipment to serve services under various spectrum.

True Group believes that the winning of 1800 MHz and 900 MHz spectrum auctions will allow True Group to provide a variety of services which increases choices to consumers who want efficient mobile service that can better satisfy every group of customers. True Group also believes that True Group's services under 2.1 GHz and 850 MHz spectrum together with the additional 2 bands of spectrum will be able to adequately fulfill customer needs and True Group will continue to be the leading 3G and 4G service provider.

**Risks related to the expiry of TrueMove's Agreement to Operate with CAT and the Joint Operation Agreement to operate a fixed-line service with TOT, which may result in an increase in ongoing operating expenses for the business.**

To ensure the continuity of True Mobile Group's business which could be affected by the expiry of TrueMove's Agreement to Operate with CAT on the 1800 MHz frequency in September 2013, recently, on December 4th, 2015, TUC has been granted with the 1800 MHz spectrum license and the telecom service license which valid until September 15, 2033. Also, on December 21st, 2015, the NBTC announced TUC as one of the bidders of the 900 MHz spectrum auction. The 900 MHz spectrum license and the telecommunication service license will valid for 15 years from the granted date.

The NBTC Notification on Protection for Subscribers upon the Expirations of Concession Agreements or the Agreement to Operate B.E. 2013 ("the Protection of Subscribers Notification") stipulates that CAT and TrueMove, as the operators pursuant to such notification, have a duty to submit a subscriber protection plan detailing a plan to communicate to all subscribers about the concession expiration, a plan to inform subscribers of their right to use MNP services and operating expenses to be used in maintaining network quality while a number of subscribers will continuously decline. In addition, the notification bars CAT and TrueMove from registering new subscribers and stipulates that CAT and TrueMove shall receive revenues for the provision of services on behalf of the state and must specifically segregate the received amount into an account; then, CAT and TrueMove must report the amount of revenues and interest after deducting network-related expense, numbering fees, administrative expenses and other costs relating to the provision of services. The remainder must be delivered to the Office of the NBTC for its verification prior to converting the remainder into public revenue. Currently, the NBTC has set up a working committee to examine the revenues, expenses and other cost relating to the provision of services. On August 17th, 2015, the Office of the NBTC sent a letter to TrueMove to notify the NTC's resolution that TrueMove has to deliver its income from providing mobile service under 1800 MHz spectrum during September 16th, 2013 to July 17th, 2014 which equals to 1,069,983,638.11 Baht together with any legal fruit to the Office of the NBTC within 30 days after receiving the letter. Such letter states that if TrueMove wants to oppose the resolution, it has to file a complaint to the Administrative Court within 90 days after receiving the letter. Since TrueMove thinks that such resolution is unlawful, on September 18th, 2015 TrueMove has submitted further evidence to the NTC and asked for reconsideration. On November 17th, 2015, TrueMove filed a complaint to revoke such resolution and the case is currently in the Central Administrative Court's process. However, there is a risk that the NTC may order TrueMove to submit additional income from providing mobile service under 1800 MHz spectrum during the customer protection period which is after July 17th, 2014 until 00:00:01 of December 3rd, 2015 which was the last day of the customer protection period as notified by Office of the NBTC.

On August 18th, 2015, TrueMove received a complaint from CAT which filed a lawsuit against the Office of the NBTC, the NTC, the NBTC, TrueMove and DPC at the Administrative Court, case number 918/2558 asking the Court to order TrueMove, the Office of the NBTC, the NTC, and the NBTC to jointly pay CAT 18,025,389,370.36 Baht (calculated from September 16th, 2013 to September 15th, 2014) as a compensation for the use of telecommunication equipment and network which have been submitted to CAT after the expiry of TrueMove's Agreement to Operate with CAT on the 1800 MHz frequency. TrueMove filed a deposition and a petition requesting the NBTC to enter into this case to the Central Administrative Court on February 1st, 2016.

Later, on September 11th, 2015, CAT filed a lawsuit against the Office of the NBTC, the NTC, the NBTC, Truemove and DPC at the Administrative Court, case number 1651/2558 asking the Court to order Truemove, the Office of the NBTC, the NTC, and the NBTC to jointly pay CAT 4,991,115,784.52 Baht (from September 16th, 2014 to July 17th, 2015) as

a compensation for the use of telecommunication equipment and network which have been submitted to CAT after the expiry of TrueMove's Agreement to Operate with CAT on 1800 MHz frequency. Truemove aims to submit a deposition by March 18th, 2016.

Moreover, the Joint Operation Agreement between the Company and TOT for fixed-line and value-added services will expire in October 2017. After the Joint Operation Agreement has expired the Company may face risks from losses of revenue shared from TOT. However, TU, which is a True Group's subsidiary (in which the Company holds a stake of 99.99 per cent), has been granted a license for nationwide fixed-line and broadband Internet services. To lower True Group's risks, TU has continuously expanded its network. Moreover, the new broadband network via DOCSIS 3.0 and FTTx technologies can also be utilized for providing high-quality, cost-efficient voice services.

**Risks from the dispute with TOT regarding TOT's call for TrueMove and CAT to pay access charges, which may result in an increase in future expenses**

On May 9, 2011 TOT filed a lawsuit against CAT and TrueMove with the Central Administrative Court requesting AC payment of Baht 41,540.27 million. On July 31st, 2014, TOT submitted a supplementary plaint to amend the claimed AC payment together with the value added tax until the expiry date of the AC agreement which was September 16th, 2013. Also, CAT requested for interests calculated from late 2006 depending on each circumstance until July 10th, 2014. Therefore, the principle in which TOT claims CAT and TrueMove to jointly liable is changed to approximately Baht 59,628.95 million together with interests calculated from July 10th, 2014 until the payment is completed. The case is currently in the Central Administrative Court's process.

In this matter, the Company and its legal advisor are of view that TrueMove has no commitment to pay for AC as TOT requested. However, the result of such case is currently unpredictable, therefore, the Company and its subsidiaries did not record such amount as expenses or set accrue for the claim under this case in their financial reports. If the final judgment is not in favor of True Group, TrueMove may have to make payment for penalty together with interests. Then, TrueMove may be required to pay both AC and IC which would result in a material increase in cost.

**TrueMove may have risks from a CAT's dispute requesting TrueMove to hand over and transfer the ownership of 4,546 towers,tower equipment and 59 stations of generator and equipment to CAT**

As CAT filed a plea with the arbitration panel asking TrueMove to handover and transfer to CAT the ownership rights to 4,546 towers and tower equipment and if Truemove does not do so then, TrueMove would have to compensate CAT for damages of Baht 2,766.16 million, the arbitration panel unanimously ruled to dismiss CAT's claim. Currently, CAT filed a petition to the Central Administrative Court to withdraw such arbitration panel's ruling as the black case No. 1813/2556 (2013). The case the currently in the Central Administrative Court's process.

In addition, CAT filed another arbitration case against TrueMove, asking TrueMove to hand over and transfer to CAT the ownership rights to 59 stations of generator and equipment. It also asked that in case TrueMove fails to do so for whatever reasons, TrueMove will be obliged to pay CAT the total compensation of Baht 39.57 million. This case is currently being considered by the arbitration panel.

### **Risks from disputes over excise tax**

As the Cabinet approved the zero-rate excise tax (from originally imposed an excise tax of 2 percent and 10 percent for fixed-line phones and mobile phones, respectively), the zero-rate excise tax allows TOT and CAT to receive full revenue share or benefits. During the implementation of the excise tax regime the total amount paid by the private operators to government agencies (Ministry of Finance and TOT/CAT) remained the same. There are currently a number of disputes between private telecom firms and state counterparties relating to this issue including the shortfall in benefits payable to TOT and CAT. Currently, CAT filed an appeal of the judgment of the Central Administrative Court which dismissed the petition for revocation of the arbitral award which ruled that Truemove did not have to pay benefits to CAT in the amount of Baht 8,969.08 million with the Supreme Administrative Court as the black case No. Or. 850/2557 (2014). The case is now in the Supreme Administrative Court's proceedings.

Moreover, CAT also asked TrueMove for indemnification of value added tax relating to the excise tax's part of the benefits, penalty fees and additional payments evaluated by the Excise Department, claims for which CAT had already lost the case in the tax court as well as the cost of litigation and the fees which were the damages for not performing according to the Agreement, totaling Baht 1,302.8 million (calculated till the end of March 2012) and for which CAT may bring before the arbitration panel. However, True Group and its legal advisor are of view that TrueMove has no commitment to make such payment. However, the result of such case is currently unpredictable, therefore, Truemove did not record as expense or set accrue for the claim under this case in the financial report. If the future ruling or the judgment of such case or the final outcome of the case which has not been claimed is not in favor of TrueMove, TrueMove may have to make such payment and record such revenue sharing and value added tax as expense and additional accrued expense which calculated to be the principle amount of not more than Baht 10,271.88 million.

TOT filed an arbitration case claiming shared revenue from the fixed line business from which the Company received more than its right of Baht 1,479.62 million including interest. The Company filed a plea to the Central Administrative Court to dismiss the arbitration panel's ruling which ordered the Company to pay the shared revenue including interests as TOT requested. The Case is currently in the process of the Central Administrative Court. Earlier TOT sent a letter demanding that the money TOT provided to the Company from January, 2003 through December, 2006, to pay excise tax and additional tax to the Ministry of Interior on behalf of TOT, in the amount of Baht 1,479.6 million, including a 7.5 percent interest and value-added tax as required by law, be returned within February 15, 2011. In this case, the Company asserts that it is not bound to return the money to TOT because it had paid excise tax and additional tax to the Ministry of Interior per the direction of TOT. The Excise Department has already issued a tax invoice under TOT's tax ID. Hence, The Company neither breached the contract nor broke the law and therefore is not bound to return the money to TOT. In addition, the claim requests the same money TOT seeks in the arbitration.

### **Risks from disputes over revenue sharing**

As CAT filed a plea with the arbitration panel, an arbitration case No. 83/2554 (2011), requesting Truemove to pay for revenue shortfalls as a result of TrueMove deducting IC cost from the gross revenue before sharing to CAT for the 10th – 16th years of operation in the amount of Baht 15,959.29 million. On September 1st, 2015, the majority of the arbi-



tration panel ruled that TrueMove had to pay to CAT for revenue shortfalls for the 15th year of operation in the amount of Baht 1,571,599,139.64 together with 15 per cent penalty per annum from such principle calculating from December 14th, 2011 to the date of payment completion. TrueMove filed a petition to dismiss such arbitration ruling to the Central Administrative Court on December 4th, 2015. The case is currently in the process of the Central Administrative Court.

True Group and its legal advisor are of view that TrueMove has no commitment to make such payment. However, the result of such case is currently unpredictable, therefore, Truemove did not set accrue for the claim under this case in the financial report. Currently, the case is in the process of the Central Administrative Court. If the future ruling or the judgment of such case is not in favor of TrueMove, TrueMove may have to make such payment and record such revenue sharing as expense and additional accrued expense.

The result of such arbitration ruling allows Truemove not to include the revenue from IC in the revenue sharing calculation to CAT. Therefore, on January 18th, 2016, Truemove filed an arbitration case, case no. 6/2559, requested CAT to return the revenue sharing that Truemove sent to CAT from the operation year 11 to operation year 17 which was calculated from the IC revenue and was not the revenue from providing cellular service (Digital PCN 1800) under the Agreement in the amount of Baht 11,827,665,279.20 including 15% interest per annum from the date of the arbitration filing until complete the payment to Truemove. The case the currently in the process of the arbitration.

#### **Risks related to ongoing disputes between CAT and an acquired subsidiary from Hutchison Group**

Hutchison CAT Wireless Multimedia Limited which was one of the companies that True Group acquired from the Hutchison Group has ongoing disputes with CAT that may result in True Group booking expenses of Baht 1,445 million and could have further negative impacts on other business relationships between True Group and CAT.

CAT filed for arbitrations against HutchCAT which is a subsidiary that True Group acquired. In the first case, CAT demands for Baht 1,204 million, however, HutchCAT has counterclaimed damages from CAT in the amount of million 2,544.72 Baht under the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system. The arbitration panel ruled to dismiss CAT's claim and HutchCAT's counterclaim. CAT filed a petition to dismiss the ruling of the arbitration panel to the Central Administrative Court on December 25th, 2015. In the second case, CAT demanded Baht 241 million under the same agreement. On August 13th, 2015, the arbitration panel ruled that HutchCAT had to pay Baht 91,834,965.56 including 7.5 per cent interests per annum and dismissed CAT's claim of Baht 146,816,433.54. On November 25th, 2015, HutchCAT submitted a plea to withdraw the arbitration ruling to the Administrative Court. Both cases are currently in the process of the Central Administrative Court.

In addition, in January 2013, CAT sent a letter to the bank asking for a payment of approximately Baht 63 million in accordance with the bank guarantee, citing that the Hutchison Group breached the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system, the Agreement for Marketing International Roaming Services and the Agreement related to care. HutchCAT filed a lawsuit against CAT together with asking for injunction at the Civil Court requesting CAT to cease its claim against the bank asking for a payment in accordance with the bank guarantee, to prohibit CAT from receiving payment under such bank guarantee and to order CAT to compensate HutchCAT of approximately Baht 63 million as damages. Later, the Civil Court granted the injunction temporarily ordering CAT to cease its claim against the bank asking for a payment in accordance with the four bank guarantees and not to receive payment under such bank

guarantees. However, the Civil Court ruled that this case is concerning administrative contract and ordered the case to be transferred to the Administrative Court. Currently, this case is combined with the black case No. 391/2557 (2014).

On March 20, 2014 CAT filed a lawsuit at the Central Administrative Court against HutchCAT, BFKT, and bank who issued letters of guarantee for the payment as the black case No. 391/2557 (2014) , citing that HutchCAT breached the Agreement for Marketing Services of Cellular Digital AMPS 800 Band A system, the Agreement for Marketing International Roaming Services and the Agreement related to care taking of CDMA services customers and claimed for damages from HutchCAT of approximately Baht 1,277.79 million and from HutchCAT and BFKT of approximately Baht 298.40 million. HutchCAT and BFKT filed a petition to object CAT's claim and the case is currently in the process of the Central Administrative Court. Although HutchCAT and BFKT believes it does not breach the contracts and CAT's petition has not been ruled by the arbitration or the court yet that HutchCAT and BFKT violated the Agreement, there is a risk that bank will pay CAT in accordance with the bank guarantee, resulting in True Group having to pay such money back to the bank.

#### **Risks from the dispute on collection of customer identification and records**

As TrueMove filed against the NTC, acting on behalf of the NBTC and the NBTC's secretary-general, at the Central Administrative Court on the disputes relating to the collection of data and details of prepaid customers under the NTC's Notification Re: Rules on the allocation and management of telecommunications number B.E. 2551. TrueMove requested revocation of Clause 38 and Clause 96 of the notification and of the resolution and ruling by the NTC and, acting on behalf of the NBTC and of the order of the NBTC's secretary-general, to enforce the regulation against TrueMove. However, the Central Administrative Court rejected TrueMove's request for revocation of the notification on the ground that the submission of the case was made not within the statute of limitations and that the case was not considered as benefiting the public interest, given that such notification does not affect the mobile customers. Subsequently, TrueMove submitted an appeal to the Supreme Administrative Court for the charges that were dismissed in the lower court. The Supreme Court is now considering whether to accept the appeal. In regard to the other disputes that were accepted by the Central Administrative Court, the case is proceeding. The Central Administrative court set October 22nd, 2016 to be the last day of the fact finding procedure in which Truemove had filed an additional statement but the Central Administrative Court later rejected to consider such additional statement. Truemove appealed the Court's order to reject an additional statement and the matter is in the process of the Supreme Administrative Court to consider the appeal.

Later, the Office of the NBTC issued a notification regarding the collection of prepaid customer identification and records requiring all mobile operators which provide prepaid service to collect customer information (SIM card registration) by July 31st, 2015 and can cease their services to customers who do not register their SIM card within such period in accordance with the terms and conditions of the telecommunication service agreement. Subsequently, the Office of the NBTC informed all mobile operators including mobile operators under True Group to 1) cease certain service for customers who did not register, therefore, such customers could only receive calls and messages and could make calls only to emergency numbers, the NBTC's and the operator's complaint numbers but could not make call to other numbers or use the internet, 2) notify customers at least 30 days in advance of service termination which could not be later than September 30th, 2015, 3) the notification of service termination under 2) shall not be deemed as an extension to the registration period and 4) to report the overall operation back in five days.

Despite the fact that TrueMove TUC and Realmove had advertised to the customers and TrueMove TUC and Realmove could collect customer data and information and complete the collection, there is a risk that if TUC and/or RealMove fails to collect prepaid customer information, TUC and/or RealMove may be given an administrative order.

### **Risks from disputes on mobile prepaid services**

The NBTC's secretary-general sent a notification letter, requesting that TrueMove revise the terms and conditions of its existing prepaid promotions – so as to no longer force customers to use up their credit within the validity period – and to no longer create any promotion with a fixed validity period.

The NBTC's secretary-general informed TrueMove of the decision to uphold the NBTC's secretary-general's order which set administrative fine at Baht 100,000 per day. TrueMove filed a complaint to the Central Administrative Court to revoke such order and asked the Court for an injunction. On June 5th, 2013, the Central Administrative Court denied the injunction request and currently the case is in the process of the Central Administrative Court in which the Central Administrative Court has ended the fact finding process.

### **Risks from interconnection charges for the fixed-line business**

The NTC approved the temporary IC rate for fixed line at Baht 0.36 per minute. This placed the Company at risk of being charged IC from other mobile operators. In terms of the Company's fixed line business, this also means the Company may incur increased expenses in the future. A certain operator has petitioned the NTC to force the Company to enter an IC agreement for fixed-line business and later petitioned for the collection of IC revenue from True Group's fixed line business. However, the Company believes it is not bound to pay the IC charges because the Joint Operation Agreement for fixed line businesses between the Company and TOT required that the Company invest, provide, install and maintain the equipment and for TOT to collect revenues from customers and share the revenues with the Company at the rate stipulated in the Joint Operation Agreement. On August 3, 2010, the Company filed an appeal with the Central Administrative Court opposing the NTC's notification of the temporary IC rate. The Central Administrative Court later overruled on December 26, 2012. The case is currently in the process of the Supreme Administrative Court.

On February 4, 2011, DTAC filed a petition with the Central Administrative Court asking the Company and TOT to pay network usage and telecommunications connection fees of Baht 3.28 billion. However, in the Company's opinion, DTAC has no right to charge the Company the telecommunications connection fee. Currently, the case is in the process of the Central Administrative Court.

### **Risks from a possible investigation into contracts related to the purchase of shares in Hutchison Group companies and the 3G HSPA agreements between CAT and True Group**

Even though government agencies such as the NBTC, the Office of the Auditor General of Thailand, the Department of Special Investigation and the Office of the National Anti-Corruption Commission (NACC) investigated issues arising from contracts related to the HSPA project such as whether the contracts fell under the Joint Venture Act and whether the deal violated Article 46 of the Frequency Allocation Act, there was only the NTC's order requesting True Group and CAT to amend the HSPA contracts in which the NTC agreed with the amendment. Currently no other government agencies have issued any order relating to this matter. True Group believes that all parties have been in compliance with the guidance and lawful orders from relevant agencies.

In this matter, True Group opposed the order of the NTC, acting on behalf of the NBTC as the NBTC's secretary-general notified the Company and Realmove. Such resolution and order required an amendment to the agreement to merge by purchasing shares in the Hutchison Group to be in accordance with the NTC's notification on Merger and Acquisition in Telecommunication Business B.E. 2553 (2011) and an amendment to the agreement with CAT regarding providing mobile service in CDMA and HSPA systems to be in accordance with the NTC's notification on Measurement to Prevent Monopoly and Unfair Trade Practice in Telecommunication Business B.E. 2549 (2006) and the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553 (2010). The Company and Realmove are of view that such NTC's resolution and order are unclear and unlawful, therefore, the Company and Realmove filed a lawsuit against the NBTC and the NBTC's secretary-general to the Central Administrative Court on December 2nd, 2011 requesting the revocation of the resolution and order. On February 23<sup>rd</sup>, 2016, the Central Administrative Court revoked the NTC acting on behalf of the NBTC's order from the 30/2554 resolution on September 28<sup>th</sup>, 2011. The revocation is retroactive to the date in which the order has been made.

#### **Risks of additional expenses from the delay in True-CAT's 3G HSPA project**

As True Group and CAT has proceeded their obligations under the HSPA agreement, there are disputes, some of which have been settled while others are still under negotiation process to settle the remaining liabilities. Therefore, there is a risk that CAT may ask companies under True Group to pay for the unsettled debts including interests. Presently, it is not possible to calculate the unsettled debts including interests because the assumptions used to calculate the debts are different between True Group and CAT, for example, the contract did not address the rental rate of the transmission which were jointly invested between True Group and the Company. Therefore, this rental rate needs to be concluded and if the parties cannot agree, there may be a dispute. However, True Group and its legal advisor are of view that True Group has no commitment to pay for interests and wholesale fee which True Group's subsidiary thinks it is incorrect and cannot be settled with CAT. However, the final outcome is currently unpredictable, therefore, True Group did not set accrue for the damages or expenses which may arise from such issue in the financial report. Currently, True Group is negotiating with CAT which may cause True Group to pay for the unsettled part.

#### **Risks related to the fact that True Group compete with TOT and CAT who are the grantors of the Joint Operation Agreement and the Agreement to Operate, respectively, a factor which has led to and could continue to lead to disputes with the grantors, which could affect True Group's operations**

The Company and its subsidiary TrueMove operate under the Joint Operation Agreement and the Agreement to Operate, granted by TOT and CAT, respectively. TrueMove's Agreement to Operate with CAT already expired on September 15, 2013 and the NBTC assigned the 1800 MHz spectrum from such agreement to the auction winner. During period which TrueMove operated and provided services under temporary measure together with the NCPO's mandate and other relevant rules. TrueMove and CAT are of different views regarding the obligation to be a service provider and the rights to use equipment. A dispute with either TOT or CAT over compliance and the interpretation of the law concerning either of the Joint Operation Agreement and the Agreement to Operate, or the NBTC's announcements, rules and regulations could affect the ability of the Company and its subsidiaries to conduct business. The Joint Operation Agreement could also be terminated.

In the case of the Joint Operation Agreement for the Company's fixed-line service, TOT has to submit a dispute to the arbitration panel and request an arbitration panel for adjudication should it wish to terminate the agreement. TOT can terminate the agreement only if True Group violates certain laws, is placed under receivership by a court in a bankruptcy case, or willfully and continually breaches the agreements in any material respect. Under the revenue-sharing provisions of the Joint Operation Agreement, TOT collects all fixed-line revenues from subscribers within the network and makes payment to True Group of its proportion stipulated by the Joint Operation Agreement. TOT may withhold or delay payments of revenues to the Company to offset any obligations it believes it is legally owed by the Company. Presently, some service under the Joint Operation Agreement suffer losses, therefore, True Group tries to reduce the service or terminate the service. There is a risk that TOT may think that the Company is breaching the agreement in any material respect and may cause TOT or CAT to terminate the Joint Operation Agreement and the Agreement to Operate.

The aforementioned matters could also affect TrueMove's business operations and performance. TrueMove might incur expenses related to equipment usage, according to the Agreement to Operate, for providing services to customers on the 1800 MHz spectrum during the temporary measure and NCPO's mandate; although CAT views that the temporary measure mandates that TrueMove to absorb these expenses, there is no clarity whether, according to the aforementioned measure, TrueMove has an obligation to do so.

As well as TOT and CAT being a party to the Agreements with the Company and its subsidiary, it is also a competitor of True Group. This has led, and could continue to lead, to disputes between the Company including its subsidiary and TOT or CAT, for example, True Group has been under Joint Operation Agreement and the Agreement to Operate in which TOT and CAT previously denied or prolonged paying the revenue sharing to True Group while waiting for the arbitration's resolution on the calculation or the scope of the remaining revenue sharing owed to True Group under the Joint Operation Agreement and/or the Agreement to Operate. Previously, certain disputes among these entities have been brought to the courts and the Arbitration Tribunal for resolution. True Group may not be able to successfully resolve all of these disputes with TOT and CAT in its favor as the case may be, and if it is unsuccessful, its business and financial situation could be affected. To date, decisions have been issued both in favor of and against cases brought by True Group, most of which have not yet been concluded.

### **Risks from licensing the operations of the television and/or telecommunications businesses**

The NBTC's regulatory policy affects changes in overall business structure, resulting in an even more intensifying competitive landscape. True Group may be put at risk from uncertainty and inequality of the NBTC's regulation policy between the previous concessionaires that shift to become the licensees and the new licensees, resulting in an advantage and disadvantage among players in the same or related markets. Furthermore, True Group might incur incremental costs of providing services from regulations that might be imposed in the future including the risk from new regulatory and com-

petition rules which impose on the licensees under True Group. The NBTC's regulation on channel lineup and the Office of the NBTC's regulation on service or product advertisement rules for subscription network provider and subscription service provider can affect TrueVisions' business and free TV providers under True Group. By not complying with such regulations, the NBTC may deny or not allow relevant license extension which may result in True Group's subsidiaries being fined or prosecuted or can no longer continue their businesses. Presently, the NBTC granted two national business licenses to provide digital terrestrial TV service to True Group subsidiaries which won the spectrum auction in 2014, a national subscription network license to TrueVisions and national subscription service licenses to TrueVisions and True Group's subsidiaries.

## Risks relating to the financial situation

### Risks related to True Group's leveraged position

The Company and its subsidiaries had interest-bearing debt (short-term, current portion of long-term and long-term borrowings excluding finance leases) totaling Baht 92.3 billion at the end of 2015, increasing from Baht 42.0 billion at the end of 2014 due to additional borrowings to support the Group's network and service expansion, including license fee payments. True Group's future funding source may include additional borrowing and/or debenture issuance. As such, it may be at risk of not being able to obtain reasonable funding for principal repayments and/or interest payments and its business expansion plan could be affected. Nevertheless, the Company and/or its subsidiaries should be able to raise new borrowings to repay existing debts and adjust their principal repayments to be in line with their cash flows. In addition, the Group has alternative funding sources including additional assets divestment to DIF while its Bt 60-billion capital raising proposal, if successful, will significantly strengthen the Group's balance sheet and leveraged position with the target to bring down net debt to EBITDA ratio to be less than 2 times, going forward.

### Risks from foreign exchange rate and interest rate movements

As at December 31, 2015, approximately 0.5 percent of True Group's consolidated non-current borrowings (excluding finance leases) were denominated in foreign currencies, compared to 1.6 percent as at the end of 2014, from repayment of JPY deferred payment notes during the year.

The carrying amounts and fair values of certain non-current borrowings (excluding finance lease liabilities) are as follows (see more detail in the note to financial statements section 27):

	Consolidated			
	Carrying amounts		Fair values	
	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million
Debentures	50,979.65	28,897.62	51,184.11	29,694.41
Suppliers credit	258.27	471.43	384.26	582.25

Additionally, a part of True Group's payables is US dollar denominated. In order to manage the risks arising from fluctuations in currency exchange rates, the Group adopts the following foreign currency risk management practices:

- entering into forward foreign exchange contracts;
- negotiating payment terms for foreign currency settlements on an individual transaction basis; and
- negotiating with foreign suppliers to share foreign exchange exposure.

Transaction risk is calculated in each foreign currency transaction and is projected six months forward. Estimated future exchange rates are based on forecasted information supplied by recognized research and financial analysis. These are compared against premiums on forward exchange contracts, and after making adjustments for the related risk, a decision is taken on whether to cover foreign currency transactions. Transactions, if hedged with forward exchange contracts, are not hedged on a net basis, but rather on a transaction by transaction basis.

### **Risks from impairment of investments/ assets**

True Group normally conducts thorough valuations and feasibility of each project before investing or acquiring assets. A test for impairment is carried out when there is a factor indicating that an investment might be impaired. Therefore, the Group does not foresee any material impairment risk in its financial reports.

### **Risks from having majority shareholders holding more than a 50-percent stake in the Company**

As at September 5, 2014, the group of majority shareholders in True Group comprises CP Group and affiliated companies which hold combined shares of 51.3 percent of the total allocated shares. In this regard, investors may be exposed to a risk from the circumstance in which majority shareholders hold more than a 50-percent stake in True Group. This is because the group of majority shareholders may control agendas which require majority votes, such as appointments of directors. Therefore, retail shareholders may not be able to accumulate sufficient votes to check and balance agendas proposed by the majority shareholders. However, the Board of Directors focuses on operating the business guided by the principles of corporate governance. The Company has provided the opportunity for minority shareholders to propose the Annual General Meeting's agenda and nominate candidates to be selected as directors of the Board prior to the Annual General Meeting. In regard to matters related to major shareholders and transactions that may result in a conflict of interest with the Company, the Company processes the matter in accordance with procedures set forth in the "Connected Transaction Regulation" which strictly follows the legal framework.

# CORPORATE AND OTHER SIGNIFICANT INFORMATION

- Annual Report 2015
- Grow Together
- Win Together

## Corporate Information

### True Corporation Public Company Limited

True Corporation Public Company Limited (“the Company”), with the security symbol “TRUE” on the Stock Exchange of Thailand, was established on 13th November 1990 initially under the name of CP Telecommunication Co., Ltd. with authorized capital of Baht 1,000 million to undertake a major telecommunication infrastructure project, and registered as a public company limited on 11th February 1993. The Public Company Registration No. 0107536000081

As at 31<sup>st</sup> December 2015, the Company’s authorized capital is Baht 98,431,712,600 divided into 24,607,928,150 ordinary shares with a par value of Baht 4 per share. The Company’s paid-up capital is Baht 98,431,712,600 divided into 24,607,928,150 ordinary shares with a par value of Baht 4 per share.

The Company’s head office is located at:

18 True Tower, Ratchadapisek Road,  
Huai Khwang, Bangkok 10310  
Telephone: (662) 643-1111 Fax: (662) 643-1651  
Website: [www.truecorp.co.th](http://www.truecorp.co.th)

### Information of the Company’s subsidiaries, associated companies and other investments

Company Name	Address	Type of Business	Paid-up Capital	% of investment
AP&J Production Co., Ltd.	105/1,Thetsaban Songkhro Road, Ladyao, Jatujak, Bangkok 10900 Tel. (662) 954-3512 Fax. (662) 954-3513	Entertainment	THB 16.67 million divided into 166,667 ordinary shares with a par value of Baht 100 each and fully paid up.	70.00
Asia Wireless Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	PCT Operator	THB 5,720.92 million divided into 1,144.18 million ordinary shares with a par value of Baht 5 each and fully paid up.	100.00



Company Name	Address	Type of Business	Paid-up Capital	% of investment
Bangkok Inter Teletech Public Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 8,209.34 million divided into 3,283.74 million ordinary shares with a par value of Baht 2.50 each and fully paid up.	99.48
BeboydCg Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production of animation	THB 16.52 million divided into 1.65 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
BFKT (Thailand) Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Mobile equipment Lessor	THB 27,458.32 million divided into 274.58 million ordinary shares with a par value of Baht 100 each and fully paid up	100.00
Cineplex Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Program production	THB 1,283.43 million divided into 128.34 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
Hutchison CAT Wireless MultiMedia Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 950 million divided into 95 million ordinary shares with a par value of Baht 10 each and fully paid up	68.02
Hutchison MultiMedia Services (Thailand) Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 230 million divided into 23 million ordinary shares with a par value of Baht 10 each and fully paid up	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Hutchison Telecommunications (Thailand) Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 54 million divided into 3.6 million ordinary shares with a par value of Baht 15 each and fully paid up	100.00
Hutchison Wireless MultiMedia Holdings Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding company	THB 10 million divided into 590,000 ordinary shares and 410,000 preference shares with a par value of Baht 10 each and fully paid up	92.02
Internet Knowledge Service Center Co., Ltd.	2/4 Siam Commercial Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Non-government telecommunication	THB 50 million divided into 12 million ordinary shares with a par value of Baht 10 each, 2.67 million ordinary shares fully paid up and 9.33 million ordinary shares call-up Baht 2.50 each	56.93
KSC Commercial Internet Co., Ltd.	2/4 Siam Commercial Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services provider	THB 153.04 million divided into 15.3 million ordinary shares with a par value of Baht 10 each and fully paid up.	56.83
MKSC World Dot Com Co., Ltd.	2/4 Siam Commercial Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Internet services and distributor	THB 139.64 million divided into 13.95 million ordinary shares and 0.01 million preference shares with a par value of Baht 10 each fully paid up.	91.08

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Panther Entertainment Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 725-7400 Fax. (662) 725-7401	Artist management and related business	THB 155 million divided into 15.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.92
Real Move Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Reseller of Mobile phone	THB 7,000 million divided into 70 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.48
Samut Pakan Media Corporation Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.42
Sattellite Service Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Sales and rental of equipment related to Pay Television	THB 1,338 million divided into 223 million ordinary shares with a par value of Baht 6 each and fully paid up.	99.53
SM True Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Artist management and related business	THB 20 million divided into 0.2 million ordinary shares with a par value of Baht 100 each and fully paid up.	51.00
Song Dao Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Dormant	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.41

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Tele Engineering and Services Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
Telecom Asset Management Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Marketing Management	THB 2.5 million divided into 1 million ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each.	100.00
Telecom Holding Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 27,432.20 million divided into 4,332.62 million ordinary shares with a par value of Baht 8 each, 2,132.62 million ordinary shares fully paid up and 1,200 million ordinary shares call-up Baht 6.976 each and 1,000 million ordinary shares call-up Baht 2 each.	100.00
Telecom KSC Co., Ltd.	2/4 Siam Commercial Insurance Tower, 10 <sup>th</sup> Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000 Fax. (662) 979-7111	Dormant	THB 250,000 divided into 100,000 ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each	34.39
Thai News Network (TNN) Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	News Channel	THB 645 million divided into 10 million ordinary shares with a par value of Baht 100 each, 5 million ordinary shares fully paid up and 5 million ordinary shares call-up Baht 29 each.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Media Solutions Co., Ltd. (formerly "True Digital Media Co., Ltd.")	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Advertising sale and agency	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Distribution & Sales Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Distribution Center Services	THB 6,501 million divided into 65.01 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.44
True4U Station Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Television and related business	THB 699.50 million divided into 10 million ordinary shares with a par value of Baht 100 each, 100,000 ordinary shares fully paid up and 9.9 million ordinary shares call-up Baht 69.64 each.	100.00
True Icontent Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Contents provider	THB 51 million divided into 20.1 million ordinary shares with a par value of Baht 10 each, 100,000 ordinary shares fully paid up and 20 million ordinary shares call- up Baht 2.50 each.	100.00
True Incube Co., Ltd. (formerly "KOA Co., Ltd.")	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Asset Management	THB 40 million divided into 16 million ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Information Technology Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	IT services and training	THB 1,278 million divided into 134.7 million ordinary shares with a par value of Baht 10 each, 84.7 million ordinary shares fully paid up and 50 million ordinary shares call-up Baht 8.62 each.	100.00
True International Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommuni- cation services	THB 22 million divided into 850,000 ordinary shares with a par value of Baht 100 each, 10,000 ordinary shares fully paid up and 840,000 ordinary shares call-up Baht 25 each.	99.43
True International Gateway Co., Ltd.	1 Fortune Town Building, 15 <sup>th</sup> Floor, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Telecommuni- cation and internet	THB 436 million divided into 4.36 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
True Internet Co., Ltd.	1 Fortune Town, 14th, 27th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet solutions service provider	THB 1,770.24 million divided into 275.28 million ordinary shares with a par value of Baht 8 each, 75.28 million ordinary shares fully paid up and 200 million ordinary shares call-up Baht 5.84 each	100.00
True Life Plus Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommuni- cation services reseller	THB 1,775 million divided into 257.5 million ordinary shares with a par value of Baht 10 each, 97.5 million ordinary shares fully paid up and 160 million ordinary shares call-up Baht 5 each	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Move Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Cellulars Operator	THB 3,387.07 million divided into 677.41 million ordinary shares with a par value of Baht 5 each and fully paid up.	99.44
True Move H Universal Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Wireless Telecommuni- cation services	THB 84,844.39 million divided into 8,484.44 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
True Multimedia Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	NON-POTS and Multimedia Service	THB 6,562 million divided into 656.2 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.08
True Music Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 200,000 divided into 20,000 ordinary shares with a par value of Baht 10 each and fully paid up.	99.40
True Music Radio Co., Ltd.	23/6-7, 2nd - 4th Floor, Soi Soonwijai, Rama 9 Road, Bangkok, Bangkok Tel. (662) 641-4838-9 Fax. (662) 641-4840	Trading and production of advertising media	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	69.94
True Public Communication Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommuni- cation services	THB 86 million divided into 860,000 ordinary shares with a par value of Baht 100 each and fully paid up.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Touch Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Call centre services	THB 173.70 million divided into 1.93 million ordinary shares with a par value of Baht 90 each and fully paid up.	100.00
True United Football Club Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Football Club and related activities management	THB 320 million divided into 32 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
True Universal Convergence Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 10,000 million divided into 100 million ordinary shares with a par value of Baht 100 each and fully paid up.	100.00
True Visions Public Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television	THB 2,266.72 million divided into 755.57 million ordinary shares with a par value of Baht 3 each and fully paid up.	99.53
True Visions Cable Public Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television via cable system	THB 7,608.65 million divided into 760.86 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.10
True Visions Group Co., Ltd.	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television	THB 17,326.70 million divided into 225.17 million ordinary shares with a par value of Baht 100 each, 75.17 million ordinary shares fully paid up and 150 million ordinary shares call-up Baht 65.40 each.	100.00



Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Vistas Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production and distribution of movies films	THB 35.50 million divided into 3.55 million ordinary shares with a par value of Baht 10 each and fully paid up.	100.00
K.I.N. (Thailand) Co., Ltd.	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
Gold Palace Logistics Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Island	Holding Company	USD 8,000 divided into 8,000 ordinary shares with a par value of USD 1 each and fully paid up.	100.00
True Trademark Holdings Company Limited (formerly Dragon Delight Investments Limited)	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 4.97 million divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Gold Palace Investments Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 15.09 million divided into 15.09 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Golden Pearl Global Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 2.55 million divided into 2.55 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
GP Logistics Company Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary shares with a par value of USD 1 each and fully paid up.	100.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Golden Light Co., Ltd.	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 17.59 million divided into 17.59 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Goldsky Co., Ltd.	Suite 308, St James Court, St Denis Street, Port Louis, Republic of Mauritius	Holding Company	USD 4.97 million divided into 4.97 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Rosy Legend Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	99.48
Prospect Gain Limited	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	100.00
True Internet Technology (Shanghai) Company Limited	Room 2202-05, Johnson Building, No.145 Pujian Road, Shanghai 200127, P.R.China Tel. (86) 21 5889 0800 - 8049 Fax. (86) 21 5889 0800 - 8033	Developing, designing, producing and sale of software products	USD 15.85 million divided into 15.85 million ordinary shares with a par value of USD 1 each and fully paid up.	100.00
Asia Infonet Co., Ltd.	1 Fortune Town, 14 <sup>th</sup> , 17th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet Service Provider	THB 15 million divided into 1.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	65.00
BEC-TERO True Visions Co., Ltd.	3199 Maleenont Tower, 28 <sup>th</sup> Floor, Rama 4 Rd., Klongton, Klongtoey, Bangkok 10110 Tel. (662) 204-3333 Fax. (662) 204-1384	Sport and Entertainment	THB 50 million divided into 0.5 million ordinary shares with a par value of Baht 100 each and fully paid up.	50.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Transformation Films Co., Ltd.	6, Soi Nak Niwat 12 , Nak Niwat Road, Lat Phrao, Lat Phrao, Bangkok 10230 Tel. (662) 932-5600 Fax. (662) 932-5600	Manufacturing and filmmaker	THB 165 million divided into 1.75 million ordinary shares with a par value of Baht 100 each, 1.25 million ordinary shares fully paid up and 0.5 million ordinary shares call-up Baht 80 each.	28.57
True Voice Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Voice recognised service and related software and hardware	THB 24 million divided into 240,000 ordinary shares with a par value of Baht 100 each and fully paid up.	55.00
True GS Co., Ltd.	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Home shopping	THB 240 million divided into 2.4 million ordinary shares with a par value of Baht 100 each and fully paid up.	45.00
NEC Corporation (Thailand) Co., Ltd.	159 Sermit Tower, 2 <sup>nd</sup> and 24 <sup>th</sup> Floor, Sukumvit 21, Klongtoey Nua, Wattana, Bangkok 10110	Telecom- munication equipment manufacturer	THB 350.30 million divided into 350,300 ordinary shares with a par value of Baht 1,000 each and fully paid up.	9.42
Thai Smart Card Co., Ltd.	191 Silom Complex Building, 27th Floor, Room No. 2, Silom Road, Bangrak, Bangkok 10500	Central Service Bureau for clearing electronic payment transactions	THB 1,600 million divided into 160 million ordinary shares with a par value of Baht 10 each and fully paid up.	15.76
Clearing House for Number Portability Co., Ltd.	98, Sathorn Square Office Tower, Room No. 403, 4 <sup>th</sup> Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500	provide mobile number portability service	THB 2 million divided into 20,000 ordinary shares with a par value of Baht 100 each and fully paid up.	19.94

## Reference

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 Certified Public Accountant (Thailand) No. 3445  
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**Debentureholders'** 1222 AA Floor Rama III Road, Bang Phongphang,  
**Representative** Yannawa, Bangkok 10120  
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## Other Significant Information

### 1. The Acquisition of 1800 MHZ IMT Spectrum License and the Winning of 900 MHz IMT Spectrum License

In November 2015, True Move H Universal Communication Company Limited (“TUC”), a subsidiary of the Company, is the auction winner of 1800 MHz IMT Spectrum License for the first license, spectrum bandwidth covering 1710 -1725 MHz pairing to 1805-1820 MHz (“1800 MHz IMT Spectrum License”) at the total bid price of Baht 39,792 million (VAT excluded). TUC completely fulfilled the conditions precedent set by the National Broadcasting and Telecommunications Commission of Thailand (“NBTC”). Consequently, the NBTC has issued and granted TUC the 1800 MHz IMT Spectrum License and the Type Three Telecommunication Business License in which TUC has already obtained in December 2015.

In December 2015, TUC is the auction winner of 900 MHT IMT Spectrum License for the second license, spectrum bandwidth covering 905-915 MHz pairing to 950-960 MHz (“900 MHz IMT Spectrum License”) at the total bid price of Baht 76,298 million (VAT excluded). Before officially awarded the license to operate 900 MHz, TUC is required to fulfill the conditions precedent set by the NBTC within 90 days after receiving the official notification of auction result.

### 2. Summary of Agreements in Relation to the Businesses Operation of the Group

- (1) The Joint Operation and Investment Agreement (the “Agreement”), entered into by TOT Public Company Limited (then the Telephone Organization of Thailand) and True Corporation Public Company Limited (then C.P. Telecommunications Company Limited) on 2nd August 1991, and amended on 8th September 1995. Such Agreement has a term of 25 years, commencing from 31st December 1992, or the date TOT received the first delivery of system equipment from the Company, whichever is earlier (29th October 1992 - 29th October 2017)

The Agreement’s objective is to expand the fixed-line telephone service within the metropolitan telephone area by two million numbers and 600,000 numbers (respectively in accordance with the consequences of the afore mentioned Agreement). The nature of the Agreement is Build-Transfer-Operate (BTO), where True Corporation Public Company Limited (the “Company”) has a duty to provide and transfer the ownership of the equipment in the system to TOT Public Company Limited (“TOT”). Such equipment in the system under the Agreement is defined in the definitions under clause 1 therein as “System Equipment,” which means any equipment in the Company network which is part of the telecommunications systems and other equipment used jointly in the system, such as telephone exchange equipment, outside plant, local area network, which the Company will provide and will transfer the ownership of to TOT in accordance with appendix 5 and the parties’ agreement to amend it from time to time. The Company must deliver the system equipment which has been completely installed to TOT and cause the ownership of such system equipment to be vested in TOT immediately. In addition, during the term of this Agreement, the Company shall maintain the system equipment which had been vested in TOT to be in good operable condition at all times at a standard no lower than the standard used by TOT in its network. Under such Agreement, the Company has the following rights:

- the right to use, possess, and maintain the system equipment, land, buildings and other properties which the Company has supplied and transferred the ownership thereof to TOT or transferred the leasehold right to TOT, as the case may be, and the right to seek benefits from the system equipment, land, buildings and other properties under the Agreement;
- the right to receive the benefits as agreed upon by the Company and TOT where a third-party uses a special service through the network of the Company;
- the right to receive the benefits as agreed upon by the Company and TOT, where TOT uses a special service through the network of the Company;
- the right to receive damages or compensation where TOT restricts the rights of the Company; and
- the right to use the land, buildings, materials and equipment of TOT to the extent authorized by TOT without any charges.

Based on the operations under the Agreement, TOT shall be responsible for collecting charges from lessees (service users). With regard to the service charges with respect to the two million telephone numbers, TOT will share the revenue actually received before deducting the costs to the Company at the rate of 84%; and with regard to the services charged with respect to the 600,000 telephone numbers, TOT will share the revenue actually received before deducting the costs to the Company at the rate of 79%.

#### The Right to Terminate the Joint Operation and Investment Agreement

- TOT is entitled to terminate the Agreement in the cases described below. Before exercising the right to termination, TOT will give one-month's prior written notice to the Company, but if it is a case that can be rectified, TOT will give the Company a written notice to take appropriate action or make improvement within the period as specified by TOT, which shall not be less than six months. If the Company is unable to make improvement within such period, TOT is entitled to terminate the Agreement.
  - The Company violates the law on public disaster prevention or the law on state security.-
  - The Company is placed under absolute receivership by a court's order in a bankruptcy case.
  - The Company willfully and continuously breaches the Agreement in any material respects.
- The Company is not entitled to terminate the Agreement, except in the cases described below. Before exercising the right to termination, the Company shall give TOT written notice to take remedial or appropriate action within the period specified by the Company, which shall not be less than six months. If TOT is unable to make improvement or correction, the Company will give TOT written notice of termination.
  - TOT willfully and continuously breaches the Agreement in any material respects, causing the Company to be unable to comply with the Agreement.
  - The government, any state agency or TOT revokes the right or undertakes any act which prejudices the right of the Company, considerably affecting the operations of the Company to the extent that it is unable to operate the business under the Agreement.
  - The Company did not receive the relevant revenue share or other money as specified in the Agreement.

(2) The Agreement for the Operation of a Service Business of Leasing High-Speed Signal Transmission Circuits via a Multimedia Network (the "Agreement"), entered into between TOT Public Company Limited (then the Telephone Organization of Thailand) and True Multimedia Company Limited (then Asia Multimedia Company Limited). This Agreement was entered into on 20th October 1997, with a term of 20 years, effective from the date of execution of the Agreement.

The objective of this Agreement is to operate a service business of leasing high-speed signal transmission circuits, both in digital and analog systems, to provide services to general users or entitled persons and/or persons granted the right to be a provider of services through the multimedia network. The nature of the Agreement is Build-Transfer-Operate (BTO), where True Multimedia Company Limited (the “Company”) has a duty to transfer the ownership of the equipment and accessories in the system, which the Company installed in addition to the multimedia network used in the provision of services under the Agreement, to TOT. The Company must provide maintenance for all system equipment and accessories which are owned by TOT to ensure they are in good and functional condition at all times. If any equipment or part is lost or damaged to the extent it is not functional, the Company shall replace or repair the same to its functional state. In operating under this Agreement, the Company has allocated its 18,525,000 shares to TOT, which does not have to pay for such shares.

Under the Agreement, the Company has the following right:

- the exclusive right to possess the assets of which the title is vested in TOT;
- the right to use TOT’s indoor space where a high-speed circuit will be installed;
- the right to lease TOT’s network at the rate specified by TOT in order to use such network for provision of services; and
- the right to connect the network to TOT’s exchange and telecommunications network.

With regard to the right to termination, under the Agreement, TOT is entitled to terminate the Agreement if the Company is unable to habitually operate the business under the Agreement or breaches any of the provisions of the Agreement.

- (3) The Joint Operation Agreement for the Provision of Subscription Cable Television Services (the “Agreement”), entered into between MCOT Public Company Limited (then the Mass Communication Organization of Thailand) and True Visions Cable Public Company Limited (then Thai Cable Vision Public Company Limited), with a term of 25 years, commencing from 1st January 1995 to 31st December 2019, with the first amendment on 7th September 1994, second amendment on 9th November 1994, third amendment on 17th April 1998, and fourth amendment on 8th October 2009, and the Memorandum of Agreement between MCOT Public Company Limited and True Visions Cable Public Company Limited, dated 8th October 2009

The objective of this Agreement is to jointly operate a business providing subscription cable television services, where True Visions Cable Public Company Limited (the “Company”) is granted the right to operate a business of providing subscription cable television services. The Company has a duty to comply with the Agreement by delivering all assets and delivering all receiver equipment to MCOT Public Company Limited (“MCOT”), namely the transmission equipment such as the head-end equipment and broadcast studio equipment. The delivery of such equipment, which is worth no less than Baht 50 million, shall be made to MCOT by 1st January 1995, and the equipment, which is worth no less than Baht 120 million, shall be delivered to MCOT within five years from the date of the second amendment (9th November 1994). The ownership of the receiver equipment, namely the Set-Top Converter system of the members, shall be vested in MCOT upon the expiry of the Agreement. In this regard, the Company shall invest a total of no less than Baht 100 million for use in the business operation, which are expenses in relation to the supply of equipment and accessories. The Company has a duty to maintain the equipment and tools to ensure they are in good functional condition at all times. In operating under this Agreement, the Company agrees to pay consideration for the joint operation in the amount of 6.5% of gross revenue in each year before the deduction of any expenses.

With regard to the termination of the Agreement, it is specified that if the Company fails to comply with any of the provisions therein, MCOT shall give written notice to the Company to comply with the Agreement within a reasonable time. Should the Company fail to take appropriate action in the specified period, the Company must give written clarification to MCOT. Upon considering the clarification, MCOT shall once again notify the Company to take appropriate action within a reasonable time. If the Company fails to comply within this specified time, MCOT is entitled to demand damages or order the suspension of the provision of services and/or is entitled to immediately terminate the Agreement. Where the Cabinet resolved that termination is necessary for state security, MCOT is entitled to terminate the Agreement in whole or in part by giving at least 180-days' prior notice to the Company.

- (4) HSPA Equipment-leasing agreement to provide mobile service (the "HSPA Equipment-Leasing Agreement") between CAT Telecom as the Lesser and BFKT as the Lessor dated 27th January 2011, for the period of 14.5 years (27th January 2011 - 3rd August 2025) and the attached MOU dated 27th January 2011 and dated 17th February 2011.

The Objective of HSPA Equipment-Leasing Agreement is for CAT Telecom to lease HSPA equipment from BFKT and BFKT will also install the equipment on CAT Telecom Network and telecommunication tower in central and provincial area. BFKT agrees to rent out and agree to manage, change, fix and maintain the leasing HSPA equipment around the country for 14.5 years (in accordance with the duration of CAT Telecom's type 3 license). BFKT receives the rental fee in return from CAT Telecom calculated based on the number of the sites ready for the commercial service and in accordance with the criteria and calculation method stated in the Agreement. However, BFKT or CAT Telecom may adjust or make change to the rental fee from time to time as per the terms and conditions specified in the HSPA Equipment-Leasing Agreement.

- (5) The Wholesaling of Mobile Service Agreement (HSPA) (the "Agreement") between CAT Telecom as the wholesaler and Real Move as a reseller for the period of 14.5 years (27th January 2011 - 3rd August 2025) and the attached MOU dated 27th January 2011 and dated 17th February 2011.

The agreement is made in accordance with the NTC's Rule on the Operation of Telecommunication Business by Wholesaling and Reselling which is announced in the Royal Gazette, number 123 special part 136 NG, dated December 29, 2006 including other rules relating to the reselling of mobile service to be announced in the future. By the above mentioned wholesale of mobile service, CAT Telecom agrees to wholesale its mobile service to Real Move or other resellers obtaining a license to resale from the NBTC.

Real Move has agreed to buy mobile capacity from CAT Telecom as stipulated in the Agreement and the volume of the wholesale capacity can be mutually agreed from time to time. At present, the purchased mobile capacity can support approximately 13.3 million nominal subscribers within 31st December 2012. By this, the conditions and terms of the Agreement will be used as a standard wholesaling agreement and apply to every reseller. CAT Telecom has the right to utilize capacity by wholesaling to other resellers. Furthermore, CAT Telecom will inquire Real Move or other resellers their need of buying additional capacity every year so that CAT Telecom can extend its network capacity accordingly in the future.



## (6) Asset and Revenue Sale and Transfer Agreement

- (6.1) Asset and Revenue Sale and Transfer Agreement between BFKT (Thailand) Limited (“BFKT”) as a seller and Digital Telecommunications Infrastructure Fund (“DIF”) (Previously known as TRUE Telecommunications Growth Infrastructure Fund (“TRUEGIF”)) as a purchaser (“BFKT Asset and Revenue Sale and Transfer Agreement”) for the period of 12 years (24th December 2013 - 3rd August 2025)

The objective of BFKT Asset and Revenue Sale and Transfer Agreement is to sell and transfer to DIF

- (i) the rental of the BFKT Telecom Assets being 1,485 telecommunications towers and 9,169 links of FOC grid and transmission equipment pursuant to the HSPA Equipment-Leasing Agreement, (including all claims and other rights arising out such revenue as specified in the relevant Asset and Revenue Sale and Transfer Agreement) from the Commencement Date until the Expiry Date; and
- (ii) the rental of up to 50 telecommunications towers of BFKT from the date following the earlier of the Expiry Date and the date on which the HSPA Equipment-Leasing Agreement is terminated prior to its term or extended term (the “HSPA Termination Date”), until the 10th anniversary of such date

In each case less certain costs and expenses for operation and maintenance, rental payments under land leases (including property tax) insurance premiums and costs associated with securing rights of way (the “BFKT Relevant Costs”), provided that the BFKT Relevant Costs will be subject to applicable annual escalation, (collectively, the “BFKT Sale Revenue”).

BFKT irrevocably grants to DIF the option to purchase certain BFKT Telecom Assets (the “BFKT Main Specified Assets”) at Baht 10 million (the “Option Price”) exercisable upon the earlier of the Expiry Date and the HSPA Termination Date (the “Option”) consisting of 1,435 telecommunications towers and 9,169 links of FOC grid and transmission equipment comprising 47,250 km of FOC.

Upon DIF exercising the Option and making payment of the Option Price, if there are any BFKT Main Specified Assets that cannot be transferred and delivered to DIF on the closing of the transfer of the BFKT Main Specified Assets (the “BFKT Main Specified Asset Closing Date”), BFKT shall pay to DIF the terminal value of such BFKT Main Specified Assets. Upon the payment of such terminal value in full, BFKT shall be relieved from its obligation to deliver and transfer the relevant BFKT Main Specified Assets to DIF.)

The terminal value in relation to any BFKT Main Specified Assets shall be an amount equal to 18 times the aggregate amount of the BFKT Monthly Sale Revenue (as defined below) for the 12 months preceding the month in which the BFKT Main Specified Asset Closing Date occurs (the “BFKT Terminal Value”).

On or prior to the earlier of the Expiry Date and the HSPA Termination Date, BFKT shall enter into a lease agreement to lease to any True Group entity one slot on the remaining BFKT Towers that are not the BFKT Main Specified Assets (the “BFKT Remaining Specified Asset Leasing Agreement”), having a term of at least ten years from the date following the earlier of the Expiry Date and the HSPA Termination Date, (the “BFKT Final Long Stop Date”) and shall procure and deliver to DIF the monthly net revenue generated from the rental of the BFKT Remaining Specified Assets until the BFKT Final Long Stop Date or, if earlier, the transfer of the BFKT Remaining Specified Asset to DIF, each in accordance with the terms and conditions of the BFKT Asset and Revenue Sale and Transfer Agreement.

Subject to the terms and conditions set out in the BFKT Asset and Revenue Sale and Transfer Agreement, BFKT shall, at any time during the term of the BFKT Remaining Specified Asset Leasing Agreement and upon it obtaining evidence of the legal and valid land rights and/or leases in relation to the sites where any BFKT Remaining Specified Assets are located or operated, sell and transfer to DIF and DIF shall purchase and accept such BFKT Remaining Specified Assets at a price (the “BFKT Remaining Specified Asset Purchase Price”) to be agreed between DIF and BFKT in accordance with the BFKT Asset and Revenue Sale and Transfer Agreement.

Title and risk of loss or damage to the BFKT Sale Revenue, BFKT Main Specified Assets and BFKT Remaining Specified Assets shall pass to DIF upon the relevant closing, except as otherwise provided in the BFKT Asset and Revenue Sale and Transfer Agreement.

Prior to the BFKT Main Specified Asset Closing Date, if a trigger event as specified in the BFKT Asset and Revenue Sale and Transfer Agreement occurs, DIF may demand BFKT to make payment of the net present value of all remaining BFKT Sale Revenue owed under the BFKT Asset and Revenue Sale and Transfer Agreement plus the BFKT Terminal Value of the BFKT Main Specified Assets (the “BFKT Outstanding Sale Revenue”) and exercise or enforce all or any part of the rights of DIF available under the BFKT Asset and Revenue Sale and Transfer Agreement.

BFKT shall be liable in respect of any claim in relation to the BFKT Transferred Specified Assets if a notice of such claim is given by DIF within two years from the relevant BFKT Asset Closing Date, except for claims arising out of certain material matters as set out in the BFKT Asset and Revenue Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, BFKT’s warranties on its authority and capacity, ownership of the BFKT Transferred Specified Assets and breach of material undertakings.

The aggregate liability of BFKT in respect of (i) the BFKT Sale Revenue in relation to the HSPA Equipment-Leasing Agreement shall not exceed the BFKT Outstanding Sale Revenue; (ii) the BFKT Main Specified Assets transferred to DIF shall not exceed their BFKT Terminal Value; (iii) the BFKT Remaining Specified Assets transferred to DIF shall not exceed the purchase price of the BFKT Remaining Specified Assets paid by DIF; (iv) the BFKT Sale Revenue in relation to the BFKT Remaining Specified Assets Leasing Agreement shall not exceed the net present value of all remaining net rental revenue owed; and (v) all other breaches the aggregate liabilities shall not exceed 50 per cent of the BFKT Purchase Price. BFKT shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the BFKT Asset and Revenue Sale and Transfer Agreement.

Insurance: BFKT undertakes (a) to procure that, within 45 days from the BFKT Revenue Closing Date, DIF shall be named as co-insured and co-beneficiary under all True Group’s insurance policies in relation to the BFKT Telecom Assets; (b) to procure that all True Group’s insurance policies in relation to the BFKT Telecom Assets are maintained in accordance with the terms set out in the BFKT Asset and Revenue Sale and Transfer Agreement; (c) upon the relevant BFKT Asset Closing Date, to arrange for an insurance policy for the BFKT Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of

True Group's insurance policies in relation to the BFKT Transferred Specified Assets without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

- (6.2) Asset and Revenue Sale and Transfer Agreement between Asia Wireless Communication Company Limited ("AWC") as a seller and DIF ("AWC Asset and Revenue Sale and Transfer Agreement") as a purchaser for the period of 12 years (24th December 2013 - 3rd August 2025)

The objective of AWC Asset and Revenue Sale and Transfer Agreement is to sell and transfer to DIF

- (i) the rental of the AWC Towers being 4,360 telecommunications towers pursuant to the AWC Leasing Agreement, (including all claims and other rights arising out of such revenue as specified in the relevant Asset and Revenue Sale and Transfer Agreement) from the Commencement Date until the date on which the AWC Leasing Agreement expires (the "AWC Expiry Date"); and
- (ii) the rental of up to 392 telecommunications towers of AWC from the date following the earlier of the AWC Expiry Date and the date on which the AWC Leasing Agreement is terminated prior to its term or extended term (the "AWC Termination Date"), until the 10th anniversary of such date,

In each case less certain costs and expenses for operation and maintenance, rental payments under leases (including property tax) and insurance premiums (the "AWC Relevant Costs"), provided the AWC Relevant Costs will be subject to applicable annual escalation, (collectively, the "AWC Sale Revenue") and

Upon the earlier of the AWC Expiry Date and the AWC Termination Date, AWC shall transfer to DIF, and DIF shall accept, certain AWC Towers being 3,968 telecommunications towers (the "AWC Main Specified Assets") on the date which is scheduled to be the closing date for the transfer and delivery of the AWC Main Specified Assets (the "AWC Main Specified Asset Closing Date"), (the AWC Sale Revenue and the AWC Main Specified Assets are collectively, the "AWC Sale Assets").

For the AWC Main Specified Assets that cannot be transferred and delivered on the AWC Main Specified Asset Closing Date, AWC shall pay DIF the terminal value of the relevant AWC Main Specified Assets on the AWC Main Specified Asset Closing Date. Upon the payment of such terminal value in full, AWC shall be relieved from its obligations to deliver and transfer the relevant AWC Main Specified Assets to DIF. The terminal value in relation to any AWC Main Specified Assets shall be an amount equal to 14 times the aggregate amount of the AWC Monthly Sale Revenue (as defined below) for the 12 months preceding the month in which the AWC Main Specified Assets Closing Date occurs (the "AWC Terminal Value").

AWC undertakes that it shall enter into a lease agreement to lease to any True Group entity one slot on the remaining AWC Towers that are not the AWC Main Specified Assets (the "AWC Remaining

Specified Asset Leasing Agreement”) which include up to 392 telecommunications towers (the “AWC Remaining Specified Assets”), having a term of at least ten years from the earlier of the date following the AWC Expiry Date and the AWC Termination Date, (the “AWC Final Long Stop Date”) and shall procure and deliver to DIF the monthly net revenue generated from the rental of the AWC Remaining Specified Assets until the AWC Final Long Stop Date or, if earlier, the transfer of the AWC Remaining Specified Asset to DIF, each, in accordance with the terms and conditions of the AWC Asset and Revenue Sale and Transfer Agreement.

Subject to the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement, AWC shall, at any time during the term of the AWC Remaining Specified Asset Leasing Agreement and upon it obtaining evidence of the legal and valid land rights and/or leases in relation to the sites where any AWC Remaining Specified Assets are located, sell and transfer to DIF and DIF shall purchase and accept such AWC Remaining Specified Assets at a price to be agreed between DIF and AWC in accordance with the AWC Asset and Revenue Sale and Transfer Agreement.

Title and risk of loss or damage to the AWC Sale Revenue, AWC Main Specified Assets and AWC Remaining Specified Assets shall pass to DIF upon the relevant closing, except as otherwise provided in the AWC Asset and Revenue Sale and Transfer Agreement.

The aggregate liability of AWC in respect of (i) the AWC Sale Revenue in relation to the AWC Leasing Agreement shall not exceed the AWC Outstanding Sale Revenue; (ii) the AWC Main Specified Assets transferred to DIF shall not exceed their AWC Terminal Value; (iii) the AWC Remaining Specified Assets transferred to DIF shall not exceed the purchase price of the AWC Remaining Specified Assets paid by DIF; (iv) the AWC Sale Revenue in relation to the AWC Remaining Specified Assets Leasing Agreement shall not exceed the net present value of all remaining net rental revenue owed; and (v) all other breaches the aggregate liabilities shall not exceed 50 per cent of the AWC Purchase Price. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the AWC Asset and Revenue Sale and Transfer Agreement.

Insurance: AWC undertakes: (a) to procure that, within 45 days from the AWC Revenue Closing Date, DIF shall be named co-insured and co-beneficiary under all True Group’s insurance policies in relation to the AWC Towers; (b) to procure that all True Group’s insurance policies in relation to the AWC Towers are maintained in accordance with the terms set out in the AWC Asset and Revenue Sale and Transfer Agreement; (c) upon the relevant AWC Asset Closing Date, to arrange for an insurance policy for the AWC Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of True Group’s insurance policies in relation to the AWC Towers without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

- (6.3) Additional Asset and Revenue Sale and Transfer Agreement between Asia Wireless Communication Company Limited (“AWC”) as a seller and DIF (“AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1”) as a purchaser for the period of 10 years (1st March 2015 - 3rd August 2025)

The objective of AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1 is for AWC to sell and transfer to DIF, and DIF to purchase and accept, the revenue expected to be received by AWC from the rental of AWC’s telecommunications towers being 338 telecommunications towers (“AWC Towers for Additional Investment No. 1”) pursuant to the Additional AWC Leasing Agreement, (including all claims and other rights arising out of such revenue as specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1)

In each case less certain costs and expenses for operation and maintenance, rental payments under land leases (including house and land tax) and insurance premiums (the “AWC Relevant Costs”), provided the AWC Relevant Costs will be subject to applicable annual escalation, (collectively, the “AWC Sale Revenue for Additional Investment No. 1”) and

Upon the Additional AWC Expiry Date or the date on which the Additional AWC Leasing Agreement is terminated prior to its term or extended term, as the case may be, AWC shall transfer to DIF, and DIF shall accept, certain AWC Towers for Additional Investment No. 1 (the “AWC Assets for Additional Investment No. 1”) on the date which is scheduled to be the closing date for the transfer and delivery of the AWC Assets for Additional Investment No. 1 (the “AWC Asset Closing Date for Additional Investment No. 1”), (the AWC Sale Revenue for Additional Investment No. 1 and the AWC Assets for Additional Investment No. 1 are collectively, the “AWC Sale Assets for Additional Investment No. 1”).

For the AWC Assets for Additional Investment No. 1 that cannot be transferred and delivered on the AWC Asset Closing Date for Additional Investment No. 1, AWC shall pay DIF the terminal value of the relevant AWC Assets for Additional Investment No. 1 on the AWC Asset Closing Date for Additional Investment No. 1. Upon the payment of such terminal value in full, AWC shall be relieved from its obligations to deliver and transfer the relevant AWC Assets for Additional Investment No. 1 to DIF. The terminal value in relation to any AWC Assets for Additional Investment No. 1 shall be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for the 12 months preceding the month in which the AWC Assets Closing Date for Additional Investment No. 1 occurs (the “AWC Terminal Value”).

In case of any change to the monthly rental revenue of the AWC Towers for Additional Investment No. 1 pursuant to the Additional AWC Leasing Agreement as a result of CAT Telecom agreeing to terminate its exclusive right to use the AWC Towers for Additional Investment No. 1 under the HSPA Equipment Lease Agreement, the parties agree that the terminal value in relation to any AWC Assets for Additional Investment No.1 shall remain to be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for Additional Investment No. 1 for the 12 months preceding the month in which the AWC Asset Closing Date for Additional Investment No.1 occurs as if there has been no change in the monthly rental revenue of the AWC Towers for Additional Investment No.1 as a result thereof, subject to the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.1.

Title and risk of loss or damage to the AWC Sale Revenue for Additional Investment No. 1 and AWC Assets for Additional Investment No. 1 shall pass to DIF upon the relevant closing dates, except as otherwise provided in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1.

The aggregate liability of AWC in respect of (a) the AWC Sale Revenue for Additional Investment No. 1 shall not exceed the AWC Outstanding Sale Revenue; (b) the AWC Assets for Additional Investment No. 1 transferred to DIF shall not exceed their AWC Terminal Value; (c) all other breaches the aggregate liabilities shall not exceed 50 per cent of the AWC Purchase Price for Additional Investment No. 1. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1.

Insurance: AWC undertakes: (a) to procure that, within 45 days from the AWC Revenue Closing Date for Additional Investment No. 1, DIF shall be named co-insured and co-beneficiary under all True Group's insurance policies in relation to the AWC Towers for Additional Investment No. 1; (b) to procure that all True Group's insurance policies in relation to the AWC Towers for Additional Investment No. 1 are maintained in accordance with the terms set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 1; (c) upon the relevant AWC Asset Closing Date for Additional Investment No. 1, to arrange for an insurance policy for the AWC Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (d) not to modify any term of True Group's insurance policies in relation to the AWC Towers without the prior written consent of DIF, which shall not be unreasonably withheld; and (e) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

## (7) Asset Sale and Transfer Agreement

- (7.1) Asset Sale and Transfer Agreement between True Corporation Public Company Limited ("True") as a seller and DIF as a purchaser ("True Asset Sale and Transfer Agreement")

The objective of True Asset Sale and Transfer Agreement is to sell and transfer to DIF, and DIF shall purchase the following New Tower Assets:

- 3,000 towers by 31st December 2014; and
- 3,000 towers by 31st December 2015
- (each, the "Scheduled Delivery Date")

From the date following each Scheduled Delivery Date until 31st December 2020 (the "True Final Long Stop Date"), if, on 31st December of each year, there are any New Tower Assets which cannot be delivered to DIF, True shall pay delay damages to DIF in an amount equal to the amount that DIF is required to refund to TUC under the TUC Master Lease Agreement for any unavailable New Tower Assets in relation to such year (the "Annual Rental Shortfall"), plus 15 per cent per annum.

On the True Final Long Stop Date, if there are any New Tower Assets which cannot be delivered to DIF, True shall pay to DIF an amount equal to 12 times the Annual Rental Shortfall for the year 2020 in accordance with the terms and conditions of the True Asset Sale and Transfer Agreement.

Upon the earlier of the date True delivers all New Tower Assets to DIF and the True Final Long Stop Date, if any New Tower Asset delivered by True to DIF is not in accordance with the applicable specifications in the True Asset Sale and Transfer Agreement, the applicable party will be entitled to receive compensation from the other party for any difference in such specifications, subject to the terms of the True Asset Sale and Transfer Agreement.

Title to and risk of loss or damage to the New Tower Assets shall pass to DIF upon each delivery of the relevant New Tower Assets (a "Delivery") which shall be in accordance with the process specified in the True Asset Sale and Transfer Agreement.

Prior to each relevant Delivery, True shall warrant and represent to the Purchaser that, among others, the New Tower Assets to be delivered shall be legally and beneficially owned by True and shall be free from all encumbrances.

Key obligation of True from each relevant Delivery and in respect of the delivered New Tower Assets, True shall at its own expense in relation to any land and/or property leases which cannot be assigned or novated to DIF, procure that each of DIF, the lessees of the New Tower Assets, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant sites;

The aggregate liability of True in respect of all breaches under the True Asset Sale and Transfer Agreement shall not exceed the True Purchase Price. True shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the True Asset Sale and Transfer Agreement.

True undertakes from the relevant Delivery: (a) to procure that, until DIF's relevant insurances are put in place, all True Group's insurance policies in relation to the True Transferred Specified Assets are maintained in accordance with the terms set out in the True Asset Sale and Transfer Agreement; (b) to arrange a policy for the True Transferred Specified Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policy; (c) not to modify any term of True Group's insurance policies in relation to the True Transferred Specified Assets without the prior written consent of DIF, which shall not be unreasonably withheld; and (d) to ensure that all insurance proceeds are used to repair, reinstate or otherwise replace the assets which are the subject of an insurance claim giving rise to such insurance proceeds.

True shall be liable in respect of any claim in relation to the True Transferred Specified Assets if a notice of such claim is given by DIF within two years from the relevant Delivery, except for claims arising out of certain material matters as set out in the True Asset Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims. Such matters include, among others (other than pursuant to applicable law), True's warranties on its authority and capacity, ownership of the New Tower Assets and breach of material undertakings;

The obligation of True in relation to the relocation and repurchase of the True Affected Assets on the site (or part of a site) which has been assigned or novated to DIF, in relation to any True Transferred Specified Asset being seized, taken into custody or otherwise rendered unusable by any tenant due to any illegality to access or to use such site or any part thereof shall be limited to five years after the date of the assignment or novation of such site to DIF.

- (7.2) Asset Sale and Transfer Agreement between True Universal Convergence Company Limited (“TU”) as a seller and DIF as a purchaser (“TU Asset Sale and Transfer Agreement”)

The objective of TU Asset Sale and Transfer Agreement is to sell and transfer (i) 5,112 km of core FOC grid (including transmission equipment) located in the upcountry region of Thailand; and (ii) the upcountry broadband system with a capacity of approximately 1.2 million ports (the “TU Sale Assets”).

Title and risk of loss or damage to the TU Sale Assets shall pass to DIF upon the closing of the sale and transfer, except as otherwise provided in the TU Asset Sale and Transfer Agreement, provided that the risk of loss or damage to the TU Sale Assets that are under construction shall pass to DIF upon the delivery of such under construction assets which shall be in accordance with the process specified in the TU Asset Sale and Transfer Agreement.

From the Asset Closing Date, TU shall at its own expense, procure that each of DIF, the lessees of the TU Sale Assets, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant right of way with respect to such assets in accordance with the terms and conditions of the TU Asset Sale and Transfer Agreement.

In relation to any contracts with respect to the TU Sale Assets which cannot be assigned or novated to DIF, procure that DIF can enjoy the rights and benefits of TU under such contracts.

From the Asset Closing Date, TU shall be liable in respect of any claim in relation to the TU Transferred Specified Assets if a notice of such claim is given by DIF within two years from the Asset Closing Date, except for claims arising out of certain material matters as set out in the TU Asset Sale and Transfer Agreement for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, TU’s warranties on its authority and capacity, ownership of the TU Sale Assets and breach of relevant material undertakings.

The aggregate liability of TU in respect of all breaches under the TU Asset Sale and Transfer Agreement shall not exceed the TU Purchase Price. TU shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the TU Asset Sale and Transfer Agreement.

TU undertakes to procure that: (a) until DIF’s relevant insurances are put in place, all True Group’s insurance policies in relation to the TU Sale Assets are maintained in accordance with the terms set out in the TU Asset Sale and Transfer Agreement; (b) to arrange relevant insurance policies in relation to the TU Sale Assets under the name of DIF, provided that DIF shall be responsible for the insurance premiums with respect to such insurance policies; and (C) not to modify any term of True Group’s relevant insurance



policies for the TU Sale Assets without the prior written consent of DIF, which shall not be unreasonably withheld and delayed

#### (8) Master Lease, Operation and Management Agreements

- (8.1) Master Lease, Operation and Management Agreement between TUC as a lessee and DIF as a lessor ("TUC Master Lease, Operation and Management Agreement") for the period of 14 years (24th December 2013 - 31st December 2027)

The objective of TUC Master Lease, Operation and Management Agreement is to lease slots on telecommunications towers and lease passive facilities in relation to certain towers, (collectively, the "Leased Properties") including operates and manages Leased Properties until 31st December 2027.

The Leased Properties will consist of at least (the "Minimum Leased Properties"):

- (a) 6,619 slots on 3,000 towers commencing from 1st January 2015;
- (b) 13,993 slots on 6,000 towers commencing from 1st January 2016; and
- (c) 15,249 slots on 6,000 towers commencing from 1st January 2017

The rental rates for the Leased Property are divided into 3 types as listed below and are subject to applicable discounts and/or adjustments as described below:

Type I : ground-based towers: Baht 25,400 per month per slot;

Type II : rooftop-based towers: Baht 23,200 per month per slot; and

Type II I: IBC/DAS: Baht 39,400 per month per slot

The following adjustments/discounts to the rental rate apply under the conditions described below :

- (a) founder tenant discount: 32%
- (b) volume discount (regardless of which type):
  - 1 - 3,000 slots: no discount;
  - 3,001 - 5,000 slots: 30% discount;
  - 5,001 - 10,000 slots: 35% discount; and
  - 10,001 slots and more: 40% discount

If TUC or other founder tenants, at any time during the terms of the lease, wishes to lease, operate and manage additional slots, TUC/or other founder tenants will be entitled to both founder tenant discount and volume discount for the rental rates.

Annual escalation at a fixed rate of 2.7% per annum applies from January 2015.

TUC will make net rental payments for the lease, operation and management of the Leased Properties in advance on the 7th (or the next business day) of each month starting from January 2014. TUC will make the net rental payments to DIF in advance on a monthly basis for the Minimum Leased Properties – one year in advance for slots on the first batch of 3,000 towers to be delivered by 31st December 2014 and two years in advance for slots on the second batch of 3,000 towers to be delivered by 31st December 2015.

At the end of each year starting from 2015 until 2020, DIF will return to TUC the respective part of the advance payment proceeds should the number of towers available for TUC to lease, operate and manage falls below the respective Minimum Leased Properties in relation to such year. DIF shall return such advance payment proceeds to TUC within the next Business Day from the date True has made payment in respect of the delay damages for late and/or non delivery of the relevant New Tower Assets to DIF pursuant to the terms of True Asset Sale and Transfer Agreement.

Upon the earlier of the date True delivers all New Tower Assets to DIF and 31st December 2020, if any New Tower Asset delivered by True to DIF does not satisfy the specifications in the True Asset Sale and Transfer Agreement causing the advance rental payments made by TUC to be different from the actual rental payments TUC is obligated to pay to DIF for the lease of the Leased Properties, such differences will be paid to the applicable party by the other party in accordance with the terms of the TUC Master Lease, Operation and Management Agreement.

DIF shall be responsible for the rental payments under the land leases in respect of the site where the Leased Properties are located whereby (a) during the term of the lease, TUC shall be the person making the rental payments under the land leases in respect of the site where the Leased Properties are located which such method has been reflected in the amount of the net advance annual rental payments in the table attached to the summary of the TUC Master Lease, Operation and Management Agreement and (b) for the renewal term, DIF shall be the person making the rental payments under the land leases in respect of the site where the Leased Properties are located.

DIF shall be responsible for obtaining and maintaining, in respect of any Leased Properties, adequate insurance (including third party liability insurance and any other coverage) customary for the Leased Properties, and paying for relevant insurance premiums and TUC shall be responsible for obtaining and maintaining, in respect of any telecommunications equipment that TUC installs or places on any Leased Property, adequate insurance, including third party liability insurance and any other coverage, customary for such telecommunications equipment.

Each of DIF and TUC agrees to indemnify each other for all losses and damages arising from breaches of their respective representations, warranties and covenants under the TUC Master Lease, Operation and Management Agreement, subject to customary carve-outs.

TUC is allowed to sublease the slots that it leases, operates and manages under the TUC Master Lease, Operation and Management Agreement, without prior consent of DIF, as follows:

- (i) the Minimum Leased Properties to any third party;
- (ii) any slots (in addition to the Minimum Leased Properties) to (a) any other founder tenants, (b) True or any of its existing or future subsidiaries and/or any non-True entity awarded to operate telecommunications business using 1800 MHz frequency, (c) CAT, (d) TOT and (e) other telecommunications operators by exchanging for use of other telecommunications operator's slots without consideration; and
- (iii) any slots (in addition to the Minimum Leased Properties) to any third party other than those listed in (ii) above whereby the rental rate that TUC pays to DIF for such slots shall be calculated by applying the discount that is applicable to the sub-lessee if such sub-lessee were to directly lease, operate and manage the Leased Properties from DIF without the founder tenant discount; provided that DIF

may agree to give additional discounts to TUC in case TUC leases such slots for the purpose of subleasing to other third party.

If any reinforcement or enhancement of any towers that DIF acquired from TUC or True and/or its subsidiaries which are subject to the lease, operation and management under the TUC Master Lease, Operation and Management Agreement, is required or necessary (either due to TUC's and/or third party tenant's request), TUC will perform such reinforcement or enhancement in all cases but at DIF's cost plus a reasonable margin. If DIF lacks funding for such reinforcement or enhancement, TUC will advance the costs of such reinforcement or enhancement. DIF will reimburse TUC for such costs together with the applicable margin within 30 days from the date of invoice by TUC. If it fails to do so, DIF agrees to pay TUC interest on the outstanding but unpaid amount at the rate of 7.5% per annum from the due date until such payment is made in full. If DIF fails to reimburse TUC within the specified period, TUC is permitted to off-set such costs together with the applicable margin and interest against the monthly rental payment due and payable by TUC to DIF.

- (8.2) Master Lease, Operation Maintenance and Management Agreement between TU as a lessee and DIF as a lessor ("TU Master Lease Agreement") for the period of 13 years and 5 years, as the case may be, starting from 24th December 2013

The objective of TU Master Lease Agreement is to lease, operates, and manages (i) approximately 5,112 km of core FOC grid, whereby TU will lease, operate and manage, for each year, at least the minimum as shown in the table attached to the summary of the TU Master Lease, Operation and Management Agreement; (ii) transmission equipment related to the core FOC grid; (iii) upcountry broadband system which comprises passive telecommunications equipment (for exclusive use by TU unless agreed otherwise by TU after the initial 5 years); and (iv) upcountry broadband system which comprises active telecommunications equipment (for exclusive use by TU), (collectively, the "Leased Properties"). The term of the lease, operation and management is:

- (1) until 2026, for core FOC grid and upcountry broadband system which are passive telecommunications equipment; and
- (2) until 2018, for transmission equipment that is related to the core FOC grid and upcountry broadband system which are active telecommunications equipment.

The rental rates for the leased property are equal to :

- (a) Core FOC grid:
  - (1) up to 76% of the core FOC grid (i.e. 93,370 core km): Baht 350 per month per core km; and
  - (2) in excess of 76% to 100% of the core FOC grid: Baht 1,100 per month per core km, whereby, the annual net rental revenue for the core FOC grid that DIF will receive will be calculated based on the above rate less operation and maintenance fee for core FOC grid at the rate of Baht 186 million per annum.
- (b) Transmission equipment related to the core FOC grid: Baht 38 million per annum.
- (c) Upcountry broadband system which comprises passive telecommunications equipment: Baht 791 million per annum (subject to future rate adjustments to be agreed, in case TU agrees to release its right to exclusive use after year 5).

(d) Upcountry broadband system which comprises active telecommunications equipment: Baht 317 million per annum.

The following adjustments/discounts to the rental rate apply under the conditions described below:

- (1) annual escalation for rental rate of upcountry broadband system (both active and passive telecommunications equipment) at 5% in 2015; and
- (2) at the rate equal to the Consumer Price Index (CPI) announced by the Ministry of Commerce of Thailand for the previous year and beginning from January 2016, such rate shall not exceed 3.5%; and
- (3) no escalation for rental rate of core FOC grid and transmission equipment.

DIF shall be responsible for obtaining and maintaining third party liability insurance for the Leased Property, and paying for relevant insurance premiums.

If any upgrade of any Leased Properties or relevant assets that DIF acquired from TU or True or any of its subsidiaries which are subject to lease, operation and management under the TU Master Lease, Operation and Management Agreement, is required or necessary, TU will perform such upgrade at its own cost, whereby such upgrades shall become additional assets which if TU wishes to sell to any person, TU must first offer to sell such assets to DIF.

#### (9) Long-Term Lease Agreement and FOC Sub-Lease, Operation and Management Agreement

- (9.1) Long-Term Lease Agreement between AWC as a lessor and DIF as a lessee ("Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1") for the period of 20 years (from 5th March 2015)

The objective of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 is for DIF to lease FOC of 7,981 km. in upcountry regions ("Leased Property") for the period of 20 years.

AWC acknowledges and consent that DIF may seek benefits from the Leased Property by sub-leasing such property. DIF shall have no obligation in relation to the operation, maintenance and management of the Leased Property. The sub-lessee which sub-leases the Leased Property from DIF shall be responsible for the operation, maintenance and management of the Leased Property. DIF will initially sub-lease part of the Leased Property to TU, and TU shall have the obligations in relation to the operation, maintenance and management of the Leased Property in accordance with service standards specified in the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 and the FOC Sub-lease, Operation and Management Agreement (which will be later defined) between DIF and TU. DIF shall not be responsible to AWC for any damage incurred to the Leased Property as a result of the sub-lease or any fault in the operation, maintenance and management of the Leased Property by TU and/or any founder sub-lessee which is a True Group entity. AWC agrees that it shall not demand DIF to be liable for any damage arising out thereof.

From the date of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, AWC shall procure that each of DIF, DIF's sub-lessee of the Leased Property, the Telecom Asset Manager and their designated persons has the right to access the Leased Property pursuant to the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

From the date of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, if, as a result of any defect of the Leased Property or any other events that result in the sub-lessee being unable to use such Leased Property, DIF and AWC acknowledge that TU, as the founder sub-lessee under the FOC Sub-Leased, Operation and Management Agreement, will have the obligations in relation to the operation and maintenance of the Leased Property, including rectifying, modifying or relocating the Leased Property to ensure their normal use at TU's own expenses in accordance with the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement. In case that TU fails to rectify, modify or relocate the Leased Property according to the FOC Sub-Lease, Operation and Management Agreement, AWC shall arrange for the same pursuant to the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

Upon DIF's exercising the option to purchase and making payment of the Option Price, if there is any part of the Leased Property that cannot be transferred and delivered to the Fund on the closing date of the transfer of the Leased Property (the "Leased Property Closing Date"), AWC shall pay to DIF the fair value of such part of the Leased Property that cannot be transferred and delivered to DIF. The parties agree that the fair value shall be from either the average price obtained from two appraisers approved by the SEC pursuant to the relevant notifications and appointed by each of the parties to appraise the property or any other method as agreed by the parties. In case of the appraisals by the two appraisers, if the average prices obtained from each appraiser differ more than 50 per cent from the lower average price, both parties shall mutually agree to the fair value of the Leased Property that cannot be transferred and delivered to DIF. Upon AWC's payment of such fair value in full, AWC shall be relieved of its obligation to deliver and transfer such part of the Leased Property to DIF.

From the Leased Property Closing Date, AWC shall, at its own costs:

- (a) procure (by itself or other person it may appoint) DIF and sub-lessees of the Leased Property which have been delivered and transferred to DIF on the Leased Property Closing Date ("Transferred Assets"), The Telecom Asset Manager and their designated persons are entitled to use and access the rights of way with respect to such property in accordance with the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, provided that if other True Group entity or any other person approved by DIF is responsible for the rights of way with respect to the Transferred Assets and leases such Leased Property, AWC shall no longer have such responsibility; and
- (b) in relation to any agreements with respect to the Transferred Assets which cannot be assigned and/or novated to DIF, procure that DIF can enjoy the rights and benefits of AWC under such agreements.

AWC may (by itself or other person it may appoint) change the Leased Property by replacement of new FOC with equal or longer FOC core km in length at its own expenses. After such change of the Leased Property, AWC shall notify DIF of such change on annual basis.

If, as a result of AWC's (by itself or other person it may appoint) constructing or procuring additional FOC (whether by addition to or replacement of new FOC on the same route with increasing core km in length) for leasing to other tenants or in support of additional capacity, which is not the maintenance of the leased FOC pursuant to the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement, AWC agrees to grant to DIF the right to purchase, lease or otherwise invest in such additional FOC at the fair value.

AWC may (by itself or other person it may appoint) change the Leased Property by deployment of new FOC with equal or longer core km of FOC which is neither for leasing to other persons nor is it in support of additional capacity, the parties agree that the FOC so changed shall be the maintenance of the leased FOC pursuant to the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement and shall be part of the Leased Property from which DIF may seek benefits throughout the term of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1, whereby AWC agrees not to charge additional rental in such a case.

During the term of the lease, AWC's aggregate liability in relation to breaches of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 shall not exceed the Leased Value. AWC shall be liable for any actual damages, losses, claims, taxes (other than VAT), stamp duty, liabilities and related costs and expenses, arising out of or resulting from the entry into, exercise and enforcement under the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1;

If DIF exercises the option to purchase and AWC has transferred the Leased Property to DIF, as from the Leased Property Closing Date:

- (1) AWC shall be liable in respect of any claim in relation to the Transferred Assets if a notice of such claim is given by DIF within two years from the Leased Property Closing Date, except for claims arising out of certain material matters as set out in the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 for which there shall be no time limitation for giving notice of claims. Such matters include (other than pursuant to applicable law), among others, AWC's misrepresentation on its authority and capacity, ownership of the Transferred Assets and breach of material undertakings;
- (2) In respect of (a) any part of the Transferred Assets, the liability of AWC shall not exceed the fair value of such part of the Transferred Assets, whereas the parties agree that the fair value shall be the average price obtained from two appraisers approved by the SEC office pursuant to the relevant notifications and appointed by each party to appraise the property or by other method as agreed by the parties; (b) all other breaches occurring after the Leased Property Closing Date, the aggregate liabilities of AWC shall not exceed 50 per cent of the Lease Value and the Option Price of such asset. Parties agree that both parties shall have no liability for damage caused to the Transferred Assets due to force majeure.

The insurance relating to the Leased Property shall be in accordance with the terms and conditions of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1.

- (9.2) FOC Sub-Leased, Operation, Maintenance and Management Agreement between TU as a sub-lessee and DIF as a lessor ("FOC Sub-Leased, Operation and Management Agreement") for the period of 11 years (5th March 2015 - 7th December 2026)

The objective of the TU Sub-Leased, Operation and Management Agreement is for DIF to sub-lease FOC of 7,981 km. which DIF obtains the long term lease from AWC and is entitled to seek benefits therefrom by sub-leasing it in accordance with the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1. ("the Property Sub-leaseable by DIF"), whereby TU will sub-lease, operate and manage, for each year, at least the minimum as specified in the Sub-Leased, Operation and Management Agreement (the "Sub-Leased Property").

The rental rates for the Sub-Leased Property are equal to:

- (1) for the Sub-Leased Property of up to 213,818 core km: Baht 350 per month per core km; and
- (2) for the Sub-Leased Property in excess of 213,818 core km to 303,453 core km: Baht 1,100 per month per core km.

whereby, the annual net rental revenue for the Sub-Leased Property that DIF will receive will be calculated based on the above rate less a discount at the rate of Baht 88 million per annum.

No upward or downward adjustment to the rental rate for the Sub-Leased Property during the term of the sub-lease except as agreed by the parties pursuant to the terms and conditions set out in the FOC Sub-Lease, Operation and Management Agreement.

TU may further sub-lease the Sub-Leased Property in accordance with the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement.

DIF (by itself or other person it may appoint) shall be responsible for obtaining and maintaining adequate insurance coverage for the Property Sub-leasable by DIF, including third party liability insurance coverage, and paying for relevant insurance premiums. TU as the sub-lessee and/or a lessee of the sub-lessee shall be responsible, at its cost and expense, to obtain and keep in force, insurance in relation to its own equipment connected and/or linked to the sub-leased property leased by it under this Agreement, including third party liability insurance.

True Corporation Public Company Limited  
Major Shareholders <sup>1/</sup>  
(as of 17<sup>th</sup> March 2015)

Name	No. of Shares (Million Shares)	% of Total Issued Shares
1. CP Group <sup>2/</sup>	12,554.31	51.02
2. CHINA MOBILE INTERNATIONAL HOLDINGS LIMITED <sup>3/</sup>	4,429.43	18.00
3. THAI NVDR COMPANY LIMITED <sup>4/</sup>	1,597.00	6.49
4. UOB KAY HIAN (HONG KONG) LIMITED - Client Account <sup>3/</sup>	456.14	1.85
5. UBS AG HONG KONG BRANCH <sup>5/</sup>	206.52	0.84
6. HSBC (SINGAPORE) NOMINEES PTE LTD <sup>6/</sup>	185.03	0.75
7. STATE STREET BANK EUROPE LIMITED <sup>7/</sup>	155.48	0.63
8. MR. PAMORN POLTEP	131.22	0.53
9. MR. PICHIT CHINWITTHAYAKUL	84.00	0.34
10. CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED-CLIENT <sup>3/</sup>	79.01	0.32

<sup>1/</sup> There is no cross-shareholding between the Company and its major shareholders.

<sup>2/</sup> Consisting of

- (1) Charoen Pokphand Group Company Limited ("CPG") which operates businesses in investment, chemical products import and distribution, and providing technical services, where the Chearavanont Family is a major shareholder (The first ten shareholders are Mr. Sumet Jiaravanon 12.96%, Mr. Dhanin Chearavanont 12.96%, Mr. Jaran Chiaravanont 12.75%, Mr. Montri Jiaravanont 12.63%, Mr. Kiat Chiaravanont 5.76%, and Mr. Phongthep Chiaravanont 3.65% with the following shareholders each holding 3.62%: Mrs. Yupa Chearavanont, Mr. Prathip Chiaravanont, Mrs. Phatanee Leksrisompong, Mr. Watcharachai Chiaravanont, Mr. Manu Chiaravanont and Mr. Manas Chiaravanont), held 27.95% of TRUE's shares
- (2) Unique Network Company Limited which operates business in investment (41.06% held by Thana Holding Company Limited and 58.94% held by Art Telecom Service Company Limited), held 7.40% of TRUE's shares
- (3) Wide Broad Cast Company Limited which operates business in investment (58.55% held by Thana Holding Company Limited and 41.45% held by Telecommunication Network Company Limited), held 3.95% of TRUE's shares
- (4) C.P. Interfood (Thailand) Company Limited which operates businesses in production and wholesale of ready-made meat products (99.99% held by CPG), held 3.33% of TRUE's shares
- (5) Worth Access Trading Limited which operates business in investment (100% held by CPG Overseas Company Limited), held 2.36% of TRUE's shares.
- (6) Bangkok Telecom Holding Company Limited which operates business in investment (99.99% held by Charoen Pokphand Holding Company Limited), held 1.42% of TRUE's shares
- (7) Creative Light Investments Limited which operates business in investment (100% held by Charoen Pokphand Holding Company Limited), held 1.33% of TRUE's shares
- (8) Charoen Pokphand Holding Company Limited which operates business in investment (99.99% held by CPG), held 1.18% of TRUE's shares
- (9) Bangkok Produce Merchandising Public Company Limited which operates businesses in buying and selling of animal feed raw materials (99.44% held by Charoen Pokphand Foods Public Company Limited ("CPF"), held 1.07% of TRUE's shares and
- (10) Kasetphand Industry Company Limited which operates businesses in production and distribution of livestock farming equipment products (99.99% held by CPG), held 1.01% of TRUE's shares

(All 10 companies do not undertake the same business and compete with TRUE GROUP)

<sup>3/</sup> The company is registered under the Law of Hong Kong and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.

<sup>4/</sup> A subsidiary wholly owned by the SET. The NVDR is a security automatically listed by the SET. By investing in NVDRs, the investor will receive the same financial benefits, as those who invest directly in the company's ordinary shares. The only difference between investing in the NVDR and the company's ordinary shares is that NVDR holders do not have the rights to vote.

<sup>5/</sup> The company is registered under the Law of Switzerland and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.

<sup>6/</sup> The company is registered under the Law of Singapore and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.

<sup>7/</sup> The company is registered under the Law of Great Britain and invests in the SET without disclosing that its investment is neither for itself nor for others. True is not authorised to request for the aforementioned disclosure.



The Company has a policy to declare dividend at least 50% of its net profits from the Company's Financial Statements subject to statutory reserves and availability of cash and in accordance with the relevant regulations and conditions of its credit facilities.

There has been no dividend payment since the establishment of the Company until the Year 2015 because the Company still has an accumulated loss. Pursuant to the law, if the Company still has an accumulated loss, no dividend shall be distributed.

However, in the Year 2015, the Company has eliminated the deficit of the Company to prepare the Company to declare dividend when the Company has net profit and cash flow.

For the dividend policy of subsidiary companies, Board of Directors will consider the dividend payment from the balance of cash flows taking into account the capital expenditure requirements. Subject to the availability of cash flows and a legal reserves, the Board of Directors shall consider the payment of dividends on a case-by-case basis.

## 1. The Board of Directors

The Company's Articles of Association stipulates that the Board of Directors shall consist of not less than 5 directors and not less than one half of whom shall reside within the Kingdom. The qualifications of the Company's directors shall be as prescribed by law.

As of 31<sup>st</sup> December 2015, the Company's Board of Directors consists of 18 directors as follows:

- (1) 4 Executive Directors
- (2) 14 Non-Executive Directors consisted of:
  - 6 Independent Directors accounting for one-third of the total numbers of the board which is in compliance with the regulation of the Capital Market Supervisory Board
  - 8 Directors from various organizations irrelevant to the Company's business management, including representatives of the major shareholders

### Definitions:

#### **Executive Director** means

A director who holds a management position and engages in the Company's business management.

#### **Non-Executive Director** means

A director who does not hold a management position and does not engage in the Company's business management, whether or not he or she is an Independent Director.

#### **Independent Director** means

A director who is independent of any major shareholder, the group of major shareholders and the management of any juristic person who is the major shareholder of the Company including any relationship that would interfere with the exercise of independent judgment and have qualification as prescribed by the regulations of Capital Market Supervisory Board and the Corporate Governance Policy of the Company.

The Board of Directors of the Company (as of 31<sup>st</sup> December 2015) is as follows:

Name	Position	Board of Director Meeting	
		Number of Meeting <sup>1/</sup>	Number of Attendance
1. Mr. Vitthya Vejjajiva	Independent Director, Chairman of the Audit Committee and Member of the Corporate Governance Committee	5	5
2. Dr. Kosol Petchsuwan	Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee	5	5
3. Mr. Joti Bhokavanij	Independent Director, Member of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee	5	4
4. Mr. Harald Link	Independent Director	5	4
5. Prof. Rawat Chamchalem	Independent Director	5	5
6. Mr. Xu Genluo	Independent Director	5	4
7. Mr. Dhanin Chearavanont	Chairman of the Board and Chairman of the Compensation and Nominating Committee	5	4
8. Dr. Ajva Taulananda	Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee	5	5
9. Prof. Athueck Asvanund	Vice Chairman of the Board and Group General Counsel	5	4
10. Mr. Li Zhengmao	Vice Chairman of the Board and Member of the Compensation and Nominating Committee	5	1
11. Prof. Dr. Warapatr Todhanakasem	Director and Member of the Finance Committee	5	5
12. Mr. Umroong Sanphasitvong	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee	5	5
13. Mr. Vichaow Rakphongphairoj	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV	5	5
14. Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment	5	3
15. Mr. Soopakij Chearavanont	Director and Member of the Compensation and Nominating Committee	5	2
16. Mr. Narong Chearavanont	Director	5	4
17. Mr. Gao Nianshu	Director and Member of the Finance Committee	5	2
18. Mr. Suphachai Chearavanont	Director, President and Chief Executive Officer	5	5

Remark : <sup>1/</sup> In the year 2015, the Board of Directors held totally 5 meetings.

Furthermore, the Company has stated in its Policy on Corporate Governance that the Company allows non-executive directors to hold meetings for discussing management issues or any issues they are interested in without presence of executive directors and management. In 2015, non-executive directors had such meetings, in an unofficial form, after finishing the Board meeting.

All Directors have qualifications as prescribed by law. None is prohibited persons under the laws and shall possess any untrustworthy characteristics under regulations of the Securities and Exchange Commission (“SEC”).

All Directors perform their duties with dedications and take their responsibilities very seriously. They cooperate on all decisions affecting the Company, entailing major work and responsibility. They attend all meetings except in unavoidable circumstances. Any director who is unable to attend the meetings will notify the Board of their absence in advance while providing their comments on the major agenda items. In addition, the Board of Directors gives priority to attend training courses organized by the Thai Institute of Directors Association (“IOD”).

### **Authorized Directors**

Any two of five directors, namely Mr. Soopakij Chearavanont, Mr. Suphachai Chearavanont, Mr. Chatchaval Jiaravanon, Prof. Athueck Asvanund, Mr. Vichaow Rakphongphairoj, jointly sign with the Company’s seal affixed. In case of signing the Financial Statements, certified letter of Financial Statements and other documents relating thereto, anyone of the above-mentioned five directors signs with the Company’s seal affixed.

### **Authorities and Responsibilities of the Board of Directors**

- Oversee compliance of the conducting of the Company’s business with the applicable laws, objectives and Articles of Association of the Company and resolutions of shareholders’ meetings. In this regard, the Board shall perform their duty with prudence, due care, in good faith to preserve the interests of the Company and shareholders, and disclose information to the shareholders in an accurate, adequate, transparent and timely manner
- approve visions, strategy, missions, business plans and financial target and monitor the implementation thereof
- evaluate the operation of the Company and performance of the Chief Executive Officer (the “CEO”)
- ensure senior management succession
- adopt policies regarding business ethics and codes of conduct, disclosure, related party transactions and insider trading, and monitor compliance with those policies adhering to moderation, reasonableness and self-immunity system
- oversee compliance with accounting, risk management, financial and other controls and applicable laws
- provide the process on receiving any complaints and information concerning fraud
- recommend to shareholders Board nominees

With regard to the management of the Company, the Board of Directors has the authority to make any decision related to the Company’s regular operations except for matters that require the approval of the shareholder meeting as specified by law. In addition, the Board of Directors may grant authorization to one or more directors, or any other person, to perform any acts on its behalf. However, for any decision on major operations such as a major investment or a major loan procurement, the management team shall propose the said transactions to the Board of Directors for approval.

### **Authorities and Responsibilities of the Chairman of the Board**

- The Chairman as the chief of the Board of Directors has the duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other Board-committees to achieve the business objectives and plans
- Preside over the Board of Directors meeting
- Preside over the Shareholders meeting and conducting the meeting in compliance with the Company’s Articles of Association and following the sequence of the Agenda
- Perform the duty specified by law as the duty to be performed by the Chairman

## 2. The Executive Officers

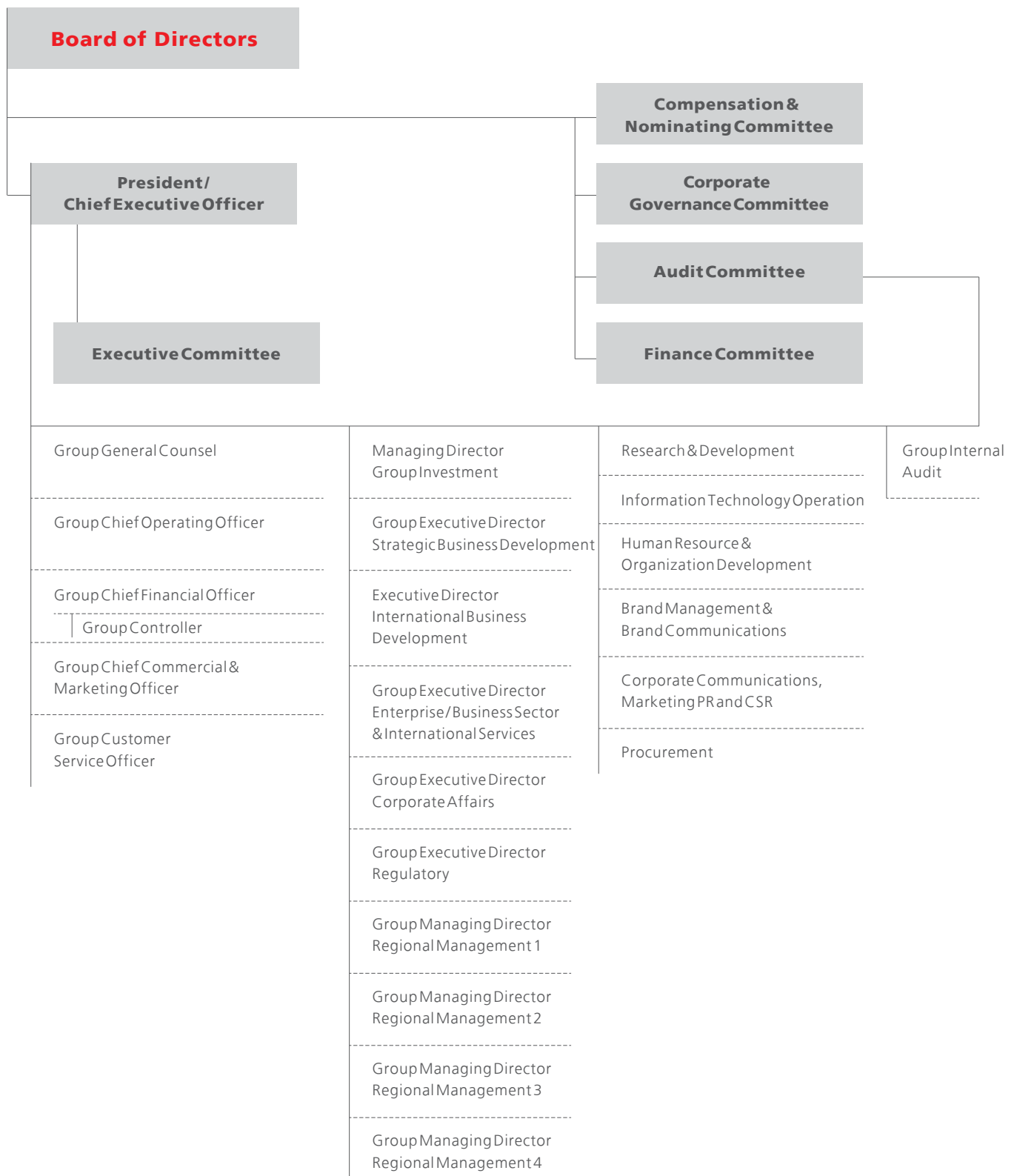
As of 31<sup>st</sup> December 2015, the Executive Officers <sup>1/</sup> of the Company are as follows:

Name	Position
1. Mr. Suphachai Chearavanont	Director, President and Chief Executive Officer
2. Prof. Athueck Asvanund	Vice Chairman and Group General Counsel
3. Mr. Vichaow Rakphongphairoj	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV
4. Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment
5. Mr. Noppadol Dej-Udom	Group Chief Financial Officer
6. Mr. William Harris	Executive Director - International Business Development and Assistant to CEO
7. Mr. Kachorn Chiaravanont	Group Executive Director - Corporate Affairs
8. Mr. Thiti Nantapatsiri	Group Executive Director - Regulatory
9. Mr. Adhiruth Thothaveesansuk	Group Chief Information Officer and Group Managing Director - Regional Management and Group Executive Director
10. Mr. Songtham Phianpattanawit	Group Executive Director - Enterprise & International Services
11. Mr. Anat Mekpaiboonvatana	Group Managing Director - Regional Management and Group Executive Director
12. Mr. Charoen Limkangwanmongkol	Group Managing Director - Regional Management and Group Executive Director
13. Dr. Papon Ratanachaikanont	Group Executive Director - Small & Medium Sized Business (SMB) Sector and Executive Assistant to CEO
14. Mr. Carl Goodier	Group Chief Customer Service Officer
15. Mr. Siripoj Kunakomphan	Group Managing Director - Regional Management and Group Executive Director

Remark: <sup>1/</sup> "The term "Executive Officers" referred in the notification of the Office of Securities and Exchange Commission (the "SEC") means the President; persons with managerial authority who are among the top four ranked individuals in the Company, after the President; and all other persons who occupy a position equivalent to a top four ranking.

In this regard, all Executive Officers have qualifications as prescribed by law and are not prohibited under the laws and shall not possess any untrustworthy characteristics under regulations of the SEC.

## MANAGEMENT STRUCTURE



## Authorities and Responsibilities of the CEO and President

The Chief Executive Officer (“CEO”) and President is the highest management position of the Company and appointed by the Board of Directors.

The relationship between the Board of Directors and the management is in the form of collaboration. The Board of Directors acts as the regulator in terms of providing consultation, comments and suggestions to the management, as well as providing support to the operation of the Company’s business, and monitoring the management and the Company’s performance without interfering with the operation of the Company’s business. The CEO and President is responsible for implementing the Board of Directors’ policy, and managing and supervising the operation of the Company’s business in accordance with the Articles of Association of the Company, the shareholder’s resolutions, the Board of Directors’ resolutions, the Company’s business direction and relevant legislations.

The authorities and responsibilities of the CEO and President are as follows:

- Establish the business direction, mission, business plan and budget of the Company and submit to the Board of Directors for approval
- Formulate business strategies and action plans for the Company according to the Company’s business direction and mission as approved by the Board of Directors
- Ensure the strategic alignment of the Company and the effective implementation of the Company’s business plan
- Direct, control and monitor the Company’s day-to-day business and risk management according to the Company’s business direction, business plan and budget as approved by the Board of Directors
- Ensure the Company’s business be conducted in accordance with relevant laws and regulations
- Submit reports on the Company’s business activities and operating performance to the Board of Directors on a regular basis. If the Board of Directors provides comments or suggestions to management, the CEO and President would be responsible for executing those comments or suggestions in order to achieve an effective outcome
- Engage in any contract or agreement and approve any expenses as a delegation of authority as defined in the Company’s policy and guideline on Signing Authority. However, in the case of entering into any related party transaction or transaction which may have conflicts of interest with the Company or its subsidiaries, such transaction must be carried out according to relevant laws and regulations
- Execute any other tasks assigned by the Board of Directors

## 3. Company Secretary

The Board of Directors appointed Mrs. Ranginee Sujaritsunchai as a Company Secretary since 27<sup>th</sup> February 2009. The Company Secretary is responsible for providing advice on laws and regulations related to the Board, helping organize the Board’s activities, monitoring compliance with the Board’s resolutions and undertaking duties as prescribed in the Securities and Exchange Act B.E. 2535 and its amendment. The Company discloses information regarding the Company Secretary in the “Information of the Company Secretary”.

## 4. Remuneration of the Company's Directors and Executive Officers

### (1) Monetary Remuneration

#### (1.1) Remuneration of Directors

During 1<sup>st</sup> January - 31<sup>st</sup> December 2015, the 16 directors of the Company were remunerated Baht 28,400,000 details are as follows:

	Remuneration per person (Baht)	Total (Baht)
Group 1		
- Chairman Mr. Dhanin Chearavanont	3,600,000	
- Independent Directors who are the Chairman of the Committee Mr. Vitthya Vejjajiva and Dr. Kosol Petchsuwan	3,600,000	
Total		10,800,000
Group 2		
- Independent Directors who are Committee members Mr. Joti Bhokavanij	2,400,000	
Total		2,400,000
Group 3		
- Vice Chairman Dr. Ajva Taulananda and Professor Athueck Asvanund	1,800,000	
Total		3,600,000
Group 4		
- Independent Directors Mr. Harald Link Professor Rawat Chamchalem and Mr. Xu Genluo	1,200,000	
- Directors Mr. Suphachai Chearavanont (1 <sup>st</sup> May 2015 – 31 <sup>st</sup> December 2015) Mr. Soopakij Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Vichaow Rakphongphairoj, Mr. Umroong Sanphasitvong, Mr. Narong Chearavanont and Professor Dr. Warapatr Todhanakasem	800,000 1,200,000	
Total		11,600,000
Grand Total		28,400,000



In addition, Mr. Joti Bhokavanij, Independent Director and Member of the Audit Committee of the Company, also holds a position of Director in two subsidiaries of the Company as a representative of the Company's Audit Committee. He received remuneration from the Company's subsidiaries in 2015 as follows:

		Total remuneration	
		(1 <sup>st</sup> Jan - 31 <sup>st</sup> Dec 2015)	
1) Director of Bangkok Inter Teletech Public Company Limited		-	Baht
2) Director of True Move Company Limited		<u>600,000</u>	Baht
	Total remuneration	<u>600,000</u>	Baht

## (1.2) Remuneration of Executive Officers

The top 15 executives received remuneration totaling Baht 246.71 million in the Year 2015 (from 1<sup>st</sup> January 2015 to 31<sup>st</sup> December 2015) comprising of salary, performance pay and other benefits.

## (2) Other Remuneration

### (2.1) Directors' Remuneration

- None -

### (2.2) Executive Officers' Remuneration

#### (2.2.1) Provident Fund

The Company provides provident fund plan for its Executive officers which require the Company to make monthly contribution to the fund at 3-7% of the Executive Officers' salary. In 2015, the Company made contributions for 15 Executive Officers in the aggregate amount of Baht 12.04 million.

#### (2.2.2) Employee Joint Investment Program Year 2014 – 2017 ("EJIP")

The Company has implemented the EJIP which is a long-term incentive plan with a period of 4 years (including Silent Period), starting from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2017. Eligible Executive Officers must have working period until the initial contribution date of not less than 3 years. The Company will deduct from payroll of eligible Executive Officer who voluntarily joins the program at the rate of 5% of the Executive Officers base salary and the Company will contribute 10% of the Executive Officers base salary. In 2015, 14 Executive Officers joined the program and the Company made contributions in the aggregate amount of Baht 15.13 million.

## 5. Personnel

As of 31<sup>st</sup> December 2015, the total number of employees was as follows:

Work Group and Classification	Number of Employees
Management	92
Service Area & Network Operation	1,016
Marketing & Sales	440
Information Technology	80
Customer Services	147
Finance & Accounting	106
Support	493
<b>Total</b>	<b>2,374</b>

Source: The Company

## Employees' Remuneration and Welfare

### (1) Monetary Remuneration

- Monthly Salary
- Annual Performance Pay: between zero and 4 times the monthly salary, subject to the Company's performance and financial status.
- Retirement: the employee must be aged 60 years or can take early retirement with agreement between the Company and the employee. Severance pay will be paid according to the labor law.

Since 1<sup>st</sup> January - 31<sup>st</sup> December 2015, the total remuneration for employees was approximately Baht 2,521.35 million comprising wages, salaries, social security fund, provident fund and other benefits.

### (2) Welfare

- **Health Plans and Employee Welfare**
  - In-house clinic
  - Annual Medical Check-up
  - New Employees' Medical Check-up
  - Group Health Insurance
  - Group Accident Insurance
  - Group Life Insurance
  - Social Security Fund
  - Provident Fund

● **Annual Leave**

The employee shall be entitled to paid annual leave of 10, 12 or 15 working days per calendar year depending on the seniority of their position or their number of years of service as follows:

- Assistant Director or equivalent level and upwards: 15 working days
- Below Assistant Director or equivalent level:
  - a) Past probation to less than 3 years 10 working days
  - b) 3 years upwards to less than 5 years 12 working days
  - c) 5 years upwards 15 working days

## 6. Employee Training and Developments

The Company places great emphasis on the training and developments of its employees. Therefore, it has established the “Capability Development & Learning Center” (CD&LC) whose primary objective is to build the employees’ competence, which will be the cornerstone of individual and professional development and career opportunities for employees. The Capability Development & Learning Center provides various learning options for the continual development of employees to help them fulfill their current assignments and achieve their career goals. People development will ultimately strengthen organizational performance.

The other major roles of the Capability Development & Learning Center, beyond being an employee training and development programs provider, are those of change agent and business partner for every department.

The Capability Development & Learning Center acts as the change agent by being the change facilitator, who supports the Company’s new strategies and directions and encourages all employees to prepare themselves for more complicated challenges.

The Company has opened a new training center at True Tower 2 on Pattanakarn Road, that has been designed to provide an ideal learning atmosphere. The new center also features modern systems for displaying information of company developments and for training registrations. Moreover, a stimulator has been installed to aid in job training so that the employees will have the proper skills to succeed in their tasks.

At the same time, the Capability Development & Learning Center is a business partner for every department which works closely with them, designing and developing appropriate training and development programs to match each department’s business roadmap and providing all necessary support.

Presently, the Capability Development & Learning Center has prepared a number of platforms in order to add more learning channels to facilitate their sustainable and continual career development. These include a VDO conference long-distance learning platform for employees who work outside Bangkok; a self-E-learning system; and True-iBook, an electronic journal system.

The Company offers approximately 200 training courses per year. In 2015, the total Training Man-days was 25,295 with an expenditure of THB 72 million. There were developmental courses for employees of all levels; for example, Organization Culture 4C, Effective Communications, Planning and Organizing, and Effective Self Development.

In 2015, the Company focused on Customer Centric Organization & High Productivity along with leadership development of all levels in accordance with the Leader Developing Leader Cascade Program. There were over 2,125 attendees in various management skills courses, including Effective Communications, Problem Solving and Decision Making, Negotiations, Project Management, Risk Management, Finance for Non-Finance Manager and Operation Management. The core business, business and product development and new technologies program includes courses such as 4G Technology, FTTx, Digital TV, Broadband Network, and NGN Network & Application. In addition, the Company provided a safety program for technicians and engineers as well as introducing the Teletech system, which combines traditional lectures with E-learning to develop supervisors. Moreover, the Company provided the commercial and customer services development courses for salesman, customer service officers, and technicians, there are True Products & Services, Service Excellence, Managing Your Image, Presentation Excellence, True Dialogue and Information Technology Trainings. These included the customer service and all supporting systems for the company such as data communication network systems and information technology security systems.

Furthermore, the Capability Development and Learning Center cooperated with the both public and private universities / academic institutes to provide courses in ICT and related technology, such as Master of Engineering in Enterprise Architecture with Mahidol University, Master of Business Administration in Retail Management with Assumption University, Master of Business Administration in Content Management and Value Creation with Bangkok University, and Bachelor of Business Administration in Customer Management with Suan Dusit Rajabhat University. Beyond this, the Capability Development & Learning Center also arranged training for undergraduates. These are parts of Corporate Social Responsibility and Social Enterprise and good model for the large enterprises to create value for society and country.

## Information of Directors, Executive Officers, Controlling Parties and Company Secretary (as of 31<sup>st</sup> December 2015)

### Directors

Name	Mr. Vitthya Vejjajiva
<b>Position</b>	Independent Director, Chairman of the Audit Committee and Member of the Corporate Governance Committee
<b>Age (year)</b>	79
<b>Date of the First Appointment as a Director</b>	4 <sup>th</sup> January 1999
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Master Degree of Laws, Harvard University, USA Master Degree of Arts, University of Cambridge, England Bachelor of Laws, University of Cambridge, England Barrister-at-law, Gray's Inn
<b>Training</b>	CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP) - Audit Committee Program (ACP) - Chairman 2000
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1999-Present Independent Director and Chairman of the Audit Committee, True Corporation Public Company Limited</p> <p>Present Member of the Corporate Governance Committee, True Corporation Public Company Limited Independent Director and Member of the Audit Committee, Glow Energy Public Company Limited</p> <p>2002-Present Independent Director and Chairman of the Audit Committee, Finansa Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>2013-Present Independent Director, Bangkok Glass Public Company Limited</p> <p>1998-Present Chairman, K Line (Thailand) Company Limited and its subsidiaries</p> <p>1991-1992 Permanent Secretary of the Ministry of Foreign Affairs</p> <p>1988 Ambassador Extraordinary and Plenipotentiary of the United States of America</p> <p>1984 Ambassador Extraordinary and Plenipotentiary of Belgium and the European Community</p> <p>1981 Ambassador Extraordinary and Plenipotentiary of Canada</p> <p>1979 Director - General of Department of International Economic Affairs</p>

Name	Dr. Kosol Petchsuwan
<b>Position</b>	Independent Director, Chairman of the Corporate Governance Committee and Member of the Audit Committee
<b>Age (year)</b>	76
<b>Date of the First Appointment as a Director</b>	11 <sup>th</sup> February 1993
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Doctor of Philosophy (Engineering), Imperial College London  Bachelor of Engineering, Imperial College London
<b>Training</b>	<ul style="list-style-type: none"> <li>- CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control</li> <li>- Thailand Competitiveness Conference 2015 : Building Competitive Thailand for Sustainability and Inclusiveness</li> </ul>
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP)</li> <li>- Director Certification Program (DCP)</li> <li>- Audit Committee Program (ACP)</li> <li>- Role of the Chairman Program (RCP)</li> <li>- Financial Institutions Governance Program (FGP)</li> <li>- Finance for Non-Finance Directors (FND)</li> <li>- Monitoring Fraud Risk Management (MFM)</li> <li>- Monitoring of the Quality of Financial Reporting (MFR)</li> <li>- Monitoring the Internal Audit Function (MIA)</li> <li>- Monitoring the System of Internal Control and Risk Management (MIR)</li> <li>- Chartered Director Class (R-CDC)</li> <li>- Audit Committee Effectiveness Seminar: What Works Best – Global Practices vs. Practices in Thailand</li> <li>- 2012 Theme: Innovative Approaches to Create Value for Business and Society</li> <li>- IOD Director Briefing 1/2013 Thailand's Economic Outlook 2013</li> <li>- IOD Tea Talk : "Effective Regulation and Corporate Governance in Asia"</li> <li>- The 2<sup>nd</sup> National Director Conference 2013 "Board Leadership Evolution"</li> <li>- IOD Director Briefing 2/2014 : The Four Pillars of Board Effectiveness</li> <li>- Directors Forum 2014 : Family Business Governance of Sustainability</li> <li>- Improving Corporate Governance Key to Advancing Thailand (the 3<sup>rd</sup> National Director Conference 2014)</li> </ul>
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present      Independent Director and Member of the Audit Committee, True Corporation Public Company Limited</p> <p>2011-Present      Chairman of the Corporate Governance Committee, True Corporation Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>2014-Present      Member of the National Legislative Assembly</p> <p>2004-Present      Independent Director and Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited (Formerly named ACL Bank Public Company Limited)</p> <p>2001-2009      Director, Mahidol Wittayanusorn School (Public Organization)</p> <p>2001-2005      President, The Telecommunications Association of Thailand under Royal Patronage</p> <p>2000-2001      Chairman, The Aeronautical Radio of Thailand Limited</p> <p>1986-1992      Rector, King Mongkut's Institute of Technology Ladkrabang</p>

Name	Mr. Joti Bhokavanij																										
<b>Position</b>	Independent Director, Member of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee																										
<b>Age (year)</b>	73																										
<b>Date of the First Appointment as a Director</b>	22 <sup>nd</sup> December 1999																										
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -																										
<b>Family Relationship</b>	- None -																										
<b>Education</b>	Fellow of the Association of Chartered Certified Accountants, England  Programme for Management Development, Harvard Business School, USA  Marketing Management Programme, Stanford University, Graduate School of Business, USA																										
<b>Training</b>	CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control																										
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP)</li> <li>- Chairman 2000</li> <li>- Director Certification Program (DCP)</li> <li>- IOD National Director Conference 2012 - Moving Corporate Governance Forward : Challenge for Thai Directors</li> <li>- Monitoring the Quality of Financial Reporting (MFR)</li> <li>- Successful Formulation &amp; Execution of Strategy (SFE)</li> <li>- How to Measure the Success of Corporate Strategy (HMS)</li> <li>- Monitoring Fraud Risk Management (MFM)</li> <li>- Monitoring the Internal Audit Function (MIA)</li> <li>- Monitoring the System of Internal Control and Risk Management (MIR)</li> </ul>																										
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table border="0"> <tr> <td>1999-Present</td><td>Independent Director and Member of the Audit Committee, True Corporation Public Company Limited</td></tr> <tr> <td>Present</td><td>Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited</td></tr> <tr> <td>2013-Present</td><td>Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited</td></tr> <tr> <td>2012-Present</td><td>Independent Director and Member of the Audit Committee, Loxley Public Company Limited</td></tr> <tr> <td>2000-2001</td><td>Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited)</td></tr> <tr> <td>1994-1997</td><td>President &amp; CEO, Thai Wah Group of Companies</td></tr> <tr> <td>1992-1994</td><td>Managing Director and Consul-General of Denmark for Bangkok, The East Asiatic (Thailand) Public Company Limited</td></tr> <tr> <td>2013-Present</td><td>Chairman, Bangkok Ranch Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table border="0"> <tr> <td>2002-Present</td><td>Director, True Move Company Limited</td></tr> <tr> <td></td><td>Director, Bangkok Inter Teletech Public Company Limited</td></tr> <tr> <td>1999-Present</td><td>Director, Kingfisher Holdings Limited</td></tr> <tr> <td>2009-Present</td><td>Director, Thai Smart Card Company Limited</td></tr> <tr> <td>2004-2006</td><td>Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited)</td></tr> </table>	1999-Present	Independent Director and Member of the Audit Committee, True Corporation Public Company Limited	Present	Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited	2013-Present	Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited	2012-Present	Independent Director and Member of the Audit Committee, Loxley Public Company Limited	2000-2001	Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited)	1994-1997	President & CEO, Thai Wah Group of Companies	1992-1994	Managing Director and Consul-General of Denmark for Bangkok, The East Asiatic (Thailand) Public Company Limited	2013-Present	Chairman, Bangkok Ranch Public Company Limited	2002-Present	Director, True Move Company Limited		Director, Bangkok Inter Teletech Public Company Limited	1999-Present	Director, Kingfisher Holdings Limited	2009-Present	Director, Thai Smart Card Company Limited	2004-2006	Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited)
1999-Present	Independent Director and Member of the Audit Committee, True Corporation Public Company Limited																										
Present	Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited																										
2013-Present	Independent Director and Member of the Audit Committee, Siam Makro Public Company Limited																										
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2000-2001	Executive Chairman, TISCO Finance Public Company Limited (Presently known as TISCO Bank Public Company Limited)																										
1994-1997	President & CEO, Thai Wah Group of Companies																										
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2013-Present	Chairman, Bangkok Ranch Public Company Limited																										
2002-Present	Director, True Move Company Limited																										
	Director, Bangkok Inter Teletech Public Company Limited																										
1999-Present	Director, Kingfisher Holdings Limited																										
2009-Present	Director, Thai Smart Card Company Limited																										
2004-2006	Chief Executive Officer, ACL Bank Public Company Limited (Presently known as Industrial and Commercial Bank of China (Thai) Public Company Limited)																										

Name	Mr. Harald Link										
<b>Position</b>	Independent Director										
<b>Age (year)</b>	61										
<b>Date of the First Appointment as a Director</b>	1 <sup>st</sup> March 2010										
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 298,681 shares (0.00%) Spouse : - None -										
<b>Family Relationship</b>	- None -										
<b>Education</b>	MBA, St. Gallen University, Switzerland										
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -										
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table> <tr> <td>Mar 2010-Present</td><td>Independent Director, True Corporation Public Company Limited</td></tr> <tr> <td>2000-Feb 2010</td><td>Director, True Corporation Public Company Limited</td></tr> <tr> <td>1998-Present</td><td>Independent Director, Siam City Cement Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table> <tr> <td>2010-Present</td><td>Director, G&amp;L Beijer AB (Listed in the Stock Market of Sweden)</td></tr> <tr> <td>1987-Present</td><td>Chairman, B. Grimm Group of Companies</td></tr> </table>	Mar 2010-Present	Independent Director, True Corporation Public Company Limited	2000-Feb 2010	Director, True Corporation Public Company Limited	1998-Present	Independent Director, Siam City Cement Public Company Limited	2010-Present	Director, G&L Beijer AB (Listed in the Stock Market of Sweden)	1987-Present	Chairman, B. Grimm Group of Companies
Mar 2010-Present	Independent Director, True Corporation Public Company Limited										
2000-Feb 2010	Director, True Corporation Public Company Limited										
1998-Present	Independent Director, Siam City Cement Public Company Limited										
2010-Present	Director, G&L Beijer AB (Listed in the Stock Market of Sweden)										
1987-Present	Chairman, B. Grimm Group of Companies										



Name	Prof. Rawat Chamchalerm
<b>Position</b>	Independent Director
<b>Age (year)</b>	71
<b>Date of the First Appointment as a Director</b>	1 <sup>st</sup> March 2010
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 141,095 shares (0.00%) Spouse: 75,595 shares (0.00%)
<b>Family Relationship</b>	- None -
<b>Education</b>	Master Degree of Laws, Chulalongkorn University  Bachelor of Laws, Thammasat University  Barrister at Law, Thai Bar Association  Degree : National Defence College, Joint Public-Private Course (Class 1)
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP)
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Mar 2010-Present Independent Director, True Corporation Public Company Limited 2010-Present Chairman of the Board, Sino-Thai Engineering and Construction Public Company Limited Present Independent Director, Serm Suk Public Company Limited Advisor, Bangkok Airways Public Company Limited 2004-2006 Chairman and Independent Director, MCOT Public Company Limited 2003-2005 Director, Krung Thai Bank Public Company Limited Legal Counsel, Thai Airways International Public Company Limited  <u>Non - listed Companies</u> Present Vice Chairman, Don Muang Tollway Public Company Limited Adjunct Professor, Faculty of Law, Chulalongkorn University Adjunct Professor, Institute of Legal Education Thai Bar Association Adjunct Professor, Master Degree, Mahidol University Adjunct Professor, Doctoral, Bangkokthonburi University Adjunct Professor, Faculty of Law, Mae Fah Luang University Advisor, National Education Standards and Quality Assessment Director, National Commission for Justice Administration Development, the Ministry of Justice Lecturer in Justice Affairs, the Ministry of Justice Lecturer in Department of Special Investigation, the Ministry of Justice

**Prof. Rawat Chamchalerm (Continued)**

	Lecturer in Administration Development, the Ministry of Interior of Thailand Honored Director, Office of Small and Medium Enterprise Promotion
2004-Present	Special Lectuer, Office of the Attorney General, (Ministry of Interior of Thailand) Advisor, Athletic Association of Thailan Patron : His Majesty the King Expert Member in Law, Special Committee in the Council of State Expert Member, Sub-committee in the Office of Council Service Committee, Ministry of Agriculture and Cooperatives
2002-Present	Expert Director, Ministry of Public Health Expert Director, Ministry of Agriculture and Cooperatives Director, Thai National Food Commission Executive Director, National Science and Technology Development Agency Chairman of the Ethics Committee, National Bureau of Agricultural Commodity and Food Standards
2001-Present	Director, Board of Directors on Disclosure of Information Member of the Council of State, Office of the Council of State Director, National Olympic Committee of Thailand
1995-Present	Vice Chairman, Siam City Leasing Factoring Public Company Limited
2007-2015	Expert Member, Board of Special Case, Department of Special Investigation (DSI)
2002-2014	Director, The Officer of Board of Royal Thai Police Vice Chairman, Thai Bar Association
2003-2004	Attorney General, Office of the Attorney General
2001-2004	Director, Government Pension Fund
2000-2003	Deputy Attorney General, Office of the Attorney General
2002-2006	Chairman and Independent Director, The Mass Communication Organization of Thailand
2000-2002	Board of Director, The Mass Communication Organization of Thailand
1996-2000	Director General, Technical Affairs Department, Office of the Attorney General
1996	Director General, Training and Development Institute, Office of the Attorney General
2000-2006	Director, Provincial Waterworks Authority
1996-2009	Director, Saengchai Sunthornwat Foundation
1987-1993	Legal Adviser, Commander of the Royal Thai Army Legal Adviser, Supreme Commander
1993-1996	Director, The Communications Authority of Thailand (Presently known as CAT Telecom Public Company Limited)
1985-1997	Director, Metropolitan Waterworks Authority

Name	Mr. Xu Genluo
<b>Position</b>	Independent Director
<b>Age (year)</b>	58
<b>Date of the First Appointment as a Director</b>	2 <sup>nd</sup> September 2014
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Electronics Major, Hangzhou Institute of Electronic Engineering
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Present      Independent Director, True Corporation Public Company Limited  <u>Non - listed Companies</u> Present      President, Thai - Chinese Rayong Industrial Realty Development Co., Ltd. Vice-Chairman, Chinese – Thai Enterprise Association President, Holley Holding (Thailand) Co.,Ltd.

Name	Mr. Dhanin Chearavanont
<b>Position</b>	Chairman of the Board and Chairman of the Compensation and Nominating Committee
<b>Age (year)</b>	76
<b>Date of the First Appointment as a Director</b>	11 <sup>th</sup> February 1993
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	Mr. Soopakij's, Mr. Narong's and Mr. Suphachai's father
<b>Education</b>	Commercial School Hong Kong  Shantou Secondary School The People's Republic of China  The National Defence College of Thailand
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP)
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present      Chairman of the Board and Chairman of the Compensation and Nominating Committee, True Corporation Public Company Limited Chairman, Charoen Pokphand Foods Public Company Limited Chairman, CP All Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>Present      Honorary Chairman, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Chairman and Chief Executive Officer, Charoen Pokphand Group Company Limited and its subsidiaries</p>

Name	Dr. Ajva Taulananda
<b>Position</b>	Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee
<b>Age (year)</b>	77
<b>Date of the First Appointment as a Director</b>	11 <sup>th</sup> February 1993
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Honorary Doctorate of Management, The University of Thai Chamber of Commerce Honorary Doctorate of Engineering, Ramkhamhaeng University Honorary Doctorate of Engineering, Chulalongkorn University Doctorate of Industrial Engineering and System, Illinois Institute of Technology, USA Master Degree of Industrial Engineering, Iowa State of University, USA Bachelor of Industrial Engineering, Chulalongkorn University Special Certificate: Public – Private joint defence curriculum, Class 1, The National Defence College of Thailand
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP)
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Present Vice Chairman of the Board, True Corporation Public Company Limited Chairman of the Finance Committee and Member of the Corporate Governance Committee, True Corporation Public Company Limited 1993-1999 Director and President, True Corporation Public Company Limited  <u>Non - listed Companies</u> 1992-Present Vice Chairman, Charoen Pokphand Group 2001-2004 Chairman, Thai Chamber of Commerce and Board of Trade of Thailand 1991-1992 Deputy Minister, Ministry of Agriculture and Cooperatives Present Director, Subsidiaries of True Corporation Public Company Limited Chairman, Board of Trustee of Thailand Management Association Director, Office of the National Economic and Social Development Board

Name	Prof. Athueck Asvanund*
<b>Position</b>	Vice Chairman of the Board and Group General Counsel
<b>Age (year)</b>	64
<b>Date of the First Appointment as a Director</b>	22 <sup>nd</sup> August 1997
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 1,379,231 shares (0.01%) Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Master Degree of Laws, specialized in International Legal Studies, New York University, USA Bachelor of Laws (Honours), Thammasat University
<b>Training</b>	Capital Market Academy Leader Program (Class 3), Capital Market Academy
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP)
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1997-Present Vice Chairman of the Board and Group General Counsel, True Corporation Public Company Limited Advisor to the Board of Directors, CP All Public Company Limited</p> <p>2008-Feb 2009 Company Secretary, True Corporation Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>1997-Present Director, Subsidiaries of True Corporation Public Company Limited Group General Counsel, Charoen Pokphand Group Company Limited and its subsidiaries</p> <p>2002-Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited</p> <p>2010-Present Director, True Move H Universal Communication Company Limited</p> <p>Present Lecturer, Business Law, Faculty of Law, Chulalongkorn University</p> <p>2001-2006 Associate Judge, Central Intellectual Property and International Trade Court</p> <p>1978-1997 Baker &amp; McKenzie</p>

\* Authorized Signatory

Name	Mr. Li Zhengmao
<b>Position</b>	Vice Chairman of the Board and Member of the Compensation and Nominating Committee
<b>Age (year)</b>	53
<b>Date of the First Appointment as a Director</b>	2 <sup>nd</sup> September 2014
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	PhD in Radio Engineering Department, Southeast University of China
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Present      Vice Chairman of the Board and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited  <u>Non - listed Companies</u> 2009-Present      Vice President, China Mobile Communications Corporation

Name	Prof. Dr. Warapatr Todhanakasem														
<b>Position</b>	Director and Member of the Finance Committee														
<b>Age (year)</b>	66														
<b>Date of the First Appointment as a Director</b>	1 <sup>st</sup> March 2012														
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 33,133 shares (0.00%) Spouse : - None -														
<b>Family Relationship</b>	- None -														
<b>Education</b>	Ph.D. in Business Economics, University of Illinois, Urbana-Champaign, USA M.S. in Economics, University of Illinois, Urbana-Champaign, USA M.B.A. in Finance, Kellogg School of Management, Northwestern University, Evanston, Illinois, USA B.Econ. (1 <sup>st</sup> Class Honor), Thammasat University LL.B., Thammasat University														
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP)</li> <li>- Director Accreditation Program (DAP)</li> <li>- The Role of Chairman (RCM)</li> <li>- Role of the Compensation Committee (RCC)</li> </ul>														
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table> <tr> <td>2012-Present</td><td>Director, True Corporation Public Company Limited</td></tr> <tr> <td>2010-Present</td><td>Independent Director, Khon Kaen Sugar Industry Public Company Limited</td></tr> <tr> <td>2009-Present</td><td>Chairman and Independent Director, Prinsiri Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table> <tr> <td>2012-Present</td><td>Director, Amata Vn Public Company Limited</td></tr> <tr> <td>June 2012-Present</td><td>Director, Institute of Research and Development for Public Enterprises of Thailand (IRDP)</td></tr> <tr> <td>2010-Present</td><td>Chairman, Pantavanij Company Limited</td></tr> <tr> <td>2007-Present</td><td>Expert Director, Faculty of Commerce and Accountancy, Thammasat University Arbitrator, The Securities and Exchange Commission</td></tr> </table>	2012-Present	Director, True Corporation Public Company Limited	2010-Present	Independent Director, Khon Kaen Sugar Industry Public Company Limited	2009-Present	Chairman and Independent Director, Prinsiri Public Company Limited	2012-Present	Director, Amata Vn Public Company Limited	June 2012-Present	Director, Institute of Research and Development for Public Enterprises of Thailand (IRDP)	2010-Present	Chairman, Pantavanij Company Limited	2007-Present	Expert Director, Faculty of Commerce and Accountancy, Thammasat University Arbitrator, The Securities and Exchange Commission
2012-Present	Director, True Corporation Public Company Limited														
2010-Present	Independent Director, Khon Kaen Sugar Industry Public Company Limited														
2009-Present	Chairman and Independent Director, Prinsiri Public Company Limited														
2012-Present	Director, Amata Vn Public Company Limited														
June 2012-Present	Director, Institute of Research and Development for Public Enterprises of Thailand (IRDP)														
2010-Present	Chairman, Pantavanij Company Limited														
2007-Present	Expert Director, Faculty of Commerce and Accountancy, Thammasat University Arbitrator, The Securities and Exchange Commission														



**Prof. Dr. Warapatr Todhanakasem (Continued)**

Experience

- President, TRIS Corporation Limited (TRIS)
- President, TRIS Rating Company Limited
- First Senior Vice President, Kasikorn Bank Public Company Limited
- Member of Committee on Drafting Securitization Act, Ministry of Finance
- Member of Committee on Independent Supervisory Agencies Bureau of State Enterprises and Government Securities, Ministry of Finance
- Member of Search Committee for Managing Director, The Stock Exchange of Thailand
- Member of Corporate Governance Promotion Sub-Committee, The Stock Exchange of Thailand
- Member of Committee on Manpower Management in Public Sector, The Office of the Civil Service Commission
- External Quality Assessor, The Office for National Education Standards and Quality Assessment (Public Organization)
- Chairman of Executive MBA Program, Thammasat University
- Member of Committee on Development of Corporate Governance Course, Faculty of Commerce and Accountancy, Thammasat University
- Expert Member, Education Quality Assurance National Institute of Development Administration

Name	Mr. Umroong Sanphasitvong
<b>Position</b>	Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee
<b>Age (year)</b>	63
<b>Date of the First Appointment as a Director</b>	16 <sup>th</sup> November 2001
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 1,078,848 shares (0.00%) Spouse: 3,888 shares (0.00%)
<b>Family Relationship</b>	- None -
<b>Education</b>	Master Degree of Accounting, Thammasat University Bachelor of Accounting, Thammasat University
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>- Director Certification Program (DCP)</li> <li>- IOD National Director Conference 2012 – Moving Corporate Governance Forward : Challenge for Thai Directors</li> </ul>
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>2001-Present    Director, True Corporation Public Company Limited</p> <p>Present        Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Director, CP All Public Company Limited Director, Allianz C.P. General Insurance Public Company Limited Director, Siam Makro Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>Present        Deputy Group CFO, Charoen Pokphand Group Company Limited Director, CPPC Public Company Limited Director, VinaSiam Bank Director, C.P. Lotus Corporation Director, Thai Smart Card Company Limited Director, ICONSIAM Company Limited (Formerly named Grand River Place Corporation Company Limited) Director, The Iconsiam Residences Corporation Limited (Formerly named Grand River Front Corporation Company Limited) Director, The Iconsiam Superlux Residence Corporation Limited (Formerly named Grand River Park Corporation Company Limited) front Place Corporation Company Limited) Director, True Leasing Company Limited Director, Wire &amp; Wireless Company Limited Director, True Money Company Limited Director, True Lifestyle Retail Company Limited Director, True Properties Company Limited Director, True Digital Content and Media Company Limited Director, True Digital Plus Company Limited Director, Bake House Company Limited Director, Ascend Group Company Limited</p>

Name	Mr. Vichaow Rakphongphairoj*								
<b>Position</b>	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV								
<b>Age (year)</b>	58								
<b>Date of the First Appointment as a Director</b>	30 <sup>th</sup> November 2000								
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	<p><u>Ordinary Shares</u> :</p> <p>Individual: 719,590 shares (0.00%)</p> <p>Spouse : - None -</p> <p><u>TUC Debenture</u> :</p> <p>Individual: 2,000 Units</p> <p>Spouse : 500 Units</p>								
<b>Family Relationship</b>	- None -								
<b>Education</b>	<p>Master Degree of Business Administration Pepperdine University, USA</p> <p>Master Degree of Electrical Engineering University of Wisconsin, USA</p> <p>Bachelor of Electrical Engineering Arizona State University, USA</p>								
<b>Training</b>	<p>Senior Executives on Justice Administration Program (No. 15)</p> <p>Capital Market Academy Leader Program (No. 14)</p>								
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Certification Program (DCP No. 16)								
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>True Corporation Public Company Limited</p> <table border="0"> <tr> <td>2014-Present</td> <td>Director and Group Chief Operating Officer - Network Quality and Operation &amp; Maintenance Broadband, Mobile, CATV</td> </tr> <tr> <td>2012-2013</td> <td>Director and Group Chief Operating Officer – Network Quality and Operation and Maintenance</td> </tr> <tr> <td>2000-2012</td> <td>Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation &amp; Maintenance</td> </tr> <tr> <td>1998-2000</td> <td>E.V.P., Business &amp; Enterprise</td> </tr> </table>	2014-Present	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV	2012-2013	Director and Group Chief Operating Officer – Network Quality and Operation and Maintenance	2000-2012	Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance	1998-2000	E.V.P., Business & Enterprise
2014-Present	Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV								
2012-2013	Director and Group Chief Operating Officer – Network Quality and Operation and Maintenance								
2000-2012	Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance								
1998-2000	E.V.P., Business & Enterprise								

\* Authorized Signatory

**Mr. Vichaow Rakphongphairoj\* (Continued)**

1997-1998	E.V.P., Central Operation & Information Technology
1996-1997	Region Director, Bangkok-Southeast Region
1995-1996	Region Director, Bangkok-West Region

Non - listed Companies

Present	Chairman of Executive Committee, Pantavanij Company Limited
	Chairman of Executive Committee, Freewill Solutions Company Limited
	President, True Universal Convergence Company Limited
	Director, Asia Infonet Company Limited
	Director, Telecom Holding Company Limited
	Director, True Information Technology Company Limited
	Director, True Touch Company Limited
	Director, Bangkok Inter Teletech Public Company Limited
	Director, True Move Company Limited
	Director, Thai Smart Card Company Limited
	Director, Cineplex Company Limited
	Director, True Move H Universal Communication Company Limited
	Director, True Visions Group Company Limited
	Director, Telecom Asset Management Company Limited
	Director, True Incube Company Limited

\* Authorized Signatory

Name	Mr. Chatchaval Jiaravanon*
Position	Director and Managing Director- Group Investment
Age (year)	54
Date of the First Appointment as a Director	11 <sup>th</sup> February 1993
True Share Ownership 31 <sup>st</sup> December 2015	Individual: 507,946 shares (0.00%) Spouse : - None -
Family Relationship	- None -
Education	Bachelor of Business Administration University of Southern California, USA
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP)
Major Experience	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>1993-Present Director and Managing Director-Group Investment, True Corporation Public Company Limited</p> <p>2013-Present Director, SVI Public Company Limited</p> <p>2007-Present Chairman of Board and Chairman of the Executive Board, Finansia Syrus Securities Public Company Limited</p> <p>2001-Present Independent Director and Member of the Audit Committee, Ticon Industrial Connection Public Company Limited</p> <p>2000-Present Director, AEON Thana Sinsap (Thailand) Public Company Limited</p> <p>2005-2013 Director, Amanah Leasing Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>2000-Present President and CEO, Telecom Holding Company Limited</p> <p>2006-Present Chairman, Thai Kodama Company Limited</p> <p>1990-Present Director, Metro Machinery Company Limited</p> <p>Present Director, Subsidiaries of True Corporation Public Company Limited</p> <p>1992-2005 Director, Thai Kodama Company Limited</p>

\* Authorized Signatory

Name	Mr. Soopakij Chearavanont *
<b>Position</b>	Director and Member of the Compensation and Nominating Committee
<b>Age (year)</b>	52
<b>Date of the First Appointment as a Director</b>	11 <sup>th</sup> February 1993
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 3,260,474 shares (0.01%) Spouse: 3,000 shares (0.00%)
<b>Family Relationship</b>	Mr. Dhanin's son, Mr. Narong's and Mr. Suphachai's elder brother
<b>Education</b>	Bachelor of Science Degree in the College of Business and Public Administration of New York University, USA
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Accreditation Program (DAP) 92/2011
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present      Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited  Director, C.P. All Public Company Limited  Director, Siam Makro Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>Present      Chairman, True Visions Group Company Limited  Executive Vice Chairman, Charoen Pokphand Group Company Limited  Executive Chairman, Telecom Holding Company Limited  Chairman, Chia Tai Land Holding Company Limited  Chairman, Chia Tai Land Property Management Company Limited  Chairman, Chia Tai Real Estate Group Company Limited  Chairman, Chia Tai Lotus (Shanghai) Company Limited  Chairman, Fortune Leasing Company Limited  Chairman, Mass Gain Investment Limited  Chairman, Beijing Lotus Supermarket Chain Store Company Limited  Chairman, SM True Company Limited  Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall  Chief Executive Officer &amp; Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited  Chief Executive Officer, Real Estate &amp; Land Development Business (China), Charoen Pokphand Group Company Limited</p>

\* Authorized Signatory

**Mr. Soopakij Chearavanont \* (Continued)**

Executive Chairman & Chief Executive Officer,  
 C.P. Lotus Corporation  
 Executive Vice Chairman & Chief Executive Officer,  
 Shaghai Lotus Supermarket Chain Store Company Limited  
 Vice Chairman, Marketing and Distribution Business (Thailand),  
 Charoen Pokphand Group Company Limited  
 Vice Chairman, Real Estate and Land Development Business (Thailand),  
 Charoen Pokphand Group Company Limited  
 Vice Chairman, Telecommunication Business,  
 Charoen Pokphand Group Company Limited  
 Vice Chairman, Automotive Industrial Business (China),  
 Charoen Pokphand Group Company Limited  
 Vice Chairman, Chia Tai Trading (Beijing) Company Limited  
 Vice Chairman, Chia Tai Vision Limited  
 Vice Chairman, Chia Tai International Finance Company Limited  
 Vice Chairman,  
 Shanghai Fortune World Development Company Limited  
 Director, Chia Tai Development Investment Company Limited  
 Director, Chia Tai Group Company Limited  
 Director, CP Pokphand Company Limited  
 Director, True Move Company Limited  
 Director, Fortune Shanghai Limited  
 Director, Lotus-CPF (PRC) Investment Company Limited  
 Director, Ping An Insurance (Group) Company of China Limited  
 Director, Bangkok Inter Teletech Public Company Limited  
 Director, True Universal Convergence Company Limited  
 Director, True Information Technology Co., Ltd.  
 Director, True Internet Company Limited  
 Director, Satellite Service Company Limited  
 Director, True Digital Media Company Limited  
 Director, Panther Entertainment Company Limited  
 Director, Cineplex Company Limited  
 Director, BEC-Tero TrueVisions Company Limited

Community Service

2014	Advisor to the Deputy Minister of Defence Advisor to the Deputy Minister of Ministry of Education
2013	Advisor to Minister of Culture Advisor to the Deputy Minister of Defence
2012	Expert to the Committee on Labour and Social Welfare Group
2011	Vice Chairman of Youth Committee of China Overseas Chinese Investment Enterprises Association

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**Mr. Soopakij Chearavanont \* (Continued)**

2010	Chairman of China Thailand Chamber of Commerce
2009	Committee Members of the Build Foundation Advisor to the Committee on Education, The House of Representatives Advisor to Minister of Culture
2008	Honorary Consul of the Russian Federation for the provinces of Phuket, Krabi and Phang-nga Committeeman of Chinese People's Government Consultant Committee - Wuhan Province No. 10 <sup>th</sup>
2006	Award of Bai Yu Lan from Shanghai Government Member of Fudan Incentive Management Fund Committee of Fudan University Management Committee of Chia Tai International Center of Peking University Advisor of the Standing Committee on Public Health, The House of Representatives
2005	Member of Young Thai Entrepreneurs Association (YTEA) Vice President of Thai-Chinese Promotion of Investment and Trade Association
2004	Committee on Cultural Promotion Fund of Office of the National Cultural Commission Vice President of Thailand Equestrian Federation
2002	Member of Young Thai Entrepreneurs Assembly Vice Chairman of Thailand-China Business Council
1995	Honorary Advisor to the Senate Standing Committee on Sports, The House of Representatives
1993	Member of Thai-Chinese Culture and Economy Association Committee on Children Youth, Women and the Elderly

Royal Decorations

2013	Knight Grand Cross (First Class) of the Most Noble Order of the Crown of Thailand
2012	Companion (Fourth Class) of the Most Exalted Order of the White Elephant
2010	Companion (Fourth Class) of the Most Noble Order of the Crown of Thailand
2008	Companion (Fifth Class) of the Most Exalted Order of the White Elephant

\* Authorized Signatory



Name		Mr. Narong Chearavanont
Position		Director
Age (year)		51
Date of the First Appointment as a Director		29 <sup>th</sup> April 2008
True Share Ownership 31 <sup>st</sup> December 2015		Individual: 224,386 shares (0.00%) Spouse : - None -  - None -
Family Relationship		Mr. Dhanin's son, Mr. Soopakij's younger brother and Mr. Suphachai's elder brother
Education		Honorary Doctor of Business Administration Program, Ramkhamhaeng University Bachelor of Science, Major Business Administration, New York University, USA Advance Management Program: Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University
Training		Systematic Innovation of Product, Processes and Services, MIT SLOAN EXECUTIVE EDUCATION  - Director Accreditation Program (DAP) (2550)
Related training programs held by the Thai Institute of Directors Association (IOD)		<u>Companies Listed on the Stock Exchange of Thailand</u> 2008-Present Director, True Corporation Public Company Limited 2013-Present Director, Siam Makro Public Company Limited 1999-Present Director, CP All Public Company Limited
Major Experience		<u>Non - listed Companies</u> Present Director, Shanghai Changfa Shopping Center Company Limited Director, Shanghai Yalian Supermarket Company Limited Director, Shanghai Jialian Supermarket Company Limited Director, Zhengzhou Lotus Supermarket Chain Store Company Limited Director, Foshan Nanhai Huanantong Trading Development Company Limited Director, Guangdong Huanantong Trading Development Company Limited Director, Zhanjing C.P. Lotus Supermarket Company Limited Director, Shanghai Xinlian Supermarket Company Limited Governance Committee, Leadership Development Institute Director, True Visions Group Company Limited 2013-Present Director, Shanghai Yilian Supermarket Company Limited Director, Shanghai Allian Supermarket Company Limited Director, Shanghai Songlian Supermarket Company Limited Director, Wenzhou Yichu Ailian Supermarket Company Limited 2012-Present Director, Shanghai Caillian Supermarket Company Limited Director, Nantong Tonglian Supermarket Company Limited Director, Kunshan Taillian Supermarket Company Limited

**Mr. Narong Chearavanont (Continued)**

2011-Present	Director, C.P. Zonglian (Shanghai) Management Company Limited Chief Executive Officer, Shanghai Litai Logistics Company Limited Director, Shantou Lotus Supermarket Chain Store Co., Ltd. Director, Guangzhou Lotus Supermarket Chain Store Co., Ltd. Director, Beijing Lotus Supermarket Chain Store Co., Ltd. Executive Vice Chairman, Chia Tai Qingdao Holdings (Hongkong) Limited Executive Vice Chairman, Chia Tai Xiangyang Holdings (Hongkong) Limited Executive Vice Chairman, Chia Tai Qingdao Holdings Limited Executive Vice Chairman, Chia Tai Xiangyang Holdings Limited Executive Director, The ICONSIAM Superlux Residences Corporation Limited (formerly : Grand River Park Company Limited) Executive Director, The ICONSIAM Residences Corporation Limited (formerly : Grand River Place Company Limited) Executive Director, The ICONSIAM Corporation Limited (formerly : Grand River Front Company Limited) Vice Chairman, SM True Company Limited Senior Executive Assistant to Chairman, Charoen Pokphand Group “Global Talent Recruitment”
2010-Present	President, CP Corporate University Vice Chairman, Panther Entertainment Company Limited Vice Chairman, Marketing and Distribution Business (Thailand) Vice Chairman, Marketing and Distribution Business (China) Vice Chairman, Real Estate & Land Development Business (China) Vice Chairman, Shanghai Kinghill Limited
2009-Present	Vice Chairman, CP Lotus Corporate Management Company Limited Vice Chairman, Cineplex Company Limited Director, Satellite Service Company Limited Director, Wuxi Ailian Supermarket Chain Store Company Limited Director, Wuxi Yilian Supermarket Company Limited Director, Taizhou Yilian Supermarket Company Limited Director, Hefei Ailian Supermarket Company Limited Director, Changsha Chulian Supermarket Co., Ltd. Director, Wuhan Yichu Ailian Supermarket Co., Ltd. Director, Changsha Ailian Supermarket Company Limited.
2008-Present	Director, Guangzhou Lotus Supermarket Chain Store Company Limited Director, CPPC Company Limited Director, Beston Action Utility Wear (Lianyungang) Company Limited Director, Jiangsu CP Lotus Supermarket Chain Store Company Limited Director, Beijing CP Lotus Supermarket Chain Store Company Limited Director, Zhejiang CP Trading Company Limited Director, Foshan C.P. Lotus Management Consulting Company Limited
2007-Present	Executive Vice Chairman, CP Lotus Corporation Company Limited Executive Vice Chairman, Chia Tai (China) Investment Company Limited
2007-2010	Director, C.P. Pokphand Company Limited
2005-Present	Director, Qingdao Lotus Supermarket Chain Store Company Limited
2004-Present	Director, Xi'an Lotus Supermarket Chain Store Company Limited Director, Shantou Lotus Supermarket Chain Store Company Limited
2003-Present	Director, Tai'an Lotus Supermarket Chain Store Company Limited Director, Beijing Lotus Supermarket Chain Store Company Limited
2002-Present	Director, Business Development Bank
2001-Present	Chairman, Yangtze Supermarket Investment Company Limited Director, Wuhan Lotus Supermarket Chain Store Company Limited
2000-Present	Director, Shanghai Lotus Supermarket Chain Store Company Limited
1997-2002	President, Ex-Chor Trading (Shanghai) Co., Ltd.
1995-1997	President, Ex-Chor Distribution (Thailand) Co., Ltd.

Name	Mr. Gao Nianshu
<b>Position</b>	Director and Member of the Finance Committee
<b>Age (year)</b>	52
<b>Date of the First Appointment as a Director</b>	2 <sup>nd</sup> September 2014
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	- MBA, Guanghua School of Management of Peking University - Master of Engineering, Institute of Computing Technology of Chinese Academy of Sciences - B.S. in Computer Mathematics, Jilin University
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Present                      Director and Member of the Finance Committee, True Corporation Public Company Limited  <u>Non - listed Companies</u> 2012-Present      General Manager of Marketing Department, China Mobile Communications Corporation 2005-2012              General Manager of Data Department, China Mobile Communications Corporation

Name	Mr. Suphachai Chearavanont*
Position	Director, President and Chief Executive Officer
Age (year)	48
Date of the First Appointment as a Director	11 <sup>th</sup> February 1993
True Share Ownership 31 <sup>st</sup> December 2015	Individual: 4,527,335 shares (0.02%) Spouse: 1,901,710 shares (0.01%)
Family Relationship	Mr. Dhanin's son, Mr. Soopakij's and Mr. Narong's younger brother
Education	Bachelor of Business Administration in Financial Management Boston University, USA
Related training programs held by the Thai Institute of Directors Association (IOD)	- Director Accreditation Program (DAP) 92/2011
Major Experience	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>True Corporation Public Company Limited</p> <p>1999-Present    President and Chief Executive Officer</p> <p>1997             Senior Executive Vice President</p> <p>1996             Executive Vice President, Business Operations</p> <p>1995             General Manager, East Region</p> <p>1994             Senior Vice President, Planning and Project Coordination &amp; Support</p> <p>1993             Vice President, the Operation Room</p> <p>1992             Senior Officer, the President's Office</p> <p><u>Non - listed Companies</u></p> <p>2015-Present    Vice Chairman, Charoen Pokphand Group</p> <p>Present           Director and Chief Executive Officer, True Visions Group Company Limited</p> <p>2002-Present    Chief Executive Officer, True Move Company Limited</p> <p>2010-Present    Chief Executive officer, True Move H Universal Communication Company Limited</p> <p>2000-Present    Chairman, Freewill Solutions Company Limited</p> <p>1999-2013       Chairman, Wire &amp; Wireless Company Limited</p> <p>2001-2010       Chairman, Pantavanij Company Limited</p> <p>1996             President, Asia Multimedia Company Limited</p> <p>1995             Managing Director, Wire &amp; Wireless Company Limited</p>

\* Authorized Signatory

### Mr. Suphachai Chearavanont\* (Continued)

#### Major Experience (Continued)

1991	2 Years with Vinythai Company Limited
1990	1 Year with Soltex Federal Credit Union, USA
1989	1 Year with Siam Makro Company Limited

#### Directorships

- True Corporation Public Company Limited
- True Move Company Limited
- Bangkok Inter Teletech Public Company Limited
- other subsidiaries of True Corporation Public Company Limited
- Pantavanij Company Limited
- CPPC Public Company Limited
- C.P. Lotus Corporation
- Asia Freewill Company Limited
- Freewill Solutions Company Limited
- C.P. Pokphand Company Limited

#### Social Contributions & Other Experience

Present	Chairman, Steering Committee, UN Global Compact Local Network in Thailand
2015-Present	President, The Telecommunications Association of Thailand Under the Royal Patronage
2010-Present	Director and Advisor of Master of Science Program and Doctor of Philosophy Program in Technopreneurship and Innovation Management (TIP), Chulalongkorn University
2010-2011	Director of The National Electronics and Computer Technology Center
2010-Present	Advisor to Executive Chairman of Rajaprajanugroh Foundation Director of Ramathibodi Foundation The Bangkok Art and Culture Centre Foundation Committee
2009-Present	Board Member of Board of Trustees, Bangkok University
2008-2009	Member of Fund Raising and Public Relations Committee for the Construction of a Medical Facility in Honor of HM the King and the Purchase of Medical Equipments
2008-Present	Member of Management Committee on Nation-wide Strategic Approach Eye Provisioning Project
2006-Present	Chairman of the Sub Committee for Fund Raising Thai Red Cross Eye Bank Member of the Thai Red Cross Eye Bank Committee
1999-Present	Director & Advisor of the Telecommunications Association of Thailand under the Royal Patronage (TCT)
2005-2007	Member of the Listed Companies Association (LCA)

\* Authorized Signatory

## Executive Officers

Name	Mr. Noppadol Dej-Udom																																												
<b>Position</b>	Group Chief Financial Officer																																												
<b>Age (year)</b>	48																																												
<b>Date of the First Appointment</b>	1 <sup>st</sup> January 2008																																												
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	<p><u>Ordinary Shares</u> :</p> <p>Individual: 1,699,556 shares (0.01%)</p> <p>Spouse : - None -</p> <p><u>TUC Debenture</u> :</p> <p>Individual: 5,000 Units</p> <p>Spouse : 10,000 Units</p>																																												
<b>Family Relationship</b>	- None -																																												
<b>Education</b>	<p>Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University</p> <p>Bachelor Degree in Mechanical Engineering, Rensselaer Polytechnic Institute, USA</p>																																												
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Certification Program 101/2008																																												
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table border="0"> <tr> <td>True Corporation Public Company Limited</td> <td></td> </tr> <tr> <td>2008-Present</td> <td>Group Chief Financial Officer</td> </tr> <tr> <td>2003-2007</td> <td>Director &amp; General Manager - Online</td> </tr> <tr> <td>2000-2003</td> <td>Senior Vice President - Corporate Finance</td> </tr> </table> <p><u>Non - listed Companies</u></p> <table border="0"> <tr> <td>Present</td> <td>Director, True Internet Company Limited</td> </tr> <tr> <td></td> <td>Director, True International Communication Company Limited</td> </tr> <tr> <td></td> <td>Director, True Music Company Limited</td> </tr> <tr> <td></td> <td>Director, Real Move Company Limited</td> </tr> <tr> <td></td> <td>Director, True Move H Universal Communication Company Limited</td> </tr> <tr> <td></td> <td>Director, True Visions Group Company Limited</td> </tr> <tr> <td></td> <td>Director, Telecom Holding Company Limited</td> </tr> <tr> <td></td> <td>Director, Telecom Asset Management Company Limited</td> </tr> <tr> <td></td> <td>Director, TRUE4U Station Company Limited</td> </tr> <tr> <td></td> <td>Director, True Incube Company Limited</td> </tr> <tr> <td></td> <td>Director, Gold Palace Investment Limited</td> </tr> <tr> <td></td> <td>Director, Golden Light Company Ltd.</td> </tr> <tr> <td></td> <td>Director, True Internet Technology (Shanghai) Company Limited</td> </tr> <tr> <td></td> <td>Director, Goldsky Company Ltd.</td> </tr> <tr> <td></td> <td>Director, Gold Palace Logistics Limited</td> </tr> <tr> <td></td> <td>Director, GP Logistics Limited</td> </tr> <tr> <td></td> <td>Director, Golden Pearl Global Limited</td> </tr> <tr> <td>2009-Present</td> <td>Director, True Information Technology Company Limited</td> </tr> </table>	True Corporation Public Company Limited		2008-Present	Group Chief Financial Officer	2003-2007	Director & General Manager - Online	2000-2003	Senior Vice President - Corporate Finance	Present	Director, True Internet Company Limited		Director, True International Communication Company Limited		Director, True Music Company Limited		Director, Real Move Company Limited		Director, True Move H Universal Communication Company Limited		Director, True Visions Group Company Limited		Director, Telecom Holding Company Limited		Director, Telecom Asset Management Company Limited		Director, TRUE4U Station Company Limited		Director, True Incube Company Limited		Director, Gold Palace Investment Limited		Director, Golden Light Company Ltd.		Director, True Internet Technology (Shanghai) Company Limited		Director, Goldsky Company Ltd.		Director, Gold Palace Logistics Limited		Director, GP Logistics Limited		Director, Golden Pearl Global Limited	2009-Present	Director, True Information Technology Company Limited
True Corporation Public Company Limited																																													
2008-Present	Group Chief Financial Officer																																												
2003-2007	Director & General Manager - Online																																												
2000-2003	Senior Vice President - Corporate Finance																																												
Present	Director, True Internet Company Limited																																												
	Director, True International Communication Company Limited																																												
	Director, True Music Company Limited																																												
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	Director, Gold Palace Logistics Limited																																												
	Director, GP Logistics Limited																																												
	Director, Golden Pearl Global Limited																																												
2009-Present	Director, True Information Technology Company Limited																																												

Name	Mr. William Harris
Position	Executive Director - International Business Development and Assistant to CEO
Age (year)	54
Date of the First Appointment	7 <sup>th</sup> October 2009
True Share Ownership 31 <sup>st</sup> December 2015	Individual: 954,582 shares (0.00%) Spouse : - None -
Family Relationship	- None -
Education	Master Degree of Business Administration, Major in Finance and Marketing, Wharton School of the University of Pennsylvania Bachelor of Science in Economics, Wharton School of the University of Pennsylvania
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -
Major Experience	<u>Companies Listed on the Stock Exchange of Thailand</u> True Corporation Public Company Limited 2009-Present      Executive Director - International Business Development and Assistant to CEO 2001-2007      Chief Financial Officer 1999-2000      Executive Vice President - Corporate Finance  <u>Non - listed Companies</u> 2014-Present      Director, True Visions Group Company Limited Director, True Vistas Company Limited 2013-Present      Director, Golden Pearl Global Limited 2012-Present      Director, GP Logistics Company Limited 2011-Present      Director, Rosy Legend Limited Director, Prospect Gain Limited Director, True Internet Technology (Shanghai) Company Limited 2010-Present      Director, True Trademaid Holdings, Company Limited Director, Gold Palace Investments Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited 2006-Present      Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited 1993-1999      Director, Credit Policy, Verizon Communications, Philadelphia

Name	Mr. Kachorn Chiaravanont
<b>Position</b>	Group Executive Director - Corporate Affairs
<b>Age (year)</b>	49
<b>Date of the First Appointment</b>	21 <sup>st</sup> February 2012
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 556,075 shares (0.00%) Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Bachelor Degree in Management, Fairleigh Dickinson University in New Jersey, USA
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present                      Group Executive Director - Corporate Affairs  True Corporation Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>Present                      Director, Allianz C.P. General Insurance Company Limited  Director, CPPC Public Company Limited  Director, Pokphand Enterprise Company Limited  Director, Bangkok Inter Teletech Public Company Limited  Director, True Information Technology Company Limited  Director, True Move Company Limited  Director, True Distribution &amp; Sales Company Limited  Director, Song Dao Company Limited  Director, True Universal Convergence Company Limited  Director, Cineplex Company Limited  Director, True Digital Media Company Limited  Director, Satellite Service Company Limited  Director, Panther Entertainment Company Limited  Director, Telecom Holding Company Limited  Director, True Leasing Company Limited  Director, True Properties Company Limited  Director, True Visions Group Company Limited  Director, SAIC Motor-CP Company Limited  Director, MG Sales (Thailand) Company Limited  Director, Echo Autoparts (Thailand) Company Limited  Director, True United Football Club Company Limited  Director, Siam Land Flying Company Limited</p>



Name	Mr. Thiti Nantapatsiri																						
<b>Position</b>	Group Executive Director - Regulatory																						
<b>Age (year)</b>	61																						
<b>Date of the First Appointment</b>	1 <sup>st</sup> June 2003																						
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 463,120 shares (0.00%) Spouse : - None -																						
<b>Family Relationship</b>	- None -																						
<b>Education</b>	Bachelor Degree of Engineering (Electrical), King Mongkut's Institute of Technology, Ladkrabang Campus																						
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -																						
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table> <tr> <td>Feb 2012-Present</td><td>Group Executive Director - Regulatory, True Corporation Public Company Limited</td></tr> <tr> <td>2008-Jan 2012</td><td>Group Executive Director - Pay TV Business True Corporation Public Company Limited</td></tr> <tr> <td>Jun 2003-2007</td><td>Group Executive Director - Home / Consumer Solution &amp; Highspeed Access, True Corporation Public Company Limited</td></tr> <tr> <td>1999-2003</td><td>Executive Vice President, Loxley Public Company Limited</td></tr> <tr> <td>1997-1999</td><td>First Senior Vice President, Loxley Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table> <tr> <td>Present</td><td>Director, Telecom Holding Company Limited Director, Tele Engineering and Services Company Limited Director, BFKT (Thailand) Limited Director, True Visions Group Company Limited</td></tr> <tr> <td>2008-Present</td><td>Director, Panther Entertainment Company Limited</td></tr> <tr> <td>2007-Present</td><td>Director, True Music Radio Company Limited</td></tr> <tr> <td>2006-Present</td><td>Director, True Internet Company Limited Director, Samut Pakan Media Corporation Company Limited Director, Cineplex Company Limited Director, True Digital Media Company Limited Director, Satellite Service Company Limited Director, True Music Company Limited</td></tr> <tr> <td>2001-2002</td><td>President &amp; CEO, Hutchison CAT Wireless Multimedia Company Limited</td></tr> <tr> <td>1992-2000</td><td>President &amp; CEO, Hutchison Telecommunications (Thailand) Company Limited</td></tr> </table>	Feb 2012-Present	Group Executive Director - Regulatory, True Corporation Public Company Limited	2008-Jan 2012	Group Executive Director - Pay TV Business True Corporation Public Company Limited	Jun 2003-2007	Group Executive Director - Home / Consumer Solution & Highspeed Access, True Corporation Public Company Limited	1999-2003	Executive Vice President, Loxley Public Company Limited	1997-1999	First Senior Vice President, Loxley Public Company Limited	Present	Director, Telecom Holding Company Limited Director, Tele Engineering and Services Company Limited Director, BFKT (Thailand) Limited Director, True Visions Group Company Limited	2008-Present	Director, Panther Entertainment Company Limited	2007-Present	Director, True Music Radio Company Limited	2006-Present	Director, True Internet Company Limited Director, Samut Pakan Media Corporation Company Limited Director, Cineplex Company Limited Director, True Digital Media Company Limited Director, Satellite Service Company Limited Director, True Music Company Limited	2001-2002	President & CEO, Hutchison CAT Wireless Multimedia Company Limited	1992-2000	President & CEO, Hutchison Telecommunications (Thailand) Company Limited
Feb 2012-Present	Group Executive Director - Regulatory, True Corporation Public Company Limited																						
2008-Jan 2012	Group Executive Director - Pay TV Business True Corporation Public Company Limited																						
Jun 2003-2007	Group Executive Director - Home / Consumer Solution & Highspeed Access, True Corporation Public Company Limited																						
1999-2003	Executive Vice President, Loxley Public Company Limited																						
1997-1999	First Senior Vice President, Loxley Public Company Limited																						
Present	Director, Telecom Holding Company Limited Director, Tele Engineering and Services Company Limited Director, BFKT (Thailand) Limited Director, True Visions Group Company Limited																						
2008-Present	Director, Panther Entertainment Company Limited																						
2007-Present	Director, True Music Radio Company Limited																						
2006-Present	Director, True Internet Company Limited Director, Samut Pakan Media Corporation Company Limited Director, Cineplex Company Limited Director, True Digital Media Company Limited Director, Satellite Service Company Limited Director, True Music Company Limited																						
2001-2002	President & CEO, Hutchison CAT Wireless Multimedia Company Limited																						
1992-2000	President & CEO, Hutchison Telecommunications (Thailand) Company Limited																						

Name	Mr. Adhiruth Thothaveesansuk																
<b>Position</b>	Group Chief Information Officer and Group Managing Director - Regional Management																
<b>Age (year)</b>	52																
<b>Date of the First Appointment</b>	13 <sup>th</sup> January 1998																
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 3,111,843 shares (0.01%) Spouse : - None -																
<b>Family Relationship</b>	- None -																
<b>Education</b>	Master Degree of Finance & Marketing, Indiana University of Pennsylvania, USA Bachelor of Industrial Management, Thammasat University																
<b>Training</b>	- Capital Market Academy Leader Program (CMA16)																
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Certification Program (DCP) - Director Diploma of Australian Institution of Director 2005																
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table> <tr> <td>Present</td><td>Group Chief Information Officer and Group Managing Director - Regional Management True Corporation Public Company Limited</td></tr> <tr> <td>2012-2014</td><td>Managing Director – Mobile Business True Corporation Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table> <tr> <td>Present</td><td>Director, True Life Plus Company Limited Director, BFKT (Thailand) Limited Director, True United Football Club Company Limited Director, Gold Palace Investments Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True Music Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Director, True Move Company Limited Director, True4U Station Company Limited Director, True Visions Group Company Limited Director, GP Logistics Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited Director, True Internet Technology (Shanghai) Company Limited Director, GP Logistics Limited</td></tr> <tr> <td>2006-Present</td><td>Director, True Public Communication Company Limited</td></tr> <tr> <td>2003-Present</td><td>President, Asia Wireless Communication Company Limited</td></tr> <tr> <td>2002</td><td>Chief Commercial Officer, True Move Company Limited</td></tr> <tr> <td>1998-2002</td><td>General Manager, Wire &amp; Wireless Company Limited</td></tr> <tr> <td>1998-2001</td><td>President, Asia Wireless Communication Company Limited</td></tr> </table>	Present	Group Chief Information Officer and Group Managing Director - Regional Management True Corporation Public Company Limited	2012-2014	Managing Director – Mobile Business True Corporation Public Company Limited	Present	Director, True Life Plus Company Limited Director, BFKT (Thailand) Limited Director, True United Football Club Company Limited Director, Gold Palace Investments Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True Music Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Director, True Move Company Limited Director, True4U Station Company Limited Director, True Visions Group Company Limited Director, GP Logistics Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited Director, True Internet Technology (Shanghai) Company Limited Director, GP Logistics Limited	2006-Present	Director, True Public Communication Company Limited	2003-Present	President, Asia Wireless Communication Company Limited	2002	Chief Commercial Officer, True Move Company Limited	1998-2002	General Manager, Wire & Wireless Company Limited	1998-2001	President, Asia Wireless Communication Company Limited
Present	Group Chief Information Officer and Group Managing Director - Regional Management True Corporation Public Company Limited																
2012-2014	Managing Director – Mobile Business True Corporation Public Company Limited																
Present	Director, True Life Plus Company Limited Director, BFKT (Thailand) Limited Director, True United Football Club Company Limited Director, Gold Palace Investments Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True Music Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, Telecom Holding Company Limited Director, True Move Company Limited Director, True4U Station Company Limited Director, True Visions Group Company Limited Director, GP Logistics Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited Director, True Internet Technology (Shanghai) Company Limited Director, GP Logistics Limited																
2006-Present	Director, True Public Communication Company Limited																
2003-Present	President, Asia Wireless Communication Company Limited																
2002	Chief Commercial Officer, True Move Company Limited																
1998-2002	General Manager, Wire & Wireless Company Limited																
1998-2001	President, Asia Wireless Communication Company Limited																

Name	Mr. Songtham Phianpattanawit
<b>Position</b>	Group Executive Director - Enterprise and International Services
<b>Age (year)</b>	57
<b>Date of the First Appointment</b>	1 <sup>st</sup> April 2003
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 471,293 shares (0.00%) Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Bachelor of Science (Computer Science), University of South Alabama, USA
<b>Training</b>	Capital Market Academy Leader Program (CMA 15)
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- Director Certification Program (DCP no.54)
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present            Group Executive Director – Enterprise and International Services, True Corporation Public Company Limited</p> <p><u>Non - listed Companies</u></p> <p>Present            Director, Hutchison Telecommunications (Thailand) Company Limited  President, True Information Technology Company Limited  Director, True Move Company Limited  Executive Committee, Pantavanij Company Limited  Director, Freewill Solutions Company Limited  Director, Telecom Holding Company Limited  Director, Wire &amp; Wireless Company Limited  Managing Director, Telecom Asset Management Company Limited  President, True International Communication Company Limited</p> <p>2006-Present      President, True International Gateway Company Limited  Director, Bangkok Inter Teletech Public Company Limited</p> <p>2003-2008          Director, True Multimedia Company Limited</p> <p>2001-2003          Country General Manager / MD, IBM Thailand Company Limited  Chairman, IBM Solution Delivery Company Limited</p> <p>2001-2002          Director, IBM Storage Product Thailand Company Limited</p> <p>2000                  Director, Sales &amp; Marketing, IBM Thailand Company Limited  Country Manager System Sales, IBM Thailand Company Limited</p> <p>1998                  Country Manager Finance &amp; Administration and CFO, IBM Thailand Company Limited</p> <p>1997                  Service Business Executive, IBM Thailand Company Limited</p>

Name	Mr. Anat Mekpaiboonvatana
<b>Position</b>	Group Managing Director - Regional Management
<b>Age (year)</b>	55
<b>Date of the First Appointment</b>	21 <sup>st</sup> February 2012
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 1,063,101 shares (0.00%) Spouse : - None -
<b>Family Relationship</b>	- None -
<b>Education</b>	Master Degree of Marketing Management, West Coast University, USA Bachelor of Mechanical Engineering, King Mongkut's University of Technology Thonburi
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <p>Present                      Group Managing Director - Regional Management  True Corporation Public Company Limited</p> <p><u>Non- listed Companies</u></p> <p>Present                      Director, True Distribution &amp; Sales Company Limited  Director, Samut Pakan Media Corporation Company Limited  Director, Hutchison MultiMedia Services (Thailand) Limited  Director, Tele Engineering and Services Company Limited  Director, Cineplex Company Limited  Director, True Digital Media Company Limited  Director, Satellite Service Company Limited  Director, Panther Entertainment Company Limited  Director, True GS Company Limited  Director, Telecom Holding Company Limited  Director, True Visions Group Company Limited</p> <p>2012-2014                      Managing Director, True Visions Public Company Limited</p> <p>2009-2012                      Deputy Group Chief Commercial Officer,  True Corporation Public Company Limited</p> <p>2002-2009                      Director &amp; General Manager,  True Corporation Public Company Limited</p> <p>1998-2002                      President, Wire &amp; Wireless Company Limited</p> <p>1997-1998                      General Manager, Tele Engineering and Services Company Limited</p> <p>1996-1997                      Vice President, Asia Multimedia Company Limited</p> <p>1995-1996                      General Manager, Unet Company Limited</p> <p>1995                              Vice President, UBC Cable TV Network Company Limited</p> <p>1994                              Vice President, Telecom Holding Company Limited</p>

Name	Mr. Charoen Limkangwanmongkol
<b>Position</b>	Group Managing Director - Regional Management
<b>Age (year)</b>	52
<b>Date of the First Appointment</b>	26 <sup>th</sup> October 2012
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 393,612 shares (0.00%) Spouse: 278,139 shares (0.00%)
<b>Family Relationship</b>	- None -
<b>Education</b>	Mini MBA, Chulalongkorn University Bachelor Degree Business Administration, Assumption University
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -
<b>Major Experience</b>	<u>Companies Listed on the Stock Exchange of Thailand</u> Present                      Group Managing Director - Regional Management True Corporation Public Company Limited  <u>Non - listed Companies</u> Present                      Managing Director, True Multimedia Company Limited Director, True Life Plus Company Limited 2003-2006                      Marketing Director, Yum Restaurant Company Limited 1992-2003                      Sales and Marketing Director, Hutchison Telecommunication Company Limited 1989-1992                      Brand Manager, Unilever (Thailand) Company Limited 1986-1989                      Account Supervisor, Lintas (Thailand) Company Limited

Name		Dr. Papon Ratanachaikanont	
Position		Group Executive Director and Executive Assistant to CEO Group Executive Director - Small & Medium Sized Business (SMB) Sector	
Age (year)		49	
Date of the First Appointment		21 <sup>st</sup> February 2012	
True Share Ownership 31 <sup>st</sup> December 2015		<u>Ordinary Shares :</u> Individual: 881,931 shares (0.00%) Spouse : 255,691 shares (0.00%)  <u>True Debenture :</u> Individual: 2,000 Units Spouse : - None -  <u>TUC Debenture :</u> Individual: 2,000 Units Spouse : 3,000 Units	
Family Relationship		- None -	
Education		Doctor Degree	Doctor of Philosophy Program in Organization Development (International Program)
		Masters Degree	Communication Advertising and Public Relations, Emerson College, Boston, Massachusetts, USA
		Bachelor Degree	Management, Assumption University of Thailand
		Occupation Certificate	Advertising of Public Relations and Print Production, The Advertising Club of Greater Boston
Related training programs held by the Thai Institute of Directors Association (IOD)		- None -	
Major Experience		<u>Companies Listed on the Stock Exchange of Thailand</u> 2014-Present    Group Executive Director and Executive Assistant to CEO Group Executive Director - Small & Medium Sized Business (SMB) Sector True Corporation Public Company Limited 2012-2013    Group Chief Commercial Officer - Sales & Retail, True Corporation Public Company Limited 2005-2012    Assistant to President/CEO, Deputy Group Chief Commercial Officer, True Corporation Public Company Limited  <u>Non - listed Companies</u> Present    Director, Samut Pakan Media Corporation Company Limited Director, True Music Radio Company Limited Director, True Trademark Holdings Company Limited Director, Hutchison Multimedia Services (Thailand) Limited Director, True Lifestyle Retail Company Limited Director, Bake House Company Limited 2000-2005    Marketing and Sales Director, Mazda Sales (Thailand) Company 1999-2000    Chief Operating Officer, Bakery Music Group Company 1998-1999    Group Account Director and General Manager, Grey Advertising Thailand and WhizzbangArts 1993-1998    Managing Director, The Print International Co.,Ltd. and Design Arts Co.,Ltd 1991-1992    Project Manager (IMC), Ammirati Puris Lintas (Thailand) Company	

Name	Mr. Carl Goodier	
Position	Group Chief Customer Service Officer	
Age (year)	51	
Date of the First Appointment	1 <sup>st</sup> February 2013	
True Share Ownership 31 <sup>st</sup> December 2015	Individual : 100,000 shares (0.00%) Spouse : - None -	
Family Relationship	- None -	
Education	Bachelor Degree of Aircraft Operational Engineering, AH Amsterdam	
Related training programs held by the Thai Institute of Directors Association (IOD)	- None -	
Major Experience	<u>Companies Listed on the Stock Exchange of Thailand</u> Feb 2013-Present      Group Chief Customer Service Officer True Corporation Public Company Limited Apr 2010-Present      (Acting) Group Director - Group Quality Assurance True Corporation Public Company Limited Feb 2012-Feb 2013      Group Director - Customer Management True Corporation Public Company Limited Mar 2006-Jul 2010      Advisor to CEO/President True Corporation Public Company Limited Mar 2000-Feb 2005      Director Customer Management True Corporation Public Company Limited Apr 1999-Jan 2005      Senior Vice President Quality Assurance True Corporation Public Company Limited <u>Non - listed Companies</u> Present      Chairman, True Voice Company Limited Apr 2000-Jan 2005      Managing Director, True Touch Company Limited 1996-1999      Managing Director, Azimuth Company Limited 1993-1996      Managing Director, QMI-QUEST (Thailand) 1991-1994      Consultant and Managing Consultant, QMI-QUSET (Malaysia)	

Name	Mr. Siripoj Kunakornphan								
<b>Position</b>	Group Managing Director - Regional Management								
<b>Age (year)</b>	52								
<b>Date of the First Appointment</b>	21 <sup>st</sup> January 2014								
<b>True Share Ownership 31<sup>st</sup> December 2015</b>	Individual: 364,771 shares (0.00%) Spouse : - None -								
<b>Family Relationship</b>	- None -								
<b>Education</b>	Bachelor of Engineering Program in Electronics, King Mongkut's Institute of Technology Ladkrabang								
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	- None -								
<b>Major Experience</b>	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> <table> <tr> <td data-bbox="568 1193 730 1216">Present</td><td data-bbox="746 1193 1270 1261">Group Managing Director - Regional Management True Corporation Public Company Limited</td></tr> <tr> <td data-bbox="568 1272 687 1294">2006-2007</td><td data-bbox="746 1272 1182 1339">Director of Business Customer I True Corporation Public Company Limited</td></tr> </table> <p><u>Non - listed Companies</u></p> <table> <tr> <td data-bbox="568 1417 651 1440">Present</td><td data-bbox="746 1417 1082 1440">Director, BFKT (Thailand) Limited</td></tr> <tr> <td data-bbox="568 1451 687 1473">2008-2014</td><td data-bbox="746 1451 1302 1473">Chief Operating Officer, True Move Company Limited</td></tr> </table>	Present	Group Managing Director - Regional Management True Corporation Public Company Limited	2006-2007	Director of Business Customer I True Corporation Public Company Limited	Present	Director, BFKT (Thailand) Limited	2008-2014	Chief Operating Officer, True Move Company Limited
Present	Group Managing Director - Regional Management True Corporation Public Company Limited								
2006-2007	Director of Business Customer I True Corporation Public Company Limited								
Present	Director, BFKT (Thailand) Limited								
2008-2014	Chief Operating Officer, True Move Company Limited								



## Company Secretary

Name	Mrs. Rangsinee Sujaritsunchai
<b>Position</b>	Company Secretary
<b>Age (year)</b>	50
<b>a</b> <b>Date of the First Appointment</b>	27 <sup>th</sup> February 2009
<b>True Share Ownership</b> <b>31<sup>st</sup> December 2015</b>	Individual : - None - Spouse : 3,200 shares (0.00%)
<b>Family Relationship</b>	- None -
<b>Education</b>	- Master Degree of Science (Accounting), Major in Finance, Thammasat University - Bachelor's Degree in Accounting, Major in Accounting, Chulalongkorn University
<b>Training</b>	<ul style="list-style-type: none"> <li>- Revision of Listed Companies' Regulations</li> <li>- Corporate Governance Report Workshop</li> <li>- Smart Disclosure Program (SDP)</li> <li>- Moving Corporate Governance Forward: Challenge for Thai Directors</li> <li>- SEC 20<sup>th</sup> Anniversary International Symposium - "Asia: The Dynamic Capital Market Frontier" and SEC 20<sup>th</sup> Anniversary Gala Dinner</li> <li>- "ASEAN CG Scorecard" – Company Secretary Roles in AEC</li> <li>- Listed Companies' Disclosure Against Corruption and Corporate Social Responsibilities and Gatekeepers</li> <li>- Capital Market Research Forum No. 2/2556 – Employee Joint Investment Plan (EJIP)</li> <li>- Reporting on Anti-Corruption Policy of Listed Company</li> <li>- Listed Companies' Regulations about Committee Meeting and Shareholders Meeting</li> <li>- Revision of Annual Registration Statements (Form 56-1)</li> <li>- Guideline for Corporate Governance Report 2013</li> <li>- Guideline for Corporate Social Responsibilities Disclosure in Form 56-1</li> <li>- Hearing : Law on Public Limited Companies and Civil and Commercial Code on Partnership and Company</li> </ul>
<b>Related training programs held by the Thai Institute of Directors Association (IOD)</b>	<ul style="list-style-type: none"> <li>- Company Secretary Program 19/2006 (CSP)</li> <li>- Effective Minute Taking 5/2006 (EMT)</li> <li>- Corporate Governance and Social Responsibilities 1/2007 (CSR)</li> <li>- Anti-Corruption : The Practical Guide (APCG5/2013)</li> </ul>

**Mrs. Rangsinee Sujaritsunchai (Continued)**

True Corporation Public Company Limited

2009-Present	Company Secretary
2001-Present	Secretary to the Audit Committee
	Secretary to the Compensation and Nominating Committee
	Secretary to the Corporate Governance Committee
	Assistant to the Secretary of the Finance Committee
2001-2009	Deputy Company Secretary
2000-2001	Assistant General Counsel – SEC & SET Compliance

Charoen Pokphand Foods Public Company Limited

1991-2000	Manager - Accounting and SEC & SET Compliance
1990-1991	Senior Analyst - Office of the Economic Advisor

## Securities Holding of the Company's Directors and Executives as at 31st December 2015

Name	Ordinary shares (shares)				Debentures (units)			
	As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015		As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015	
			Number of shares	%			Number of shares	%
1. Mr. Vitthya Vejajiva	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
2. Dr. Kosol Petchsuwan	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
3. Mr. Joti Bhokavanij	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
4. Mr. Harald Link	198,883	Acquisition 99,798	298,681	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
5. Prof. Rawat Chamchalerm	84,471	Acquisition 56,624	141,095	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	75,595	Acquisition -	75,595	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-
6. Mr. Xu Genluo <sup>1/</sup>	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
7. Mr. Dhanin Chearavanont	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
8. Dr. Ajva Taulananda	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
9. Prof. Athueck Asvanund	3,241,895	Acquisition 212,336	1,379,231	0.01	-	-	-	-
		Disposition 2,075,000	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
10. Mr. Li Zhengmao <sup>1/</sup>	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
11. Prof Dr. Warapatr Todhanakasem	10,484	Acquisition 22,649	33,133	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -	-	-	-	-	-	-
12. Mr. Umroong Sanphasitvong	1,022,225	Acquisition 56,623	1,078,848	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-
Spouse and minor children	3,888	Acquisition -	3,888	0.00	-	-	-	-
		Disposition -	-	-	-	-	-	-

Name	Ordinary shares (shares)				Debentures (units)			
	As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015		As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015	
			Number of shares	%			Number of shares	%
13. Mr. Vichaow Rakphongphairoj	430,813	Acquisition 288,777	719,590	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
14. Mr. Chatchaval Jiaravanon	304,103	Acquisition 203,843	507,946	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
15. Mr. Soopakij Chearavanont	2,732,250	Acquisition 528,224	3,260,474	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	3,000	Acquisition -	3,000	0.00	-	-	-	-
		Disposition -						
16. Mr. Narong Chearavanont	224,386	Acquisition -	224,386	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
17. Mr. Gao Nianshu <sup>1/</sup>	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
18. Mr. Suphachai Chearavanont	3,983,755	Acquisition 543,580	4,527,335	0.02	-	-	-	-
		Disposition -						
Spouse and minor children	1,901,710	Acquisition -	1,901,710	0.01	-	-	-	-
		Disposition -						
19. Mr. Noppadol Dej-Udom	1,559,818	Acquisition 639,738	1,699,556	0.01	-	-	-	-
		Disposition 500,000						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
20. Mr. William Harris	1,109,240	Acquisition 295,342	954,582	0.00	-	-	-	-
		Disposition 450,000						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
21. Mr. Kachorn Chiaravanont	301,271	Acquisition 254,804	556,075	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
22. Mr. Thiti Nantapatsiri	371,053	Acquisition 192,067	463,120	0.00	-	-	-	-
		Disposition 100,000						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
23. Mr. Adhiruth Thothaveesansuk	2,840,053	Acquisition 271,790	3,111,843	0.01	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
24. Mr. Songtham Phianpattanawit	850,611	Acquisition 289,382	471,293	0.00	-	-	-	-
		Disposition 668,700						
Spouse and minor children	-	Acquisition 59,000	0	0.00	-	-	-	-
		Disposition 59,000						

Name	Ordinary shares (shares)				Debentures (units)			
	As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015		As at 31 Dec 2014	Changes in 2015	As at 31 Dec 2015	
			Number of shares	%			Number of shares	%
25. Mr. Anat Mekpaiboonvatana	827,724	Acquisition 235,377	1,063,101	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
26. Mr. Charoen Limkangwanmongkol	233,789	Acquisition 159,823	393,612	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	278,139	Acquisition -	278,139	0.00	-	-	-	-
		Disposition -						
27. Dr. Papon Ratanachaikanont	629,790	Acquisition 620,829	881,931	0.00	2,000	-	2,000	0.0
		Disposition 368,688						
Spouse and minor children	181,930	Acquisition 112,683	255,691	0.00	-	-	-	-
		Disposition 38,922						
28. Mr. Carl Goodier	-	Acquisition 100,000	100,000	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						
29. Mr. Siripoj Kunakomphan	195,070	Acquisition 169,701	364,771	0.00	-	-	-	-
		Disposition -						
Spouse and minor children	-	Acquisition -	-	-	-	-	-	-
		Disposition -						

## Report on the Directors' Shareholding in the Company's Affiliates as of 31<sup>st</sup> December 2015

Director	Mr. Dhanin Chearavanont		Dr. Ajva Taulananda		Mr. Chatchaval Jiaravanon		Mr. Soopakij Chearavanont		Mr. Suphachai Chearavanont		Mr. Vichaow Rakphongphairoj	
Company	Change in 2015	Outstanding Share(s)	Change in 2015	Outstanding Share(s)	Change in 2015	Outstanding Share(s)	Change in 2015	Outstanding Share(s)	Change in 2015	Outstanding Share(s)	Change in 2015	Outstanding Share(s)
Telecom Holding Co., Ltd.	-	1	-	-	-	-	-	-	-	1	-	-
Bangkok Inter Teletech Public Company Limited	1	-	-	-	-	-	-	-	1	-	1	-
True Information Technology Co., Ltd.	-	-	-	1	-	-	-	-	-	1	-	1
True Touch Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
True Multimedia Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
Asia Infonet Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
Asia Wireless Communication Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	1
True Internet Co., Ltd.	-	-	-	1	-	1	-	1	-	1	-	2
Real Move Company Limited	-	-	-	-	-	-	-	1	-	1	-	1
True Distribution and Sales Co., Ltd.	-	-	-	-	-	-	-	-	-	1	-	-
BFKT (Thailand) Limited	-	-	-	-	-	-	-	-	-	1	-	-
True Vistas Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Visions Group Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Move H Universal Communication Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
Telecom Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1
True Incube Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-

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\* Independent Director

## 1. Corporate Governance Policy

The Company fully recognizes the importance of corporate governance and established its “Policy on Corporate Governance” in 2002. This is regularly modified to take account of changes in the Company’s business. It is also kept in line with the corporate governance-related laws and regulations issued by the Stock Exchange of Thailand (“SET”) to international standards. The details of Policy on Corporate Governance are posted on the Company’s website at [www.truecorp.co.th](http://www.truecorp.co.th).

## 2. The Board’s Committees

The Committees of the Board of Directors consists of 4 committees as follows:

- 1) Audit Committee
- 2) Compensation and Nominating Committee
- 3) Finance Committee
- 4) Corporate Governance Committee

### 1) Audit Committee

The Audit Committee of the Company has three year term consisting of 3 persons as follows:

Name	Position	the Audit Committee Meeting in 2015	
		Number of Meeting <sup>1/</sup>	Number of Attendance
1. Mr. Vitthya Vejajiva	Chairman of the Audit Committee	7	7
2. Dr. Kosol Petchsuwan	Member of the Audit Committee	7	7
3. Mr. Joti Bhokavanij <sup>2/</sup>	Member of the Audit Committee	7	7

Remark : <sup>1/</sup> In the Year 2015, the Audit Committee held 7 meetings, one of which was a meeting with the external auditor without the presence of management.

<sup>2/</sup> Mr. Joti Bhokavanij is knowledgeable and experienced in reviewing the Company’s financial statements. Details about his education and working experiences are as appeared in the annual report and the Annual Registration Statement for the Year 2015 (“Report 56-1”).



**The scope of duty and responsibilities of the Audit Committee:**

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system including risk management system and internal audit system to ensure that they are suitable and effective, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
3. To review the Company's compliance with the law on securities and exchange, the regulations of SET, and the laws relating to the Company's business;
4. To consider and make recommendation on the appointment, re-appointment, and removal of an independent person to be the Company's auditor, and to propose the auditing fee, as well as to attend a non-management meeting with an auditor at least once a year;
5. To review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of SET, and are reasonable and for the highest benefit of the Company;
6. To prepare, and to disclose in the Company's annual report, an Audit Committee's Report which will be signed by the Audit Committee's Chairman and consist of at least the following information:
  - a) an opinion on the accuracy, completeness and creditability of the Company's financial report,
  - b) an opinion on the adequacy of the Company's internal control system,
  - c) an opinion on the compliance with the law on securities and exchange, the regulations of SET, or the laws relating to the Company's business,
  - d) an opinion on the suitability of an auditor,
  - e) an opinion on the transactions that may lead to conflicts of interests,
  - f) the number of Audit Committee meetings, and the attendance of such meetings by each committee member,
  - g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - h) 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; and
7. To perform any other acts as required by law or as delegated by the Board of Directors

In this regards, the Company has disclosed the Charter of the Audit Committee on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th) and disclosed the Report of the Audit Committee for the Year 2015 in the annual report and Report 56-1 and on the Company's website.

## 2) Compensation and Nominating Committee

The Compensation and Nominating Committee is responsible for making recommendations to the Board of Directors regarding the compensation of directors and CEO; and the nomination of directors of the Company. The Committee consists of the following members:

Name	the Compensation and Nominating Committee Meeting in 2015	
	Number of Meeting	Number of Attendance
1. Mr. Dhanin Chearavanont	2	-
2. Mr. Soopakij Chearavanont	2	1
3. Mr. Umroong Sanphasitvong	2	2
4. Mr. Joti Bhokavanij	2	2
5. Mr. Li Zhengmao	2	1

In this regards, the Company has disclosed the Charter of the Compensation and Nominating Committee on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th) and disclosed the Report of the Compensation and Nominating Committee for the Year 2015 in the annual report and on the Company's website.

## 3) Finance Committee

The Finance Committee assists the Board of Directors in overseeing the financial management and performance of the Company. To perform this role, the Finance Committee shall provide opinions and advices to the Board of Directors regarding financial strategies, annual budget, substantial borrowing or indebtedness, securities issuance, acquisitions or disposals of material assets and material investment proposal. The Committee consists of the following members:

Name	the Finance Committee Meeting in 2015	
	Number of Meeting	Number of Attendance
1. Dr. Ajva Taulananda	5	5
2. Prof. Dr. Warapatr Todhanakasem	5	4
3. Mr. Umroong Sanphasitvong	5	5
4. Mr. Joti Bhokavanij	5	5
5. Mr. Gao Nianshu	5	2

In this regards, the Company has disclosed the Charter of the Finance Committee on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th) and disclosed the Report of the Finance Committee for the Year 2015 in the annual report and on the Company's website.

#### 4) Corporate Governance Committee

The Corporate Governance Committee assists the Board of Directors in setting and reviewing the Company's corporate governance policy as well as oversees that the Company has a sound and appropriate corporate governance practice. The Committee consists of the following members:

Name	the Corporate Governance Committee Meeting in 2015	
	Number of Meeting	Number of Attendance
1. Dr. Kosol Petchsuwan	5	5
2. Mr. Vitthya Vejjajiva	5	5
3. Dr. Ajva Taulananda	5	5

In this regards, the Company has disclosed the Charter of the Corporate Governance Committee on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th) and disclosed the Report of the Corporate Governance Committee for the Year 2015 in the annual report and on the Company's website.

### 3. Nomination and Appointment of Directors and CEO

#### 1) Independent Director

The procedure for nominating an Independent Director of the Company is the same as the nomination of other directors of the Company, details of which are summarized in Item 2). Nonetheless, a person who will served as the Company's independent director must be independent of any major shareholder, the group of major shareholders and the management of any juristic person who is the major shareholder of the Company including free from any other relationship that would interfere with the exercise of independent judgment and holds qualifications defined in the Corporate Governance Policy of the Company (which are more rigorous than that defined by the Capital Market Supervisory Board in area of shareholding percentage). Details are as follows:

- (1) holding shares *not* exceeding 0.75 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director;
- (2) *neither* being *nor* having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal share holder or controlling person of the Company unless the foregoing status has ended *not* less than two years prior to the date of appointment;

(3) *not* being a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of other directors, executives, major shareholders, controlling persons, or persons to be nominated as director executive or controlling persons of the Company or its subsidiary;

(4) *not* having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and *neither* being *nor* having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended *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 concerning rules on connected transactions *mutatis mutandis*. The combination 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;

(5) *neither* being *nor* having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and *not* being a principal shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended *not* less than two years from the date of appointment;

(6) *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, subsidiary, affiliate, major shareholders or controlling person of the Company, and *neither* being *nor* having been a principal shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended *not* less than two years from the date of appointment;

(7) *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 major shareholder;

(8) *not* operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or *not* being a principal partner in any partnership, or *not* being an executive director, employee, staff, or advisor who receives salary; or holding shares *not* exceeding one per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary;

(9) *not* having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company’s business affairs;

- (10) After having been appointed as independent director with qualifications complying with the criteria under the above (1) to (9), the independent director may be assigned by the Board of Directors to take part in the business decision of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or controlling person of the Company on the condition that such decision must be a collective one;
- (11) In case of any person *either* having *or* having had a business relationship or professional service exceeding the amount under the above (4) or (6), such person shall be waived from the prohibition concerning *neither* having *nor* having had a business relationship or professional service by the Board of Directors' approval only if the Company provides the opinion of the Board of Directors which perform duty under Section 89/7 of the Securities and Exchange Act B.E. 2535 that the appointment of such person does not impact his or her independent judgment and the Company shall disclose the information required by the Capital Market Supervisory Board in the notice of shareholders' meeting in the agenda for election of such independent director.

All Independent Directors of the Company are genuinely independent and are not authorized signatories binding the Company. All Independent Directors are qualified according to the regulations of the Capital Market Supervisory Board and the Policy on Corporate Governance of the Company.

## 2) Directors

The Company allows minority shareholders to submit nominations for directors before the Annual General Meeting of the Shareholders by using the form provided by the Company and sending it by registered mail to the Company within the specified period. The Company posts details, rules as well as procedures thereof on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th).

The Compensation and Nominating Committee is responsible for appraising the qualifications of persons proposed as directors (including independent directors) of the Company in light of the significant prestige, experience required, an overall understanding of telecommunications technologies and industry and qualifications in line with the Company's business strategies to fill the role and with full qualifications required by law and without prohibition and trustworthy characteristics as per notification of the Office of Securities and Exchange Commission. The Committee's deliberations are presented to the Board of Directors for consideration and approval in case of replacement. In case of proposing additional Directors, the Board of Directors will present the relevant information, together with the Compensation and Nominating Committee's opinion, to the Shareholders' Meeting for consideration and approval.

Directors are appointed by shareholders by majority vote. All shareholders have the right to appoint directors. Each shareholder is entitled to one vote for each share held and shall exercise all the votes he or she holds to appoint one or several person(s) to be director(s), provided that he or she cannot divide his or her votes to any person to any extent. However, the Company complies with good corporate governance by allowing shareholders to exercise the right to appoint directors individually by nominating candidates together with their resumes for consideration and voting by shareholder's meeting individually. Candidates shall be appointed as directors in order of their ranks from the highest votes received until all of the director positions are filled. In case the votes cast for candidates in descending order are tied, which would otherwise cause the number of directors to be exceeded, the Chairman shall have a casting vote.

### 3) Top Executives

The Compensation and Nominating Committee shall consider qualifications of individuals to be nominated for election to be the President and Chief Executive Officer (the “CEO”), which is the top executive of the Company, taking into consideration their qualifications and experiences to find individuals appropriate to the business of the Company, and present the nomination and recommendations to the Board of Directors for consideration and approval.

## 4. Supervision of Business Operation of Subsidiaries and Associated Companies

1) The Company has the following mechanisms to supervise business operation of subsidiaries and associated companies.

- Sending individuals to represent the Company as directors and executives in subsidiaries and associated companies in accordance with shareholding proportion. The Board of Directors assigned the CEO to consider sending the Company’s representatives for such purpose.
- Directors and executives of subsidiaries and associated companies are required to ensure that policies significant to the business operation of subsidiaries and associated companies are determined in harmony with the Company’s business policies.
- Subsidiaries are supervised to comply with requirements of the SET where such requirements are applicable to the subsidiaries, i.e. preparation of financial information, entering into related party transactions, acquisition or disposal of significant assets or any other significant transactions of such companies.
- Ensuring that subsidiaries have appropriate and adequate internal control system and prepare financial information for the Company to enable the Company to prepare consolidated financial statement properly in accordance with Thai financial reporting standards.
- Preparing summarized business operation result reports of subsidiaries by their business categories for presentation to the Board of Directors meeting regularly on a quarterly basis to monitor the business operation results of subsidiaries.

2) Agreement between the Company and other shareholders in the management of subsidiary companies and associated companies (shareholders’ agreement) with significant effect on work management or control power or profit sharing other than remuneration proportional to normal shareholding

- None -

## 5. Insider Trading Policy

The Board of Directors is aware of the importance of protecting the Company from personal insider trading. The Company has a code of conduct regarding inside information and insider trading, as well as the use of applicable laws to monitor and prevent the personal use of confidential Company information by management and related

persons. In addition, the Company has a policy of strict compliance to its requirement that Directors and senior management who have gained inside information on the Company by virtue of their positions do not use that information in any way that violates their responsibilities to the Company and its Shareholders. Material information which has not yet been disclosed is kept confidential, apart from disclosure to the relevant Director and senior management of the Company. Directors and senior management must report purchases, sales, transfers and assignments of securities issued by the Company to the Securities and Exchange Commission (“SEC”) within three working days of the transaction’s execution, and provide a copy of this report to the Company for its records and incorporation in its regular report to the Board of Directors. In this regard, Directors and senior management are required to submit an accurate report on the securities holding within the required period. This will be deemed one of the material obligations which senior management of the Company needs to be aware of and needs to meet. This gives confidence to Directors and senior management that the business is being managed and developed in a manner which is trustworthy, transparent, and consistent with the Corporate Governance Policy of the Company. It also provides shareholders, including general investors, with confidence in the Company’s Directors and senior management.

Additionally, in 2015, the Company has set the additional practice regarding insider information governance which is notification of prohibition period for trading the Company’s securities before public disclosure of the Company’s financial results. The directors, executives and officers who may access into information relating to financial statements including their spouse and minors are prohibited not to trade the Company’s securities in the period of 1 month prior to the public disclosure of financial statements and 24 hours after such disclosure.

## 6 Remuneration for Audit Firm

### 1) Audit fee

In 2015, the Company and subsidiaries paid audit fee to the firm, to which the auditors work for, in the total amount of Baht 28.36 million, of which Baht 15.15 million was paid in the 2015 fiscal year and the remaining Baht 13.21 million would be paid in the following year, comprising.

- Audit fee of the Company for 2015 in the amount of Baht 6.20 million, of which Baht 3.99 million was paid in the 2015 fiscal year and Baht 2.21 million would be paid in the following year.
- Audit fee of subsidiaries for 2015 in the amount of Baht 22.16 million, of which Baht 11.16 million was paid in the 2015 fiscal year and Baht 11.00 million would be paid in the following year.

### 2) Non-audit fee

The audit firm appointed by the Company provided services other than auditing to the Company and subsidiaries, i.e. examination by an agreed method and provision of consultations on taxes etc. during 2015, with remuneration of Baht 1.86 million, of which Baht 0.25 million was paid by the Company and subsidiaries during the year, and the remaining Baht 1. 61 million would be paid in the following year.

## 7 Other Corporate Governance Practices

The Company has two levels of corporate governance oversight, by the Board of Directors and by management. The Board of Directors has established the Corporate Governance Committee which comprises Dr. Kosol Petchsuwan, Mr. Vitthya Vejajiva and Dr. Ajva Taulananda. Corporate governance at management level is overseen by the CEO and other senior executives.

In 2015 the Company complied with good corporate governance principles which could be summarized as follows.

### Section 1 Rights of Shareholders

#### 1. Shareholder meetings

- 1.1 The Board of Directors realizes and places importance on rights of shareholders as well as equitable and fair treatment to shareholders, and, therefore, prescribed a policy relating to shareholders as a part of the Policy on Corporate Governance of the Company, taking into consideration rights of shareholders of all groups as much as possible, not limited only to the rights prescribed by law.
- 1.2 In 2015, the Company organized 1 shareholder meeting, i.e. the 2015 Annual General Meeting of the Shareholders (the “AGM”) on 24 April 2015. All shareholder meetings of the Company were organized on such dates, at such time and venue by taking into account convenience of shareholders attending the meetings, by having organized the meetings on working days and hours, i.e. 14.00 hours at the Head Office of the Company, located in Bangkok where access thereto is convenient. Moreover, map and information on travel thereto were prepared as a document attached to the letters of invitation to the meetings and sent to all shareholders eligible to attend the meetings.
- 1.3 In all shareholder meetings, including the 2015 AGM, the Company informed shareholders, in the letters of invitation to the meetings and relevant documents, of the dates, times, venues, meeting agendas, all information relating to the matters to be decided in the meetings, as well as causes and backgrounds of the matters to be decided, by clearly specifying facts, reasons and objectives including comments of the Board of Directors in each agenda, emphasizing on details for those who have not been aware thereof to comprehend the matter easily. In addition, the Company also provided information on votes of shareholders in resolving to grant approval in each agenda proposed in the letters of invitation to the meetings, rules adopted in the meetings, classes of shares and voting rights as well as voting procedures by sending letters of invitation to the meetings to all shareholders entitled to attend the meetings in advance of the meeting dates to enable shareholders to have sufficient time to consider the information and refrain from committing any act which may limit their opportunity to study information of the Company. The Company has no policy to hinder or create obstacles to prevent shareholders from communicating among them.
- 1.4 The President and the Chief Executive Officer and the Chairman of the Audit Committee participated in the 2015 AGM.



- 1.5 In all previous shareholder meetings, including the 2015 AGM, the shareholder meetings have considered the matters in accordance with the agendas prescribed in the letters of invitation to the meetings delivered by the Company to shareholders in advance, without changing the sequence of the meeting agendas and without adding other agendas not specified in the letters of invitation to the meetings.
- 1.6 Remunerations of directors of the Company are in one format only, i.e. regular monthly remuneration determined on individual positions basis. The Company pays no other form of remuneration, such as meeting allowance and bonus or gratuity, to directors. The Company proposed the agenda on remunerations of directors to the AGM regularly on annual basis. As for 2015, the Compensation and Nominating Committee reviewed the appropriateness of the remunerations of directors, taking into consideration the performance standards of the same industry, as well as the experience, duties and responsibilities of directors, and recommended to the Board of Directors meeting that the same rate of remunerations as that previously approved by resolution of the 2014 AGM, which has never been changed since 2002, should be presented to the 2015 AGM for approval.
- 1.7 The Board of Directors concurred with the Audit Committee's recommendation to propose the appointment of the Company's auditor and the determination of the audit fee for the Year 2015 to the AGM for approval as the Company has done annually. To provide auditor information for shareholders prior to the AGM Day, the Company disclosed the following auditor information in the AGM invitation letter: name of the auditor, age, company name, educational background, working experience, experience in conducting the audit and expressing an opinion on the financial statements, family relationship with the Company's management, any relationship or conflicts of interests, which could affect the independence of their performing as well as the audit fee proposed for the year 2015 and its remuneration in the previous year.
- 1.8 The Company disclosed the dividend distribution policy of the Company and subsidiaries companies in the annual report and Report 56-1 and also presented it to the AGM for consideration regularly on annual basis, with clear information and supporting reasons for the 2015 AGM. The Company proposed to the shareholders' meeting not to distribute dividends and not to appropriate to the reserve fund from the 2014 operation result by giving explanation in the letter of invitation to the meeting advising shareholders that the Company still had accumulated loss, in which case the Company could not distribute dividends to shareholders in accordance with law and needed not appropriate to the reserve fund.
- 1.9 Regarding the agenda to consider the election of the directors, the Company nominated candidates for shareholders to elect as directors individually and provided details of the nominees proposed in the AGM invitation letter. The details of each nominee proposed for the election of the directors consisted of director's name and surname, current position, type of director to be elected, nomination criteria and procedure, family relationship (to the Company's management or major shareholders), date appointed as director, period of directorship, number of board or committee meetings attended during the year (if applicable), age, nationality, educational background, director training programs attended, working experience, and number of companies in which they hold director or executive office in other organizations categorized as companies listed and non-listed in the Stock Exchange of Thailand, and companies which may have any conflicts of interests to the Company and number of the Company's shares holding by the director.

- 1.10 The Company clearly determined shareholder meeting agendas on individual matters, e.g. in the agenda relating to directors, the Company divided the matter on director election and that on consideration for approval of remunerations of directors into separate agendas
- 1.11 In case several matters were proposed for consideration to the shareholder meeting in the same agenda, which had no related legal effect, the Company would require resolution made on each matter, for example, in respect of the director election agenda, the Company gave shareholders opportunity to vote for election of directors on individual basis by nominating one individual at a time for election as director by shareholders to give shareholders opportunity to elect directors of their real choices.
- 1.12 The Company facilitated all groups of shareholders, both natural persons and institutions, to exercise their rights to participate and cast their votes in meetings at no cost and without complicated procedures, and refrained from committing any act which limited shareholders' meeting attendance, provided spots where list of shareholders and number of shares held by them could be examined by their categories, which helped facilitating and expediting the registration on the meeting date.
- 1.13 In all shareholder meetings, including the 2015 AGM, the Company provided a channel for shareholders to send questions to the Company 7 days in advance of the meeting date through the e-mail address: [ir\\_office@truecorp.co.th](mailto:ir_office@truecorp.co.th) or via registered mail to the Investor Relations Department, True Corporation Public Company Limited, 18th Floor, True Tower, No. 18, Ratchadapisek Road, Huai Khwang, Bangkok 10310, 15 days in advance of the shareholder meeting. The Company publicized the matter for information of shareholders through the Company's website and in the letter of invitation to the meeting delivered to all shareholders eligible to attend the shareholder meeting.

## 2. Procedures on the shareholder meeting date

- 2.1 The chairman of the meeting ensures there is appropriate time set aside for discussion and encourages shareholders to express their opinions and ask questions related to the Company's operations.
- 2.2 Technology has been used during the shareholders meeting registration, vote counting and vote result announcement so the meeting is done promptly and accurately.
- 2.3 For the sake of transparency and historical record, the Company encourages the use of voting cards for every agenda that need to be voted. The Company also arranges an independent law office to verify the vote counting where the name of the independent law office and its representatives are introduced to shareholders before starting the agenda session. The voting cards will be kept as evidence if there is any dispute over the results after the meeting.

## 3. Preparation of minutes of the meeting and disclosure of shareholder meeting resolutions

- 3.1 The Company notified the Stock Exchange of Thailand of the 2015 AGM's resolutions specifying the number of approving, objecting and abstaining votes in each agenda item on the date the meetings were organized and posted on the Company's website on the next business day to provide shareholders and investors a chance to review the AGM's resolutions in a timely manner

3.2 The Company also recorded details the following matters in the minutes of the shareholder meetings: (1) Voting and vote counting method, which was explained by the Secretary of the Meeting prior to convening the meeting in accordance with the agendas, (2) votes of shareholders, by clearly specifying either voting for, against or abstaining, and the number and proportion of votes in each agenda, (3) names and positions of directors, senior executives, auditors, legal advisor and vote counting supervisor participated in the meeting, (4) summarized essence of inquiries, comments and recommendations of shareholders including explanations of directors and executives in response to inquiries of shareholders in each agenda for information of shareholders who did not participate in the meetings

4. There was no cross holding in the Company Group.

5. The Company distributed shareholding of minor shareholders in accordance with requirements of SET, i.e. as at 17 March 2015, which was the shareholder register closing date to determine the rights to attend the 2015 AGM, the Company had minor shareholders' shareholding proportion (free float) of 30.86%, institution investors' shareholding proportion of 38.39% and the shareholding proportion of the Board of Directors including related parties of 0.12%.

## **Section 2**

### **Equitable Treatment of Shareholders**

1. The Company has only one class of shares, i.e. ordinary shares, with equitable voting right, i.e. one share per one vote.

2. Provision of information prior to shareholder meetings

2.1 When the meeting of the Board of Directors resolved to approve the organization of the 2015 AGM, the Company notified the Stock Exchange of Thailand of significant resolutions of the Board regarding the meeting schedule together with the meeting agendas as well as comments of the Board within the same day as the Board of Directors meeting date, and publicized the information on the Company's website on the next working day. Such disclosure was made 55 days in advance of the shareholder meeting date.

2.2 The Company prepares letter of invitation to the meeting together with relevant documents in the Thai language for Thai shareholders and in the English language for foreign shareholders and delivered to all shareholders at the same time in advance of every meeting date. As for the 2015 AGM, the Company delivered the letters of invitation to the meetings together with relevant documents to shareholders 23 days in advance of the meeting.

2.3 The Company publicized the letters of invitation to the meetings and relevant documents, both in the Thai and the English languages, on the Company's website at the same time in advance of all meeting dates. As for the 2015 AGM, the Company publicized the letter of invitation to the meeting and relevant documents on the Company's website 32 days in advance of the meeting date to provide shareholders with sufficient time to study the meeting supporting information before receiving the information in hard copy format from the Company, and also publicized the information via electronic means of SET for information of shareholders.

- 2.4 Prior to the AGM's agenda session, the secretary of the meeting will notify shareholders regarding meeting rules, type of shares, voting rights, voting method, vote counting and vote result announcement. This process has regularly been done in the past years.

### 3. Protection of rights of minor shareholders

- 3.1 The Company allows shareholders who cannot attend meetings to cast a proxy vote, without any conditions that will make it difficult for shareholders to appoint their proxy. Moreover, the Company allows shareholders to submit their proxy form to the Company Secretary and Securities Department in advance of the meeting date for verification to save the shareholders' time on the meeting date
- 3.2 The Company encourages the use of proxy forms on which shareholders can specify their voting preferences. The proxy forms are attached together with the invitation letter to the shareholder meeting. The Company provides options for shareholders to appoint 2 independent directors as their proxy (with their background information provided).
- 3.3 Under the agenda on election of directors in shareholder meeting, the Company would nominate candidates one by one for shareholders to consider and allow shareholders to exercise the right to elect directors individually.
- 3.4 The Company placed much emphasis on protection of the rights of minor shareholders. One of the practices the Company always adhered to was to request shareholders who were executives of the Company to refrain from adding meeting agenda not proposed in advance in all cases. Should there be any necessary additional agenda, it would be requested that a new shareholder meeting be held for such agenda to enable other shareholders to have sufficient time to study the information before making decision.
- 3.5 The Company provided opportunities and clearly prescribed rules to enable minor shareholders to propose matters to be included as meeting agendas and to nominate individuals for election as directors at least 3 months in advance of an AGM. Such practice has been adopted regularly every year up to present, and shareholders could submit information in accordance with such rules and in such format as prescribed and publicized by the Company on its website.

At the 2015 AGM, proposed issues were sent via registered mail to the Company from 1 October 2014 to 31 December 2014. The Company posted the above proposals on its website and through the SET's electronic system. Nevertheless, shareholders did not propose any issues or nominations for directors

### 4. Prevention of the use of inside information

The Company monitored the use of inside information by including it in the good corporate governance policy and code of conducts, as well as the use of applicable laws to monitor and prevent the personal use of confidential Company information by management and related persons. Material information which has not yet been disclosed is kept confidential, apart from disclosure to the relevant senior management of the Company. Directors and senior management must report purchases, sales, transfers and assignments of securities issued by the Company to the Securities and Exchange Commission (SEC) within three working days of the transaction's execution, and provide a copy of this

report to the Company for its records and incorporation in its regular report to the Board of Directors. In 2015, there were no case where Board members or executives take advantages of using inside information for trading securities issued by the Company and violating this practice.

The Company disclosed information on the number of shares of the Company held by each director and executive, separating into number of shares held personally and those held by their spouses. The number brought forward as at the end of 2014, the number acquired and disposed of during 2015 and the balance as at the end of 2015 were presented in the Report 56-1 and the 2015 Annual Report as well.

#### 5. Conflicts of interests by directors

The Board of Directors formally prescribed “The Criteria and Procedures for Reporting the Interests of Directors and Executives”, with which all directors and executives properly complied.

In addition, in a Board of Directors meeting, any director with material interest which could prevent the director from commenting freely would refrain from participating in the consideration of that agenda and that would be recorded in the minutes of the Board of Directors meeting.

6. Throughout the past and including 2015, the Company has never conduct transactions which provided financial assistance to companies which were not subsidiaries of the Company.
7. The Company adopted measures and steps for granting approvals of related party transactions as prescribed by law and in accordance with standards prescribed in the requirements of the Capital Market Supervisory Board and SET by implementing the “Rules of Entering into Related Party Transactions”, which were approved by the Board of Directors. For related party transactions which required approval from shareholder meeting prior thereto, the Company would disclose information on such transactions in the letter of invitation to the meeting, e.g. names and relationships of related parties, nature of the transactions, the transaction pricing and valuation policy, reasons for making such transactions including opinions of the Board of Directors and the independent financial advisor on such transactions, etc., and deliver the letter of invitation to the meeting within such time as fixed, and properly and completely fulfilled all relevant obligations in accordance with requirements of the Capital Market Supervisory Board and SET. Throughout the past up to present, the Company has always been strictly complying with laws, requirements as well as regulations on related party transactions and have never done any related party transaction by violating or not complying with laws and rules for related party transactions as well as relevant requirements.

In 2015 the Company had no related party transaction which required prior approval from the shareholder meeting,

As for other types of related transactions, the Company did them fairly with prices and conditions in accordance with the normal course of trade (fair and at arms’ length).

No related person of the Company in the shareholding structure of the Company Group held shares in any subsidiary and associated company exceeding 10 percent of the issued and paid-up shares thereof.

The Company disclosed the details of related transactions of all types made during 2015 in the annual report and Report 56-1 under the heading “Connected Transactions”.

8. The Company strictly complied with laws and requirements of the Capital Market Supervisory Board and SET relating to transactions on acquisition or disposal of assets. In case of transactions on acquisition or disposal of assets approved by shareholder meeting, the Company would disclose details thereof in the annual report and the 56-1 Form of that year. Up to present the Company has never entered into any transaction on acquisition or disposal of assets by violating or failing to comply with relevant laws and requirements.

In 2015, the Company had no transaction on acquisition and disposal of assets which required compliance with notification of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

### **Section 3**

### **Role of Stakeholders**

1. Prescription of policy on treatment of stakeholders and compliance with the policy

- 1.1 The Board of Directors recognizes the importance of acknowledging the rights of all stakeholders and their ability to positively influence the Company's conduct and activities, and vice versa. Accordingly, the Company has established a "Code of Conduct" covering employees and stakeholders which includes:

#### Employees

- The right to privacy and the right to be protected from any violation of that privacy
- The right to receive fair and equal treatment
- The right to fair and equal employment such as the right to take leave and to receive fringe benefits, and the opportunity to be promoted, to transfer to other work units, and to receive performance assessments

#### Customers

- The right to receive fair and equal treatment
- The right to receive full and efficient service from the Company's employees
- The right to receive quality goods and highly efficient service
- The right to protection of confidential information

#### Suppliers and dealers (business partners)

- The right to receive fair and equal treatment
- The right to protection of confidential information
- The right to be treated honestly and reliably
- The right to information on relevant laws, regulations and policies
- The right to fair competition

#### Competitors

- The right to receive fair and accurate comparisons of products and services without defaming competitors or their products and services
- Not to engage in industrial espionage, sabotage or bribery with regard to competitors or potential competitors
- The right to receive fair and equal treatment, to not give preference to any competitor over another in terms of quality and testing as well as installing and maintaining the regulated common carrier services.

#### Creditors

- The right to be treated in accordance with terms and conditions of all agreements under relevant law and regulations
- The right to receive correct and complete financial information
- The right to receive payments owing, as well as safeguarding all guaranteed assets given as security

#### Investors

- The right to receive fair and equal treatment
- The right to be treated with the best intentions of the management to operate the business with their best knowledge, skills, and honesty
- The right to be protected from the use of insider information for pursuing private interests

#### Government agencies

- The right to regulate, monitor and punish according to laws and regulations and the government agency's standard practice.

1.2 The Company has focused on safety and occupational health at work by putting in place its "Safety, Occupational Health and Work Environment Policy" and also announced its "True Employee's Health Promotion Policy" providing management of safety, occupational health and the work environment as well as promoting employee' health as follows:

- 1) Providing procedures and operational instructions relating to safety, occupational health and the work environment in the Company's Procedure Manual System (PMS). For example, the procedure for safety assessment, safety in working at heights, electrical safety, safe working in confined space and underground cable manhole and emergency evacuation drills, etc.
- 2) Providing safety instructions (in an e-Book format) for office workers and technicians so they can easily access, study, understand the instructions and put them into practice.
- 3) Establishing safety rules and regulations for the Company's employees and contractors.
- 4) Establishing preventive plans and evacuation plans in case of an emergency at each of the Company's offices and also providing employees with the relevant instructions videos and manuals.

- 5) Providing safety training courses, e.g. working at heights, working in underground cable manholes and basic first-aid rescue, for employees and contractors of the Company.
- 6) Launching various health promotion campaigns for employees, both in Bangkok and other provinces, to promote and urge sports groups of the Company to organize activities for employees to participate in more exercises, including mental care, by allowing employees to study and have mental care for 5 days per year without treating it as a leave. Besides the exercise activities promoted to our employees, the company provides a new fitness facility at the 7th Floor, TRUE Tower II.
- 7) Monitoring and measuring, in random, air quality in offices where plenty of employees are working, i.e. the Head Office, office buildings where telephone operators are performing, main telephone exchange office buildings and TRUE Shops (parameters measured include carbon dioxide, carbon monoxide, fungus, yeast, mold, bacteria formaldehyde, dust particles affected respiratory, temperature, moisture etc.).
- 8) During the outbreak of the Severe Acute Respiratory Syndrome (SARS), the Company arranged to have its establishments fumigated to prevent them from being contagious places, not only provided flu preventive vaccines at special price for employees but also hepatitis A-B vaccine, Invasive Pneumococcal Disease vaccine(IPD), Human Papillomavirus vaccine(HPV16-18) by quarterly.
- 9) However, despite the Company's having safety, occupational health and the work environment management, in some cases accidents occurred from work performance. Statistics of work-related accidents during 2014 and 2015 were as follows.

Year	Accident Statistics	Leave Statistics	Loss Working Day Statistic	IFR	ISR
2014	7	-	41	1.37	8.04
2015	1	-	3	0.20	0.61

Remarks : IFR : Injury Frequency Rate =  $\frac{\text{number of employees suffered from accidents} \times 1,000,000 \text{ hours}}{\text{total number of employees} \times \text{number of working hours (whole year)}}$

ISR : Injury Severity Rate =  $\frac{\text{Injury Severity Rate} = \text{number of days of treatment} \times 1,000,000 \text{ hours}}{\text{total number of employees} \times \text{number of working hours (whole year)}}$

Total number of employees in 2014 and 2015 were 2,453 and employees 2,374, respectively.

- 1.3 Employee remuneration in both short-term and long-term is considered in accordance with the Company's business operation results. Balanced Scorecard (BSC) is a management tool to drive the Company's strategy into action while key performance indicators (KPI) are used as a guideline to evaluate employees' performance.
- 1.4 The Company disclosed procedures on remuneration and welfare of employees in details under the heading "Personnel" in the annual report and Report 56-1.



- 1.5 The Company has established a provident fund for employees.
- 1.6 The Company emphasizes on developing and improving the human resources management and development system to advance in line with technology and meet international standards to enhance and develop employees to be both good and skillful people with involvement in social development and support. As a whole, the Company encourages both internal and external educations to enable employees to develop on a continuous basis. Tele-education system is established for employees in provincial areas. The Company establishes the “Learning & Development Center” to design and develop appropriate training courses. There are about 200 training courses organized within the Company per year. In 2015, there were a total of 25,295 training mandays with total budget of Baht 72 million. The Company disclosed information on personnel training and development in the annual report and Report 56-1 under the heading “Personnel”.
- 1.7 The Company had a policy and procedures on fair selection of vendors and responsibility to vendors, i.e. the Company had a process in placing order for goods and services between the company and providers of goods and services, using electronic system which was convenient to examine in various aspects, e.g. budgets, approval authority and other information on the purchasing process, with the help of the Internet in placing orders for goods and services, to enable purchasers to select goods and services personally from Online Catalog in a self-service manner, and could specify their purchase by themselves (Online Purchasing). The Company had a process to select goods and services providers on a fair basis with appropriate price comparison in accordance with policies of individual companies in the Group, under good supervision measure to ensure transparency, fair and equal benefits of all parties concerned, as well as availability of examinable system.
- 1.8 The Company has declared its intention to be a part of the “Private Sector Collective Action Coalition Against Corruption Council” (CAC) with determination to strictly comply with the laws of Thailand in relation to countering corruption. The “Anti-Corruption Policy and Measure” is therefore implemented and prepared in writing to be a clear code for business conduct, leading to sustainable development of the organization and the country.

The Anti-Corruption Policy and Measure was approved by the Board of Directors of the Company and declared by CEO to effect throughout the organization and all subsidiaries (“True Group Company”) including all directors, executives, and employees.

- 1.9 The Company has set procedure to assess risk from corruption and has disclosed on the Company’s website. Details are as follows:
- (1) The Company shall carry out risk assessment of business transactions that may have processes or procedures which may fall within the scope of corruption. The Risk Management Committee shall assess and review the Company’s risk of corruption involvement annually.
- (2) The Company shall implement risk management policy in order to mitigate the risk of corruption involvement by identifying activities and highlights situations that are highly susceptible to corruption that may occur from business operations. The Company shall estimate the corruption risks that may occur and the corresponding potential impacts as well as regularly monitor and review the risk management measures to ensure its

effectiveness in countering the corruption. Such risk management policy shall be continually reviewed in order for the Company to have an appropriate and effective risk management measures to manage the corruption risks to be at an acceptable level.ได้

1.10 The Company has set guideline regarding supervision and control to prevent and monitor risk from corruption and disclosed on the Company's website, details are as follows;

- (1) The Company will provide an assessment procedure and an internal control system to prevent corruption, to ensure that the prescribed risk management policy has achieved its goals and effectively prevent corruption and to monitor and ensure that the Company's internal operations are in compliance with applicable rules and regulations. Such assessment procedure and internal control system shall apply to all sectors of the Company, including sales and retail, marketing, procurement, human resources management, finance, accounting, data collection, operation, as well as other sectors of the Company, which related to the Anti-Corruption Policy and Measure.
- (2) The Company will ensure that the assessment by the internal audit team be conducted regularly and annually.
- (3) The Finance Department of the Company shall be responsible for the examination of the accounting item and disbursement payment processes, by appointing authorized persons and specified certain amount which can be approved by such person. Disbursement must be supported by clear evidences to avoid any misconduct.
- (4) In case any accounting item lacks clear supporting evidences, or there is a doubt that this Anti-Corruption Policy and Measure may be violated, the Finance Department of the Company shall report to the Audit Committee.

1.11 The Company has set the guideline for monitoring the implementation of Anti-Corruption Policy and Measure, details are as follows:

- (1) The Company shall review the Anti-Corruption Policy and Measure annually and examine the compliance of the policy regularly.
- (2) The Company shall ensure that the internal control system and procedures are reviewed regularly, and report issues found immediately to ensure that the internal control system efficiently counter corruption. The result of the examination shall be discussed among relevant parties in order to find appropriate solutions to solve the issues and shall be reported to senior executives and the Audit Committee for information.

1.12 The Company has set the guideline for training the Anti-Corruption Policy and Measure for employees. The training Center and Development is assigned to design and develop the appropriate training course for staff in each level to educate knowledge on the policy and practice.

1.13 The Company has provided channel for reporting suspicious behavior or making complaints of any illegal acts or any act that may indicate corruption or misconduct of the personals of the Company, including employees and other stakeholders, which was posted on the Company's website, [www.truecorp.co.th](http://www.truecorp.co.th).

Any report of suspicious behavior or complaint about corruption or misconduct may be reported through the following channels:

(1) Audit Committee

E-mail address: [auditcommittee@truecorp.co.th](mailto:auditcommittee@truecorp.co.th) or a sealed letter addressed to the Chairman of the Audit Committee or to the Audit Committee directly at the address below:

The Chairman of the Audit Committee  
 18 True Tower Building, Ratchadaphisak Road  
 Huaykwang, Bangkok 10310

or

(2) Chief Executive Officer and Managing Director

By sending a sealed letter addressed to the Chief Executive Officer and Managing Director directly at the following address:

Chief Executive Officer and Managing Director  
 18 True Tower Building, Ratchadaphisak Road  
 Huaykwang, Bangkok 10310

or

(3) Human Resources Department

E-mail address: [Sarinra\\_Won@truecorp.co.th](mailto:Sarinra_Won@truecorp.co.th)

or

(4) Fraud & Cyber-Crime Department

E-mail address: [Nopadol\\_Som@truecorp.co.th](mailto:Nopadol_Som@truecorp.co.th)

1.14 The Company provided channels for any stakeholder to make complaints or provide information concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee. The information about the said channels are on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th), the details are as follows;

Stakeholders can, in confidentiality, make complaints or provide information concerning fraud, wrongdoing or violations of the Company's Codes of Conduct to the Company's Board of Directors via the Audit Committee through the following channels;

- Email: [auditcommittee@truecorp.co.th](mailto:auditcommittee@truecorp.co.th)
- Mail address

Audit Committee  
 True Corporation Public Company Limited  
 18 True Tower, 28th floor  
 Ratchadapisek road, Huai Khwang  
 Bangkok 10310

The Company Secretary, in the capacity of Secretary of the Audit Committee, will be responsible for gathering the issues and forwarding them to the Audit Committee for its consideration and further action. The Audit Committee will summarize results of any investigation and report to the Board of Directors every quarter.

Conditions for processing complaints and information:

- Anonymous letters are not accepted
- Stakeholders who submit complaints or information must provide their full names. The Company will keep their personal information confidential. Only officers or persons authorized by the Audit Committee can access the information.
- Irrelevant issues such as the following shall not be processed by the Audit Committee:
  - Job inquires
  - Surveys and other requests for information about the Company
  - Offers or advertisements of goods and services
  - Requests for donation and sponsorship

In 2015, The Audit Committee did not receive any complaint or information concerning fraud or wrongdoing. But there was 5 problems regarding the Company's services which the Audit Committee had already submitted to the relevant Departments where appropriated actions were taken and all issues were already solved.

1.15 The Company emphasized on the matter of the environments and promoted implantation of consciousness of employees and extending to the general public and organized training courses to educate employees and the general public on the environment through the natural conservation photograph contest which provided employees and the general public with opportunity to participate in the activity on natural photography training course and submit their photographs to the contest. Said natural photography training for employees and the general public would create the feeling of love and care for nature and the environment conservation consciousness, persuasion of interest in nature with close perception and transmitting those beauties through beautiful photographs with common feeling to protect their continued existence. In this regard, the Company, jointly with the Department of National Parks, Wildlife and Plant Conservation, has been organizing the project on natural conservation photograph contest "Animals are valuable, forests are useful" regularly every year since 1995 up to present, which is the 20th year. Competent persons and experts on environmental conservation

are invited to provide know-how on the environment aspect to instill in Thai citizens a feeling of joint owners and create cooperation in rehabilitating and increasing the number of wildlife, which shall help maintaining the natural balance existence.

- 1.16 The Company group by True Lab which is the cooperation for research development and innovation between True by True Innovation and leading education institutions organized the “Popcorn by True Lab” Project. The Project is the contest of business inventions to encourage all students, undergraduates to participate in creating business inventions which are beneficial to social and private sectors. Top 10 winners will be awarded with fund and training by entrepreneur whose businesses are successful.

True’s innovation center signed the cooperative agreement in True Lab Project with Chulalongkorn University to provide area which is favorable for studying and research and innovation development to meet the demand from business sector nowadays, to share the knowledge between academic institution and business sector and to be the community for lecturer, researcher, university students and personnel at this area.

Moreover, the Company has been organizing the “True Innovative Award for True” Project regularly on yearly basis up to present. The Project is the contest of inventions within the Company to encourage all employees at all levels to participate in creating inventions which are beneficial to the organization and the society as a whole, by encouraging employees to recognize the importance and benefits of inventions and the application thereof in work units to create continuous developments to educate participating employees on inventions on integral basis and enable them to materialize and effectuate the inventions and creativities to solve problems for customers, develop goods, services and processes beneficial to the organization, customs and the society, for example, enhanced customer satisfaction, revenue increase, process improvement, value adding, creation, etc.

Apart from organizing internal innovation contest, the Company also has a determination to help creating innovative inspiration amongst Thais. The Company, therefore, organizes the “True Innovation Awards” contest which is held annually since the year 2010. It allows Thai inventors to present their ideas and develop innovative works to benefit society and country as a whole as well as an opportunity to leverage Thais’ potential to meet with international standards.

- 1.17 The Company places emphasis on intellectual properties by preparing publications for posting through website [www.trueinnovationcenter.com](http://www.trueinnovationcenter.com) to educate employees to comprehend the meaning of intellectual property, encourage employees to recognize and respect the value thereof, and not to infringe any intellectual property against the owner thereof, both in term of copyright and industrial property, whether being patent, trademark, trade secret, trade name etc. In respect of intellectual properties owned by the Company, the Company clearly prescribed guidelines, in writing, for employees to follow in “Ethics and work performance guidelines”, whereby employees are required to protect the Company’s intellectual properties, refrain from disclosing them without permission, and not to misuse them or use them illegally.

## 2. Preparation of report on corporate social responsibility

The Board of Directors has approved a Corporate Social Responsibility (CSR) policy which follows the Global Reporting Initiative which is available on the Company’s website in English and Thai. In addition, the Company operates its

business while adopting the sufficiency economy philosophy and taking into consideration environmental and social matters with a focus on promoting a knowledge-based society as a path to sustainable development for Thailand. The Company places emphasis on using modern telecommunications technology to develop educational projects which help with the development of youth and underprivileged children in Thai society.

The Company disclosed the information as well as activities in connection with corporate social responsibility in the annual report and Report 56-1 under the heading “Corporate Social Responsibility”.

## **Section 4**

### **Disclosure and Transparency**

#### **1. Information disclosure**

- 1.1 The Company was able to submit both the quarterly and annual financial reports for 2015 within the schedule determined by the SEC and SET. The Company emphasized on preparing financial statement properly in accordance with generally accepted accounting standards, using appropriate accounting policies applied on a consistent basis. The Company was very rigorous in submitting financial statements and financial report within the schedule prescribed by law. The Company’s financial statements were certified with unqualified opinions by the auditor and have never been ordered by the SEC to make any correction thereto and have never been submitted late.
- 1.2 The Company prepared Management’s Discussion and Analysis by giving analytical explanations on financial position and operation results of the Company and forwarded them to the SEC and SET together with all quarterly financial statements and publicized them on the Company’s website as information supporting disclosure of all quarterly financial statements to enable investors to be aware of and comprehend the changes to the financial position and operation results of the Company in each quarter better.
- 1.3 The Company provides summaries of the Corporate Governance Policy and the Corporate Social Responsibility Policy approved by its Board and reports on both practices through various channels such as its annual report and website.
- 1.4 The Company provides a statement of the Board’s responsibilities concerning the Company’s financial report. This statement is presented in the Company’s annual report.
- 1.5 Auditors of the Company were those approved by the SEC and appointed by AGM. The Company disclosed information on payment of audit fee to auditors for 2015 in the annual report and Report 56-1, by clearly separating the remuneration into audit fee and non-audit fee.
- 1.6 The Company discloses the roles and responsibilities of the Board of Directors and its committees, the total number of meetings and the number of meetings each member attends, the results of tasks performed as well as any ongoing training courses and occupation knowledge development programs each member attends during the year in the annual report, according to the SET and the SEC regulations.

- 1.7 The Company disclosed the backgrounds of all directors in the annual report, Report 56-1 and on the Company's website by specifying their names-surnames, ages, positions, educational backgrounds, training, working experiences, number of shares in the Company and proportion of shareholding, holding of director office in any other company, clearly separating into the heading of listed company and other companies, date appointed as director, as well as family relationships among executives.
- 1.8 Remunerations of directors of the Company reflected the obligations and responsibilities of each director. The Company paid directors their remunerations in 2015 at such rates as approved by the 2015 AGM, which were the same rates as approved by the 2014 AGM, which have remained unchanged since 2002. Details are as follows.

Remuneration of Directors is paid on a monthly basis as follows:

Chairman	Baht 300,000	per month
Honorary Chairman	Baht 200,000	per month
Vice Chairman	Baht 150,000	per month
Director	Baht 100,000	per month

Any Director being an employee of the Company shall receive the Director's remuneration in addition to his or her salary as an employee.

Independent Directors who hold a position on a Committee shall receive remuneration as follows:

Independent Directors who are also the Chairman of a Committee Baht 300,000 per month

Independent Directors who are also member of a Committee Baht 200,000 per month

Remuneration of Independent Directors who are not members of a Committee, and directors who are not Independent Directors shall remain the same.

In this regard, the Company disclosed the amount and type of remuneration received by each director from the Company and subsidiaries individually in the annual report and Report 56-1 under the "Management Structure" and publicized them on the Company's website.

- 1.9 In 2015, the Company paid high-level executives their remunerations in accordance with the Company's policy to pay remuneration by reflecting the obligations and responsibilities of each high-level executive and at suitable rates by comparing with the same type of business, and disclosed the details of remuneration payment in respects of format, nature and amount of remunerations in the annual report and Report 56-1.
- 1.10 The Company established a policy requiring directors and senior executives to submit copy of report on holding of securities of the Company, both in case of initial report (Form 59-1) and in case of changes to the holding of securities (Form 59-2) to the Company within the same period when the directors and senior executives delivered it to the SEC Office for retention by the Company as evidence and report to the Board of Directors meetings on a regular basis.

Moreover, the Company disclosed changes to the holding of securities of the Company by directors and high-level executives by illustrating in the annual report the number of shares held at the beginning of the year, changes during the year and the number of shares held at the end of the year.

- 1.11 The Company has an Investor Relations Department to communicate with outsiders on an equitable and fair basis. Investors may contact the Investor Relations Department via telephone number 0-2699-2515 or e-mail address: [ir\\_office@truecorp.co.th](mailto:ir_office@truecorp.co.th). The Company advised general investors of the contact channel via the Company's website, annual report and Report 56-1 for all individual investors. For the year 2015, the Investor Relations Department prepared press release on the Company's financial performance as well as held analyst and investor meetings following the release of the Company's quarterly results at the Company's headquarters. For analysts and investors who cannot attend the meeting in person, a Webcast is provided. The Company also provided information related to the Company while organizing meetings with analysts as well as local and international investors, including holding roadshows, and provided equal opportunities for investors, both institutional and retail, to call the Company for additional information/discussion on the Company's outlook and strategies.

## 2. Information disclosed on the Company's website

The Company publicized financial and non-financial information as required by SET accurately, completely, timely and transparently, both in the Thai and the English versions, via various channels, i.e. SET's channel, annual report, Report 56-1 and on the Company's website. The Company also publicized on the Company's website significant documents and prepared other details which were anticipated to be of interest to investors and analyzers, e.g. long term objective and target, visions and obligations, business operation nature, Company Group structure, top 10 shareholders, list and authorities of the Board of Directors and subcommittees, organizational structure, financial statements and financial information at least 3 years retroactively for comparison purpose, annual report, Report 56-1, letter of invitation to meeting together with documents relating to shareholder meetings, Articles of Association and Memorandum of Association, Corporate Governance Policy, the Company's newsletters etc., periodically updated. Documents and information of all types were publicized on the website both in the Thai and the English versions to enable investors and analyzers to access thereto conveniently and equitably and to download information of their interest. The Company also gave on its website telephone number, facsimile number and e-mail address for contact with the Investor Relations Department.

## **Section 5**

### **Responsibilities of the Board**

#### 1. Structure of the Board of Directors

- 1.1 As at 31 December 2015 the Board of Directors comprised 18 qualified and knowledgeable members with wide experiences and specialties beneficial to the Company. The number of directors was appropriate and adequate to the size and type of the Company's business with non-executive directors having experiences in major business being operated by the Company. The structure of the Board of Directors comprised: (1) 4 Executive Directors and (2) 14 Non-Executive Directors, of which 6 directors were independent directors or 1/3 of the total number of directors, which was in accordance with requirements of the Capital Market Supervisory



Board, and 8 qualified directors not involved in routine work administration including representatives of major shareholders, in accordance with fair proportions of investments of each group of shareholders.

The Company disclosed the structure of the Board of Directors, authorities, nomination rules, significant information of each director, e.g. name-surname, position, date appointed to the director's office, as well as background of each director in the annual report, Report 56-1 as well as on the Company's website at [www.truecorp.co.th](http://www.truecorp.co.th).

- 1.2 The Company clearly fixed the term of office of directors by specifying in the Corporate Governance Policy and Articles of Association in accordance with law.

The same rules in respect of the term of office of directors apply to the term of office of independent directors.

- 1.3 The Company has specified the details of Independent Directors' qualifications in its annual report and Report 56-1. Mr. Joti Bhokavanij who serves as the Independent Director and Audit Committee member has an accounting and finance background. The Company revised the qualifications of Independent Directors by using a more rigorous definition than that defined by the Capital Market Supervisory Board in area of shareholding percentage i.e. an Independent Director of the Company must have no more than 0.75 percent share ownership in the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the Independent Director.

- 1.4 The Company details the background and position of each member of the Board in its Annual Report and Report 56-1. Shareholders can download this information from the SET website at [www.set.or.th](http://www.set.or.th) or from the Company website at [www.truecorp.co.th](http://www.truecorp.co.th).

- 1.5 None of the Company's directors or executives is or was an employee or partner of the external auditing company providing services to True Group for the past two years.

- 1.6 The Company established policy regarding the number of companies each director, including independent directors and the President, could hold office therein, by specifying it in the Corporate Governance Policy of the Company disclosed on the Company's website, i.e. directors could hold office in other companies, but such directorship must not be obstructive against their performance as directors of the Company. As regards the number of companies in which each director could hold office of director, the Board of Directors encouraged directors to consider limiting to not exceeding 5 listed companies. There has been no independent director holding office of director in more than 5 other listed companies.

- 1.7 The Chairman of the Board is a non-executive director and the CEO is not the same person as the Chairman. The roles and responsibilities of the Chairman are in accordance with the law. The roles and responsibilities of the CEO are determined by the Board of Directors and the authority and responsibilities of the Chairman and the CEO are disclosed under "Management structure" in the annual report and Report 56-1 which is also posted on the Company's website.

- 1.8 The Company's Internal Audit Department reports directly to, and is accountable to, the Audit Committee.

The Company has disclosed the name and profile of the head of Internal Audit Department in the annual report and Report 56-1 which is also posted on the Company's website.

- 1.9 The function of Company Secretary is in place to serve the Board of Directors in area of providing advice on laws and regulations related to the Board, helping organize the Board's activities, and monitoring compliance with the Board's resolutions. The Company Secretary is knowledgeable and experienced in accounting and continuously attends training courses as well as participating in any company secretary-related training courses.

The Company has disclosed company secretary's job description, working experience and related training courses attended in the annual report and Report 56-1 which is also posted on the Company's website.

## 2. Committees

- 2.1 The Board of Directors has established the following committees to reflect good corporate governance:

### The Audit Committee

is responsible for reviewing the Company's financial reporting process, reviewing the Company's internal control system including risk management and internal audit system, reviewing the Company's compliance with the law and regulation on securities and exchange including the laws relating to the Company's business, determining an internal audit unit's independence, considering and making recommendation on the appointment, re-appoint and removal of an independent person to be the Company's external auditor and reviewing the transactions that may lead to conflicts of interest. Details of the Audit Committee's duty and responsibilities have been disclosed in Clause 2. "The Board's Committees".

### The Compensation and Nominating Committee

is responsible for making recommendations to the Board of Directors regarding the compensation of directors and the Chief Executive Officer; and the nomination of directors of the Company.

### The Finance Committee

is responsible for assisting the Board of Directors to review and monitor the Company's financial management. To perform this role, the Finance Committee shall provide opinions and advices to the Board of Directors regarding financial strategies, annual budget, substantial borrowing or indebtedness, securities issuance, acquisitions or disposals of material assets and material investment proposal.

### The Corporate Governance Committee

is responsible for assisting the Board of Directors to establish and review the Company's corporate governance policy as well as making sure that the Company has a sound and appropriate corporate governance practice.

The Company has also specified the details of Committees which are name lists, scope of duties and numbers

of meetings attendance in its annual report and Report 56-1 in Clause 2. “The Board’s Committees”. Shareholders and investors can download the information regarding each committee from the Company’s website at [www.truecorp.co.th](http://www.truecorp.co.th).

- 2.2 In order for the committees can perform their duties transparently, independently, and at the same time effectively, their membership comprises independent directors, and non-executive directors.

### 3. Roles and Responsibilities of the Board

- 3.1 The Board of Directors considered and granted approvals on significant matters related to the Company’s business operation, e.g. visions and obligations, strategies, financial targets, risks, work programs and budgets (which will be reviewed on yearly basis) including monitored the implementation thereof. Moreover, the Board also oversaw the Management to execute the works in accordance with the policies and scheduled programs efficiently and effectively clinging to self-sufficiency economic philosophy, i.e. moderation (awareness of the Company’s actual capabilities), reasonability and good self-immunity, based firmly on honesty and circumspection to ensure continuation of business operation in the long term. The Company disclosed the power and duties of the Board of Directors in the annual report and Report 56-1 publicized on the Company’s website.

Throughout the past up to and including 2015, the Company has never committed any act violating or breaching rules and regulations of the SEC and SET.

- 3.2 The Board sets, initiates and is involved in consideration and approval of a written corporate governance policy for the Company. In addition, the Company reviews the policy and its compliance annually.
- 3.3 The Board of Directors ensures that a written code of business conduct is in place so that all directors, executives and employees understand and comply with the Company’s ethical standards for doing business by earnestly monitoring compliance with the code. The Company has also disclosed the details of the Code of Conduct on its website.
- 3.4 The Board of Directors considers transactions involving conflicts of interest thoroughly. It follows clear guidelines on approving such transactions so that they are conducted in the best interests of the Company and all shareholders. The person who has an interest in the transaction does not participate in the decision-making process. The Board also monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions involving conflicts of interest.

During 2015, similar to every previous year, no director and executive of the Company as well as individual related to such parties were in breach of requirements pertaining to the conflict of interest in the Company’s transactions.

- 3.5 The Board of Directors ensures that internal control systems are in place, including financial, compliance and policy controls, and assigns the Audit Committee to monitor and review the major system on annual basis. The Audit Committee’s opinion has disclosed in the Company’s annual report under “Report from the Audit Committee” topic.

- 3.6 The Company has established its “Strategy Development and Risk Management Committee” and also officially announced “Risk Management Policy and Framework”, in order to integrate risk management with its business strategy and operations. The Management complied with the policy and reported to the Audit Committee on a regular basis. The Internal Audit Department is responsible for reviewing the Company’s various operational systems by using a Risk-based Audit Approach and presents its Internal Audit Report to the Audit Committee on a regular basis. The said procedure was disclosed in the Company’s annual report under “Report from the Audit Committee” topic.

In addition, the Company reviews the risk assessment to be used for risk management on an annual basis, accordingly.

- 3.7 The Company signed the Declaration on “Private Sector Collective Action Coalition Against Corruption” (CAC), with the Thai Institute of Directors (IOD) acting as Secretary of the project and anti-corruption policy and measure (the “Anti-Corruption Policy and Measure”) is therefore implemented and prepared in writing to be a clear code for business conduct, leading to sustainable development of the organization and the country.

This Anti-Corruption Policy and Measure was approved by the resolution of the board of directors’ meeting of the Company and declared by CEO that it came into effect throughout the organization and all subsidiaries (“True Group Company”) including all directors, executives, and employees.

Additionally, the Company had measure and guideline for implementing, monitoring, following up and training employees, including channel for reporting suspicious behavior or making complaints of any illegal acts or any act that may indicate corruption or misconduct of the personals of the Company, including employees and other stakeholders.

- 3.8 The Board of Directors had a mechanism to supervise subsidiaries to safeguard interests in the investments of the Company. The Company disclosed such information under the Heading “Supervision of business operation of subsidiaries and associated companies”.

#### 4. Board Meetings

- 4.1 The Company sets its Board of Directors meeting schedule throughout the year beforehand and notify the Directors early in the year including set main agendas in advance. However, in an emergency the Company can also call for an additional Board meeting.
- 4.2 The Company has stated in its Corporate Governance policy that the Company allows non-executive directors to hold meetings amongst themselves without participation from executive directors and management, if they would like to have a discussion on the management issues or any issues they are interested in. In 2015, non-executive directors had held such meetings, in an unofficial form, after finishing the Board Meetings.
- 4.3 The Company organized 5 Board of Directors meetings during 2015, which were appropriate to the obligations and responsibilities of the Board of Directors and the Company’s business operation. Participation of all directors in such meetings represented 80.00% of the total number of meetings of the year.

- 4.4 The Chairman and/or Vice Chairman of the Board and the CEO jointly set the agenda for each Board meeting. Moreover, each Board member is free to suggest agenda items.
- 4.5 Meeting documents are sent to each director at least five days prior to the meeting day. These documents are concise but contain all relevant information. Any confidential issues are discussed during the meeting.
- 4.6 The Chairman of the Board allocates enough time for the meeting to receive full presentations from management and host comprehensive discussions by directors, and encourages thorough discretion by concentrating on all issues brought in the meeting, including the issue on corporate governance.
- 4.7 The Board is able to access additional information, under a prearranged agreement, via the CEO or the Company Secretary or the executive designated as a contact person. If necessary, the Board and each committee can also acquire any independent opinions from external consultants or experts under the Company's expenses.
- 4.8 The Board of Directors encourages the CEO to invite the top executives to attend Board meetings in order to present details on the issues that they are directly responsible for.

## 5. Board and Committees selfassessment and board member self-assessment

- 5.1 The Board of Directors conducts Board of Directors assessment annually. The criteria and procedures are as follows:

### Assessment Criteri

Criteria on Board of Directors self-assessment were based on 3 levels of opinions, as follows:

- Low level (need improvements)
- Moderate level (acceptable, but can be improved)
- Very good level (should be maintained)

The details of assessment criteria shall cover the following subjects.

- Satisfaction of the performance of the Board, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management
- Comprehension of the Company's Board of Directors on role of the Board, the Company's business and the Company's strategies
- Relationships between the Board and the Management
- Roles and the process for assessing CEO
- Performance efficiency of the Board's committees
- Adequate and Suitable time to consider various matter in the Board of Directors meeting
- Directors' preparations before each meeting
- Directors' potential to express their opinion independently and impartially
- Provision of opportunities and encouragement for each Director to express his opinion independently

#### Procedures

The Chairman of the Corporate Governance Committee shall sign a letter sending assessment forms to all directors, requesting each director to return the assessment form to the Company's Secretary for compilation of information. The Company's Secretary shall then process the information and present the summary thereof to the Corporate Governance Committee for analysis of the assessment. Subsequently, the Corporate Governance Committee shall report to the Board of Directors on the assessment result and make recommendations for improvements as appropriate.

- 5.2 In 2015, the Board of Directors initiates individual performance assessment and shall conduct such assessment annually. The criteria and procedures are as follows:

#### Assessment Criteria

Criteria on individual performance assessment were based on 3 levels of opinions as mentioned in item 5.1 as follows:

- Low level (need improvements)
- Moderate level (acceptable, but can be improved)
- Very good level (should be maintained)

The details of assessment criteria shall cover the following subjects.

- Satisfaction of the performance of the Board, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management
- Comprehension of the Company's Board of Directors on role of directors, the Company's business and the Company's strategies
- Relationships among each Board's member and the Management
- Roles and the process for assessing CEO
- Performance efficiency of the Board's committees
- Adequate and Suitable time to consider various matter in the Board of Directors meeting
- Directors' preparations before each meeting
- Directors' potential to express individual's opinion independently and impartially
- Provision of opportunities and encouragement for each Director to express his opinion independently

#### Procedures

The Chairman of the Corporate Governance Committee shall sign a letter sending assessment forms to all directors, requesting each director to return the assessment form to the Company's Secretary for compilation of information. The Company's Secretary shall then process the information and present the summary thereof to the Corporate Governance Committee for analysis of the assessment. Subsequently, the Corporate Governance Committee shall report to the Board of Directors on the assessment result and make recommendations for improvements as appropriate.

- 5.3 Moreover, each committee also conducts performance assessment annually. The criteria and procedures are as follows:

#### Assessment Criteria

Criteria on committees' performance assessment were based on 3 levels of opinions as mentioned in item 5.1. The details of assessment are as following:

- Satisfaction of the performance of the committee which the directors belong to, the performance of the Company, the performance of the Company's subsidiaries and the problem solving by Management
- Comprehension of the directors on role of directors in the committees
- Relationships among each director in the committees and the Management
- Directors' preparations before each meeting
- Directors' potential to express individual's opinion independently and impartially
- Provision of opportunities and encouragement for each Director to express his opinion independently

#### Procedures

The Company Secretary shall send assessment forms to each committee member in every committee, requesting each member to return the assessment form to the Company Secretary for compilation of information. The Company Secretary shall then process the information and present the summary thereof to each committee for analysis of the assessment. Subsequently, the Chairman of each committee shall report to the Board of Directors.

### 6. Remuneration

- 6.1 Board members' remuneration is comparable of other directors in the Company's industry, and reflects the experience, obligations, range of work, accountability, responsibilities and contributions of each director. Members of the Board with greater responsibilities, such as independent directors who also hold committee memberships, are paid more.

In 2015, the Company disclosed the remuneration of each director in its annual report and Report 56-1 which also posted on the Company's website

- 6.2 Remuneration of the CEO and top executives is set in accordance with Board policy, within the limits approved by shareholders (for the types of remuneration that require such approval). Executives' salaries, performance pay, and other long-term compensation reflect the Company's performance and that of each executive
- 6.3 The Compensation and Nominating Committee evaluates the performance of the CEO annually to set his compensation. The basis of the appraisal is agreed upon by the CEO ahead of the evaluation. The criteria are objective, including financial performance, long-term strategic performance, career development planning, etc. The Chairman of the Board or a senior director communicates the evaluation results to the CEO.

## 7. Board and Management Training

- 7.1 The Company encourages and facilitates training for all internal parties who have a role in corporate governance, including directors, members of the Audit Committee, executives, the Company Secretary, etc. Training - either internal or external - enables them to continuously update their knowledge for performing their duties.
- 7.2 The Board encourages directors to enhance their knowledge for performing their duties by regularly attending training courses and joining seminars. In 2015, 3 directors carried on attending training courses organized by IOD, the Stock Exchange of Thailand and the Securities and Exchange Commission Office. The training course is The Responsibilities of Board's and Managements' in Internal Control.
- 7.3 Every time that the Company appointed new directors or replaced them, the Management prepared and provided new directors with material and information beneficial for fulfilling their duties including introduction to the Company's various businesses and business direction for new directors
- 7.4 The Company has established an official executive "Succession Plan" because the Company is aware that succession planning is a key component of sustainable business success. In light of this, the Company has established processes and procedures to appropriately identify and select candidates for succession at all levels of significant management position. The succession process is consisting of:

### (1) Establish the list of candidates to enter the succession process:

where top executives and management select the candidates and conduct the evaluation of these candidates by descending order. The candidates have to undergo the followings performance evaluations:

- Employee and its performance evaluation which are consisting of:
  - Past performance and the anticipation of their performance in the future
  - The decision-making ability, strength, what to improve or what to provide for further development and career path
  - Employee's capability assessment
- 360 Degree Feedback Surveys in relation to the Company's corporate value
- 9-Cell Charts evaluation which is a review of the performance and behavior of candidates in relation to the Company's corporate values

### (2) Establish candidate slate:

where the person who is currently in the post has to make his or her candidate slate by specifying three (which can be more or less) potential successors and listed those candidates in the order of their readiness



(3) Review the candidate slate and establish the Company's Succession Plan:

where the President, top executives and Human Resources executive have to work together in order to review the candidate slate and establish the Company's overall succession plan which will be based on the following key elements; business unit overview, organization chart, candidate slate, 9-cell charts evaluation, employee evaluation and 360 degree feedback surveys

(4) Establish the personal development plan for each of the candidates, execute the development plan and follow up

(5) Perform an evaluation and a review of the Succession Plan on an annual basis

Candidates who have been selected to enter the succession program will have to undergo personal development activities assigned to them by the Company. The development consists of on-the-job training, being set challenging assignments and undergoing job rotation to develop leadership skills and business knowledge in all areas of the Company's operations to ensure continuity in the effective preparation of candidates for executive positions whenever a vacancy in a relevant position arises or where a new position is created to support business expansion.

## 1. Ethical Business Operations

The Company oversees the legal rights of its stakeholders as well as their mutual interests and benefits to ensure those stakeholders' rights and benefits are fairly exercised and protected. The Company's Board of Directors has designated corporate governance policies as well as ethical and best practice guidelines that serve as a framework for both the management and staff to strictly follow.

This framework serves as a guideline for the Company in operating its businesses on a fair and transparent basis. The Company has strict policies that prohibit inducement and unfair treatment of its business partners.

True Group is aware that corporate governance and transparency are crucial to its business operations, which must be fair and auditable for equal benefits of all stakeholders. The Group has implemented an electronic procurement system that enables all transactions between the Company and its vendors to be transparent and auditable in all aspects, which include budgeting, purchase authorization and documentation. The online procurement system enables procurement requesters to select goods and services from its online catalogue on a self-service basis, while vendors are selected in line with the Company's procurement guidelines.

Other corporate governance standards and auditing measures to ensure transparency and fairness also include:

- Vendor selection procedures are fair and transparent with price comparisons as appropriate for each business unit of the Group.
- Budget is allocated to cover each business unit's expenditure. No procurement can be executed without sufficient funds.
- Approvals of procurement requests are authorized by managers/supervisors on a multi-level basis with different procurement value authorization.
- The procurement department is responsible for overseeing all purchasing requests.

The complete procurement process is transparent and auditable. Purchase records are kept with all necessary details and can be retrieved anytime for scrutiny.

## 2. Fraud Prevention and Anti-Corruption

The Company recognizes the importance of combating corruption and the receiving and paying of bribes. The "Code of Conduct" states that employees are prohibited from the soliciting or paying of any incentives to themselves or others from the party that they do business with. Employees are also prohibited from making any payment or giving any assistance that could be considered to be a bribe or benefit. The Company also supports anti-corruption undertakings by government agencies.

- 1) The Company provides channels for any stakeholder to submit complaints or provide information concerning fraud, wrongdoings or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee. Information on these channels is on the Company's website [www.truecorp.co.th](http://www.truecorp.co.th).

Stakeholders can, in confidence, submit complaints or provide information concerning fraud, wrongdoing or violations of the Company's Codes of Conduct to the Company's Board of Directors or to the related persons through the following channels:

- (1) Audit Committee E-mail address: [auditcommittee@truecorp.co.th](mailto:auditcommittee@truecorp.co.th) or a sealed letter addressed to the Chairman of the Audit Committee or to the Audit Committee directly at the address below:

True Corporation Public Co., Ltd.  
 18 True Tower Building, Ratchadaphisak Road  
 Huaykwang, Bangkok 10310 or

- (2) By sending a sealed letter addressed to the Chief Executive Officer and Managing Director directly at the following address:

Chief Executive Officer and Managing Director  
 18 True Tower Building, Ratchadaphisak Road  
 Huaykwang, Bangkok 10310 or

- (3) Human Resources Department E-mail address: [Sarinra\\_Won@truecorp.co.th](mailto:Sarinra_Won@truecorp.co.th) or

- (4) Fraud & Cyber-Crime Department E-mail address: [Nopadol\\_Som@truecorp.co.th](mailto:Nopadol_Som@truecorp.co.th)

The Company Secretary, in the capacity of Secretary of the Audit Committee, will be responsible for gathering the issues and forwarding them to the Audit Committee for its consideration and further action. The Audit Committee will summarize results of any investigation and report to the Board of Directors every quarter.

Conditions for processing complaints and information:

- Anonymous letters are not accepted.
- Stakeholders who submit complaints or information must provide their full name. The Company will keep their personal information confidential. Only officers or persons authorized by the Audit Committee can access the information.
- Irrelevant issues such as the following shall not be processed by the Audit Committee:
  - Job inquiries
  - Surveys and other requests for information about the Company
  - Offers or advertisements of goods and services
  - Requests for donation and sponsorship

## 2) Joint Anti-Corruption Campaign

As part of the anti-corruption campaign, True Group for the fifth consecutive year supported the Office of the National Anti-Corruption Commission (NACC) with the organization of the 2015 Chor Sa-ard Awards which recognizes outstanding media individuals and organizations for their work to prevent and suppress corruption. True Group helped with creating awareness of the anti-corruption campaign and encouraging various media to participate by producing and airing publicity spots. The awards ceremony was broadcast on more than 27 TrueVisions' TV channels and on True Group's

digital TV channels such True4U and TNN24. True Group also rallied its Academy Fantasia (AF) artists to participate in the campaign in order to create inspiration and instill anti-corruption values among the public.

### 3. Respect for Human Rights

True Group places great importance on being a part of the global community and on good corporate citizenship to create a better and sustainable world. On October 1, 2015, True became a member of the UN Global Compact and is committed to its ten principles that cover 4 major areas of responsibilities: human rights, labor, environment and anti-corruption. True is one of more than 12,000 leading companies and non-business participants from 170 countries joining the UN Global Compact.

True Group's business operations continue to place great importance on human rights. True regards that everyone, as a part of the community, is entitled to all the rights and freedom and is equal in dignity. According to the laws, everyone should be treated equally and receive support to work according to their capabilities and potential. In this regard, True Group has provided employment opportunities for disabled persons based on their capabilities.

- 1) True Group has 33 disabled persons in its work force across various professions such as engineers, technicians, customer service agents and sales assistants.
- 2) Supporting job creation for the disabled to earn a living

In line with Article 35 of the Promotion and Development of Quality of Life for Persons with Disabilities Act 2550, True engaged in projects to assist disabled persons utilizing its communications technology and innovations, under the "Creating a Better Life for the Disabled" project. The True Autistic Thai Center, a career center for disabled persons, was established to provide professional training courses so people with Autism and their families can have a sustainable living standard. The center also provides training for the True Autistic application which was developed by True as a major learning tool. True in collaboration with Autistic Thai Learning Centers in 20 provinces provided training courses to more than 2,000 children with special needs and their families.

Moreover, True collaborated with the Autistic Thai Foundation to provide 6 training courses each of 600 hours duration, totaling 3,600 hours as follows:

1. Office work training course which enables the disabled to learn basic computer skills, especially word processing programs, searching the Internet and communications via tablets
2. Computer usage in the workplace course which enables trainees to learn printing on-demand skills and how to produce digital copies
3. Coffee shop business course which provides knowledge on how to run a coffee shop business operation and preparing other beverages
4. Agriculture course which teaches farming techniques as well as how to engage in farming activities based on each individual's potential skills, community and local resources

5. Sculpture course which inspires the disabled to create their own works of art and find sales channels for their creations
6. Dishwashing liquid course which trains the disabled on how to make dishwashing liquid for commercial purposes

#### **4. Fair Treatment of the Work Force**

The Company cares and pays attention to the well-being of its employees, establishing the True Plook Rak Campaign with the following activities:

True's Plook Rak Campaign

- Happiness Temperature (HT): A survey was conducted via the internal HR website on the level of employee happiness and the results were used to make improvements according to employees' needs
- Wellness Spa: Traditional Thai massage for employees to relieve stress and tension
- Good Health with Plook Rak: A campaign encouraging employees to take care of their health through monitoring and preventive measures including comprehensive health checkups for staff
- Dharma with Plook Rak: This campaign included Buddhist prayers, monthly merit-making as well as lectures on dharma. Moreover, an ordination ceremony was organized where participating management and staff were ordained as monks as a Royal Tribute. A training course is also available where staff can practice dharma for 5 days per year.

#### **5. Responsibility towards Consumers**

True Group implemented the following projects and activities to cultivate the importance of customers among its employees:

1. As part of its focus on consumers, True Group implemented Total Quality Management (TQM) in its business operations across all departments in the organization in order to improve work processes which will subsequently result in better product and service quality for customers.
2. All electrical appliances (mobile phones and tablets inclusive of leading & house brands) sold at True Shops are certified for their quality and safety according to standards by the National Broadcasting & Telecommunication Commission (NBTC).
3. The Company prepared information and tips in the form of Q&As on utilizing technology and IT devices which were disseminated to the public through print media, radio and TV.

## 6. Environmental Conservation

The Company is always aware of environment problems and places great importance on environmental conservation. Various ongoing activities, both internal and external, were organized to support this annually under the True Plookpanya project as well as other projects.

### 1) Promotion of Nature and Environmental Conservation Activities

#### 1.1 Cultivating love of nature and the environment through the Annual Nature and Wildlife National Photography Contest

True Group and the Department of National Parks, Wildlife and Plant Conservation jointly organized the 21st Annual Nature National Photography Contest 2015 to create awareness of environmental conservation among youths and the public by using photography as a medium under the theme of “Nature and Wildlife Photography”. The contest was open for participants to compete for the HRH Princess Maha Chakri Siridhorn Royal Trophy and HRH Princess Galayani Vadhana Krommaluang Naaradiwas Royal Trophy with cash prizes totaling over Baht 500,000 along with privileges to visit national wildlife sanctuaries across the country without having to pay admission fees. Total 2,172 photos were submitted in 2015, of which 1,051 photos were for the plant category and 1,121 for the wildlife category. This was a clear indicator that more and more youths and the general public have joined the contest every year resulting in photos are of higher standards.

#### 1.2 Participation in the conservation campaign for Bryde’s whales which have been designated as an endangered species as per the Wildlife Preservation and Protection Act, B.E. 2535

True Group collaborated with Change.org to boost public awareness in order to help vote Bryde’s Whales to be ranked 16th on Thailand’s list of most endangered species. True Plookpanya Media produced documentaries which were broadcast on TrueVisions’ TV channels (TrueVisions Channel 6 and PSI 188), online at <https://youtu.be/VmTb42gt5Co>, Plookpanya Dharma Radio, Plook Newsletter, True Plookpanya website and <http://chn.ge/10SzBMR>. The Ministry of Natural Resources and Environment recently announced Bryde’s whales, Omura whales, whale sharks, and Leatherback turtles as Thailand’s 16th -19th endangered species according to the Wildlife Preservation and Protection Act, B.E. 2535 (1992).

#### 1.3 Activities to support The Gulf of Siam Marine Conservation 2015

True Group, represented by True Visions Group Co., Ltd., and Charoen Pokphand Foods PCL collaborated with The Royal Thai Navy, The Ministry of Tourism & Sports, The Ministry of Natural Resources and Environment, PTT Exploration and Production PCL, Singha Corporation PCL, Bangkok Glass PCL and Thai News Network TNN24 in holding the “The Gulf of Siam Marine Conservation 2015” event to honor HM Queen Sirikit’s 83rd birthday and HRH Maha Vajiralongkorn, the Crown Prince’s 63rd birthday. Over 200 volunteers participated in the event by installing 50 mooring buoys and 500 sets of imitation reefs made of insulators which are safe for marine life, collecting waste on the seabed, planting marine plants, and releasing sea turtles into the ocean at Koh Taluh, Bang Sapan Noi district, in Prachuap Khiri Khan province.

## 2) Development of We Grow Application to Boost Awareness of Nature and Environment Conservation

True Group's Innovation team developed the We Grow application to create awareness of the environment and increase public participation in planting trees in the digital age. The application is the largest plant information hub in the country and throughout 2015 True Group introduced the We Grow application under the following activities:

### 2.1 We Grow application documents tree planting at Mae Jam National Reserve Forest in Chiang Mai province

True Group introduced We Grow application which facilitates people to record trees planted at Mae Jam National Reserved Forest in Mae Jam district of Chiang Mai province. This was part of a reforestation project that was organized by the Royal Reforest Department and other related organizations in 2014 to commemorate HRH Princess Maha Chakri Sirindhorn's birthday anniversary with an aim to speedily restore and rehabilitate the forest. True encouraged youths and people in the community to download the We Grow application to track tree planting and calculate carbon absorption rates of the planted trees. More than 150 teachers and students from Ratprachanukrao School 31 (a school under the True Plookpanya project) in Mae Jam district joined this activity.

### 2.2. We Grow application documents tree species at Kaew Rabom and Si Yad National Reserve Forests

True Group joined the activity on Thailand's National Tree Day 2015 at Kaew Rabom and Si Yad National Reserve Forests in Chachoengsao province. This activity was organized by the Ministry of Natural Resources and Environment in collaboration with the Department of Environmental Quality Promotion and the Ministry of Interior in order to quickly rehabilitate the forest which covers the connecting areas of five provinces; Chachoengsao, Chonburi, Chanthaburi, Rayong and Srakaew. True introduced the We Grow application to promote tree planting and recording. Approximately 200 teachers and students from Huaytapok School in Tathakieb district, Chachoengsao province which is a network school under True Plookpanya project participated this activity.

### 2.3 Promoting the We Grow application at Rak Pong Prai Natural Resources Youth Camp

True Plookpanya and True Innovation from True Group introduced the We Grow application to youths of Rak Pong Prai Natural Resources Youth Camp. The event was organized by the Ministry of Natural Resources and Environment in collaboration with 6 other related organizations. True supported the project by sending lecturers to present on how to use the We Grow application to track, monitor, and investigate tree planting in various areas in order to motivate youths to apply ICT technology creatively. True also arranged training courses for 240 students at the Nature and Wildlife Education Centers of the Ministry of National Park, Wildlife and Plant and at the Royal Forest Department in three provinces: Chaing Mai, Nakorn Nayok and Kanchanaburi.

### 2.4 Introducing the We Grow Application at Si San Pan Mai Exhibition

True Group in collaboration with Rak Pong Prai Natural Resources Youth Camp presented the We Grow application at the 9th Si San Pan Mai Exhibition at Queen Sirikit Park to celebrate HRH Princess Maha Chakri Sirindhorn's 60th Birthday Anniversary. True supported by providing Plant QR Codes for several plants within the garden which contained plant information so that people can easily and conveniently use a mobile phone to scan for plant information during their visit. On this occasion, True provided the QR Code for Sae-la tree (*Lagerstroemia loudonii* Teijsm & Binn) which was planted by HRH Princess Maha Chakri Sirindhorn. The QR

Code is another function of the We Grow application developed by True to help boost awareness among people in today's modern society to plant more trees.

### **3 ) Environmental Conservation Activities**

True Group continues to put emphasis on energy saving by undertaking numerous initiatives such as reducing CO2 emissions in each operation process, improvements to efficiently manage energy consumption, as well as encouraging all business units to come up with energy saving initiatives which are as follows:

- 3.1 Energy saving from managing equipment in the telephone exchange building: Idle servers with minimal workload were shut down and had their data migrated to another server to maximize usage. The clients were at the same time reconfigured to link to the new server. In addition, fluorescent bulbs in the building were replaced with energy-saving bulbs, which consume less electricity and require lower maintenance costs.
- 3.2 Installation of Free Flow Cooling System at RCUs in place of the existing air conditioning stem without impact on the operational function. This initiative helped lower the electricity consumption rate by approximately 8.5 million units or about Baht 15 million per year and helped reduce carbon dioxide emissions as well.
- 3.3 The Battery Regeneration Project groups batteries at RCUs by usage period and recharging ones that are rechargeable by appropriate methods to minimize the sulfate. This helps to extend the battery life and True is able to regenerate existing batteries at 800 RCUs. As a result, True managed to save battery costs of Baht 28 million and at the same time reduced e-waste (as a result of unusable batteries) amounting to 43 tons.

## **7. Participation in the Development of the Community and Society**

### **1) Promoting Educational Development Activities**

- (1) Cultivating Knowledge: Broadening the Learning Experience for Schools Nationwide under the True Plookpanya Project

True Group's ongoing commitment is to help develop Thailand's education sector through the True Plookpanya Project by using its integrated communications technology and innovation to improve learning and teaching facilities for underprivileged schools nationwide. The Company selects schools under the supervision of the Office of Basic Education Commission, Local Administration Department, Border Patrol Police and Bangkok Metropolitan Administration which were provided with basic education (Primary Year 1-6 and Secondary 1-3) but at the same time were in need of teaching media and materials. In order to be part of the True Plookpanya project, schools have to show their ability and potential in line with the project's key performance indicators. As of 2015, the True Plookpanya project covers 6,000 schools with a total of 1,860,666 students and 95,650 teachers.

Apart from providing digital educational media and equipment, True also organized training courses for school executives and teachers, as well as arranged visits to successful schools under the project in order to help them develop their teaching methods and skills. Throughout 2015, True Plookpanya organized many activities for teachers and students to improve their education as follows



- Academic Skills Competition for Students from True Plookpanya Schools

A total of 13 youths from True Plookpanya schools entered the “Academic Skills for Primary and Secondary Schools” competition at the 64th National Handicraft’s Student Event which was held under the theme of “Thai Children Towards International Standards.” This event was organized by the Office of Basic Education Commission at Muang Thong Thani. The students won 16 gold medals and 4 silver medals. True Group participated in the event by exhibiting a model 21st century classroom that was fully equipped with digital educational media and equipment, all in line with the student-oriented learning concept that emphasizes both analytical thinking and contentment.

- Workshop for Teachers and Management of True Plookpanya Model Schools

True Group collaborated with 51 True Plookpanya model schools in organizing a workshop for more than 200 teachers from True Plookpanya model schools across the country at Ban Don Sai Ngam School which was ranked the Best True Plookpanya model school in 2013. The school is equipped with active boards in every classroom enabling teachers to make the most of educational media to efficiently improve teaching and the learning processes of students. Teachers and management from the participating schools worked together to establish digital educational media guidelines to be added to the main curriculum in order to build the capabilities and learning skills of Thai children in the 21st century. Moreover, the workshop resulted in strengthening the educational network and relationship among educational staff of True Plookpanya model schools.

- Evaluation and Measurement of Educational Performance of True Plookpanya Model Schools

The True Plookpanya team monitored and evaluated the performance of True Plookpanya model schools according to educational KPIs resulting in 5 schools being ranked in the excellent category (with scores of 85 and up): 1) Ban Don Sai Ngam School, Amphur Muang, Chumporn province; 2) Ban Mae Kham School (Prachanukrao), Amphur Mae Jan, Chiang Rai province; 3) Municipal School 5 (Ban Sri Rueng), Amphur Muang, Lampang province; 4) Ban Doi Kham School, Amphur Mae Tha, Lampoon province; and 5) Municipal School 2 (Ban Talad Kao), Amphur Muang, Nakorn Nayok province. Two Plookpanya model schools were ranked in the good category (with scores ranging between 75-84): 1) Wat Don Sai School, Amphur Potharam, Ratchburi province; and 2) Wat Thep Chum Num, Amphure Hadyai, Songkhla province.

- True Plookpanya Model School Students Participated in the ICT Workshop to Support Fundamental Education

The True Plookpanya team and students from Ban Mae Kham School (Prachanukrao), Amphure Mae Jan, Chiang Rai province (a True Plookpanya model school) participated in the ICT Brainstorming workshop and exhibited True Plookpanya digital educational media. The workshop was organized by the Committee on Education and Sports of the National Legislative Assembly at Ban San Khong School (Chiang Rai Charoonrat) in Chiang Rai province in order to exchange ideas on how to improve fundamental and vocational education for both students and schools.

- Study Trip for Teachers and Students of Ban Don Sai Ngam School

The True Plookpanya team arranged a study trip for teachers and students together with parents from Ban Don Sai Ngam school in Ratchburi province to visit Vana Nava Hua Hin Water Park. The trip was arranged to award the school for being ranked in the excellent category of True Plookpanya model schools for 2 consecutive years. The study group gained new experiences outside the classroom and knowledge on water management, the ecological system, tropical rainforest plants, water safety guidelines, and first aid assistance.

- True Plookpanya Project Presented to the Sub-Committee on Education and Sports of the National Legislative Assembly

The True Plookpanya team together with True Plookpanya model school principals attended a meeting with the Sub-committee on Education and Sports of the National Legislative Assembly chaired by Associate Professor Khunying Sumontha Promboon to showcase how communications technology and innovation can help learning development. On the True Plookpanya project, Khunying Sumontha commented that True Plookpanya is a good example of the cooperation between businesses and schools to improve the quality of education through ICT technology. Education reform must be driven and based upon internal needs and has to be ongoing. In addition, school staff need extensive improvement. The Government as well needs to formulate policies that will support collaboration between itself and the private sector to improve academic standards thoroughly and fairly. Moreover, the process of producing education professionals must be modified with the private sector's involvement, starting from the Faculty of Education in universities and expanding to other schools. All these measures can be taken from the success of True Plookpanya model schools and applying them as an example for further education management.

- True Group Joins Talks: The Private Sector's Roles and Participation in Promoting Education

Mr. Supachai Chearavanont, President & CEO of True Group joined in talks on "The Private Sector's Roles and Participation in Promoting Education" which was organized by the Committee on Education and Sports of the National Legislative Assembly. He discussed about the present educational system and questioned if whether or not it could produce a workforce of educators that would fulfill private sector or business' demand. True Group's President & CEO suggested that the educational system must encourage students to participate and should be based on market mechanisms as well as bring in innovation to help with improvement in order to elevate the quality of education on a national level.

(2) Cultivating Knowledge: True Group and UNESCO Support Mobile Literacy for Out-of-School Children

As part of True Group's focus on the importance of education, the Company joined up with UNESCO Bangkok, Microsoft, and the Office of the Non-formal and Informal Education (ONIE) to launch the "Mobile Literacy for Out-of-School Children" project which aims at making education more accessible for disadvantaged Myanmar children along the Thai-Myanmar border who are under the jurisdiction of 20 migrant learning centers in three provinces: Ranong, Tak and Chiang Rai. True provided True Plookpanya digital educational media and equipment for these 20 learning centers. Each set comprised a TV set (to connect with tablets) along with more than 80 educational channels; a DVD with educational content that covers eight subject areas for students in kindergarten 1 to year 9; and Internet access via TrueMove H's wireless broadband connection device. The educational

support package is expected to help inspire these children by broadening their outlook through access to new knowledge sources on the same level as children in the city. Over 1,300 Myanmar young students benefitted from this project.

(3) Cultivating Knowledge : True Supports IPIT Court Young Ambassador Awards 2015

True Group for the 10th consecutive year supported the IPIT Court Young Ambassador Awards 2015 organized by the Central Intellectual Property and International Trade Court (CIPITC) of Thailand. The final round of the competition was live broadcast on the True Plookpanya channel (TrueVisions TV channel 6). The project's publicity spots of both pre and post launch were promoted on many online media channels of True Group and on more than 20 TrueVisions channels. In 2015, a total of 46 teams comprising students from 11 universities nationwide entered the competition. The winners were awarded the Royal Trophy of HRH Princess Bajrakitiyabha and won a study trip to Japan where they received on-the-job training at the world's leading law firms.

(4) Cultivating Knowledge: True Organizes "Admissions Skill Up by TruePlookpanya" Activity

The True Plookpanya Media Team launched the "Admissions Skill up by TruePlookpanya" activity to provide guidelines for national admission exams for students. Over 2,000 M.6 students across the country participated and were coached by well-known tutors from OnDemand and ENCONCEPT tutorial schools. Students who took part in this educational activity received a free information pack consisting of sample exam questions and exam technique tips.

(5) Cultivating Knowledge: True and Kasetsart University Jointly Develop the Online Exam "Smart Exams by True Plookpanya"

True Plookpanya Media in collaboration with Kasetsart University designed and developed the online examination named "Smart Exams by True Plookpanya" covering 8 subject groups for students in kindergarten 1 to year 9 levels. This online exam can evaluate the knowledge of students from all levels. Students can easily access the online exam anywhere and anytime. The time spent will be counted the same as a virtual exam and upon completion they will receive the examination results immediately. To apply for this online exam, students were required to register free as a member at [www.trueplookpanya.com/smartexams](http://www.trueplookpanya.com/smartexams). Those who completed all 8 subject groups received an evaluation report of their performance issued by True Plookpanya Media. This evaluation will enable students to better prepare themselves for exams whereas teachers can consult the report and provide appropriate teaching and learning measures for the student.

(6) Cultivating Knowledge: True Collaborates with the British Council Thailand to Hold "English We Can" Camp

True continued to collaborate with the British Council Thailand in holding the annual "English We Can" camp, a program comprising courses to develop English language skills for teachers and students from the True Plookpanya project. The courses were moderated and run by the British Council's experts. Participating students were able to gain easy learning techniques and engage in activities that motivate their interest in the language as well as keep practicing using English. The objective of the program is to help students become familiar with the English language and gain confidence to efficiently communicate in English. In 2015, 30 teachers and more than 200 students joined the program.

(7) Cultivating Knowledge: True Group Supports One Young World Summit 2015

True Group supported the One Young World Summit 2015, the largest global gathering of young leaders from more than 190 countries to discuss some of the world's most pressing issues. The Summit was held in Bangkok during November 18-21, 2015 and is aimed at empowering delegates to make lasting connections and positive change. True Group was the Official Communications Partner of the One Young World Summit 2015 whereas the Charoen Pokphand Group was a Strategic Partner.

True Group recruited young leaders from among its employees aged between 18-30 years who are socially conscious and have potential to drive change for a better society to join other like-minded young leaders from around the globe. Selected delegates comprised employees, youths who used to attend True Group's CSR activities such as the Future Journalist Award, Young Thai IP Law Ambassador Awards, and those who won Charoen Pokphand Group's scholarships. True Group also arranged an External Breakout Session which was a visit to the Autistic Thai Foundation which True helped set up as a training center for persons with autism so that they can earn a living for themselves and their families.

(8) Cultivating Knowledge: True in Collaboration with the Thai Journalist Association Organized the 18th Pirab Noi Journalist Training 2015

True Group in collaboration with the Thai Journalist Association continued to organize the 18th Pirab Noi journalist training 2015 by selecting more than 70 students in journalism and mass communications programs from 30 universities all over the country to participate in the training. Students received comprehensive training from professional journalists as well as on-the-job training.

(9) Cultivating Knowledge: True in Collaboration with the Thai Broadcast Journalist Association Organized the 13th Sai Fah Noi Broadcast Journalism Training 2015

True Group collaborated with the Thai Broadcast Journalist Association to organize the 13th Sai Fah Noi Broadcast Journalism Training 2015. The training program was attended by 72 students who were studying mass communications and communication arts programs from 30 educational institutions. Students learned how to produce radio and television news programs and how to utilize digital media for news reporting.

(10) Cultivating Knowledge: True Collaborated with the Advertising Association of Thailand to Organize the True Young Producer Award 2015

True Group collaborated with the Advertising Association of Thailand in organizing the True Young Producer Award 2015, to compete for the HRH Princess Maha Chakri Sirindhorn Royal Trophy. The contest was open to university students to showcase their abilities and creative ideas on producing advertisements. This year's contest category was online viral videos under the theme of "Giving... is the Best Communication" and received entries from 701 teams from 53 institutions across the country. The winning team was awarded education scholarships and a chance to visit Dentsu, a world class advertising agency in Japan. The total value of the prize was Baht 265,000. For ads with top views on [www.youtube.com/truemoveh](http://www.youtube.com/truemoveh), the student team received an education scholarship of Baht 100,000.

(11) Cultivating Knowledge: True Joins BBC World News to Organize the TrueVisions-BBC World News Future Journalist Award

TrueVisions of True Group in collaboration with BBC World News organized the 13th TrueVisions-BBC World News Future Journalist Award 2015 which was open to 3rd and 4th year university students nationwide in mass communications, communication arts, and other related study programs. The TrueVisions-BBC World News Future Journalist Award (FJA) is aimed at providing students with opportunities to learn with leading local as well as international journalists. The two winning students attended a 3-week training course at BBC World News in London, a 1 month on-the-job training with TNN 24 Thai News Station, and were awarded a master degree scholarship at the National Institute of Development Administration. A total of 300 students joined the program.

(12) Cultivating Knowledge: True Group and the National Science Museum of Thailand held the Water Rocket Awards 2015

TrueVisions joined with the National Science Museum of Thailand to organize the 14th National Water Rocket Awards where the final round was held at Klong 5 in Pathum Thani province. The focus of the program was to help develop the thought processes, demonstration, research, development, and provides support to youths as they enter the innovation community, all in line with the present Government's policies. In 2015, a total of 1,137 teams participated in the contest

## 2) Activities to Support Social and Community Development

(1) Cultivating Virtues: True Group Supports the World Day of Vesak 2015

For eight consecutive years, True Group has provided support for the World Day of Vesak with public service announcements (PSA). These PSAs, aired on more than 20 TrueVisions TV channels, helped to promote the event and invited Buddhists to join the conference. TrueVisions allocated special channels for the live broadcast of the entire event from May 28 – 30, 2015. The live broadcast channels were TrueVisions Reality HD channels 333 and channel 119, and TrueVisions Reality channel 9. The live broadcasting signals were also shared at the venue (Mahachulalongkornrajavidyalaya University in Ayudhaya province) enabling monks and Buddhists who came from around the world to watch the conference on a real-time basis. On this occasion Mr. Suphachai Chearacanont, True Group's President & CEO was invited as a Guest Speaker at the United Nations Conference Center. His keynote speech was on the "Royal Duties of HRH Princess Maha Chakri Sirindhorn.

(2) Novice Monks Cultivate Dharma Wisdom Year 4

True Group continued to air the "Novice Monks Cultivate Dharma Wisdom" TV program which has now entered its 4th year. This year, 8 young boys and 8 young girls were ordained as novices and little nuns. The reality TV show took place at Rai Chern Tawan Meditation Center in Chiang Rai province with the ordination ceremony taking place at Mengrai Maharaj Temple. For an entire month, the 8 dedicated novices and 8 little nuns learned about and practiced Dharma principles under the care of Pra Maha Wuttichai Whachiramettee, the temple's Abbot. This Dhamma reality TV program was broadcast live on TrueVisions reality channels and could also be watched online at [www.trueplookpanya.com/truelittlemonk](http://www.trueplookpanya.com/truelittlemonk)

(3) Cultivating Virtue: True Star Asa (Volunteers) Support True Plookpanya Project

True Star Asa, a volunteer program comprising 164 True Star staff (employees who were selected as True Stars for 2015 based on their excellent work performance), aims to build social responsibility awareness and encourages True Star employees to participate in social activities on an ongoing basis. True Star employees were assigned to take part in proposing a plan to help develop and improve a selected True Plookpanya school by utilizing True Plookpanya digital educational media and applying these within the project's guidelines.

(4) Cultivating Virtue: True Group brings Students from the Border Patrol Police Schools and Schools under BMA to Watch a World Class Football Match

True Group brought joy to 1,000 students from the Border Patrol Police schools nationwide and schools under BMA through Charoen Pokphand Group's "Just Believe in Your Dreams" project by bringing them to the stadium to watch the True Super Trophy Liverpool Tour 2015 football match between the True All Star and Liverpool FC teams competing for the True Super Trophy. Moreover 180 students from the Border Patrol Police schools who are the school's football players were selected to join a Football Clinic on football playing tips conducted by Liverpool FC's coaches and football players.

(5) Cultivating Virtue: True Group and Leicester City Football Club Organize the Leicester City Football Clinic

True Group in collaboration with Leicester City FC organized the Leicester City Football Clinic for Leicester City FC fans in Thailand. The event enabled Thai youths nationwide at the high school level to gain skills and insights to becoming a professional football player. Those who participated were trained by trainers from Leicester International Academy and by Mr. Kiatisak Senamuang (Zigo), the Academy's Brand Ambassador.

(6) Cultivating Virtue: Novice Monks Cultivate Dharma Wisdom Year 4 and Plook Jit KIDs Asa TV programs showcased at CINEKID Festival 2015

The CINEKID Foundation, a member of the International Centre of Films for Children and Young People (CIFEJ) and The European Children's Film Association (ECFA) selected the Novice Monks Cultivate Dharma Wisdom Year 4 and Plook Jit KIDs Asa TV programs from Thailand to be showcased at the 2015 Edition of Cinekid ScreenClub booths at the CINEKID Festival 2015. This is the world's largest festival focusing on creative media for youth and took place in Amsterdam, The Netherlands from October 15 – November 1, 2015. All media presented at the festival was produced between 2014 - 2015 for children aged 4 - 14 years. The various media on show included short movies as well as animated and live action documentaries for children created by many youth media producers from all over the world.

(7) Cultivating Virtue: True Group joined the Thailand Campaign to Promote "Don't Let Others Blame Thais"

True Group joined the Thailand Campaign "Don't Let Others Blame Thais" organized by the Government's Public Relations Department, Advertising Association of Thailand, the Thai Chamber of Commerce, the Internal Security Operations Command and Thailand Sustainable Development Foundation to motivate Thai people to change their attitude and do away with unacceptable behaviors, as well as create awareness and discipline in society. The campaign also focuses on Thais combining their power to make the most of networking in order to drive and

integrate ideas, and to find ways to adjust the way of thinking so as to create a positive power that will ultimately lead to the sustainable future of Thailand. True Group supported the campaign with public service announcements that were aired on 23 TrueVisions TV channels, digital TV channels (TNN24 and True4U), and the True Plookpanya TV channel, plus promoting the campaign through all types of the organization's internal communications channels.

(8) Cultivating Virtue: True Group Provides 3G Technology to Help Improve Community Health Care

True Group participated in the improvement of community health services through its ongoing support of TrueMove H airtime for sub-district health centers and district hospitals under the "3G for Schools and the Community" project. This enabled medical staff to consult in real time with doctors in order to efficiently administer immediate preliminary treatment to patients either at the service center or at home (in the case of bed-ridden patients). This also helped patients save on traveling expenses. A total of 143 hospitals in 21 provinces across the country joined the program with each hospital serving more than 50,000 residents.

### 3) Activities to Assist the Disabled

(1) Cultivating Virtue: True Group provides True Smart tablets equipped with True Autistic applications and Internet packages for people with Autism

True Group donated 2,000 True Smart tablets from the 9th Annual "I Will Do for King" project under the concept "Bike for Giving" to mark HM the King's 87th Birthday Celebrations on December 5, 2014 to the Department of Empowerment of Persons with Disabilities. These tablets were equipped with True's autistic applications together with Internet packages to help people with Autism at more than 60 Autistic Life Skills Development Centers develop learning and communications skills as well as other capabilities. The True Innovation team who developed this application worked with the Autistic Thai Foundation to train a group of 200 parents, teachers, volunteers and representatives from more than 40 centers nationwide on how to use True's autistic applications.

(2) Cultivating Virtue: True Supports Blind Singers and Musicians' Abilities to Perform in Public under the "From Street to Stars" Project

True Group supported the "From Street to Stars" project which helps to promote public performances of blind singers and musicians in order to help them with a means of a secure and sustainable income, build self-confidence, as well as create a positive social attitude towards the blind in society. True Group deployed its various media channels by providing public service announcements and broadcast the performances showcasing the capabilities of these disabled artists. Their songs impressed audiences and served as an inspiration for others in society.

### 4) Other Social Activities

(1) Cultivating Virtue: True Group Supports the "Leave Your House with the Police" Project

True Group supported the "Leave Your House with Police" project by providing 150 True smartphones with a

4-inch screen together with a 1GB data package for one year. This facilitated the police in using the “Red BoX Online” application on these phones via TrueMoveH’s 4G and 3G nationwide network to help monitor people’s homes and their belongings during the Songkran festival.

(2) Cultivating Virtue: True Group Assists Earthquake Victims in Nepal

True Group extended its assistance to earthquake victims in Kathmandu, Nepal in April 2015 which was the country’s worst earthquake in 81 years through the “Thailand for Nepal by CP Group” campaign. True offered various forms of assistance as follows:

1. TrueMove H subscribers in Nepal who were affected by the earthquake could communicate with their families in Thailand free of charge. This included incoming and outgoing calls, text messages, as well as data roaming in Nepal.
2. TrueMove H SIM cards were offered to government agencies such as Paramedics, Army Medical Department and the Ministry of Public Health to communicate within Nepal and back to Thailand including incoming and outgoing calls, text messages and data roaming, all free of charge. Total donation value amounted to about Baht 13.7 million.
3. TrueMove H subscribers in Thailand were able to make donations via SMS during April 27 – May 15, 2015. Donations were handed over to the Nepal earthquake relief project “Thailand for Nepal” established by the Royal Thai Government. Total donations amounted to Baht 3.3 million of which Baht 2 million was handed over to the Royal Thai Government and Baht 1.3 million to The Thai Red Cross Society.
4. True Group’s TV channels (TNN 24 and True4U) supported the public sector and various organizations by acting as a central media channel to encourage the public to make donations directly to The Thai Red Cross Society, Thais Help Thais Foundation in collaboration with Thai monks in Nepal, UNICEF, and the Royal Thai Embassy in Kathmandu.
5. True and CP Group employees volunteered to help with an urgent request to pack 1,000 survival bags for the earthquake victims in Nepal through the Government’s relief project for Nepal. The activities took place at Yai Kaew Building at True’s head office and at CP All’s distribution center in Bangbuathong

(3) Cultivating Virtue: True Group Offers TrueMove H SIM Cards to UK Exchange Students in the “Thailand English Teaching Programme 2015”

True Group provided 250 TrueMove H 3G SIM cards with free airtime and data packages to the British Council of Thailand to allocate to UK exchange students of the “Thailand English Teaching Programme 2015” as teaching assistant at True Plookpanya schools and other selected schools nationwide so that these exchange students could communicate with others during their stay in Thailand. The program was established in 2012 by the Ministry of Education together with the British Embassy in Thailand and the British Council, and has received a lot of media interest, both locally and in the UK.



(4) Cultivating Virtue: True Group Provides Financial Support for the Construction of Rajabhakti Park

True Group donated Baht 5 million to support the construction of Rajabhakti Park: A Historical Park to Honor Thailand's Past Monarchs at Hua Hin in Prachuab Kirikhan province.

(5) Cultivating Virtue: True Group Organized a Charity Marathon "The KOP Run" donating proceeds to HRH Princess Maha Chakri Sirindhorn

True Group organized a charity marathon "The KOP Run," an activity of the Liverpool FC. This was the first event of its kind to be held in Thailand. All proceeds (after deducting expenses) were donated to HRH Princess Maha Chakri Sirindhorn to support the Queen Savang Vadhana Foundation. The charity run was led by HRH Princess Bajrakitiyabha who joined the 5K run accompanied by CP Group and True Group executives, Liverpool FC fans in Thailand, and 180 students from the Border Patrol Police schools. The students were selected from those who joined the school lunch project "Raising Chickens for Eggs" which was supported by CP Group in collaboration with the Rural Lives Development Foundation. More than 5,000 people joined the charity marathon which was divided into 10K with over 3,000 runners and 5K with more than 2,000 participants.

(6) Cultivating Virtue: True Employees donate to the True Plookpanya Foundation

True Plookpanya Foundation received Baht 261,597 in proceeds from the sale of a Ducati Scrambler motorbike at an auction organized for True employees. The donations were given to the foundation for its operations.

(7) Cultivating Virtue: True Group Gives TrueMove and TrueMove H Subscriber Donations via SMS to the Thai Red Cross Eye Bank and Organ Donation Center.

TrueMove and TrueMoveH's subscriber donations via SMS amounting to Baht 939,170 were handed over by True Group to the Thai Red Cross Eye Bank and Organ Donation Center. The money will be used to help fund the "Let Them See Love" campaign which is aimed at building awareness of organ and eye donation to give another chance in life for those in need of organ or eye transplants. True Group also helped promote the campaign by inviting people to donate money for funding of the project's operations. TrueMove and TrueMove H subscribers in Thailand were able to make donations via SMS by typing 10 for Baht 10 or type 100 for Baht 100 donations and send to 91222.

(8) Cultivating Virtue: True and CP Group Produce Documentaries on the Royal Activities to Honor HM the Queen

True and CP Group produced documentaries on the Royal Activities to honor HM the Queen which were aired on TNN2 TV channel (TrueVisions channel 784) on August 12 from 00.01 – 00.00 hrs (24 hour duration). The documentaries presented the Royal Activities that HM the Queen initiated and had been carrying out for a time and subsequently transferred to her courtiers and close staff. There were altogether 12 episodes comprising: 1) Museum of Textiles; 2) Traditional Thai Costumes; 3) Khon (classical Thai dance); 4) Mad Mee Thai Silk; 5) Sirikit Institute; 6) Arts of the Kingdom; 7) Thom Thong (gold nielloware); 8) Embroidered Tribal Clothing; 9) Yan Lipao Basketry; 10) Marine Resource Conservation; 11) Small House in the Big Jungle; and 12) Royal Working Desk. The documentaries were broadcast throughout the month of August on True4U digital TV

channel through TrueVisions box, PSI Channel 4, digital TV channel 24, satellite and cable TV channel 34, and more than 20 TrueVisions channels.

(9) Cultivating Virtue: True Group Organized “Thailand for Myanmar” Campaign to Assist Flood victims in Myanmar

True Group launched the “Thailand for Myanmar” relief campaign to help the people of Myanmar who suffered from floods. TrueMoveH subscribers could make donations via SMS by typing 10 for Baht 10 or type 100 for Baht 100 donations and send to 91277. The donation money was handed over to the Thai Red Cross for subsequent distribution to flood victims in Myanmar.

(10) Cultivating Virtue: True Group Donates Baht 15 Million to the Operation Smile Thailand Foundation

True Group donated Baht 15 million to the Operation Smile Thailand Foundation in order to provide free corrective surgery for cleft lip, cleft palate and other facial deformities for children and patients in remote areas throughout the country. True also supported medical volunteers and staff across the country to attend additional training courses.

(11) Cultivating Virtue: True Group Donates Baht 1 Million to Purchase Purebred Dairy Cows for Farmers

True Group donated Baht 1 million to purchase 18 purebred dairy cows under the “Purebred Dairy Cows Delivery for Father’s Career” project to celebrate HRH Princess Maha Chakri Sirindhorn’s 60th Birthday Anniversary. The cows were delivered to dairy farmers who are members of the Dairy Farming Promotion Organization of Thailand in Sukhothai province. The charity was part of the National Dairy Cow Festival 2015 held by the organization in Muak Lek district, Saraburi province. True also helped to promote the event through various True Plookpanya media channels.

## 5) True Group’s Sustainability Development

True Group places great importance to sustainability development and is committed to disclose corporate progresses and corporate social responsibility according to its annual materiality analysis. The materiality analysis involves a process to identify sustainability topics viewed as important by both internal and external stakeholders, to communicate the management approach to each material issue and to disclose related operations through the Sustainability Development Report. Such process of sustainability development evaluation is divided into 4 steps as follows :

- Step 1 : Topic Identification – Material issues of True Group were identified in line with corporate strategies, risks, challenges and stakeholder inclusiveness. The impacts of both internal and external boundaries were also identified.
- Step 2 : Prioritization – The important and relevant topics were prioritized by considering the significant impact on True Group and stakeholders’ interests.
- Step 3 : Verification – The materiality assessment results are presented to the Corporate Social Responsibility & Sustainability Development committee for their review and approval to disclose in the Sustainability Development Report.

Step 4 : Review – Former material aspects that impact True Group’s business growth are continually reviewed and are to be reported in subsequent Sustainability Development Reports.

In 2015, True Group prepared the Sustainability Development Report to communicate stakeholders’ interests and the impact on True in terms of economy, society and the environment throughout 2015. The report was based on the Global Reporting Initiatives (GRI) G4 core level sustainability guidelines as a framework. GRI is one of internationally recognized standards for sustainability reporting.

Based upon analysis of the significance level of aspects that affect sustainability development of True Group in 2015, there are 14 significant topics as follows: Digital Inclusion, Innovation Management, Human Capital Development, Corporate Citizenship and Philanthropy, Human Rights, Employee Health and Safety & Wellness, Energy & Carbon, E-waste, Electro Magnetic Fields, Resources Optimization, Service Quality, Data Privacy & Security, and Supply Chain Management.

## **8. Innovation and Sharing of Innovation from Business Operations with Responsibility for Society, Environment, and Stakeholders**

### 1) Promoting True Innovation Awards

The Company encourages creative innovation to maximize the most of resource consumption within the organization. True Innovation Awards was established to encourage employees of all levels to create innovations that benefit the organization and society. It is also aimed at creating employees’ awareness on how important and useful innovation can be for their work. Consequently, employees can integrate knowledge with their work and transform their creative ideas into a sustainable work of innovation. Such innovations can be used to address or solve customers’ problems; improve products and services, as well as production process. These innovations can benefit customers, society and the Company in that they are able to help increase customer’s satisfaction and the Company’s revenues, as well as improve operational processes resulting in more added value and creativity.

True Group supported the Ministry of Agriculture and Cooperatives with the development of the We Grow application as a tool to encourage tree planting. The We Grow application is the biggest information hub of plants and developed to be a user-friendly and complete tool that can be run easily on smart devices. The application consists of many functions i.e. uploading pictures, knowledge sharing and monitoring of planted trees and carbon absorption tracking. People can participate in the program by downloading the application and planting more trees to increase green areas nationwide and across the world. This campaign was part of a reforestation project that was organized to celebrate HRH Princess Maha Chakri Sirindhorn’s 60th Birthday Anniversary on April 2, 2015. The [wegrow.in.th](http://wegrow.in.th) website was launched to promote the project, and increase application downloads and usage.

### 2) Promoting Application Development for the Deaf

True Group presented its innovative service for the deaf at the International Week of the Deaf 2015. The exhibition was organized by The Deaf Association of Bangkok under the “Children Rights to Learn Sign Language” theme aimed at broadening their vision and outlook through access to information and knowledge. Moreover, True operates a Deaf Call Center to provide customer services for the deaf through video chat as well as offers a prepaid Deaf SIM with a special data package to help deaf subscribers with online access and communicate with others more efficiently.

### 3) Promoting Communication Innovations among Students of Leading Universities via Popcorn by True Lab

The True Innovation team held a “TrueLab Popcorn Workshop” for professors and representatives from 9 educational institutions which are True’s strategic partners: 1) Mahidol University; 2) Thammasat University; 3) Srinakharinwirot University; 4) Chiang Mai University; 5) King Mongkut’s Institute of Technology Ladkrabang; 6) Chulalongkorn University; 7) Kasetsart University; 8) Bangkok University; and 9) Mahanakorn University of Technology. The workshop was aimed at educating the participants on True Lab, providing information on True scholarships, and promoting the “Popcorn by TrueLab” innovation contest for university students.

True Lab is a collaborative project of True Group with leading educational institutions to develop R&D and innovation. True Lab operations are divided into 2 areas: 1) Cooperation in research and research scholarships for the university students and professors including an opportunity for business with True; and 2) A research and development center for the university students and staff where they can create values for society and the country and exchange knowledge that stimulates creativity.

### 4) True Group collaborates with The Mirror Foundation and private sector companies relating to Human Rights and Social Development to develop the ThaiMissing application

True Group has collaborated with The Mirror Foundation and the private sector involved in the areas of human rights and social development for the locating of missing persons for more than 10 years. The most recent development was the deployment of the innovative ThaiMissing application which is an important tool to assist finding missing persons by harnessing the latest communications technology developments. True also broadcasts information of those missing persons daily on the TNN 24 television channel and continuously provides financial support for the foundation.

The ThaiMissing application is another channel that provides access to the Mirror Foundation’s missing persons’ database. It can be conveniently and quickly searched for information on as well as tracking progress of missing ones. The application is regularly updated with many easy-to-use features that cover all aspects: 1) Missing person’s general info; 2) How to report a case; 3) Tracking information updates; 4) Interesting news; and 5) Family members.

### 5) True Group Joined Kasetsart University to Develop the True Farm application for Farmers

True Group in collaboration with the Faculty of Agriculture of Kasetsart University launched a farm management system project to cultivate farmer’s knowledge. The True Farm application was developed as a farmer’s tool to assist with work planning, management and access to agriculture information and knowledge with ease of use and convenience. The project is aimed at creating sustainable agriculture in the country and to facilitate farmers to access information without incurring costs.

The True Farm application is an easy-to-use application offering many features. Major functions are:

**Planting Function:** Assists farmers in planning plantations and providing farm management through an automated counseling system which includes farming costs and profit tracking.

**Farmers Market Place Function:** Centrally compiles a list of agricultural products and services from application users nationwide.

Agricultural Information Function: Allocates useful information and knowledge needed for farmers, weather forecast, product prices and news alerts to help farmers monitor and prepare for any situation important to the agricultural community.

## **Awards and Recognitions for Corporate Social Responsibility**

### 1) 2015 Thailand Corporate Excellence Awards

True Group won 4 outstanding awards at the 2015 Thailand Corporate Excellence Awards for: 1) Corporate Social Responsibility; 2) Products and Services; 3) Innovation; and 4) Marketing. The event was held by the Thailand Management Association in collaboration with Sasin Graduate Institute of Business Administration of Chulalongkorn University. These awards were given to honor corporations for excellence in business operations and to encourage others to develop their businesses accordingly.

### 2) Honorable Plaque at the International Day of Persons with Disabilities 2015

True Group for three consecutive years received an Honorable Plaque in recognition of its continuous support for the disabled. The Plaque was presented by the National Office for Empowerment of Persons with Disabilities and the Thai Disabled Development Foundation on the International Day of Persons with Disabilities in 2015.

### 3) Honorable Plaque for Sustainable Educational Support to Schools and Communities from the Thai Chamber of Commerce

True received a 2015 Honorable Plaque 2015 under the Thai Chamber of Commerce's Project to Reduce the Inequality in the Income Distribution of People for its sustainable educational support to schools and communities through its True Plookpanya Project.

### 4) Best Children's TV Program Award for the Novice Monks Cultivate Dharma Wisdom TV Program Year 3

True Group and TrueVisions won the 6th Annual Natharat Awards 2014. The Novice Monks Cultivate Dharma Wisdom TV Program Year 3 was awarded Best Children's TV Program for its continuous value creation for Thai youths and society.

### 5) 2015 Chor Sa-ard Awards from the National Anti-Corruption Commission

True Group was a recipient of the 2015 Chor Sa-ard Awards for its TV program that supports cultivating Dharma and promoting anti-corruption campaigns through The Novice Monks Cultivate Dharma Wisdom TV Program Year 4 which was the first Dharma Reality TV Program. The awards presented by the National Anti-Corruption Commission to: 1) TrueVisions channels which aired The Novice Monks Cultivate Dharma Wisdom TV Program; and 2) True Corporation Plc which produced this TV program. In addition, True Corporation Plc also won a recognition certificate from producing the LOL or Think Positive TV Series whereas Thai News Network (TNN) Co., Ltd. won a recognition certificate for its Building a Transparent and Honest Nation Talk Show.

# INTERNAL CONTROLS AND RISK MANAGEMENT

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## Summary of Opinion of the Board of Directors regarding the Company's Internal Controls System

After an assessment of the Company's internal controls system with the Audit Committee in the Board of Director Meeting No. 2/2559 held on 29<sup>th</sup> February 2016 with the presence of all three members of the Audit Committee, the Board of Directors has an opinion that the Company's internal controls system are adequate and suitable. Moreover, the external auditor did not identify any findings in respect of the Company's internal controls system which would be considered to be material weaknesses that could have a material impact on the financial statements. The Board also emphasized the development of the Company's Corporate Governance in order to help improve the internal controls system within the Company on a continuing basis.

## Opinion of the Audit Committee which are different from the Opinion of the Board of Directors

- None -

## The Head of Internal Audit

The Head of Internal Audit of the Company is Mrs. Daopakay Luksanakulbutr. She was appointed as the Head of Internal Audit since 1<sup>st</sup> December 2000.

The Audit Committee approves the appointment, transfer and dismissal of the Head of Internal Audit and oversees the person who serves as the Head of Internal Audit to have adequate and suitable educational background, experiences and trainings to fill the role. Details of the Head of Internal Audit including educational background and working experiences are as appeared in the next page.

**Information of the Head of Internal Audit Department (as of 31<sup>st</sup> December 2015)**

Name	Mrs. Daopakay Luksanakulbutr
Position	Head of Group Internal Audit
Age (Year)	59
Education	Master of Science in Taxation, Golden George University, USA  Bachelor of Business Administration (Accounting), George Washington University, USA  Certified Public Accountant (USA) Certified Internal Auditor
Training	<u>Outside Training Program</u> - Challenging role of Audit Committee in the Review of Financial and Non-Financial Information - Risk Management and Internal Control - 2015 State of Internal Audit Profession Study - 2014 State of Internal Audit Profession Study - IIAT Annual Seminar 2014 - Brand Training - BS 25999 Transition to ISO 22301 - ISO 19011-2011 Auditing Management System - BS 25999 : Business Continuity Management - Presentation Skills - Power Trainer - Tools & Techniques for Enterprise Risk Management (ERM)  <u>In-House Training Program</u> - Continuous Improvement - True Leaders Develop Leaders (LDL) (2014 Chairman Vision Cascade Workshop) - IDEA Application Training - IT Audit Training - Chairman Vision 2014 to Practice - LDL (Leaders Develop Leaders Program) - LDL Cascade Program - Telecommunications Regulations - 3G Network-BFKT - True Leadership - Business Continuity Management (BCM)
Major Experience	2013-Present     Head of Group Internal Audit True Corporation Public Company Limited 2005-2013     Deputy Director - Group Internal Audit True Corporation Public Company Limited 2000-2005     Head of Internal Audit TA Orange Company Limited (Presently : True Move Company Limited) 1993-2000     General Manager CP Inter Trade Company Limited 1988-1993     Certified Public Accountant RBZ Public Accounting Firm Los Angeles, CA 1982-1988     Accounting Manager American Chemical Society Washington DC

- i. For the year ended 31 December 2015, the Group carried out the transaction with subsidiaries, associate, joint ventures and related companies as disclosed in note to financial statements for the year ended 31 December 2015 (Note 42). The significant connected transactions of the Company and subsidiaries that carried out with associate and related companies are as follows:

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
<b>1. The Company</b>				
1.1 Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company.	Sale : - Collection agent fee  - Revenue sharing and other service  Purchase : - Office rental and related services  - Management fee  - Vehicental and related services  - Repair and maintenance Air Condition system - Other services  Purchase : - Tower construction	34,350   18,778   202,179   107,637  77,007   11,212  36,960   1,207,627	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary-course of business that the Company proposed to the third party.  - The transactions arose in of business at the rate of Baht 200 – 220 per square metre per month for rental and Baht 220 – 520 per square metre per month for service. The maturity are normally in the year and are allowed to be renewed. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.



Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
1.2 NEC Corporation (Thailand) Co., Ltd. (NEC)	The Company indirectly holds 9.42% in NEC's equity interest and related through directorship, i.e. Mr. Chatchaval Jiaravanon.	Purchase : - Repair and maintenance network services.	43	- The transactions arose in ordinary course of business.
1.3 Digital Telecommunications Infrastructure Fund (DIF)	The Company directly holds 28.11% in DIF's equity interest.	Sale : - Telecommunication infrastructure Tower	8,137,911	- The transactions arose in ordinary - course of business that the Company proposed to the third party.

## 2. Bangkok Inter Teletech Group of companies (BITCO) (The Company indirectly holds 99.48%)

2.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.48% in BITCO's equity interest.	Sale : - Sales of mobile handset and accessories - Commission and other services Purchase : - Office rental and related services  - Commission from refill card and other service - Vehicle rental and related services  Purchase : - Repair and maintenance network - Advertising and other services - Handset and refill card	1,231,078  556,918  253,595   253,019  165,981  380,506 158,522 4,728,027	- The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. - The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. - The transactions arose in ordinary course of business at the rate of Baht 816,988 per month. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
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\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
2.2 China Mobile Group of companies (CMG)	CMG is a major shareholder of the Company. The Company indirectly holds 99.48% in BITCO's equity interest.	Sale : - Mobile services  Purchase : - Roaming	39,751   30,691	- The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. - The transactions arose in ordinary course of business.
<b>3. True Multimedia Co., Ltd. (TM) (The Company indirectly holds 91.08%)</b>				
3.1 Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 91.08% in TM's equity interest.	Purchase : - Office rental and related services  - Other services	9,446  2,473	- The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business.
<b>4. True Internet Co., Ltd. (TI) (The Company directly holds 100.00%)</b>				
4.1 Charoen Pokphand Group of companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TI's equity interest.	Sale: - Internet services  Purchase : - Purchase of goods - Office rental and related services  - Internet server rental - Advertising  - Collection agent fee - Other services	44,331  79,471 97,421  144,774 36,509 140,126 27,658	- The transactions arose in ordinary course of business that TI proposed to the third party. - The transactions arose in ordinary course of business. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally one year and allowed to be renewed. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
4.2 BEC-TERO True Visions Co., Ltd. (BEC-TRUE)	The Company indirectly holds 100.00% in TI's equity interest and 50.00% in BEC-TRUE's equity interest, respectively. These companies are related through directorships, i.e. Mr. Soopakij Chearavanont.	Sale : - Other services	1,650	- The transactions arose in ordinary course of business that TI proposed to the third party.
<b>5. True Life Plus Co., Ltd. (TLP) (The Company indirectly holds 100.00%)</b>				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TLP's equity interest.	Purchase : - Collection agent fee - Office rental and other services	11,350 8,636	- The transactions arose in ordinary course of business. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
<b>6. Asia Wireless Communication Co., Ltd. (AWC) (The Company indirectly holds 100.00%)</b>				
6.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in AWC's equity interest.	Purchase : - Office rental and other services  - Tower construction	6,541 5,953	- The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business.
6.2 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in AWC's equity interest and directly holds 28.11% in DIF's equity interest.	Sale : - Network rental  Purchase : - Tower rental	512,213 1,216,321	- The transactions arose in ordinary course of business that AWC proposed to the third party. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
<b>7. True Visions Group of companies (TVG) (The Company indirectly holds 100.00%)</b>				
7.1 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 45.00% in TGS's equity interest. These companies are related through directorships, i.e. Mr. Ongard Prapakamol, Mr. Anat Mekpaiboonvatana and Ms. Yupa Leewongcharoen.	Sale : - Sale of equipment  - Advertising	2,376  60,335	- The transactions arose in ordinary course of business that TVG proposed to the third party. - The transactions arose in ordinary course of business that TVG proposed to the third party.
7.2 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TVG's equity interest.	Sale : - Activities sponsorship Purchase : - Office rental and related services  - Vehicle rental  - Collection agent fee - IVR server rental  - System development - Decoder  - Other services	229,759  45,617  50,773  40,439 10,733  18,202 10,829  39,614	- The transactions arose in ordinary course of business that TVG proposed to the third party. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
7.3 Transformation Film Co., Ltd. (TFF)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 28.57% in TFF's equity interest.	Sale : - Advertising  Purchase : - Copyright	2,000  350	- The transactions arose in ordinary course of business that TVG proposed to the third party. - The transactions arose in ordinary course of business.
7.4 BEC-TERO True Visions Co., Ltd. (BEC-TRUE)	The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 50.00% in BEC-TRUE's equity interest. These companies are related through directorships, i.e. Mr. Ongard Prapakamol, Mr. Soopakij Chearavanont.	Sale : - Other services  Purchase : - Marketing	544  700	- The transactions arose in ordinary course of business that TVG proposed to the third party. - The transactions arose in ordinary course of business.
<b>8. True Touch Co., Ltd. (TT) (The Company indirectly holds 100.00%)</b>				
8.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TT's equity interest.	Sale : - Call center  Purchase : - Office rental and related services	5,730  7,213	- The transactions arose in ordinary course of business that TT proposed to the third party. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
8.2 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TT's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Call center	9,577	- The transactions arose in ordinary course of business that TT proposed to the third party.
8.3 True Voice Co., Ltd. (TV)	The Company indirectly holds 100.00% in TT's equity interest and indirectly holds 55.00% in TV's equity interest.	Sale : - Call center	891	- The transactions arose in ordinary course of business that TT proposed to the third party.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
<b>9. True International Gateway Co., Ltd. (TIG) (The Company directly holds 100.00%)</b>				
9.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major share-holder of the Company. The Company directly holds 100.00% in TIG's equity interest.	Sale : - Internet services  Purchase : - Office rental and other services	5,138  35,725	- The transactions arose in ordinary course of business that TIG proposed to the third party. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
9.2 China Mobile Group of companies (CMG)	CMG is a major share-holder of the Company. The Company directly holds 100.00% in TIG's equity interest.	Purchase : - Roaming	655	- The transactions arose in ordinary course of business.
<b>10. Real Move Co., Ltd. (RMV) (The Company indirectly holds 99.48%)</b>				
10.1 True GS Co., Ltd. (TGS)	The Company indirectly holds 99.48% in RMV's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Mobile services	204	- The transactions arose in ordinary course of business that RMV proposed to the third party.
10.2 BEC-TERO True Vision Co., Ltd. (BEC)	The Company indirectly holds 99.48% in RMV's equity interest and indirectly holds 50.00% in BEC's equity interest.	Purchase : - Marketing	2,650	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
10.3 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 99.48% in RMV's equity interest.	Sale : - Mobile services Purchase : - Purchase of goods - Office rental and related services - Content - Commission - Marketing - Collection agent fee and cost of card - Other service	11,739 29,174 113,649 39,551 729,688 187,128 370,876 154,565	- The transactions arose in ordinary course of business that RMV proposed to the third party. - The transactions arose in ordinary course of business. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
<b>11. True Universal Convergence Co., Ltd. (TU) (The Company directly and indirectly holds 100.00%)</b>				
11.1 True GS Co., Ltd. (TGS)	The Company directly holds 0.01% and indirectly holds 99.99% in TU's equity interest and indirectly holds 45.00% in TGS's equity interest. These companies are related through directorships, i.e. Ms. Yupa Leewongcharoen.	Sale : - Digital Data Network services	386	- The transactions arose in ordinary course of business that TU proposed to the third party.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
11.2 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 0.01% and indirectly holds 99.99% in TU's equity interest.	Sale : - Digital Data Network services Purchase : - Office rental and related services  - Vehicle rental and related services  - Repair and maintenance network - Other services  - Network construction	189,167   112,435   197,395  38,406  35,447  146,998	- The transactions arose in ordinary course of business that TU proposed to the third party. - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
11.3 Digital Telecommunications Infrastructure Fund (DIF)	The Company directly holds 0.01% and indirectly holds 99.99% in TU's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Purchase : - Rental of fiber link	1,946,315	- The transactions arose in ordinary course of business.
<b>12. KSC Commercial Internet Co., Ltd. (KSC) (The Company indirectly holds 56.83%)</b>				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 56.83% in KSC's equity interest.	sale : - Internet services  Purchase: - Internet services and other services	3,501   26,140	- The transactions arose in ordinary course of business that KSC proposed to the third party. - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.



Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
13. True Information Technology Co., Ltd. (TIT) (The Company indirectly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TIT's equity interest.	Sale : - IT Outsource	37,229	- The transactions arose in ordinary course of business that TIT proposed to the third party.
		Purchase : - Office rental and other services	31,737	- The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
		- System development	43,216	- The transactions arose in ordinary course of business.
14. BFKT (Thailand) Co., Ltd. (BFKT) (The Company indirectly holds 100.00%)				
14.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in BFKT's equity interest.	Purchase : - Office rental and related services	1,145	- The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.
		- Vehicle rental and related services	9,336	- The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years.
		- Internet server rental	18,085	- The transactions arose in ordinary course of business.
		- Repair and maintenance network	9,213	- The transactions arose in ordinary course of business.
		- Other service	8,116	- The transactions arose in ordinary course of business.
		- Purchase of network equipment	42,433	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
14.2 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in BFKT's equity interest and directly holds 28.11% in DIF's equity interest.	Purchase : - Telecommunication infrastructure rental	1,222,058	- The transactions arose in ordinary course of business.
15. True Icontent Co., Ltd. (TICT) (The Company indirectly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company indirectly holds 100.00% in TICT's equity interest.	Sale : - Sale of goods	3,257	- The transactions arose in ordinary course of business that TICT proposed to the third party.
		- Content	10,822	- The transactions arose in ordinary course of business that TICT proposed to the third party.
		Purchase : - Content	17,360	- The transactions arose in ordinary course of business.
		- Purchase of goods	322	- The transactions arose in ordinary course of business.
16. True Public Communication Co., Ltd. (TPC) (The Company directly holds 100.00%)				
Charoen Pokphand Group of Companies (CPG)*	CPG is a major shareholder of the Company. The Company directly holds 100.00% in TPC's equity interest.	Purchase : - Commission public phone	879	- The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
<b>17. True Move H Universal Communication Co., Ltd. (TUC) (The Company directly holds 100.00%)</b>				
17.1 Charoen Pokphand Group of Companies (CPG)*	CPG is a major share-holder of the Company. The Company directly holds 100.00% in TUC's equity interest.	Sale : - Mobile services  Purchase : - Office rental and related services  - Commission  - Collection agent fee  - Network service  - Other service	24,403          16,900          503,547          29,975          37,753          25,605	- The transactions arose in ordinary course of business that TUC proposed to the third party.          - The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed.  - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business.  - The transactions arose in ordinary course of business.
17.2 China Mobile Group of companies (CMG)	CMG is a major share-holder of the Company. The Company directly holds 100.00% in TUC's equity interest.	Sale : - Mobile services  Purchase : - Roaming	59,319          11,714	- The transactions arose in ordinary course of business that TUC proposed to the third party.  - The transactions arose in ordinary course of business.
17.3 True GS Co., Ltd. (TGS)	The Company indirectly holds 100.00% in TUC's equity interest and indirectly holds 45.00% in TGS's equity interest.	Sale : - Mobile services	630	- The transactions arose in ordinary course of business that TUC proposed to the third party.
17.4 Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in BFKT's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Sale : - Other services  Purchase : - Network rental	409          617,038	- The transactions arose in ordinary course of business that TUC proposed to the third party.  - The transactions arose in ordinary course of business.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

Company Name	Relationship	Details of transactions	2015 of (Baht'000)	Rationale and necessity
<b>18. Telecom Asset Management Co., Ltd. (TAM) (The Company indirectly holds 100.00%)</b>				
Digital Telecommunications Infrastructure Fund (DIF)	The Company indirectly holds 100.00% in TAM's equity interest and directly holds 28.11% in DIF's equity interest respectively.	Sale : - Management and marketing services	47,420	- The transactions arose in ordinary course of business that TAM proposed to the third party.

\*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic 7: "Stock Information and Shareholders" on page 2.

- ii) Outstanding balances arising from sales of goods and services:  
 Change in outstanding balances arising from sales of goods and services are as follows:

Unit : Thousand Baht

Joint ventures, associates and related companies	31 December 2014	Increase (Decrease)	31 December 2015
Asia Infonet Co., Ltd.	-	120	120
BEC-TERO True Visions Co., Ltd.	-	43	43
NC True Co., Ltd.	(211)	211	-
True GS Co., Ltd.	23,737	2,476	26,213
Digital Telecommunications Infrastructure Fund	-	4,429	4,429
Transformation Film Co., Ltd.	-	3,210	3,210
NEC Corporation (Thailand) Co., Ltd.	164	13	177
China Mobile Group of companies	-	75,132	75,132
CP Group of companies	10,526,666	(1,830,924)	8,695,742
Total	10,550,356	(1,745,290)	8,805,066

- iii) Outstanding balances arising from purchases of goods and services:  
 Change in outstanding balances arising from purchases of goods and services are as follows:

Unit : Thousand Baht

Joint ventures, associates and related companies	31 December 2014	Increase (Decrease)	31 December 2015
Digital Telecommunications Infrastructure Fund	316,674	(784)	315,890
True Voice Co., Ltd.	-	20,913	20,913
Transformation Film Co., Ltd.	-	1,070	1,070
NC True Co., Ltd.	2	(2)	-
CP Group of companies	9,522,807	(2,559,775)	6,963,032
China Mobile Group of companies	-	18,628	18,628
NEC Corporation (Thailand) Co., Ltd.	-	1	1
Total	9,839,483	(2,519,949)	7,319,534

- iv) Outstanding balances arising from loans to related parties  
Change in outstanding balances arising from loans to related parties are as follows:

Unit : Thousand Baht

Related companies	31 December 2014	Increase (Decrease)	30 December 2015
CP Group of companies	147,000	-	147,000
Total	147,000	-	147,000

### Measures and Procedures for Approving the Entering into of Connected Transactions

The Company has measures and procedures for approving the entering into connected transactions in compliance with legal obligations including the Rules and Regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand ("SET"). Based on, the said relevant laws and regulations the Company has clearly set up "Rules of Entering into Related Party Transactions", to be adhered and properly followed by the Board and employees. Under the Rules of Entering into Related Party Transaction, the measures and procedures for approving the entering into related party transactions are set forth as follows:

1. The following related party transactions can be approved by Management without any approval from the Company's Board of Directors and the Shareholders' Meeting under the purpose of clause 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551:
  - 1.1 A transaction under general commercial terms  
"general commercial term" mean a commercial term that a person of ordinary prudence would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person, including the commercial terms with the prices and the conditions or the gross margin as follows:
    - (a) prices and conditions that the Company, or its subsidiary receives from or offers to general persons.
    - (b) prices and conditions that a director, an executive or related person offers to general persons.
    - (c) prices and conditions that the Company, or its subsidiaries can prove that it is same as operators in similar business offer to general persons.
    - (d) in case the comparison of price of goods or services cannot be made because of the distinctiveness or specifically made to order, however the Company or its subsidiaries can prove that
      - the gross margin that the Company or its subsidiaries receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; or
      - the gross margin that the director, executive or related person receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; and there is no difference of condition and terms between them.
  - 1.2 A loan in accordance with the regulations on the welfare of the staff members and employees;
  - 1.3 A transaction in which the counterparty to the Company or both parties are:
    - (a) a subsidiary or subsidiaries whose shares are held by the Company in the amount not less

than ninety percent of its total number of shares sold; or

- (b) a subsidiary or subsidiaries whose shares are held by a director, an executive or a related person or which such person has interest, whether directly or indirectly, not more than the amount, rate or characteristic as specified in the notification of the Capital Market Supervisory Board;

- 1.4 A transaction in particular category or with value not more than the amount or rate as specified in the notification of the Capital Market Supervisory Board.
- 2. The following related party transactions require approval from the Company's Board of Directors but do not require approval from the Shareholders' Meeting
  - 2.1 A transaction under Clause 1 which requires an approval from the Company's Board of Directors under other internal procedures of the Company such as Procedure for Budget.
  - 2.2A transaction under Clause 1.3 (b) or 1.4 that may be prescribed by the Capital Market Supervisory Board to require an approval from the Board of Directors, relevant notification shall be prescribed later.
- 3. Any related party transactions other than those under Clause 1 and 2 require approval from the Company's Board of Directors and the Shareholders' Meeting before entering into such transactions.

#### **Policy for Future Connected Transactions**

With regard to future connected transactions, the Company anticipates that there will be connected transactions in the ordinary course of business of the Company with its affiliates and that the Company shall proceed with such transactions in a transparent manner pursuant to the good corporate governance policy of the Company as well as all relevant regulations.

# SIGNIFICANT FINANCIAL INFORMATION

• Annual Report 2015  
• Grow Together  
• Win Together

## SUMMARY OF FINANCIAL STATEMENTS

**True Corporation Public Company Limited**  
**Consolidated Statement of Financial Position**  
As at 31 December 2015, 2014, 2013 and 2012

			(Restated)		(Restated)		(Restated)	
	31 December	Common	31 December	Common	31 December	Common	31 December	Common
	2015	Size (%)	2014	Size (%)	2013	Size (%)	2012	Size (%)
					(Equivalent to 1 January 2014)		(Equivalent to 1 January 2013)	
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	10,590,382	3.75	6,611,594	2.82	14,726,283	7.17	6,103,167	3.39
Restricted cash at bank	558,973	0.20	1,139,791	0.49	2,346,446	1.14	964,823	0.54
Short-term investments	2,837	0.00	1,039	0.00	101,832	0.05	374,406	0.21
Trade and other receivables	38,628,427	13.66	62,203,154	26.58	38,537,981	18.76	21,424,871	11.90
Short-term loans to related parties	147,000	0.05	147,000	0.06	147,000	0.07	14,251	0.01
Inventories, net	8,294,579	2.93	4,294,126	1.83	5,049,989	2.46	1,941,475	1.08
Income tax deducted at source	5,593,775	1.98	4,078,066	1.74	2,952,598	1.44	3,018,739	1.68
Claimable value added tax	7,001,952	2.48	4,694,752	2.01	3,207,269	1.56	2,048,861	1.14
Other current assets	7,042,763	2.49	4,273,796	1.83	2,989,198	1.46	3,321,860	1.84
<b>Total current assets</b>	<b>77,860,688</b>	<b>27.54</b>	<b>87,443,318</b>	<b>37.36</b>	<b>70,058,596</b>	<b>34.11</b>	<b>39,212,453</b>	<b>21.79</b>
<b>Non-current assets</b>								
Restricted cash at bank	47,962	0.02	50,690	0.02	100,043	0.05	122,231	0.07
Investments in associates and joint ventures, net	14,994,504	5.30	16,428,665	7.02	16,138,797	7.85	275,708	0.15
General investments, net	325,211	0.11	322,772	0.14	313,798	0.15	293,323	0.16
Investment property, net	5,528	0.00	5,528	0.00	5,528	0.00	54,763	0.03
Property, plant and equipment, net	98,456,929	34.81	75,084,946	32.07	67,867,052	33.01	81,082,685	45.05
Goodwill, net	11,403,094	4.03	11,403,094	4.87	11,403,094	5.55	11,403,094	6.33
Intangible assets, net	69,297,499	24.50	34,164,079	14.59	33,853,686	16.47	41,455,852	23.03
Deferred income tax assets	5,663,351	2.00	5,820,859	2.49	4,778,565	2.32	5,176,297	2.88
Other non-current assets	4,789,501	1.69	3,378,962	1.44	1,012,819	0.49	917,945	0.51
<b>Total non-current assets</b>	<b>204,983,579</b>	<b>72.46</b>	<b>146,659,595</b>	<b>62.64</b>	<b>135,473,382</b>	<b>65.89</b>	<b>140,781,898</b>	<b>78.21</b>
<b>Total assets</b>	<b>282,844,267</b>	<b>100.00</b>	<b>234,102,913</b>	<b>100.00</b>	<b>205,531,978</b>	<b>100.00</b>	<b>179,994,351</b>	<b>100.00</b>
<b>Liabilities and shareholders' equity</b>								
<b>Current liabilities</b>								
Short-term borrowings	29,927,210	10.58	2,977,088	1.27	3,742,847	1.82	5,096,095	2.83
Trade and other payables	65,865,891	23.30	101,227,357	43.24	88,234,986	42.93	44,721,775	24.85
Current portion of long-term borrowings	12,602,574	4.46	8,872,851	3.79	9,894,129	4.81	9,521,909	5.29
Income tax payable	29,099	0.01	270,764	0.12	878,854	0.43	348,115	0.19
Other current liabilities	3,375,821	1.19	4,158,955	1.78	4,439,348	2.16	3,299,293	1.84
<b>Total current liabilities</b>	<b>111,800,595</b>	<b>39.54</b>	<b>117,507,015</b>	<b>50.20</b>	<b>107,190,164</b>	<b>52.15</b>	<b>62,987,187</b>	<b>35.00</b>
<b>Non-current liabilities</b>								
Long-term borrowings	55,522,317	19.63	33,136,810	14.16	76,260,992	37.11	86,804,608	48.23
Deferred income tax liabilities	2,074,718	0.73	2,454,385	1.05	4,095,175	1.99	3,579,374	1.99
Liabilities under agreements for operation	86,053	0.03	104,088	0.04	120,139	0.06	3,079,521	1.71
Employee benefits obligations	1,368,617	0.48	1,232,105	0.53	1,137,085	0.55	914,055	0.51
Other non-current liabilities	36,785,434	13.01	8,942,136	3.82	12,079,296	5.88	8,603,293	4.78
<b>Total non-current liabilities</b>	<b>95,837,139</b>	<b>33.88</b>	<b>45,869,524</b>	<b>19.60</b>	<b>93,692,687</b>	<b>45.59</b>	<b>102,980,851</b>	<b>57.22</b>
<b>Total liabilities</b>	<b>207,637,734</b>	<b>73.42</b>	<b>163,376,539</b>	<b>69.80</b>	<b>200,882,851</b>	<b>97.74</b>	<b>165,968,038</b>	<b>92.22</b>
<b>Shareholders' equity</b>								
<b>Share capital</b>								
Authorised share capital								
Common shares	98,431,713		246,079,282		153,332,070		153,332,070	
Issued and fully paid-up share capital								
Common shares	98,431,713	34.79	246,079,282	105.08	145,302,153	70.62	145,031,792	80.45
Premium on share capital	-	-	11,432,046	4.88	11,432,046	5.56	11,432,046	6.34
Discount on share capital	-	-	(121,995,650)	(52.09)	(86,070,641)	(41.84)	(85,987,466)	(47.69)
Retained earnings (deficits)								
Appropriated-legal reserve	275,914	0.10	34,881	0.01	34,881	0.02	34,881	0.02
Unappropriated	(22,362,876)	(7.90)	(63,639,150)	(27.17)	(64,933,087)	(31.56)	(55,612,631)	(30.85)
Other components of equity	(1,797,302)	(0.64)	(1,776,122)	(0.76)	(1,767,250)	(0.86)	(1,529,867)	(0.85)
<b>Equity attributable to owners of the parent</b>	<b>74,547,449</b>	<b>26.35</b>	<b>70,135,287</b>	<b>29.95</b>	<b>3,998,102</b>	<b>1.94</b>	<b>13,368,755</b>	<b>7.42</b>
Non-controlling interests	659,084	0.23	591,087	0.25	651,025	0.32	657,558	0.36
<b>Total shareholders' equity</b>	<b>75,206,533</b>	<b>26.58</b>	<b>70,726,374</b>	<b>30.20</b>	<b>4,649,127</b>	<b>2.26</b>	<b>14,026,313</b>	<b>7.78</b>
<b>Total liabilities and shareholders' equity</b>	<b>282,844,267</b>	<b>100.00</b>	<b>234,102,913</b>	<b>100.00</b>	<b>205,531,978</b>	<b>100.00</b>	<b>179,994,351</b>	<b>100.00</b>



**True Corporation Public Company Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2015, 2014, 2013 and 2012**

(Unit: Thousand Baht)

	31 December 2015	Common Size (%)	(Restated) 31 December 2014	Common Size (%)	(Restated) 31 December 2013	Common Size (%)	(Restated) 31 December 2012	Common Size (%)
<b>Revenues</b>								
Revenues from telephone and other services	95,941,928	80.77	86,985,629	79.65	79,136,772	82.25	74,298,460	83.12
Revenues from product sales	22,838,754	19.23	22,230,410	20.35	17,076,923	17.75	15,083,454	16.88
<b>Total revenues</b>	<b>118,780,682</b>	<b>100.00</b>	<b>109,216,039</b>	<b>100.00</b>	<b>96,213,695</b>	<b>100.00</b>	<b>89,381,914</b>	<b>100.00</b>
<b>Costs</b>								
Cost of providing services	71,046,486	59.81	66,068,220	60.49	59,466,601	61.81	54,852,518	61.37
Cost of sales	19,530,915	16.44	18,413,252	16.86	15,735,809	16.36	13,779,018	15.42
<b>Total costs</b>	<b>90,577,401</b>	<b>76.25</b>	<b>84,481,472</b>	<b>77.35</b>	<b>75,202,410</b>	<b>78.17</b>	<b>68,631,536</b>	<b>76.79</b>
<b>Gross profit</b>	<b>28,203,281</b>	<b>23.75</b>	<b>24,734,567</b>	<b>22.65</b>	<b>21,011,285</b>	<b>21.83</b>	<b>20,750,378</b>	<b>23.21</b>
Other income	2,754,733	2.32	2,223,482	2.04	8,662,466	9.00	847,836	0.95
Selling expenses	(13,161,603)	(11.08)	(10,119,226)	(9.27)	(11,420,067)	(11.87)	(8,475,378)	(9.48)
Administrative expenses	(10,434,045)	(8.78)	(11,692,962)	(10.71)	(11,217,976)	(11.66)	(10,634,727)	(11.90)
Other expenses	(595,980)	(0.50)	(5,573,728)	(5.10)	(4,918,582)	(5.11)	(2,183,994)	(2.44)
Share of results	1,413,979	1.19	6,220,469	5.70	62,298	0.06	41,417	0.05
Finance costs	(3,528,841)	(2.97)	(6,645,283)	(6.08)	(8,555,426)	(8.89)	(6,167,071)	(6.90)
<b>Profit (loss) before income tax</b>	<b>4,651,524</b>	<b>3.93</b>	<b>(852,681)</b>	<b>(0.77)</b>	<b>(6,376,002)</b>	<b>(6.64)</b>	<b>(5,821,539)</b>	<b>(6.51)</b>
Income tax (expense) revenue	(251,349)	(0.21)	2,095,810	1.92	(2,869,885)	(2.98)	(1,604,222)	(1.79)
<b>Profit (loss) for the year</b>	<b>4,400,175</b>	<b>3.72</b>	<b>1,243,129</b>	<b>1.15</b>	<b>(9,245,887)</b>	<b>(9.62)</b>	<b>(7,425,761)</b>	<b>(8.30)</b>
<b>Other comprehensive income (expense):</b>								
Item that will not be reclassified to profit or loss:								
Remeasurements of post-employment benefit obligations, net of tax	-	-	-	-	(152,764)	(0.16)	-	-
Item that will be reclassified subsequently to profit or loss:								
Exchange differences on translation	651	0.00	(2,599)	0.00	(101,858)	(0.11)	(2,760)	0.00
<b>Total comprehensive income (expense) for the year</b>	<b>4,400,826</b>	<b>3.72</b>	<b>1,240,530</b>	<b>1.15</b>	<b>(9,500,509)</b>	<b>(9.89)</b>	<b>(7,428,521)</b>	<b>(8.30)</b>
<b>Profit (loss) for the year attributable to:</b>								
Owners of the parent	4,411,522	100.26	1,293,937	104.09	(9,167,693)	99.15	(7,405,829)	99.73
Non-controlling interests	(11,347)	(0.26)	(50,808)	(4.09)	(78,194)	0.85	(19,932)	0.27
<b>Profit (loss) for the year</b>	<b>4,400,175</b>	<b>100.00</b>	<b>1,243,129</b>	<b>100.00</b>	<b>(9,245,887)</b>	<b>100.00</b>	<b>(7,425,761)</b>	<b>100.00</b>
<b>Total comprehensive income (expense) for the year attributable to:</b>								
Owners of the parent	4,412,173	100.26	1,291,338	104.10	(9,422,315)	99.18	(7,408,589)	99.73
Non-controlling interests	(11,347)	(0.26)	(50,808)	(4.10)	(78,194)	0.82	(19,932)	0.27
<b>Total comprehensive income (expense) for the year</b>	<b>4,400,826</b>	<b>100.00</b>	<b>1,240,530</b>	<b>100.00</b>	<b>(9,500,509)</b>	<b>100.00</b>	<b>(7,428,521)</b>	<b>100.00</b>
<b>Basic and diluted earnings (loss) per share</b>								
<b>attributable to owners of the parent</b>								
-Basic: (Baht per share)	0.18		0.07		(0.62)		(0.51)	

**True Corporation Public Company Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2015, 2014, 2013 and 2012**

(Unit: Thousand Baht)

	31 December 2015	(Restated) 31 December 2014	(Restated) 31 December 2013	(Restated) 31 December 2012
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	4,651,523	(852,681)	(6,376,002)	(5,821,539)
Adjustments for:				
Depreciation and amortisation	19,944,998	25,335,263	22,230,906	17,111,684
Interest income	(142,442)	(175,981)	(148,092)	(259,566)
Interest expense	2,897,206	5,101,284	7,578,957	6,244,719
Finance costs related to licences	194,121	220,371	340,362	319,363
Dividends received	(40,811)	(10,000)	-	-
Loss (gain) on disposals of property, plant and equipment	81,816	274,327	147,709	(43,026)
Doubtful accounts	1,523,409	1,243,536	1,143,824	1,415,186
Write off network equipment	80,628	410,184	-	-
Impairment charge of investment	-	-	8,719	-
Gain from disposal of infrastructure assets	(360,597)	-	(6,334,904)	-
Impairment charge of property, plant and equipment	-	-	2,056,089	2,123,848
Gain on reversal of right and liabilities under agreement for operation	-	-	(791,180)	-
Impairment charge of investment property	-	-	-	724
Other operating assets and liabilities written-off	-	-	110	17,093
Loss (gain) on sale investment in subsidiaries, joint venture and associate	-	15,806	(857,569)	-
Loss from liquidation of associate	-	6,073	23,035	-
Gain from dissolution of investment in subsidiary	-	-	(104,480)	-
Reversal of provision for CAT's call option	(1,176,194)	(1,162,471)	-	-
Increase in retirement benefits obligations	144,709	95,020	136,731	48,354
Unrealised (gain) loss on foreign exchange	(189,877)	(223,001)	439,978	(864,711)
Realised loss (gain) on foreign exchange related to repayment of borrowings	3,818	6,162	(130,304)	-
Gain on settlement of DPN obligation	-	(350,932)	(145,283)	-
Gain on termination of finance lease agreement	-	-	(54,910)	-
Share of results	(1,443,439)	(6,220,469)	(62,298)	(41,417)
Changes in operating assets and liabilities				
- Trade and other receivables	21,920,565	(25,726,991)	(12,940,393)	(10,331,060)
- Short-term investments	(1,777)	100,317	(85,214)	50,908
- Inventories	(4,004,044)	764,512	(2,854,118)	(1,252,658)
- Other current assets	(7,566,225)	(5,346,556)	(278,922)	(734,543)
- Film and program rights	(2,670,241)	(2,390,759)	(1,441,795)	(1,935,571)
- Cars for lease	-	-	113,317	197,531
- Other non-current assets	(205,090)	35,381	(257,998)	55,607
- Trade and other payables	(36,216,030)	13,203,277	29,584,190	7,573,846
- Other current liabilities	(784,308)	(719,383)	1,539,787	397,122
- Other non-current liabilities	10,726,056	(167,599)	(200,721)	145,000
Cash generated from operations	7,367,774	3,464,690	32,279,531	14,416,170
Add : Interest received	143,673	158,082	140,727	313,430
Income tax received	712,333	115,596	-	-
Less: Interest paid	(1,947,511)	(5,103,260)	(7,201,782)	(5,786,497)
Income tax paid	(2,943,219)	(2,278,912)	(2,289,021)	(1,631,246)
Net cash received from (used in) operating activities	3,333,050	(3,643,804)	22,929,455	7,311,857
<b>Cash flows from investing activities</b>				
Withdrawal (deposit) in restricted cash	583,546	1,256,009	(1,984,739)	36,996
(Deposit) withdrawal in short-term investments	(20)	476	346,537	(24,587)
Loans made to subsidiaries	-	-	(3,750)	(6,320)
Investments in associates and joint ventures	(25,000)	(36,192)	(19,355,743)	(27,000)
Proceeds from sale of investment in associate, net of cash and cash equivalent	-	3,193,423	3,203,157	-
Investment in other companies	(2,439)	(8,974)	-	-
Acquisition of property, plant and equipment	(27,942,984)	(22,519,912)	(25,058,085)	(19,313,715)
Acquisition of intangible assets	(24,714,729)	(4,940,550)	(816,881)	(7,812,497)
Reclassification of investment	(46,862)	-	-	-
Proceeds from loans to joint venture	-	-	-	770
Proceeds from liquidation of associate	-	7,230	100,000	-
Proceeds from decrease in share capital of associate	-	-	-	6,578
Proceeds from disposals of property, plant and equipment and intangible assets	838,037	256,333	40,432,859	178,686
Dividends received	1,556,857	1,355,746	55,801	1,352
Net cash used in investing activities	(49,753,594)	(21,436,411)	(3,080,844)	(26,959,737)
<b>Cash flows from financing activities</b>				
Issues of common shares	-	64,852,120	187,186	-
Subscription of newly issued shares in subsidiary by non-controlling interests	90,000	15,989	-	-
Dividends paid to non-controlling interest	-	-	(2,591)	(14,509)
Addition investment in subsidiary by purchasing shares from non-controlling interest	(12)	(31,392)	-	-
Proceeds from short-term borrowings, net of cash paid for debt issuance cost	57,338,838	11,210,303	30,182,538	9,120,978
Proceeds from borrowings, net of cash paid for debt issuance cost	33,134,012	14,242,603	32,550,467	17,482,493
Repayments to short-term borrowings	(30,510,000)	(12,003,840)	(31,535,786)	(4,393,083)
Repayments to borrowings	(9,699,070)	(61,307,112)	(42,611,917)	(7,888,830)
Net cash received from (used in) financing activities	50,353,768	16,978,671	(11,230,103)	14,307,049
<b>Net increase (decrease) in cash and cash equivalents</b>	3,933,224	(8,101,544)	8,618,508	(5,340,831)
Opening balance	6,611,594	14,726,283	6,103,167	11,447,692
Effects of exchange rate changes	45,564	(13,145)	4,608	(3,694)
Closing balance	10,590,382	6,611,594	14,726,283	6,103,167

## Auditor

The auditors appointed by the Board of Directors to be the Company's auditor in order to perform the audit of the Company and consolidated financial statements during the past three years were as follows:

Financial Statement for the year ended	The Company's auditors	Auditor's Name	Certified Public Account (Thailand) ID.
31 December 2015	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445
31 December 2014	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445
31 December 2013	PricewaterhouseCoopers ABAS Limited	Mr. Kajornkiet Aroonpirodkul	3445

According to the three (3) years' Reports of Certified Public Accountant (2013-2015), the Company's auditors had expressed his/her unqualified opinions on the financial statement.

PricewaterhouseCoopers ABAS Limited and auditors have no any relationship or interests with the Company, subsidiaries, management, major shareholders including their related persons, which would affect to the independence of their performing.

## FINANCIAL RATIOS

		2015	2014 (Restated)	2013 (Restated)
<b>Liquidity Ratios</b>				
Current Ratio	Times	0.70	0.74	0.65
Quick Ratio-Accrual Basis	Times	0.39	0.57	0.48
<b>Activity Ratios</b>				
Receivable Turnover Ratio	Times	2.59	2.34	3.60
Average Collection Period	Days	138.91	153.96	100.12
Inventory Turnover Ratio	Times	3.10	3.94	4.03
Average Inventory Turnover Period	Days	116.02	91.34	89.36
Payable Turnover Ratio	Times	2.32	2.39	2.80
Average Payment Period	Days	155.02	150.44	128.77
Cash Cycle	Days	99.90	94.87	60.71
Fixed Assets Turnover Ratio	Times	1.26	1.53	1.25
Assets Turnover Ratio	Times	0.46	0.50	0.50
<b>Leverage Ratios</b>				
Net Debt to EBITDA <sup>1/</sup>	Times	3.67	1.61	4.18
Net Debt to Equity <sup>1/</sup>	Times	1.08	0.46	14.74
Total Liabilities to Total Equity Ratio	Times	2.76	2.31	43.21
Interest coverage ratio	Times	7.27	3.63	1.95
<b>Profitability Ratios</b>				
Gross Profit Margin	%	23.74%	22.65%	21.84%
Net Profit Margin	%	3.71%	1.18%	-9.53%
Return on Equity <sup>2/</sup>	%	6.10%	3.49%	-105.71%
<b>Growth Ratios</b>				
Total Assets	%	20.82%	13.90%	13.95%
Total Liabilities	%	27.09%	-18.67%	20.75%
Total Revenue	%	8.76%	13.51%	7.64%
Total Operating Expenses <sup>3/</sup>	%	7.41%	8.64%	11.46%
Net Profit	%	240.94%	NM <sup>4/</sup>	-23.42%

Note :

<sup>1/</sup> Debt comprises short-term and long-term borrowings exclude liabilities under finance leases

<sup>2/</sup> Return on Equity = Net profit to shareholders of the parent company /Average total parent's shareholders' equity

<sup>3/</sup> Total Operating Expenses include Costs of Providing Services, Cost of Sales and Selling and Administrative Expenses

<sup>4/</sup> NM represents a change from negative sign to positive sign

# MANAGEMENT'S DISCUSSION AND ANALYSIS

• Annual Report 2015  
• Grow Together  
• Win Together

## Overview

True Group passed another crucial milestone in 2015 with record profit, revenues and postpaid subscriptions across all three core segments. Network superiority and convergence are at the heart of the Group's business and remained its key success factors throughout the year. These high-value offerings significantly drove consumers' perception on the Group's products and services, boosting revenue growth and profitability mainly on a standout performance in the cellular business. TrueMove H's postpaid acquisition continued solid momentum and dramatically outgrew the industry while net adds of TrueOnline's broadband Internet and TrueVisions' paying subscribers achieved all-time highs.

The 1800MHz and 900MHz spectrum auctions are major stepping stones for True Group to secure its leadership position in wireless broadband through the country's largest licensed frequency resources, comprising 900, 1800, 2100 and 850 (under CAT Telecom) MHz, which accommodate all market segments and ecosystems with superior 4G, 3G and 2G networks. This will further fuel the Group's potential growth as it will not only strengthen its postpaid position through better network quality but will also help accelerate market share in the prepaid market which was pressured by the limited 2G network coverage in the past.

Competition in the Thai telecommunications industry remained high in 2015 with more attractive bundled offerings, including convergence products among mobile, broadband and TV, as well as affordable smart devices being introduced to the market while operators also focusing on expanding networks to facilitate a fast-growing demand for wired and wireless high-speed data usage, which has been the industry's growth driver. As network quality and bundling, which are True's competitive strengths, have been key factors in customer decisions, True Group is well positioned to capitalize on elevating trend of data usage and Thailand's transition into the digital economy and Internet of Things era.

True Group reported a consolidated net profit to shareholders of the parent company of Baht 4.4 billion in 2015, representing a change of greater than 20% YoY, which is summarized as below:

True Group's **consolidated service revenue** increased 10.8% YoY, slightly above the guidance of high-single digit growth, to Baht 74.8 billion in 2015 as a result of growing revenues in all key segments, particularly non-voice services and broadband Internet. The Group's cellular business achieved remarkable revenue growth, pushing its value market share to 20.8% in the fourth quarter, up from 17.8% in the same period a year earlier. TrueOnline's broadband Internet posted healthy growth with strong response to the fiber packages while TrueVisions' subscription revenue picked up since the second quarter despite continued impact from economy and competition.

**EBITDA** surged 10.3% YoY to Baht 22.1 billion on solid revenue growth, outpacing higher expenses related to network and service expansion to accelerate the Group's 4G, 3G and fiber footprint throughout the country.

True Group reported a **net profit of the parent company** totaling Baht 4.4 billion in 2015 compared to a profit of Baht 1.3 billion in 2014. This substantial improvement was driven by a 58-percent increase of operating profits together with a significant decline in interest expense and 2G depreciation.

**Looking forward to 2016,** True Group targets a growth rate for the consolidated service revenue in the mid-teens and a high-teens growth rate for EBITDA while budgeting approximately Baht 47 billion of cash capex.

True Group will further secure its leadership in wired and wireless broadband as well as pay TV through network superiority, service excellence across all segments, and viewing experience enhancement. TrueMove H's 4G and 2G networks will reach 98% of the Thai population in May on top of its nationwide 3G presence while half of Thailand's households will be able to access TrueOnline's fiber broadband service near the end of the year. TrueVisions will further enrich customers' viewing experience through high-quality content with innovative viewer interactions.

Meanwhile, the Group's Baht 60-billion capital raising proposal will strengthen its balance sheet and sustain True's investment grade credit rating with net debt to EBITDA ratio of less than 2 times going forward. Maintaining financial discipline and leveraging on corporate-wide productivity initiatives will be at the top of True's priority list to ensure improved financial performance in the long run.

## Consolidated Results of Operations - Normalized Basis

	4Q15	3Q15 (Restated)	4Q14 (Restated)	% Change		2015	2014 (Restated)	% Change
(Baht in millions unless otherwise indicated)				Q-o-Q	Y-o-Y			
<b>Revenues</b>								
Revenues from providing services	25,143	24,484	22,513	2.7	11.7	95,942	86,986	10.3
- Interconnection revenue	1,133	1,216	1,141	(6.8)	(0.6)	4,753	4,009	18.6
- Network rental revenue	4,249	4,438	3,804	(4.3)	11.7	16,386	15,479	5.9
- Service revenue	19,761	18,830	17,569	4.9	12.5	74,803	67,497	10.8
Revenues from product sales	7,408	4,635	10,863	59.8	(31.8)	22,839	22,230	2.7
<b>Total revenues</b>	<b>32,551</b>	<b>29,119</b>	<b>33,376</b>	<b>11.8</b>	<b>(2.5)</b>	<b>118,781</b>	<b>109,216</b>	<b>8.8</b>
<b>Operating expenses</b>								
Total cost of providing services	19,523	18,026	16,768	8.3	16.4	71,046	66,068	7.5
Regulatory costs	934	994	708	(6.0)	32.0	2,727	2,668	2.2
Interconnection cost	1,284	1,217	1,468	5.5	(12.5)	5,511	4,935	11.7
Cost of providing services exclude IC	13,633	12,580	11,578	8.4	17.8	49,881	44,283	12.6
Depreciation and amortization	3,672	3,235	3,015	13.5	21.8	12,927	14,183	(8.9)
Cost of sales	6,708	3,941	8,448	70.2	(20.6)	19,531	18,413	6.1
Selling and administrative expenses	5,187	6,467	6,618	(19.8)	(21.6)	23,596	21,812	8.2
Depreciation and amortization	1,238	1,264	910	(2.1)	36.0	4,574	2,945	55.3
Cash SG&A	3,949	5,203	5,709	(24.1)	(30.8)	19,021	18,867	0.8
<b>Total operating expenses</b>	<b>31,418</b>	<b>28,433</b>	<b>31,834</b>	<b>10.5</b>	<b>(1.3)</b>	<b>114,173</b>	<b>106,294</b>	<b>7.4</b>
<b>EBITDA</b>	<b>6,042</b>	<b>5,184</b>	<b>5,467</b>	<b>16.5</b>	<b>10.5</b>	<b>22,109</b>	<b>20,050</b>	<b>10.3</b>
Depreciation and amortization	(4,910)	(4,499)	(3,925)	9.1	25.1	(17,502)	(17,128)	2.2
<b>Operating profit</b>	<b>1,133</b>	<b>686</b>	<b>1,542</b>	<b>65.2</b>	<b>(26.6)</b>	<b>4,608</b>	<b>2,922</b>	<b>57.7</b>
Interest income	54	23	57	136.7	(5.1)	142	176	(19.1)
Interest expense	(912)	(738)	(612)	23.6	49.0	(2,897)	(4,988)	(41.9)
Other financial fees	(53)	(31)	(62)	70.8	(13.9)	(143)	(529)	(73.0)
Financial cost related to license	(76)	(38)	(61)	100.7	25.2	(194)	(220)	(11.9)
Income tax (expense) revenue	(224)	(240)	1,271	6.5	(117.7)	(251)	2,096	(112.0)
Current tax	(212)	(89)	(168)	(139.3)	(26.3)	(474)	(587)	19.4
Deferred income tax	(12)	(151)	1,439	92.0	(100.8)	222	2,683	(91.7)
<b>Income (loss) from continuing operations</b>	<b>(79)</b>	<b>(338)</b>	<b>2,136</b>	<b>76.8</b>	<b>(103.7)</b>	<b>1,265</b>	<b>(543)</b>	<b>NM</b>
Share of results in subsidiaries and associates	374	391	203	(4.5)	84.1	1,414	6,220	(77.3)
(Income) loss attributable to non-controlling interests	35	(18)	1	NM	NM	11	51	(77.7)
<b>Net income (loss) from continuing operations including share of results in associates (NIOGO)</b>	<b>330</b>	<b>35</b>	<b>2,340</b>	<b>838.0</b>	<b>(85.9)</b>	<b>2,690</b>	<b>5,728</b>	<b>(53.0)</b>
<b>Non recurring items</b>	<b>68</b>	<b>1,016</b>	<b>(456)</b>	<b>(93.3)</b>	<b>NM</b>	<b>1,721</b>	<b>(4,434)</b>	<b>NM</b>
Foreign exchange gain (loss)	(110)	720	(185)	(115.2)	40.7	498	175	184.6
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	-	-	361	-	NM
Accelerated depreciation of TMV's network assets	-	-	-	-	-	-	(4,690)	NM
Other (expense) income	178	296	(271)	(39.9)	NM	863	81	967.4
<b>Net profit (loss) to equity holders of the Company</b>	<b>398</b>	<b>1,051</b>	<b>1,883</b>	<b>(62.1)</b>	<b>(78.9)</b>	<b>4,412</b>	<b>1,294</b>	<b>240.9</b>
Non-controlling interests	(35)	18	(1)	(294.4)	NM	(11)	(51)	77.7
<b>Net profit (loss) for the year</b>	<b>363</b>	<b>1,069</b>	<b>1,882</b>	<b>(66.0)</b>	<b>(80.7)</b>	<b>4,400</b>	<b>1,243</b>	<b>254.0</b>

## CONSOLIDATED RESULTS OF OPERATIONS

- True Group's **consolidated service revenue** increased 10.8% YoY to Baht 74.8 billion in 2015 due to strong revenue growth in all core segments. Fast-growing demands for wired and wireless broadband along with the Group's expanding postpaid subscriptions were key drivers while entertainment business and advertising drove revenue at TrueVisions.
- **Product sales** were Baht 22.8 billion, rising 2.7% YoY mainly on higher sales of smart devices together with the Group's competitive bundling packages.
- **Regulatory costs** increased 2.2% YoY to Baht 2.7 billion as a result of growing revenues in the cellular, broadband Internet and pay TV businesses.
- **Core operating expense** (comprising other cost of providing services and other S&A) increased 9.1% YoY to Baht 68.9 billion due mainly to higher expenses related to network, including rental payable to DIF in both cellular and broadband segments, and service expansion.
- **EBITDA** surged 10.3% YoY to Baht 22.1 billion following solid revenue growth, outpacing higher operating expenses incurred to accelerate the Group's 4G, 3G and fiber footprint throughout the country.
- **Depreciation and amortization expenses** increased 2.2% YoY to Baht 17.5 billion as True Group continued to expand its networks and services as well as additional amortization costs related to the 1800MHz license and device-bundling campaigns.
- **Interest expenses** dropped 41.9% YoY to Baht 2.9 billion due to positive impact from the recapitalization with massive debt repayment in the third quarter of 2014 while True's improved credit profile resulted in more competitive borrowing rates for the Group.
- **Income tax expense** was Baht 251 million in 2015 following True Group's profitability during the year compared to a high-base income tax revenue totaling Baht 2.1 billion in 2014 given higher recognition of deferred tax asset on the Group's tax loss and reversal of deferred tax liabilities related to network assets in 2014.
- True Group reported **net profit to shareholders of the parent company** totaling Baht 4.4 billion, improving significantly from a profit of Baht 1.3 billion in a year earlier due to a 58-percent increase of operating profit and a substantial drop of expenses related to interest and 2G depreciation.

## Key accounting changes

### Accounting policy for recognition and measuring of derivatives

In order to manage the risks arising from fluctuation in currency exchange rates and interest rates, the group entered into various forward foreign exchange contracts. Previously, these derivative instruments were not recognized in the financial statements on inception. Any increase or decrease in the amount required to realize an asset or liability was offset by a corresponding movement in the value of the forward exchange contract on the settlement date. The unrealized gain and loss on the derivative instruments at each reporting date were not recognized in the financial statements.

During 2015, management reviewed the related accounting policies and made decision to change the policy applying to derivative instruments so that financial statements better reflect the Group's financial position. The derivative instruments are recognized at their fair value by referring to a quoted market price at each reporting date. The unrealized gain or loss at each reporting date will be recognized through profit or loss statements and recognized as receivable or payable in the statement of financial position. There were no derivative instruments outstanding as of 31 December 2014. Therefore, there is no adjustment made to the financial statements for the year ended 31 December 2014 and 1 January 2014.

### Accounting policy for initial recognition of cost of licenses

To comply with TAS 38: Intangible assets, the Group has revisited the accounting treatment regarding the initial recognition of the licenses received and re-measured cost of licenses at the cash equivalent price based on present value of the consideration at the time of acquisition. The difference between present value and amount of the total payments will be recognized as finance costs over the payment period. Cost of licenses at present value will be amortized over the licenses period. The Group has made retrospective adjustment to reflect the change in accounting treatment, of which the effect is as follows:

	Consolidated	
	31 December 2014 Baht Million	1 January 2014 Baht Million
<b>Statement of financial position</b>		
Increase in deficit	214.35	83.01
Decrease in trade and other payables (current portion of accrued license fee)	142.28	157.48
Decrease in other non-current liabilities (non-current of accrued license fee)	110.92	79.69
Decrease in intangible assets, net	521.13	340.94
Increase in deferred tax assets	53.59	20.75



	Consolidated
	31 December 2014 Baht Million
<b>Statement of comprehensive income</b>	
Increase in finance costs	202.85
Decrease in cost of providing services (amortization costs)	(38.68)
Decrease in income tax expenses	(32.83)

The Group was granted the 1800MHz license for 18 years from the NBTC in December 2015. Its net carrying amount was Baht 38.4 billion (net of accumulated amortization of Baht 184.1 million).

Remark: 2015 non-recurring items mainly comprised foreign exchange gain, the reversal of CAT's call option provision and gain from second phase of assets divestment to DIF.

As part of the Group's asset divestment to DIF in 2013, True Group recorded provision for CAT's call option totaling Baht 5.8 billion. This provision is provided for the purposes of prudence and conservatism as the transactions involve public interests and contract with state enterprise. In 2015, CAT's call option provision of Baht 1,176 million was reversed and recognized as other income as CAT didn't exercise its call option during the year.

On March 5<sup>th</sup> 2015, AWC entered into agreements with DIF to transfer the right of net revenues of 338 telecommunication towers, enabling the Group to recognize gain from the transaction totaling Baht 360.6 million under "Other income" in the consolidated statement of comprehensive income for the year ended 31 December 2015.

	Consolidated
	Baht Million
Amount proceed	806.89
Less Costs of assets sale and relevant costs	(291.24)
Less Related expenses	(14.03)
Total gain from assets sale	501.62
Less Unrealized gain from assets sale	(141.02)
Gain recognized during the period	360.60

Referring to the auditor's opinion regarding uncertainties on outstanding litigation and commercial agreements of which details are not finalized (see more detail in the note to financial statements section 38.4, 39 and 40.2), the ultimate outcomes could not be determined at present and management has a strong view that there will be no material impact to the Group's financial performance or operations.

## Results by Segment (YTD)

	True Mobile Group			TrueOnline			TrueVisions			Eliminations		Consolidated		
	2015	2014 (Restated)	% Change	2015	2014	% Change	2015	2014 (Restated)	% Change	2015	2014	2015	2014 (Restated)	% Change
(Baht in millions, unless otherwise indicated)														
<b>Revenues</b>														
Revenues from providing services	65,825	57,898	13.7	27,166	25,602	6.1	11,981	10,803	10.9	(9,030)	(7,318)	95,942	86,986	10.3
- Interconnection revenue	4,755	4,012	18.5	-	-	-	-	-	-	(2)	(3)	4,753	4,009	18.6
- Network rental revenue	16,018	15,480	3.5	368	-	NM	-	-	-	-	-	16,386	15,479	5.9
- Service Revenue	45,052	38,406	17.3	26,798	25,602	4.7	11,981	10,803	10.9	(9,028)	(7,314)	74,803	67,497	10.8
Revenues from product sales	16,846	16,260	3.6	6,038	6,007	0.5	213	27	NM	(259)	(64)	22,839	22,230	2.7
<b>Total revenues</b>	<b>82,671</b>	<b>74,158</b>	<b>11.5</b>	<b>33,205</b>	<b>31,610</b>	<b>5.0</b>	<b>12,194</b>	<b>10,830</b>	<b>12.6</b>	<b>(9,289)</b>	<b>(7,382)</b>	<b>118,781</b>	<b>109,216</b>	<b>8.8</b>
<b>Operating expenses</b>														
Total cost of providing services	46,632	44,205	5.5	17,876	16,921	5.6	11,374	9,415	20.8	(4,835)	(4,473)	71,046	66,068	7.5
Regulatory costs	422	379	11.3	1,900	1,907	(0.4)	406	382	6.3	-	-	2,727	2,668	2.2
Interconnection cost	5,517	4,937	11.7	-	-	-	-	-	-	(6)	(2)	5,511	4,935	11.7
Cost of providing services exclude IC	35,987	31,777	12.0	10,165	9,635	5.5	8,811	7,279	21.0	(4,681)	(4,408)	49,881	44,283	12.6
Depreciation and amortization	5,107	7,112	(28.2)	5,811	5,379	8.0	2,157	1,755	22.9	(148)	(63)	12,927	14,183	(8.9)
Cost of sales	16,829	15,703	7.2	2,810	2,715	3.5	198	26	667.3	(306)	(31)	19,531	18,413	6.1
Selling and administrative expenses	18,501	15,965	15.9	6,999	6,668	5.0	1,953	1,898	2.9	(3,857)	(2,719)	23,596	21,812	8.2
Depreciation and amortization	4,308	2,372	81.6	192	400	(52.1)	76	183	(58.7)	-	(11)	4,574	2,945	55.3
Cash SG&A	14,193	13,593	4.4	6,807	6,268	8.6	1,877	1,715	9.5	(3,856)	(3,708)	19,021	18,967	0.8
<b>Total operating expenses</b>	<b>81,962</b>	<b>75,873</b>	<b>8.0</b>	<b>27,685</b>	<b>26,305</b>	<b>5.2</b>	<b>13,525</b>	<b>11,339</b>	<b>19.3</b>	<b>(8,998)</b>	<b>(7,223)</b>	<b>114,173</b>	<b>106,294</b>	<b>7.4</b>
<b>EBITDA</b>	<b>10,123</b>	<b>7,769</b>	<b>30.3</b>	<b>11,523</b>	<b>11,084</b>	<b>4.0</b>	<b>902</b>	<b>1,429</b>	<b>(36.9)</b>	<b>(439)</b>	<b>(232)</b>	<b>22,109</b>	<b>20,050</b>	<b>10.3</b>
Depreciation and amortization	(9,414)	(9,465)	(0.7)	(6,003)	(5,779)	3.9	(2,233)	(1,938)	15.2	149	74	(17,502)	(17,128)	2.2
<b>Operating profit</b>	<b>709</b>	<b>(1,715)</b>	<b>NM</b>	<b>5,520</b>	<b>5,305</b>	<b>4.0</b>	<b>(1,331)</b>	<b>(509)</b>	<b>(161.4)</b>	<b>(290)</b>	<b>(158)</b>	<b>4,608</b>	<b>2,922</b>	<b>57.7</b>
Interest income	53	51	3.4	708	1,63	333.4	6	11	(48.2)	(625)	(50)	142	176	(19.1)
Interest expense	(976)	(1,699)	(42.6)	(2,262)	(2,701)	(16.2)	(283)	(639)	(55.6)	625	50	(2,897)	(4,988)	(41.9)
Other financial fees	(82)	(428)	(80.9)	(61)	(80)	(23.3)	-	(22)	(100.0)	-	-	(143)	(529)	(73.0)
Financial cost related to license	(118)	(157)	(25.3)	-	-	-	(77)	(63)	21.7	-	-	(194)	(220)	(11.9)
Income tax (expense) revenue	(11)	2,861	(100.4)	(294)	(602)	51.2	54	(163)	NM	-	-	(251)	2,096	(112.0)
Current tax	(341)	(451)	24.3	(83)	(99)	15.9	(49)	(37)	(31.0)	-	-	(474)	(587)	19.4
Deferred income tax	330	3,311	(90.0)	(211)	(503)	58.1	102	(125)	NM	-	-	222	2,683	(91.7)
<b>Income (loss) from continuing operations</b>	<b>(424)</b>	<b>(1,088)</b>	<b>61.0</b>	<b>3,610</b>	<b>2,086</b>	<b>73.1</b>	<b>(1,631)</b>	<b>(1,383)</b>	<b>(17.9)</b>	<b>(290)</b>	<b>(158)</b>	<b>1,265</b>	<b>(543)</b>	<b>NM</b>
Share of results in subsidiaries and associates	-	-	-	1,442	6,253	(76.9)	(28)	(32)	13.6	-	-	1,414	6,220	(77.3)
(Income) loss attributable to non-controlling interests	35	11	203.8	(17)	(14)	(24.8)	10	23	(55.8)	(16)	(30)	11	51	(77.7)
<b>Net income (loss) from continuing operations</b>	<b>(389)</b>	<b>(1,076)</b>	<b>63.8</b>	<b>5,034</b>	<b>8,325</b>	<b>(39.5)</b>	<b>(1,648)</b>	<b>(1,392)</b>	<b>(18.4)</b>	<b>(307)</b>	<b>(129)</b>	<b>2,690</b>	<b>5,728</b>	<b>(53.0)</b>
<b>including share of results in associates (NIOGO)</b>														
<b>Non recurring items</b>	<b>1,506</b>	<b>(4,568)</b>	<b>NM</b>	<b>220</b>	<b>469</b>	<b>(53.0)</b>	<b>9</b>	<b>(335)</b>	<b>NM</b>	<b>(14)</b>	<b>1</b>	<b>1,721</b>	<b>(4,434)</b>	<b>NM</b>
Foreign exchange gain (loss)	437	80	444.6	(5)	96	(105.5)	66	(1)	NM	-	-	498	175	184.6
Net gain from transferring the right of revenue of 338 towers to DIF	-	-	-	361	-	NM	-	-	-	-	-	361	-	NM
Accelerated depreciation of TMV's network assets	-	(4,690)	100.0	-	-	-	-	-	-	-	-	-	(4,690)	NM
Other (expense) income	1,069	41	NM	(135)	373	(136.2)	(58)	(334)	82.7	(14)	1	863	81	967.4
<b>Net profit (loss) to equity holders of the Company</b>	<b>1,117</b>	<b>(5,645)</b>	<b>NM</b>	<b>5,255</b>	<b>8,794</b>	<b>(40.2)</b>	<b>(1,640)</b>	<b>(1,727)</b>	<b>5.0</b>	<b>(321)</b>	<b>(128)</b>	<b>4,412</b>	<b>1,294</b>	<b>240.9</b>
Non-controlling interests	(35)	(11)	(203.8)	17	14	24.8	(10)	(23)	55.8	16	(30)	(11)	(51)	77.7
<b>Net profit (loss) for the year</b>	<b>1,082</b>	<b>(5,656)</b>	<b>NM</b>	<b>5,272</b>	<b>8,808</b>	<b>(40.1)</b>	<b>(1,650)</b>	<b>(1,750)</b>	<b>5.7</b>	<b>(304)</b>	<b>(158)</b>	<b>4,400</b>	<b>1,243</b>	<b>254.0</b>

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Annual Report 2015

Grow Together  
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## Results by Segment (Y-o-Y)

	True Mobile Group			TrueOnline			TrueVisions			Eliminations			Consolidated		
	4Q15	4Q14 (Restated)	% Change	4Q15	4Q14	% Change	4Q15	4Q14 (Restated)	% Change	4Q15	4Q14	% Change	4Q15	4Q14 (Restated)	% Change
<b>Revenues</b> Revenues from providing services - Interconnection revenue - Network rental revenue - Service Revenue Revenues from product sales	17,516	15,132	15.8 (0.6)	6,789	6,564	3.4	2,762	3,059	(9.7)	(1,924)	(2,242)	25,143	22,513	11.7 (0.6)	
	1,134	1,141	8.8	-	-	-	-	-	-	(1)	-	1,133	1,141	11.7	
	4,138	3,804	20.2	110	110	NM	-	-	-	-	-	4,249	3,804	11.7	
	12,244	10,187	20.2	6,679	6,564	1.7	2,762	3,059	(9.7)	(1,923)	(2,241)	19,761	17,569	12.5	
	6,188	6,910	(10.5)	1,231	3,966	(69.0)	9	20	(57.3)	(19)	(34)	7,408	10,863	(31.8)	
	<b>23,704</b>	<b>22,042</b>	<b>7.5</b>	<b>8,020</b>	<b>10,530</b>	<b>(23.8)</b>	<b>2,770</b>	<b>3,079</b>	<b>(10.0)</b>	<b>(1,943)</b>	<b>(2,275)</b>	<b>32,551</b>	<b>33,376</b>	<b>(2.5)</b>	
<b>Total revenues</b>  <b>Operating expenses</b> Total cost of providing services Regulatory costs Interconnection cost Cost of providing services exclude IC Depreciation and amortization Cost of sales Selling and administrative expenses Depreciation and amortization Cash SG&A															
	12,149	11,206	8.4 (174.4)	5,363	4,360	23.0 (0.1)	3,032	2,547	19.0 (8.9)	(1,020)	(1,345)	19,523	16,768	16.4 32.0	
	371	135	(12.5)	476	476	-	88	96	-	-	-	934	708	12.5)	
	1,286	1,469	6.6	-	-	-	-	-	-	(1)	(1)	1,284	1,468	17.8	
	9,004	8,450	29.2	3,242	2,449	32.4	2,362	1,996	18.4	(975)	(1,317)	13,633	11,578	21.8	
	1,489	1,152	(5.2)	1,645	1,435	(75.9)	582	455	27.8	(44)	(27)	3,672	3,015	(20.6)	
	6,258	6,601	(13.9)	446	1,851	(37.1)	8	16	(47.7)	(851)	(1,019)	6,708	8,448	(21.6)	
	4,270	4,958	(68.6)	1,276	2,028	(131.3)	492	651	(24.4)	(1,019)	(1,019)	5,187	6,618	36.0	
	1,254	744	(28.4)	(35)	112	(31.6)	19	57	(66.4)	-	(3)	1,238	910	(30.8)	
	3,017	4,214	(79.7)	1,311	1,916	(31.6)	473	593	(20.4)	(851)	(1,016)	3,949	5,709	(30.8)	
	<b>22,678</b>	<b>22,766</b>	<b>(0.4)</b>	<b>7,084</b>	<b>8,240</b>	<b>(14.0)</b>	<b>3,532</b>	<b>3,214</b>	<b>9.9</b>	<b>(1,876)</b>	<b>(2,385)</b>	<b>31,418</b>	<b>31,834</b>	<b>(1.3)</b>	
	<b>EBITDA</b> Depreciation and amortization	<b>3,769</b>	<b>1,173</b>	<b>221.4</b>	<b>2,546</b>	<b>3,838</b>	<b>(33.7)</b>	<b>(161)</b>	<b>378</b>	<b>(142.5)</b>	<b>(112)</b>	<b>79</b>	<b>6,042</b>	<b>5,467</b>	<b>10.5</b>
(2,743)		(1,896)	44.7	(1,610)	(1,547)	4.1	(601)	(513)	17.3	44	31	(4,910)	(3,925)	25.1	
<b>Operating profit</b> Interest income Interest expense Other financial fees Financial cost related to license Income tax (expense) revenue Current tax Deferred income tax	<b>1,026</b>	<b>(723)</b>	<b>NM</b>	<b>936</b>	<b>2,291</b>	<b>(59.1)</b>	<b>(762)</b>	<b>(135)</b>	<b>(465.0)</b>	<b>(68)</b>	<b>109</b>	<b>1,133</b>	<b>1,542</b>	<b>(26.6)</b>	
	20	19	4.0	172	84	103.4	2	3	(23.6)	(139)	(49)	54	57	(5.1)	
	(385)	(50)	675.7	(584)	(553)	5.7	(82)	(58)	39.9	139	49	(912)	(612)	49.0	
	(38)	(45)	(16.3)	(16)	(17)	(7.6)	-	-	-	-	-	(53)	(62)	(13.9)	
	(58)	(40)	46.0	-	-	-	(18)	(21)	(14.2)	-	-	(76)	(61)	25.2	
	(375)	1,816	(120.6)	162	(102)	NM	(12)	(443)	97.3	-	-	(224)	1,271	(117.7)	
	(233)	(137)	(70.5)	(19)	(3)	(494.5)	39	(28)	NM	-	-	(212)	(168)	(26.3)	
<b>Income (loss) from continuing operations</b> Share of results in subsidiaries and associates (Income) loss attributable to non-controlling interests	(142)	1,952	(107.3)	181	(99)	NM	(51)	(414)	87.7	-	-	(12)	1,439	(100.8)	
	<b>191</b>	<b>977</b>	<b>(80.5)</b>	<b>670</b>	<b>1,704</b>	<b>(60.7)</b>	<b>(872)</b>	<b>(654)</b>	<b>(33.2)</b>	<b>(68)</b>	<b>109</b>	<b>(79)</b>	<b>2,136</b>	<b>(103.7)</b>	
	-	-	-	379	211	79.7	(6)	(8)	30.2	-	-	374	203	84.1	
	12	3	328.9	(4)	(2)	(69.5)	33	6	467.0	(7)	(5)	35	1	NM	
<b>Net income (loss) from continuing operations including share of results in associates (NIOGO)</b> <b>Non recurring items</b> Foreign exchange gain (loss) Other (expense) income															
	203	980	(79.3)	1,045	1,912	(45.3)	(844)	(657)	(28.6)	(74)	104	330	2,340	(85.9)	
	219	(255)	NM	(92)	98	(194.0)	(57)	(299)	80.9	(2)	(1)	68	(456)	NM	
	(109)	(150)	27.8	44	41	8.9	(45)	(75)	39.8	-	-	(110)	(185)	40.7	
<b>Net profit (loss) to equity holders of the Company</b> Non-controlling interests	328	(104)	NM	(136)	57	(337.5)	(12)	(224)	94.6	(2)	(1)	178	(271)	NM	
	<b>422</b>	<b>725</b>	<b>(41.8)</b>	<b>953</b>	<b>2,010</b>	<b>(52.6)</b>	<b>(902)</b>	<b>(956)</b>	<b>5.7</b>	<b>(76)</b>	<b>104</b>	<b>398</b>	<b>1,883</b>	<b>(78.9)</b>	
	(12)	(3)	(328.9)	4	2	69.5	(33)	(6)	(467.0)	7	5	(35)	(1)	NM	
<b>Net profit (loss) for the year</b>	<b>410</b>	<b>722</b>	<b>(43.3)</b>	<b>957</b>	<b>2,012</b>	<b>(52.4)</b>	<b>(934)</b>	<b>(962)</b>	<b>2.8</b>	<b>(69)</b>	<b>109</b>	<b>363</b>	<b>1,882</b>	<b>(80.7)</b>	

## Results by Segment (Q-o-Q)

	True Mobile Group			TrueOnline			TrueVisions			Eliminations			Consolidated		
	4Q15	3Q15 (Restated)	% Change	4Q15	3Q15	% Change	4Q15	3Q15 (Restated)	% Change	4Q15	3Q15	% Change	4Q15	3Q15 (Restated)	% Change
(Baht in millions unless otherwise indicated)															
<b>Revenues</b>															
Revenues from providing services	17,516	16,845	4.0		6,789	6,752	0.5	2,762	3,393	(18.6)	(1,924)	(2,507)	25,143	24,484	2.7
- Interconnection revenue	1,134	1,216	(6.8)	-	-	-	-	-	-	-	(1)	-	1,133	1,216	(6.8)
- Network rental revenue	4,138	4,328	(4.4)	110	110	(0.1)	(0.1)	-	-	-	(1,923)	(2,506)	4,249	4,438	(4.3)
- Service Revenue	12,244	11,302	8.3	6,679	6,642	0.6	(0.6)	2,762	3,393	(18.6)	(1,923)	(2,506)	19,761	18,830	4.9
Revenues from product sales	6,188	2,928	111.3	1,231	1,719	(28.4)	(28.4)	9	124	(92.9)	(136)	(136)	7,408	4,635	59.8
<b>Total revenues</b>	<b>23,704</b>	<b>19,773</b>	<b>19.9</b>	<b>8,020</b>	<b>8,471</b>	<b>(5.3)</b>	<b>(5.3)</b>	<b>2,770</b>	<b>3,517</b>	<b>(21.2)</b>	<b>(1,943)</b>	<b>(2,642)</b>	<b>32,551</b>	<b>29,119</b>	<b>11.8</b>
<b>Operating expenses</b>															
Total cost of providing services	12,149	11,859	2.4		5,363	4,264	25.8	3,032	3,111	(2.5)	(1,020)	(1,208)	19,523	18,026	8.3
Regulatory costs	371	403	(8.1)	476	474	0.4	(0.4)	88	117	(24.7)	-	-	934	994	(6.0)
Interconnection cost	1,286	1,218	5.5	-	-	-	-	-	-	-	(1)	(1)	1,284	1,217	5.5
Cost of providing services exclude IC	9,004	8,976	0.3	3,242	2,331	39.1	(39.1)	2,362	2,440	(3.2)	(975)	(1,167)	13,633	12,580	8.4
Depreciation and amortization	1,469	1,262	18.0	1,645	1,459	12.7	(12.7)	582	554	(5.0)	(44)	(40)	3,672	3,235	13.5
Cost of sales	6,258	3,185	96.5	446	806	(44.7)	(44.7)	8	114	(92.8)	(5)	(165)	6,708	3,941	70.2
Selling and administrative expenses	4,270	5,124	(16.7)	1,276	2,077	(38.6)	(38.6)	492	493	(0.2)	(851)	(1,228)	5,187	6,467	(19.8)
Depreciation and amortization	1,254	1,169	7.3	(35)	76	(145.8)	(145.8)	19	19	1.4	-	-	1,238	1,264	(2.1)
Cash SG&A	3,017	3,955	(23.7)	1,311	2,001	(34.5)	(34.5)	473	474	(0.3)	(851)	(1,228)	3,949	5,203	(24.1)
<b>Total operating expenses</b>	<b>22,678</b>	<b>20,169</b>	<b>12.4</b>	<b>7,084</b>	<b>7,148</b>	<b>(0.9)</b>	<b>(0.9)</b>	<b>3,532</b>	<b>3,718</b>	<b>(5.0)</b>	<b>(1,876)</b>	<b>(2,601)</b>	<b>31,418</b>	<b>28,433</b>	<b>10.5</b>
<b>EBITDA</b>	<b>3,769</b>	<b>2,035</b>	<b>85.2</b>	<b>2,546</b>	<b>2,859</b>	<b>(10.9)</b>	<b>(10.9)</b>	<b>(161)</b>	<b>372</b>	<b>(143.1)</b>	<b>(112)</b>	<b>(81)</b>	<b>6,042</b>	<b>5,184</b>	<b>16.5</b>
Depreciation and amortization	(2,743)	(2,430)	12.9	(1,610)	(1,536)	4.8	(4.8)	(601)	(573)	4.9	44	40	(4,910)	(4,499)	9.1
<b>Operating profit</b>	<b>1,026</b>	<b>(396)</b>	<b>NM</b>	<b>936</b>	<b>1,323</b>	<b>(29.3)</b>	<b>(29.3)</b>	<b>(762)</b>	<b>(201)</b>	<b>(279.8)</b>	<b>(68)</b>	<b>(41)</b>	<b>1,133</b>	<b>686</b>	<b>65.2</b>
Interest income	20	12	64.9	172	161	6.6	(6.6)	2	2	25.8	(139)	(152)	54	23	136.7
Interest expense	(385)	(263)	46.3	(584)	(549)	6.4	(6.4)	(82)	(77)	6.2	139	152	(912)	(738)	23.6
Other financial fees	(38)	(16)	137.9	(16)	(15)	1.1	(1.1)	-	-	-	-	-	(53)	(31)	70.8
Financial cost related to license	(58)	(20)	190.2	-	-	-	-	(18)	(18)	0.5	-	-	(76)	(38)	100.7
Income tax (expense) revenue	(375)	(138)	(171.7)	162	(96)	NM	NM	(12)	(6)	(95.3)	-	-	(224)	(240)	6.5
Current tax	(233)	(65)	(259.5)	(19)	11	(268.0)	(268.0)	39	(35)	NM	-	-	(212)	(89)	(139.3)
Deferred income tax	(142)	(73)	(93.9)	181	(107)	NM	NM	(51)	29	(276.6)	-	-	(12)	(151)	92.0
<b>Income (loss) from continuing operations</b>	<b>191</b>	<b>(820)</b>	<b>NM</b>	<b>670</b>	<b>823</b>	<b>(18.7)</b>	<b>(18.7)</b>	<b>(872)</b>	<b>(300)</b>	<b>(190.5)</b>	<b>(68)</b>	<b>(41)</b>	<b>(79)</b>	<b>(338)</b>	<b>76.8</b>
Share of results in subsidiaries and associates	-	-	-	379	397	(4.6)	(4.6)	(6)	(6)	10.1	-	-	374	391	(4.5)
(Income) loss attributable to non-controlling interests	12	23	(45.3)	(4)	(4)	10.6	(10.6)	33	(22)	NM	(7)	(14)	35	(18)	NM
<b>Net income (loss) from continuing operations</b>															
<b>including share of results in associates (NTOGO)</b>															
<b>Non recurring items</b>	<b>203</b>	<b>(798)</b>	<b>NM</b>	<b>1,045</b>	<b>1,216</b>	<b>(14.1)</b>	<b>(14.1)</b>	<b>(844)</b>	<b>(329)</b>	<b>(157.0)</b>	<b>(74)</b>	<b>(55)</b>	<b>330</b>	<b>35</b>	<b>838.0</b>
Foreign exchange gain (loss)	219	935	(76.6)	(92)	(52)	(77.3)	(77.3)	(57)	133	(143.0)	(2)	-	68	1,016	(93.3)
Other (expense) income	(109)	626	(117.4)	44	(46)	NM	NM	(45)	140	(132.4)	-	-	(110)	720	(115.2)
Other (expense) income	328	309	6.1	(136)	(6)	NM	NM	(12)	(7)	(81.2)	(2)	-	178	296	(39.9)
<b>Net profit (loss) to equity holders of the Company</b>	<b>422</b>	<b>137</b>	<b>208.0</b>	<b>953</b>	<b>1,165</b>	<b>(18.2)</b>	<b>(18.2)</b>	<b>(902)</b>	<b>(196)</b>	<b>(361.1)</b>	<b>(76)</b>	<b>(55)</b>	<b>398</b>	<b>1,051</b>	<b>(62.1)</b>
Non-controlling interests	(12)	(23)	45.3	4	4	(10.6)	(10.6)	(33)	22	(247.6)	7	14	(35)	18	(294.4)
<b>Net profit (loss) for the year</b>	<b>410</b>	<b>115</b>	<b>257.8</b>	<b>957</b>	<b>1,169</b>	<b>(18.1)</b>	<b>(18.1)</b>	<b>(934)</b>	<b>(173)</b>	<b>(439.3)</b>	<b>(69)</b>	<b>(42)</b>	<b>363</b>	<b>1,069</b>	<b>(66.0)</b>

## Normalized Revenue Profile (YTD)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	2015		2014		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
<b>TrueVisions</b>	<b>12,194</b>		<b>10,830</b>		<b>12.6</b>
- Service revenue	11,981		10,803		10.9
- Product sales	213		27		678.3
Intersegment elimination	(2,700)		(1,835)		47.1
TrueVisions after elimination	9,494	8.0%	8,995	8.2%	5.5
<b>True Mobile Group</b>	<b>82,671</b>		<b>74,158</b>		<b>11.5</b>
- Service revenue	45,052		38,406		17.3
- Network rental revenue & IC	20,773		19,492		6.6
- Product sales	16,846		16,260		3.6
Intersegment elimination	(1,118)		(577)		93.5
True Mobile Group after elimination	81,553	68.7%	73,581	67.4%	10.8
<b>TrueOnline</b>	<b>33,205</b>		<b>31,610</b>		<b>5.0</b>
- <b>Traditional voice</b>	<b>5,191</b>		<b>5,584</b>		<b>(7.0)</b>
- Fixed line (excl. IDD & VOIP)	5,179		5,549		(6.7)
- Public phone	11		28		(59.7)
- PCT	0		7		(92.7)
- <b>Broadband, Internet and Business Data Service</b>	<b>19,614</b>		<b>18,020</b>		<b>8.8</b>
- Broadband Internet & business data	17,862		16,546		8.0
- Other Internet & VAS	1,752		1,475		18.8
- <b>Convergence &amp; others</b>	<b>1,993</b>		<b>1,998</b>		<b>(0.3)</b>
TrueOnline service revenue	26,798		25,602		4.7
TrueOnline network rental revenue	368		-		NM
TrueOnline product sales	6,038		6,007		0.5
Intersegment elimination	(5,471)		(4,969)		10.1
TrueOnline after elimination	27,734	23.3%	26,641	24.4%	4.1
<b>Normalized consolidated revenues</b>	<b>128,069</b>		<b>116,598</b>		<b>9.8</b>
Total intersegment elimination	(9,289)		(7,382)		25.8
<b>Normalized consolidated revenues - net</b>	<b>118,781</b>	<b>100.0%</b>	<b>109,216</b>	<b>100.0%</b>	<b>8.8</b>

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- Fixed line (excl. IDD & VOIP)	5,179		5,549		(6.7)
- Public phone	11		28		(59.7)
- PCT	0		7		(92.7)
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- Broadband Internet & business data	17,862		16,546		8.0
- Other Internet & VAS	1,752		1,475		18.8
- <b>Convergence &amp; others</b>	<b>1,993</b>		<b>1,998</b>		<b>(0.3)</b>
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TrueOnline after elimination	27,734	23.3%	26,641	24.4%	4.1
<b>Normalized consolidated revenues</b>	<b>128,069</b>		<b>116,598</b>		<b>9.8</b>
Total intersegment elimination	(9,289)		(7,382)		25.8
<b>Normalized consolidated revenues - net</b>	<b>118,781</b>	<b>100.0%</b>	<b>109,216</b>	<b>100.0%</b>	<b>8.8</b>

## Normalized Revenue Profile (Y-o-Y)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	4Q15		4Q14		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
<b>TrueVisions</b>	<b>2,770</b>		<b>3,079</b>		<b>(10.0)</b>
- Service revenue	2,762		3,059		(9.7)
- Product sales	9		20		(57.3)
Intersegment elimination	(409)		(801)		(49.0)
TrueVisions after elimination	2,362	7.3%	2,278	6.8%	3.7
<b>True Mobile Group</b>	<b>23,704</b>		<b>22,042</b>		<b>7.5</b>
- Service revenue	12,244		10,187		20.2
- Network rental revenue & IC	5,272		4,945		6.6
- Product sales	6,188		6,910		(10.5)
Intersegment elimination	(311)		(161)		92.7
True Mobile Group after elimination	23,393	71.9%	21,881	65.6%	6.9
<b>TrueOnline</b>	<b>8,020</b>		<b>10,530</b>		<b>(23.8)</b>
- <b>Traditional voice</b>	<b>1,278</b>		<b>1,354</b>		<b>(5.6)</b>
- Fixed line (excl. IDD & VOIP)	1,277		1,348		(5.3)
- Public phone	1		6		(79.5)
- <b>Broadband, Internet and Business Data Service</b>	<b>4,876</b>		<b>4,736</b>		<b>3.0</b>
- Broadband Internet & business data	4,413		4,321		2.1
- Other Internet & VAS	464		415		11.8
- <b>Convergence &amp; others</b>	<b>524</b>		<b>474</b>		<b>10.6</b>
TrueOnline service revenue	6,679		6,564		1.7
TrueOnline network rental revenue	110		-		NM
TrueOnline product sales	1,231		3,966		(69.0)
Intersegment elimination	(1,224)		(1,313)		(6.8)
TrueOnline after elimination	6,796	20.9%	9,217	27.6%	(26.3)
<b>Normalized consolidated revenues</b>	<b>34,494</b>		<b>35,652</b>		<b>(3.2)</b>
Total intersegment elimination	(1,943)		(2,275)		(14.6)
<b>Normalized consolidated revenues - net</b>	<b>32,551</b>	<b>100.0%</b>	<b>33,376</b>	<b>100.0%</b>	<b>(2.5)</b>

## Normalized Revenue Profile (Q-o-Q)

(Baht in millions unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	4Q15		3Q15		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
<b>TrueVisions</b>	<b>2,770</b>		<b>3,517</b>		<b>(21.2)</b>
- Service revenue	2,762		3,393		(18.6)
- Product sales	9		124		(99.9)
Intersegment elimination	(409)		(966)		(57.7)
TrueVisions after elimination	2,362	7.3%	2,551	8.8%	(7.4)
<b>True Mobile Group</b>	<b>23,704</b>		<b>19,773</b>		<b>19.9</b>
- Service revenue	12,244		11,302		8.3
- Network rental revenue & IC	5,272		5,544		(4.9)
- Product sales	6,188		2,928		111.3
Intersegment elimination	(311)		(334)		(6.8)
True Mobile Group after elimination	23,393	71.9%	19,439	66.8%	20.3
<b>TrueOnline</b>	<b>8,020</b>		<b>8,471</b>		<b>(5.3)</b>
- <b>Traditional voice</b>	<b>1,278</b>		<b>1,299</b>		<b>(1.6)</b>
- Fixed line (excl. IDD & VOIP)	1,277		1,296		(1.5)
- Public phone	1		3		(56.8)
- <b>Broadband, Internet and Business Data Service</b>	<b>4,876</b>		<b>4,898</b>		<b>(0.4)</b>
- Broadband Internet & business data	4,413		4,433		(0.5)
- Other Internet & VAS	464		465		(0.2)
- <b>Convergence &amp; others</b>	<b>524</b>		<b>445</b>		<b>17.8</b>
TrueOnline service revenue	6,679		6,642		0.6
TrueOnline network rental revenue	110		110		(0.1)
TrueOnline product sales	1,231		1,719		(28.4)
Intersegment elimination	(1,224)		(1,342)		(8.8)
TrueOnline after elimination	6,796	20.9%	7,129	24.5%	(4.7)
<b>Normalized consolidated revenues</b>	<b>34,494</b>		<b>31,761</b>		<b>8.6</b>
Total intersegment elimination	(1,943)		(2,642)		(26.5)
<b>Normalized consolidated revenues - net</b>	<b>32,551</b>	<b>100.0%</b>	<b>29,119</b>	<b>100.0%</b>	<b>11.8</b>



## SEGMENT RESULTS

### True Mobile Group

- True Mobile Group's ongoing dedication to enhancing network quality and building its brand resulted in its service revenue growing at an unprecedented rate of 17.3% in 2015 while the other major players in the industry had a combined growth rate of only 0.3%. This drove the Group's cellular value share to 20.8% in 4Q15, up from 17.8% in 4Q14 and 19.6% in 3Q15, where the key driver was an accelerating growth in the non-voice segment. True Mobile Group ended 2015 with 19.1 million subscribers while blended ARPU continued its upward trend, increasing to Baht 204 in 4Q15 from Baht 184 in the previous quarter and Baht 134 in the same period a year ago. Postpaid acquisition remained strong and outgrew the industry, representing 58% of the Q4 market net adds while prepaid customers picked up in the fourth quarter after being pressured by the prepaid registration regulation.
- True Mobile Group's **cellular service revenue** achieved outstanding growth throughout 2015, jumping 17.3% YoY to Baht 45.1 billion due to an upsurge of non-voice revenue, which grew 40.5% YoY to Baht 23.4 billion, representing 52% of True Mobile Group's service revenue. This strong performance was owing to the Group's relentless efforts on expanding networks along with rapid growth of mobile Internet usage in both prepaid and postpaid segments.
- **Voice revenue** declined 3.0% YoY to Baht 18.5 billion following consumers' rising trend towards data usage. The business continued penetration into the mass postpaid segment, including those successfully migrated from the prepaid platform, helped soften the voice decline.
- **Revenue from international roaming and other services** were Baht 3.1 billion, increasing from the previous year partly due to more tourist arrivals and additional revenues from providing mobile network at the offshore facility of corporate customer.
- **Product sales** increased 3.6% YoY to Baht 16.8 billion on higher contribution from iPhone and house-branded devices under the "True Smart Series".
- **Net IC expense** decreased 17.7% from the previous year to Baht 761 million supported by IC rate reduction from Baht 0.45 per minute to Baht 0.34 per minute since July 2015.
- **Regulatory cost** increased 11.3% YoY to Baht 422 million following solid revenue growth.
- **Core operating expense** (comprising other cost of providing services and other S&A) grew 9.7% YoY to Baht 49.8 billion mainly due to incremental expenses related to ongoing expansion of 4G and 3G networks, including rental payable on new towers transferred to DIF.
- **EBITDA** surged 30.3% YoY to Baht 10.1 billion on a significant revenue growth, strongly outpacing higher core operating expenses.

- **Depreciation and amortization expenses** were flat (-0.7%) at Baht 9.4 billion as the complete depreciation of True Move's mobile network assets offset amortization costs related to the 1800MHz license granted in December and device-bundling campaigns to expand the Group's 4G and 3G subscriptions.
- **Interest expense** dropped 42.6% YoY to Baht 976 million following the successful recapitalization in September 2014, enabling the Group to remove all bank loans while issuing debentures at more competitive borrowing rates.
- **Net profit to shareholders of the parent company** was Baht 1.1 billion, sharply improving from a loss of Baht 5.6 billion in 2014 due to higher operating profit and a drop of expenses related to 2G depreciation and interest.

#### TrueOnline

- TrueOnline remains committed to delivering the ultimate broadband experience to consumers by offering the highest speed of 1 Gbps while lifting the country's broadband Internet access and standards through continued network expansion. The business aims to cover 10 million homes passed nationwide, up from 6 million homes passed at the end of 2015. Tremendous response to the fiber broadband packages officially launched in the second half of the year yielded an all-time high net addition of 306,682 in 2015, increasing its broadband subscriber base to 2.4 million with an ARPU of Baht 668.
- **Service revenue** increased 4.7% YoY to Baht 26.8 billion in 2015 underpinned by solid growth of broadband Internet while the contribution from traditional voice services continued to decline to Baht 5.2 billion.
- Broadband Internet sustained healthy performance in both consumer and corporate segments whose revenues grew 11% YoY and 24% YoY, respectively. This fueled **broadband Internet revenue** up to Baht 17.9 billion, representing 67% of TrueOnline's service revenue in 2015.
- **Regulatory cost** was flat (-0.4%) at Baht 1.9 billion as lower revenue sharing at the traditional fixed-line phone services offset incremental license fee from broadband Internet growth.
- **Core operating expense** (comprising other cost of providing services and other S&A) increased 6.7% YoY to Baht 17.0 billion, driven mainly by selling and marketing activities to promote fiber broadband packages under the "TRUE Super Speed Fiber" campaign which was commercially launched in July.
- **EBITDA** improved 4.0% YoY to Baht 11.5 billion due to growing revenues despite higher core operating expenses and declining contribution from traditional voice services.
- **Depreciation and amortization expenses** increased 3.9% YoY to Baht 6.0 billion due to ongoing expansion of fiber and cable broadband networks.
- **Interest expense** decreased 16.2% YoY to Baht 2.3 billion, driven by positive impact from the recapitalization in September 2014.

- **Net profit to shareholders of the parent company** was Baht 5.3 billion, declining YoY given the recognition of DIF's incremental net assets value in 1Q14 as appraised, according to the SEC regulation, by independent financial advisors of the fund. Excluding this item, net profit expanded 35% YoY due to higher EBITDA and lower interest expense.

## TrueVisions

- TrueVisions' full range of quality content for all family viewers and competitive convergence propositions remain key growth drivers for subscription and advertising revenues. This strength, together with its success in arranging world-class entertainment and music events, resulted in TrueVisions' strong revenue growth in 2015 despite impact from economy and competition. Additionally, the digital TV channel "True4U" and True Digital HD set-top boxes continued to be well received by the market, further paving way for advertising growth and upselling potential. Meanwhile, True Visions stronger position in the mass market pushed its customer base to 3.1 million by the end of 2015 with a record net addition of 591,705 and ARPU of Baht 523.
- TrueVisions' **service revenue** in 2015 increased 10.9% YoY to Baht 12.0 billion due to growing revenues from music entertainment, advertising and subscription.
- **Subscription and installation revenue** has grown since the second quarter of the year, reaching Baht 7.5 billion in 2015 mainly on increasing popularity of the Group's convergence packages.
- **Music Entertainment and other revenues** surged 27.5% YoY to Baht 2.7 billion underpinned by excellent response to various music and entertainment events held during the year, including Cirque du Soleil, Liverpool tour and Super Junior concert.
- **Advertising revenue** grew 36.2% YoY to Baht 1.8 billion, capitalizing on TrueVisions' diverse range of quality content and expanded customer base as well as incremental contribution from digital TV channels.
- **Regulatory cost** increased 6.3% YoY to Baht 406 million following solid revenue growth which offset regulatory cost saving from successful subscriber migration to the license-based entity, TrueVisions Group.
- **Core operating expense** (comprising other cost of providing services and other S&A) increased 18.8% YoY to Baht 10.7 billion due to incremental costs related to content, music entertainment and transmission.
- **EBITDA** was Baht 902 million, declining 36.9% YoY as higher operating expenses outpaced revenue growth.
- **Depreciation and amortization expenses** increased 15.2% YoY to Baht 2.2 billion, driven by TrueVisions Group's service expansion and the amortization of the two digital terrestrial licenses granted from NBTC in April 2014.
- TrueVisions reported **net loss to shareholders of the parent** totaling Baht 1.6 billion in 2015 following higher operating loss while positive impact from the recapitalization in the third quarter of 2014 resulted in a 56-percent drop of interest expense in 2015.

## Consolidated Balance Sheet and Cash Flows

	31-Dec-15	31-Dec-14 (Restated)	% Change
(Baht in millions unless otherwise indicated)			
<b>Balance Sheets</b>			
Cash and cash equivalents	10,590	6,612	60.2
Trade and other receivables	38,628	62,203	(37.9)
Other current assets	28,642	18,629	53.8
<i>Total current assets</i>	<i>77,861</i>	<i>87,443</i>	<i>(11.0)</i>
Property, plant and equipment, net	98,457	75,085	31.1
Goodwill, net	11,403	11,403	0.0
Intangible assets, net	69,297	34,164	102.8
Deferred income tax assets	5,663	5,821	(2.7)
Other non-current assets	20,163	20,187	(0.1)
<i>Total non-current assets</i>	<i>204,984</i>	<i>146,660</i>	<i>39.8</i>
<b>Total assets</b>	<b>282,844</b>	<b>234,103</b>	<b>20.8</b>
Short-term borrowings	29,927	2,977	905.3
Trade and other payables	65,866	101,227	(34.9)
Current portion of long-term borrowings	12,603	8,873	42.0
Other current liabilities	3,405	4,430	(23.1)
<i>Total current liabilities</i>	<i>111,801</i>	<i>117,507</i>	<i>(4.9)</i>
Long-term borrowings	55,522	33,137	67.6
Deferred income tax liabilities	2,075	2,454	(15.5)
Liabilities under agreements for operation	86	104	(17.3)
Employee benefit obligations	1,369	1,232	11.1
Other non-current liabilities	36,785	8,942	311.4
<i>Total non-current liabilities</i>	<i>95,837</i>	<i>45,869</i>	<i>108.9</i>
<b>Total liabilities</b>	<b>207,638</b>	<b>163,377</b>	<b>27.1</b>
<b>Total shareholder's equity</b>	<b>75,207</b>	<b>70,726</b>	<b>6.3</b>
<b>Total liabilities and shareholder's equity</b>	<b>282,844</b>	<b>234,103</b>	<b>20.8</b>

	2015	2014	% Change
<b>Cash Flows</b>			
Cash flows from operating activities	3,333	(3,644)	NM
Cash flows (used in) from investing activities	(49,754)	(21,436)	132.1
Cash flows (used in) from financing activities	50,354	16,979	196.6
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>3,933</b>	<b>(8,102)</b>	<b>NM</b>
Beginning cash balance and effects of exchange rate changes	6,657	14,713	(54.8)
<b>Ending cash balance</b>	<b>10,590</b>	<b>6,612</b>	<b>60.2</b>

Remark: \*Balance sheet items such as intangible assets, deferred tax assets, trade and other payables and other non-current liabilities for 2014 were restated following the change in accounting policy (see "Note 4: Change in accounting policy" of the FY2015 financial statements)

## FINANCIAL POSITION

In 2015, True Group's financial position further strengthened while achieving a record profit of Baht 4.4 billion. True's profitability ratios have improved continuously over the past three years. Gross profit margin and net profit margin increased to 23.7% and 3.7% in 2015, up from 22.7% and 1.2% in 2014 respectively, due to strong improvement of the Group's profitability while revenue sustained solid growth. Return on equity also improved to 6.1% compared to 3.5% in a year earlier.

True Group is in compliance and meets all of its debt obligations. Its interest coverage ratio increased to 7.3 times in 2015 from 3.6 times in 2014 due to growing EBITDA and a drop of interest expense. The net debt to EBITDA ratio, however, increased to 3.7 times in 2015 compared to 1.6 times in a year earlier. The Baht 60 billion capital raising proposal this year will significantly strengthen the Group's capital structure, facilitate future business expansion and sustain True's investment grade credit rating with the net debt to EBITDA ratio declining to below 2 times going forward.

In 2015, True Group's current ratio was stable at 0.7 times while its cash cycle was 100 days. The average payment period increased to 155 days in 2015 compared to 150 days in 2014 given the Group's attractive vendor financing. Meanwhile, average collection period decreased to 139 days from 154 days a year earlier due to lower trade accounts receivable as a result of cash settlement with CAT Telecom starting in April 2015.

		2015	2014 (Restated)
<b>Financial Ratios</b>			
Current Ratio	Times	0.7	0.7
Average Collection Periods	Days	139	154
Average Payment Periods	Days	155	150
Interest Coverage Ratio	Times	7.3	3.6
Net Debt to EBITDA	Times	3.7	1.6
Gross Profit Margin	%	23.7	22.7
Net Profit Margin	%	3.7	1.2
Return on Equity	%	6.1	3.5

## Assets

- **True Group's assets** increased to Baht 282.8 billion at the end of 2015 from Baht 234.1 billion at the end of 2014 mainly due to the 1800MHz license acquisition and continued network expansion.
- **Property, plant and equipment, net** increased 31.1% from the end of 2014 to Baht 98.5 billion as a result of ongoing network expansion in the cellular and broadband businesses.
- **Intangible assets, net** increased to Baht 69.3 billion at the end of 2015 from Baht 34.2 billion at the end of 2014 due to the 1800MHz frequency license granted in December by NBTC.
- **Trade account and other receivables** dropped 37.9% from the end of 2014 to Baht 38.6 billion due to lower trade accounts receivable following cash settlement on the HSPA agreement between True Group and CAT Telecom. The average collection period, thus, lower to 139 days in 2015 from 154 days a year earlier.

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Receivable from TOT	688.96	651.47	688.96	651.47
Billed customers	17,840.74	32,512.93	2,212.60	2,298.87
Receivables and accrued income from related parties (Note 42)	8,805.07	10,550.36	2,704.74	1,714.24
Trade accounts receivable	27,334.77	43,714.76	5,606.30	4,664.58
Accrued income	13,031.44	22,565.29	2,042.13	1,901.26
Total trade accounts receivable	40,366.21	66,280.05	7,648.43	6,565.84
Less Allowance for doubtful Accounts	(7,558.06)	(7,423.47)	(3,067.99)	(2,906.48)
Trade accounts receivable, net	32,808.15	58,856.58	4,580.44	3,659.36
Prepaid expenses	2,711.99	2,169.32	50.91	45.32
Other receivable	3,067.12	1,134.84	58.34	62.90
Interest receivable	41.17	42.41	4.66	26.03
Trade account and other receivables	62,203.15	62,203.15	4,694.35	3,793.61

Outstanding trade accounts receivable as at 31 December can be analyzed as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Current	10,420.93	24,348.47	1,122.48	1,858.91
Less than 3 months	6,225.85	5,193.22	920.43	608.88
3 - 6 months	1,904.95	3,231.89	791.22	222.29
6 - 12 months	3,234.22	5,115.80	657.43	120.66
More than 12 months	5,548.82	5,825.38	2,114.74	1,853.84
Trade accounts receivable	27,334.77	43,714.76	5,606.30	4,664.58
Accrued income	13,031.44	22,565.29	2,042.13	1,901.26
Total trade accounts receivable	40,366.21	66,280.05	7,648.43	6,565.84
Less Allowance for doubtful Accounts	(7,558.06)	(7,423.47)	(3,067.99)	(2,906.48)
Trade accounts receivable, net	32,808.15	58,856.58	4,580.44	3,659.36

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognized in profit or loss under administrative expenses.

The allowance for doubtful accounts is determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. Management is confident that the allowance for doubtful accounts (Baht 7,558 million) is sufficient given the Company's experience in collecting accounts receivables using various mechanisms.

Concentrations of credit risk with respect to trade accounts receivable are limited as the Group has a very large number of customers who are end users of telephone services, both businesses and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

- **Investment in subsidiaries and associates (net)** decreased to Baht 15.0 billion at the end of 2015 from Baht 16.4 billion at the end of 2014 partly as a result of dividends received from DIF (see more detail in note 20 of financial statements).

## Liabilities

- **True Group's total liabilities** increased 27.1% from the end of 2014 to Baht 207.6 billion mainly due to other non-current liabilities related to the 1800MHz spectrum license and additional borrowings to support the Group's network and service expansion; total **interest bearing debt** (short-term and long-term borrowings excluding financial leases) increased to Baht 92.3 billion at the end of 2015.
- **Other non-current liabilities** increased from Baht 8.9 billion at the end of 2014 to Baht 36.8 billion at the end of 2015 due to liability related to the 1800MHz license acquisition. The Group already made the first installment of the 1800MHz license fee in November; the remaining amount totaling Baht 19.9 billion will be due in 2017 and 2018 and was recognized under other non-current liabilities.
- **Trade and other payables** declined from the end of 2014 to Baht 65.9 billion, driven by cash payment to CAT Telecom related to the HSPA agreement in line with lower trade and other receivables.

## Shareholders' equity

- **Shareholders' equity** increased 6.3% to Baht 75.2 billion at the end of 2015 as the Group continued to report profit since the fourth quarter of 2014.

## Cash Flow

- **Cash flows from operating activities** increased significantly to Baht 3.3 billion in 2015 from a negative of Baht 3.6 billion in 2014 given higher operating cash flow and lower interest payments.
- True Group's primary capital resources for the year 2015 were **cash flows from financing activities** totaling Baht 50.4 billion, driven by additional borrowings to further support the Group's business expansion and spectrum license payments.
- In 2015, True Group paid Baht 19.9 billion (VAT exclusive) for the first installment of the 1800MHz license and Baht 3.4 billion (VAT exclusive) for the last installment of the 2.1GHz license, driving **cash flows used in investing activities** up to Baht 49.8 billion.



## Contracts and commitments

- The Company entered into the agreement for Joint-Operation and Investments for Expansion of 2.6 million lines Telephone Services with TOT and other supplements to the Agreement for the following services:
  - Wireline Services
  - Value Added Services
  - Personal Communication Telephone Services
  - Public Telephone Services
  - Receiving telephone service orders, and receiving payment for installation charges, deposits and monthly usage for TOT
  - Fault notification and dropwire maintenance
  - Personal Communication Telephone Service for TOT subscribers

Under the provisions of the “Agreement”, the “Amendment” and the Supplementary Agreements, TOT and the Company will share the gross revenues collected from operating the telephone network in accordance with the percentages as stipulated in the agreements. Among the Company’s responsibilities are the acquisition, installation, project management, operation and maintenance of the system as set out in the agreements. In addition, the Company is required to transfer to TOT certain equipment pertaining to such system together with the land and buildings acquired by the Company related to the project.

- Agreement for PCT operation

According to the Joint Operation and Joint Investment Agreement and the PCT Supplemental Agreement (“the Agreement”) between the Company and TOT to jointly operate and invest in the expansion of basic telephone services, including a personal communication telephone system in the telephone areas of Bangkok using the same long-distance telephone area code (the “Territory”), the Company is obliged to operate and comply with the Agreement. AWC, a subsidiary of the Company will operate and share revenues with the Company in accordance with the PCT Contract (the “Contract”). In July 2001, the Company entered into the Contract with AWC, which became effective on 25 July 2001. The principal terms and conditions include the following.

- a. AWC is responsible, at its own cost and expense, to procure, purchase, install, operate and maintain a personal communication telephone system in the Territory, all of which are to be performed in accordance with the requirements of the Agreement; and
- b. In consideration of the foregoing, AWC is entitled to receive a portion of the revenue generated by the PCT services in accordance with the calculation methodology set out in the Contract.

On 1 July 2006, the Company and AWC entered into the Addendum to the PCT contract. The Company increased the additional revenue sharing from the PCT services since 1 July 2006 onwards. The said Addendum was ceased on 31 December 2007. The principal terms and conditions are still effective and unchanged.

Certain subsidiaries have agreements with state enterprises, including CAT, TOT and MCOT to provide nationwide cellular telephone service, the lease of long distance circuits and Pay TV service, respectively.

Under the terms of the agreements, the subsidiaries have certain commitments to acquire, install, manage and maintain all equipment. The subsidiaries are also committed to transfer to CAT, TOT and MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreements, the subsidiaries are entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreements.

In addition, the subsidiaries are contingently liable to certain local banks for letters of guarantee totalling Baht 1,404.63 million issued by the said banks in favour of CAT, TOT and MCOT. The letters of guarantee cover the guarantee for the subsidiaries in compliance with the provisions of the agreements referred to above.

Under the term of the agreements, certain subsidiaries are obliged to pay minimum fee as follows:

Period due	Minimum fee Baht Million
Within 1 year	30.00
Between 1 - 2 years	35.00
Between 2 - 5 years	70.00

- On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the periods of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing, and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will be expired on 15 December 2020.

During 2015, the Group and CAT reached the solution to settle certain portion of rental and services revenue in BFKT and accrued operating cost in RMV for the period from July 2011 to October 2015. Currently, all parties are discussing the details to finalise the unsettled balances. The management has strong view that there will be no material impact to the Group's operations as a result of the discussion.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 841.49 million.

- On 7 December 2012, a subsidiary, TUC was granted with the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded covers three spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 15 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.
- On 4 December 2015, a subsidiary, TUC was granted with the 1800MHz Bandwidth licence issued by NBTC. The licence covers two spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 18 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.
- The Company and subsidiaries are contingently liable to certain local banks for letters of guarantee in favour of certain government agencies, certain state enterprises and companies amount of Baht 3,797.88 million and Baht 370.65 million, respectively.
- Under the terms of various agreements, the Company's and certain subsidiaries' assets have been pledged and/or mortgaged as collateral with the contracted parties, details of which are as follows:

	Carrying Value at 31 December			
	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Fixed and saving deposits	606.94	1,190.48	558.97	1,100.55
Investments in shares of associate	635.84	-	694.55	-

- The Company and subsidiaries have entered into contracts with various contractors to supply and install additional network and expansion of network equipment capability and various agreements related to capital expenditure. The Group's and the Company's commitments as at 31 December 2015 were Baht 17,834.80 million and Baht 4.58 million, respectively (2014: Baht 12,437.59 million and Baht 7.03 million, respectively).
- The agreement to operate cellular telephone services, Digital PCN 1800 granted to TMV expired on 15 September 2013.

On 16 August 2013, the NBTC announced the regulation in respect of the protection of mobile customers using mobile service on networks whose concession expires. In 2014, The National Council for Peace and Order ("NCPO") announced to extend the period of caretaking from 15 September 2014 to 15 July 2015. The regulation allows TMV to continue providing mobile service in the 1800 MHz spectrum during the transition period after the expiry of the agreement and requires operators to submit any remaining amount of income after deduction of costs incurred in providing mobile service during the transition period to the office of NBTC for verification prior to submitting the remaining amount as governmental revenue. Such costs include network operating costs, numbering fee and other administrative expenses and relevant costs for providing services. Giving that the definition of 'deductible costs' is unclear as to which expenses are deductible, TMV is seeking clarification from NBTC on this matter. According to the financial information, TMV had negative result from operations, and there was no remaining amount to be submitted. Accordingly, there was no liability relating to this matter recorded in the consolidated financial statement. On 17 August 2015, the NBTC notified TMV by referring to the NTC's resolution requesting TMV to submit an amount of Baht 1,069.98 million for the revenue earned during 16 September 2013 to 17 July 2014 which was the "caretaking" period. On 18 September 2015, TMV disputed and asked NTC to reconsider the methodology of income and expenses definition and computation during the caretaking period. Finally, TMV has brought this case to the Administrative Court on 17 November 2015 (Note 39.4.20).

- The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 15 years.

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

	Consolidated	
	2015 Baht Million	2014 Baht Million
Not later than 1 year	3,263.24	2,349.91
Later than 1 year but not later than 5 years	12,814.76	9,752.69
Later than 5 years	18,740.42	16,019.75
	34,818.42	28,122.35

# REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2015

• Annual Report 2015  
• Grow Together  
• Win Together

The Audit Committee comprising three Independent Directors, Mr. Vitthya Vejajiva, Dr. Kosol Petchsuwan and Mr. Joti Bhokavanij, was reappointed by the Board of Directors Meeting No. 3/2558 on 12<sup>th</sup> June 2015 to perform duties and discharge responsibilities under the Charter for the Audit Committee. During the Year 2015, the Audit Committee proceeded as follows:

1. Held seven meetings in 2015 in order to discharge its functions as assigned by the Board of Directors. The Audit Committee reported its activities to the Board of Directors on a quarterly basis;

Name	Position	Attendance of the Audit Committee Meetings In the Year 2015 *
1. Mr. Vitthya Vejajiva	Chairman of the Audit Committee	7/7
2. Dr. Kosol Petchsuwan	Member of the Audit Committee	7/7
3. Mr. Joti Bhokavanij	Member of the Audit Committee	7/7

Remark : \* In the Year 2015, the Audit Committee held one meeting with the external auditor without the presence of Management.

2. Reviewed the Charter of the Audit Committee and made some revision in order to be in line with the assessment criteria of Good Corporate Governance of the Thai Institute of Directors Association ('IOD') and ASEAN CG Scorecard;
3. Reviewed the independence and performance of the external auditor including the auditing fee. The Audit Committee deemed that the external auditor performed independently and provided useful opinions and recommendations regarding financial reporting and internal controls. Therefore, the Audit Committee recommended the appointment of external auditors from PricewaterhouseCoopers ABAS Limited as the Company's Auditor and the auditing fee for the Year 2015 to the Board of Directors for approval by the Annual General Meeting of the Shareholders;
4. Discussed with the external auditor the scope of their audits before they commenced and followed up their audits;
5. Acknowledged the external auditor's audit plan and findings and provided recommendations;
6. Reviewed the annual and quarterly financial reports of the Company which included performance of its subsidiaries. The Audit Committee agreed with the external auditor that the Company's financial statements represented the Company's financial position and financial performance fairly, in all material respects, in accordance with Thai Financial Reporting Standard;
7. Reviewed the Company's and its subsidiaries' practices relating to related party transactions to ensure compliance with the Rules of Entering into Related Party Transactions of the Company which is in line with the law and regulation of the Stock Exchange of Thailand. The Audit Committee deemed that the entering into related party transactions of the Company and its subsidiaries had complied with the law and the Stock Exchange of Thailand's regulation, was reasonable and most beneficial to the Company;

8. Reviewed the compliance with the Securities and Exchange laws, regulations of the Stock Exchange of Thailand, and other laws related to the Company's business. Based on the reports of external auditor, internal audit and Management, the Audit Committee deemed that the Company had complied with all related laws and regulations;
9. Reviewed the Internal Control System to evaluate the adequacy and effectiveness to reasonably ensure the Company's performance in achieving its goals based on the internal audit report for the Year 2015, which covered key business processes. The Audit Committee deemed that the Company's Internal Control System was adequate and appropriate. Moreover, with the dynamic environment of telecommunication business, the Audit Committee supported continual development of the Internal Control System to suit the changing environment within the Company;
10. Followed up risk management activities under "Risk Management Policy and Framework" of the Company which was an integral part of business strategies and operations to ensure continuous and effective risk management of the Company;

Moreover, since the Company implemented risk-based audit, the Audit Committee recognized the linkage between Risk Management Function and Internal Audit Function. A representative of Strategic Development and Risk Management Committee was therefore invited to report to the Audit Committee on the risk identification, risk assessment, and risk management of the Company and the Internal Audit Department was instructed to ensure that the Internal Audit Plan be in line with such results of risk assessment;

11. Monitored results of providing a channel for any stakeholder to make complaints or provide clues concerning fraud, wrongdoing or violations of the Company's Code of Conduct to the Board of Directors via the Audit Committee;

In the Year 2015, the Audit Committee did not receive any complaint or information concerning fraud, or wrongdoing but received 5 complaints regarding services of the Company. The Audit Committee passed on the matters to the relevant Departments for appropriate actions; the relevant Departments resolved the issues; and

12. Oversaw the Internal Audit function including approving the Internal Audit Plan based on the risk management guideline (risk-based audit), acknowledging the quarterly and annual Internal Audit results, providing comments to the Internal Audit Department and submitting corrective measures to be taken by Management including continual follow-up on their progress. In this regard, the Audit Committee reviewed the independence and performance of the Internal Audit Department and deemed that the Internal Audit Function was performed independently, adequately, and effectively. Moreover, internal audit quality has been continuously improved both in terms of human resources and operation to meet international professional standards.

The Audit Committee maintains its independence in performing the duties as assigned. In this regard, the Audit Committee has received good cooperation from Management and external auditor.

In summary, the Audit Committee is of the opinion that the Board of Directors and Management of the Company have operated business with ethics and were determined to professionally perform duties to achieve the Company's goals, emphasizing on operating business with effective Internal Control and Internal Audit Systems, good corporate governance and continual development of operation systems.



(Mr. Vitthya Vejajiva)  
 Chairman of the Audit Committee

# REPORT OF THE COMPENSATION AND NOMINATING COMMITTEE FOR THE YEAR 2015

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• Annual Report 2015  
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By virtue of the resolution of the Board of Directors of the Company passed at its meeting No. 8/2544 held on 16<sup>th</sup> November 2001, the Compensation and Nominating Committee (the “Committee”) was appointed to perform and discharge certain responsibilities under the Charter for the Compensation and Nominating Committee. During the Year 2015, the Committee held two meetings in order to discharge its functions as assigned by the Board of Directors which can be summarized as follows:

1. considered and proposed recommendation to the Board of Directors regarding reappointment of the Audit Committee;
2. considered and proposed recommendation to the Board of Directors regarding the election of Directors to replace the Directors retiring by rotation;
3. considered and proposed recommendation to the Board of Directors regarding the Directors’ remuneration;
4. considered and approved the variable payout to the CEO/President for the Year 2014 (payout in 2015);
5. considered and approved the variable pay plan for the CEO/President for the Year 2015 (payout in 2016); and
6. followed up the progress and the feedback of the Employee Joint Investment Program for the Years 2014-2017.



(Mr. Umroong Sanphasitvong)  
Representative of  
the Compensation and Nominating Committee

# REPORT OF THE **CORPORATE GOVERNANCE** COMMITTEE FOR THE YEAR 2015

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• Annual Report 2015  
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By virtue of a resolution of the Board of Directors of the Company passed at its meeting No. 3/2549 held on 24<sup>th</sup> March 2006, the Corporate Governance Committee was appointed to perform and discharge responsibilities under the Charter for the Corporate Governance Committee. During the Year 2015, the Corporate Governance Committee proceeded as follows:

1. held 5 meetings in order to discharge its functions as assigned by the Board of Directors;
2. considered the Corporate Governance Report of the Company for disclosure in the Annual Report for the Year 2015 and proposed to the Board of Directors for approval;
3. followed up on result of providing an opportunity to shareholders to propose agenda items and nominees for election as directors of the Company in advance of the 2015 Annual General Meeting of the Shareholders;
4. reviewed the Thai Institute of Directors Association's Corporate Governance Assessment Report for the Year 2014 and proposed to the Board of Directors with recommendations for further improving the Corporate Governance of the Company;
5. reviewed the Company's Policy on Corporate Governance and proposed some revisions to the Board of Directors for approval;
6. considered the Anti-corruption Policy and Measure and proposed to the Board of Directors for approval;
7. acknowledged the Report on the practice of the Company's Code of Conduct;
8. considered the Company's activities in relation to corporate governance including corporate social responsibility to ensure that they were properly in practice and in compliance with the Company's policies;
9. considered the results of self-assessment of the Board of Directors of the previous year and proposed to the Board of Directors for acknowledgement; and
10. considered development of the good corporate governance practice regarding the Board self-assessment; the Corporate Governance Committee proposed recommendation to the Board of Directors to commence the assessment of each Director's own individual performance.



Dr. Kosol Petchsuwan  
Chairman of the Corporate Governance Committee



# REPORT OF THE **FINANCE COMMITTEE** FOR THE YEAR 2015

• Annual Report 2015  
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By virtue of a resolution of the Board of Directors of True Corporation Public Company Limited (the “Company”) passed at its meeting No. 8/2544 held on 16<sup>th</sup> November 2001, the Finance Committee was appointed to perform and discharge certain responsibilities under the Charter for the Finance Committee. During the Year 2015, the Finance Committee has carried out the following tasks:

1. held 5 meetings in order to discharge its functions as assigned by the Board of Directors;
2. considered the Annual Financial Hedging Plan together with the Policy on the Use of Derivative Securities in Financial Transactions and proposed recommendation to the Board of Directors for approval;
3. considered the quarterly and annual financial results of the Company and its subsidiaries as well as provided recommendations to Management;
4. considered proposal to eliminate the deficit of the Company and proposed to the Board of Directors to consider in order to subsequently propose the matter to the Shareholders Meeting for approval;
5. considered entering into the transactions with Digital Telecommunications Infrastructure Fund (formerly named “TRUE Telecommunications Growth Infrastructure Fund”) by the Company’s subsidiaries and proposed to the Board of Directors for approval;
6. considered and approved the plan to eliminate the deficit of certain subsidiaries to accommodate dividend payout to the Company in case any subsidiaries had net profit and sufficient cash flow;
7. considered and approved the plan to restructure the companies within the Mobile Group;
8. considered closing inactive bank accounts of the Company and proposed the matter to the Board of Directors for approval;
9. followed up on performance of the commercial digital terrestrial television business after True Visions was awarded with such license;
10. considered participation in the auction processes of 1800 MHz and 900 MHz Spectrum Licensing for IMT Mobile Phone Services and related matters:
  - 10.1 considered suitability of the subsidiary that would participate in the auction processes of 1800 MHz and 900 MHz Spectrum Licensing for IMT Mobile Phone Services and proposed to the Board of Directors to authorize True Move H Universal Communication Company Limited (formerly named “Real Future Company Limited”) to participate in the auction process;
  - 10.2 considered capital expenditure (“CAPEX”) for the first phase of investment in 1800 MHz and 900 MHz Spectrum Licenses for IMT Mobile Phone Services and proposed the matter to the Board of Directors for approval;

11. acknowledged the issuance and offering of Debentures of True Move H Universal Communication Company Limited;
12. acknowledged the refinancing plan for debentures of True Corporation Public Company Limited due in November 2015;
13. acknowledged the progress of credit facility of the subsidiary to support the bidding fee for 1800 MHz spectrum license; and
14. considered the entering into and the carrying out of the obligations by True Corporation Public Company Limited under the relevant Finance Documents of True Move H Universal Communication Co., Ltd. and any other documents relating to the Credit Facilities Agreement of Mobile Group for supporting the bidding fee of 1800 MHz spectrum license and proposed to the Board of Directors for approval.



(Dr. Ajva Taulananda)  
Chairman of the Finance Committee

# REPORT OF THE **BOARD OF DIRECTORS'** RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS FOR THE YEAR 2015

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• Annual Report 2015  
• Grow Together  
• Win Together

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries. The aforementioned financial statements have been prepared in accordance with Generally Accepted Accounting Principles, using appropriate accounting policy consistently employed by the Company as well as applying careful judgment and best estimation. Important information is adequately disclosed in the notes to financial statements.

The Board of Directors has provided and maintained an effective internal controls system to reasonably ensure that accounting records are accurate, complete and adequate to protect the Company's assets.

To accomplish this task, the Board of Directors has appointed an Audit Committee, which consists of Independent Directors responsible for the quality of financial statements and internal controls system, whose comments on these issues are readily included in the Audit Committee Report in this Annual Report.

The Board of Directors is of the opinion that the Company's overall internal controls system is adequate and suitable and has reasonable confidence that the consolidated financial statements of the Company and its subsidiaries for the year ended 31<sup>st</sup> December 2015 are true and fair.



(Mr. Dhanin Chearavanont)  
Chairman of the Board

# FINANCIAL STATEMENTS

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## 31 DECEMBER 2015



## AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of True Corporation Public Company Limited

I have audited the accompanying consolidated and company financial statements of True Corporation Public Company Limited and its subsidiaries and of True Corporation Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015, and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 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 company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of True Corporation Public Company Limited and its subsidiaries and of True Corporation Public Company Limited as at 31 December 2015, and the consolidated and company results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

*Emphasis of matter paragraph*

I draw attention to Notes 38.4, 39 and 40.2 to the financial statements discussing material uncertainties in respect of outstanding litigations and the significant commercial agreements of which details are not finalised. The ultimate outcome of the litigations and the conclusion regarding the significant agreements cannot presently be determined and no adjustment that may result, has been made in the financial statements. My opinion is not qualified in respect of these matters.

A handwritten signature in black ink, appearing to read "Kajornkiet Aroonpirodkul".

Kajornkiet Aroonpirodkul  
Certified Public Accountant (Thailand) No. 3445  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
29 February 2016

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## List of abbreviations

Subsidiaries, associates, joint ventures	Abbreviation
AP&J Production Co., Ltd.	AP&J
Asia DBS Public Company Limited	ADBS
Asia Wireless Communication Co., Ltd.	AWC
Bangkok Inter Teletech Public Company Limited	BITCO
BeboydCG Company Limited	Bboyd
BFKT (Thailand) Limited	BFKT
Cineplex Co., Ltd.	CNP
Click TV Co., Ltd.	CTV
Hutchison CAT Wireless MultiMedia Limited	HCAT
Hutchison MultiMedia Services (Thailand) Limited	HMSTL
Hutchison Telecommunications (Thailand) Company Limited	HTTCL
Hutchison Wireless MultiMedia Holdings Limited	HWMH
Internet Knowledge Service Center Co., Ltd.	IKSC
KSC Commercial Internet Co., Ltd.	KSC
MKSC World Dot Com Co., Ltd.	MKSC
Panther Entertainment Co., Ltd.	PTE
Real Move Co., Ltd.	RMV
Samut Pakan Media Corporation Co., Ltd.	SPM
Satellite Service Co., Ltd.	SSV
SM True Co., Ltd.	SM True
Song Dao Co., Ltd.	SD
Tele Engineering and Services Co., Ltd.	TE
Telecom Asset Management Co., Ltd.	TAM
Telecom Holding Co., Ltd.	TH
Telecom KSC Co., Ltd.	TKSC
Thai News Network (TNN) Co., Ltd.	TNN
True Distribution and Sales Co., Ltd.	TDS
True4U Station Co., Ltd.	True4U
True Icontent Co., Ltd.	TICT
True Incube Co., Ltd. (formerly "KOA Co., Ltd.")	True Incube
True Information Technology Co., Ltd.	TIT
True International Communication Co., Ltd.	TIC
True International Gateway Co., Ltd.	TIG
True Internet Co., Ltd.	TI
True Life Plus Co., Ltd.	TLP
True Media Solutions Co., Ltd. (Formerly "True Digital Media Co., Ltd.")	TSC
True Move Co., Ltd.	TMV
True Move H Universal Communication Co., Ltd. (formerly "Real Future Co., Ltd.")	TUC
True Multimedia Co., Ltd.	TM
True Music Co., Ltd.	TMS
True Music Radio Co., Ltd.	TMR
True Public Communication Co., Ltd.	TPC
True Touch Co., Ltd.	TT
True United Football Club Co., Ltd.	TUFC
True Universal Convergence Co., Ltd.	TU
True Visions Public Company Limited	True Visions
True Visions Cable Public Company Limited	True Cable
True Visions Group Co., Ltd.	TVG
True Vistas Co., Ltd.	TVT
True Voice Co., Ltd.	TV
K.I.N. (Thailand) Co., Ltd.	KINBVI

**List of abbreviations (Cont'd)****Subsidiaries, associates, joint ventures (Cont'd)****Abbreviation**

Gold Palace Logistics Limited	GPL
Gold Palace Investments Limited	GPI
Golden Light Co., Ltd.	GDL
Goldsky Co., Ltd.	GSK
Golden Pearl Global Limited	GDP
GP Logistics Company Limited	GP
Rosy Legend Limited	RL
Prospect Gain Limited	PG
True Internet Technology (Shanghai) Company Limited	TIS
True Trademark Holdings Company Limited (Formerly "Dragon Delight Investments Limited")	TTH
Digital Telecommunications Infrastructure Fund	DIF
True GS Co., Ltd.	TG
Asia Infonet Co., Ltd.	AI
BEC-TERO True Visions Co., Ltd.	BEC
Transformation Films Co., Ltd.	TFF

**Other organisations**

Telephone Organisation of Thailand (currently TOT Public Company Limited)	TOT
The National Telecommunication Commission	NTC
The National Telecommunication Commission of NBTC	NTC of NBTC
The National Broadcasting and Telecommunication Commission	NBTC
CAT Telecom Public Company Limited	CAT
Mass Communication Organization of Thailand (currently MCOT Public Company Limited)	MCOT
Securities and Exchange Commission of Thailand	SEC

	Notes	Consolidated			Company	
			(Restated)	(Restated)		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	14	10,590,382	6,611,594	14,726,283	2,193,900	651,912
Restricted cash at bank	15	558,973	1,139,791	2,346,446	558,973	1,100,547
Short-term investments	16	2,837	1,039	101,832	1,775	-
Trade and other receivables	17	38,628,427	62,203,154	38,537,981	4,694,346	3,793,609
Short-term loans to related parties	42	147,000	147,000	147,000	19,815,000	9,450,000
Inventories, net	18	8,294,579	4,294,126	5,049,989	28,176	99,522
Income tax deducted at source		5,593,775	4,078,066	2,952,598	921,918	932,846
Claimable value added tax		7,001,952	4,694,752	3,207,269	6,515	-
Other current assets	19	7,042,763	4,273,796	2,989,198	79,697	102,163
<b>Total current assets</b>		<b>77,860,688</b>	<b>87,443,318</b>	<b>70,058,596</b>	<b>28,300,300</b>	<b>16,130,599</b>
<b>Non-current assets</b>						
Restricted cash at bank	15	47,962	50,690	100,043	-	-
Investment in subsidiaries, net	20	-	-	-	111,484,964	111,472,964
Investment in associates and joint ventures, net	20	14,994,504	16,428,665	16,138,797	16,327,908	16,327,908
General investment, net	16	325,211	322,772	313,798	240,741	240,741
Investment property, net	21	5,528	5,528	5,528	-	-
Property, plant and equipment, net	22	98,456,929	75,084,946	67,867,052	2,017,377	2,309,250
Goodwill, net	23	11,403,094	11,403,094	11,403,094	-	-
Intangible assets, net	24	69,297,499	34,164,079	33,853,686	2,620,065	4,040,005
Deferred income tax assets	25	5,663,351	5,820,859	4,778,565	497,856	910,965
Other non-current assets	26	4,789,501	3,378,962	1,012,819	180,680	185,727
<b>Total non-current assets</b>		<b>204,983,579</b>	<b>146,659,595</b>	<b>135,473,382</b>	<b>133,369,591</b>	<b>135,487,560</b>
<b>Total assets</b>		<b>282,844,267</b>	<b>234,102,913</b>	<b>205,531,978</b>	<b>161,669,891</b>	<b>151,618,159</b>

	Notes	Consolidated			Company	
		(Restated)		(Restated)		
		31 December 2015	31 December 2014	1 January 2014	31 December 2015	31 December 2014
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Short-term borrowings	27	29,927,210	2,977,088	3,742,847	15,982,280	2,417,088
Trade and other payables	28	65,865,891	101,227,357	88,234,986	3,196,007	12,321,289
Current portion of long-term borrowings	27	12,602,574	8,872,851	9,894,129	6,180,748	7,749,138
Short-term loans from related parties	42	-	-	-	555,000	700,000
Income tax payable		29,099	270,764	878,854	-	-
Other current liabilities	29	3,375,821	4,158,955	4,439,348	154,614	270,674
<b>Total current liabilities</b>		<b>111,800,595</b>	<b>117,507,015</b>	<b>107,190,164</b>	<b>26,068,649</b>	<b>23,458,189</b>
<b>Non-current liabilities</b>						
Long-term borrowings	27	55,522,317	33,136,810	76,260,992	31,290,335	29,375,235
Deferred income tax liabilities	25	2,074,718	2,454,385	4,095,175	-	-
Liabilities under agreements for operation	30	86,053	104,088	120,139	-	-
Employee benefits obligations	31	1,368,617	1,232,105	1,137,085	370,857	337,066
Other non-current liabilities	32	36,785,434	8,942,136	12,079,296	23,470	49,368
<b>Total non-current liabilities</b>		<b>95,837,139</b>	<b>45,869,524</b>	<b>93,692,687</b>	<b>31,684,662</b>	<b>29,761,669</b>
<b>Total liabilities</b>		<b>207,637,734</b>	<b>163,376,539</b>	<b>200,882,851</b>	<b>57,753,311</b>	<b>53,219,858</b>
<b>Shareholders' equity</b>						
Share capital	33					
Authorised share capital						
Common shares, 24,607,928,150 shares of par Baht 4 each (2014: 24,607,928,152 shares of par Baht 10 each, 1 January 2014: 15,333,207,033 shares of par Baht 10 each)		98,431,713	246,079,282	153,332,070	98,431,713	246,079,282
Issued and fully paid-up share capital						
Common shares, 24,607,928,150 shares of paid-up Baht 4 each (2014: 24,607,928,150 shares of paid-up Baht 10 each, 1 January 2014: 14,530,215,266 shares of paid-up Baht 10 each)		98,431,713	246,079,282	145,302,153	98,431,713	246,079,282
Premium on share capital		-	11,432,046	11,432,046	-	11,432,046
Discount on share capital		-	(121,995,650)	(86,070,641)	-	(121,995,650)
Retained earnings (deficits)						
Appropriated - legal reserve	34	275,914	34,881	34,881	275,914	34,881
Unappropriated		(22,362,876)	(63,639,150)	(64,933,087)	5,208,953	(37,152,258)
Other components of equity		(1,797,302)	(1,776,122)	(1,767,250)	-	-
<b>Equity attributable to owners of the parent</b>		<b>74,547,449</b>	<b>70,135,287</b>	<b>3,998,102</b>	<b>103,916,580</b>	<b>98,398,301</b>
Non-controlling interests	35	659,084	591,087	651,025	-	-
<b>Total shareholders' equity</b>		<b>75,206,533</b>	<b>70,726,374</b>	<b>4,649,127</b>	<b>103,916,580</b>	<b>98,398,301</b>
<b>Total liabilities and shareholders' equity</b>		<b>282,844,267</b>	<b>234,102,913</b>	<b>205,531,978</b>	<b>161,669,891</b>	<b>151,618,159</b>

The accompanying notes on pages 9 to 99 are an integral part of these financial statements.



	Notes	Consolidated		Company	
		(Restated)			
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Revenues</b>	8				
Revenues from telephone and other services		95,941,928	86,985,629	10,040,008	11,017,801
Revenues from product sales		22,838,754	22,230,410	8,137,911	8,252,775
<b>Total revenues</b>		<u>118,780,682</u>	<u>109,216,039</u>	<u>18,177,919</u>	<u>19,270,576</u>
<b>Costs</b>					
Cost of providing services		71,046,486	66,068,220	4,759,056	5,124,821
Cost of sales		19,530,915	18,413,252	3,636,779	3,595,466
<b>Total costs</b>		<u>90,577,401</u>	<u>84,481,472</u>	<u>8,395,835</u>	<u>8,720,287</u>
<b>Gross profit</b>		28,203,281	24,734,567	9,782,084	10,550,289
Other income		2,754,733	2,223,482	2,171,748	2,132,978
Selling expenses		(13,161,603)	(10,119,226)	(999,564)	(411,888)
Administrative expenses		(10,434,045)	(11,692,962)	(2,444,876)	(2,880,717)
Other expenses		(595,980)	(5,573,728)	(200,760)	(696,852)
Share of results		1,413,979	6,220,469	-	-
Finance costs	11	(3,528,841)	(6,645,283)	(2,377,244)	(2,679,984)
<b>Profit (loss) before income tax</b>		4,651,524	(852,681)	5,931,388	6,013,826
Income tax (expense) revenue	12	(251,349)	2,095,810	(413,109)	(503,840)
<b>Profit for the year</b>		<u>4,400,175</u>	<u>1,243,129</u>	<u>5,518,279</u>	<u>5,509,986</u>
<b>Other comprehensive income (expense):</b>					
Item that will be reclassified subsequently to profit or loss:					
Exchange differences on translation		651	(2,599)	-	-
<b>Total comprehensive income for the year</b>		<u>4,400,826</u>	<u>1,240,530</u>	<u>5,518,279</u>	<u>5,509,986</u>
<b>Profit for the year attributable to:</b>					
Owners of the parent		4,411,522	1,293,937	5,518,279	5,509,986
Non-controlling interests		(11,347)	(50,808)	-	-
<b>Profit for the year</b>		<u>4,400,175</u>	<u>1,243,129</u>	<u>5,518,279</u>	<u>5,509,986</u>
<b>Total comprehensive income for the year attributable to:</b>					
<b>attributable to:</b>					
Owners of the parent		4,412,173	1,291,338	5,518,279	5,509,986
Non-controlling interests		(11,347)	(50,808)	-	-
<b>Total comprehensive income for the year</b>		<u>4,400,826</u>	<u>1,240,530</u>	<u>5,518,279</u>	<u>5,509,986</u>
<b>Basic earnings per share attributable to owner of the parent</b>	13				
- Basic (Baht per share)		0.18	0.07	0.22	0.29

True Corporation Public Company Limited  
Statements of Changes in Shareholders' Equity  
For the year ended 31 December 2015

	Notes	Consolidated										Bahi Thousand	
		Attributable to shareholders of parent											
		Issued and fully paid-up Common shares	Other components of equity							Total owners of the parent	Non- Controlling Interests		Total
			Premium on shares	Discount on shares	Legal reserve	Deficits	Change in non-controlling interests	Translating financial statement	Total other components of equity				
Opening balance as at 1 January 2014													
As previously reported		145,302,153	11,432,046	(86,070,641)	34,881	(64,850,076)	(1,778,439)	11,189	(1,767,250)	4,081,113	651,025	4,732,138	
Retrospective adjustment due to changes in accounting policy	4.2	-	-	-	-	(83,011)	-	-	-	(83,011)	-	(83,011)	
As restated		145,302,153	11,432,046	(86,070,641)	34,881	(64,933,087)	(1,778,439)	11,189	(1,767,250)	3,998,102	651,025	4,649,127	
Issue of shares	33	100,777,129	-	(35,925,009)	-	-	-	-	-	64,852,120	-	64,852,120	
Subscription of newly issued shares in subsidiary by non-controlling interests		-	-	-	-	-	-	-	-	-	15,989	15,989	
Addition investment in subsidiary by purchasing shares from non-controlling interests	20	-	-	-	-	-	-	-	-	-	(31,392)	(31,392)	
Dilution due to increase in non-controlling interests	20	-	-	-	-	-	(6,273)	-	(6,273)	(6,273)	6,273	-	
Total comprehensive income for the year		-	-	-	-	1,293,937	-	(2,599)	(2,599)	1,291,338	(50,808)	1,240,530	
Closing balance as at 31 December 2014		246,079,282	11,432,046	(121,995,650)	34,881	(63,639,150)	(1,784,712)	8,590	(1,776,122)	70,135,287	591,087	70,726,374	
Opening balance as at 1 January 2015													
As previously reported		246,079,282	11,432,046	(121,995,650)	34,881	(63,424,799)	(1,784,712)	8,590	(1,776,122)	70,349,638	591,087	70,940,725	
Retrospective adjustment due to changes in accounting policy	4.2	-	-	-	-	(214,351)	-	-	-	(214,351)	-	(214,351)	
As restated		246,079,282	11,432,046	(121,995,650)	34,881	(63,639,150)	(1,784,712)	8,590	(1,776,122)	70,135,287	591,087	70,726,374	
Par value reduction	33	(147,647,569)	(11,432,046)	121,995,650	(34,881)	37,118,846	-	-	-	-	-	-	
Subscription of newly issued shares in subsidiary by non-controlling interests		-	-	-	-	-	-	-	-	-	90,000	90,000	
Addition investment in subsidiary by purchasing shares from non-controlling interests	20	-	-	-	-	-	-	-	-	-	(12)	(12)	
Dilution due to increase in non-controlling interests		-	-	-	-	-	(11)	-	(11)	(11)	11	-	
Liquidation of investment in subsidiary		-	-	-	-	21,820	(21,820)	-	(21,820)	-	-	-	
Reclassification of investment in joint venture		-	-	-	-	-	-	-	-	-	(10,655)	(10,655)	
Appropriation of legal reserve	34	-	-	-	275,914	(275,914)	-	-	-	-	-	-	
Total comprehensive income for the year		-	-	-	-	4,411,522	-	651	651	4,412,173	(11,347)	4,400,826	
Closing balance as at 31 December 2015		98,431,713	-	-	275,914	(22,362,876)	(1,806,543)	9,241	(1,797,302)	74,547,449	659,084	75,206,533	

The accompanying notes on pages 9 to 99 are an integral part of these financial statements.

True Corporation Public Company Limited  
Statements of Changes in Shareholders' Equity (Cont'd)  
For the year ended 31 December 2015

		Company					Baht Thousand
		Issued and fully paid-up common shares	Premium on shares	Discount on shares	Legal reserve	Retained earnings (deficits)	Total
Note							
<b>Opening balance as at 1 January 2014</b>							
Issue of shares	33	145,302,153	11,432,046	(86,070,641)	34,881	(42,662,244)	28,036,195
Total comprehensive income for the year		100,777,129	-	(35,925,009)	-	-	64,852,120
		-	-	-	-	5,509,986	5,509,986
<b>Closing balance as at 31 December 2014</b>							
		246,079,282	11,432,046	(121,995,650)	34,881	(37,152,258)	98,398,301
<b>Opening balance as at 1 January 2015</b>							
Issue of shares	33	246,079,282	11,432,046	(121,995,650)	34,881	(37,152,258)	98,398,301
Appropriation of legal reserve	34	(147,647,569)	(11,432,046)	121,995,650	(34,881)	37,118,846	-
Total comprehensive income for the year		-	-	-	275,914	(275,914)	-
		-	-	-	-	5,518,279	5,518,279
<b>Closing balance as at 31 December 2015</b>							
		98,431,713	-	-	275,914	5,208,953	103,916,580

The accompanying notes on pages 9 to 99 are an integral part of these financial statements.



	Notes	Consolidated		Company	
		31 December 2015	(Restated) 31 December 2014	31 December 2015	31 December 2014
		Baht Thousand	Baht Thousand	Baht Thousand	Baht Thousand
<b>Cash flows from operating activities</b>	36	3,333,050	(3,643,804)	(3,618,134)	(277,160)
<b>Cash flows from investing activities</b>					
Withdrawal in restricted cash		583,546	1,256,009	541,574	1,244,030
(Deposit) withdrawal in short-term investments		(20)	476	(1,775)	-
Loans made to subsidiaries	42	-	-	(49,367,000)	(11,495,000)
Acquisition of property, plant and equipment		(27,942,984)	(22,519,912)	(55,025)	(53,810)
Acquisition of intangible assets		(24,714,729)	(4,940,550)	(1,901)	(17,289)
Receipt from loans to subsidiaries	42	-	-	39,002,000	3,545,000
Investment in subsidiaries, associates and joint ventures	20	(25,000)	(36,192)	(12,000)	(48,647,617)
Investment in other companies		(2,439)	(8,974)	-	-
Reclassification of investment		(46,862)	-	-	-
Proceeds from sale of investment in associate net of cash and cash equivalent		-	3,193,423	-	3,190,851
Proceeds from liquidation of associate		-	7,230	-	-
Proceeds from disposals of property, plant and equipment and intangible assets		838,037	256,333	2,542	399
Dividends received	42	1,556,857	1,355,746	1,516,046	1,345,746
Net cash used in investing activities		(49,753,594)	(21,436,411)	(8,375,539)	(50,887,690)
<b>Cash flows from financing activities</b>					
Issue of common shares	33	-	64,852,120	-	64,852,120
Subscription of newly issued shares in subsidiary by non-controlling interests		90,000	15,989	-	-
Addition investment in subsidiary by purchasing shares from non-controlling interest		(12)	(31,392)	-	-
Proceeds from loans from subsidiaries	42	-	-	9,805,000	1,700,000
Proceeds from short-term borrowings, net of cash paid for debt issuance cost		57,338,838	11,210,303	38,194,884	7,519,311
Proceeds from borrowings, net of cash paid for debt issuance cost	27	33,134,012	14,242,603	8,205,447	7,964,052
Repayments to short-term borrowings		(30,510,000)	(12,003,840)	(24,750,000)	(5,130,000)
Repayments to loans from subsidiaries	42	-	-	(9,950,000)	(20,665,000)
Repayments to borrowings	27	(9,699,070)	(61,307,112)	(7,969,670)	(5,984,925)
Net cash received from financing activities		50,353,768	16,978,671	13,535,661	50,255,558
<b>Net increase (decrease) in cash and cash equivalents</b>		3,933,224	(8,101,544)	1,541,988	(909,292)
Opening balance		6,611,594	14,726,283	651,912	1,561,204
Effects of exchange rate changes		45,564	(13,145)	-	-
Closing balance		10,590,382	6,611,594	2,193,900	651,912

**Non-cash transactions**

Significant non-cash transactions are as follows:

	Consolidated	
	31 December 2015	31 December 2014
	Baht Million	Baht Million
Acquisition of property, plant and equipment using finance leases	1,966.57	1,846.22
Acquisition of property, plant and equipment and intangible assets, not yet paid	45,246.96	24,847.69
	47,213.53	26,693.91

The accompanying notes on pages 9 to 99 are an integral part of these financial statements.

## 1. General information

True Corporation Public Company Limited (“the Company”) is a public limited company, incorporated and resident in Thailand. The address of its registered office is 18 True Tower, Ratchadaphisek Road, Huai Khwang, Bangkok, Thailand. The Company is listed on the Stock Exchange of Thailand.

The Company and its subsidiaries (together “True Group”, or “the Group”) are principally engaged in the telecommunications and diversified communications industries. The Group’s core business is providing telecommunications services and various value-added services, which include, among others, Digital Data Network (“DDN”), Public Telephone, Multimedia, Internet Service Provider (“ISP”), Mobile Phone Service, and Pay-TV Service.

The Group’s activities include those carried out Joint Operation and Joint Investment Agreement, Agreements for operation and licences, as set out in Note 2.

These group consolidated financial statements were authorised for issue by the Board of Directors on 29 February 2016.

## 2. Joint Operation and Joint Investment Agreement, Agreements for operation and licences

### Telephone services

In August 1991, the Company entered into the Joint Operation and Joint Investment for Expansion of Telephone Services Agreement (“the Agreement”) with the TOT.

The Agreement, a Build Transfer Operate (“BTO”) agreement, as amended and supplemented, granted the Company the right to construct and provide fixed line telephone services for up to 2.6 million lines in the Bangkok Metropolitan Area. The Company was responsible for:

- 1) procuring and constructing the expansion of the existing TOT network.
- 2) on completion of construction of the network expansion, transferring legal ownership of certain network assets, land and buildings to TOT.
- 3) in consideration of the transferred assets receiving a right to operate, maintain the network and provide certain services for 25 years including:
  - fixed line telephone;
  - Personal Communication Telephone;
  - public telephone (Build Operate Transfer);
  - Digital Data Network;
  - acceptance of fault notification and drop wire maintenance; and
  - customer service centre.

Under the provisions of the Agreement, TOT and the Company share the gross revenues collected from operating the networks according to stipulated percentages.

On 8 December 2006, a subsidiary, TU was granted a Type III licence by NTC for fixed line services. TU is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 7 December 2026.

On 25 January 2007, a subsidiary, TIC was granted a Type III licence by NTC for International Direct Dialling (IDD). TIC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 24 January 2027.

On 29 June 2014, a subsidiary, TPC was granted a Type I, renewal licence by the NBTC for public phone services. TPC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 28 June 2019.



**2. Joint Operation and Joint Investment Agreement, Agreements for operation and licences (Cont'd)**

Telephone services (Cont'd)

On 11 October 2014, a subsidiary, TI was granted a Type I, renewal licence by NBTC for International Calling Cards (ICC). TI is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 10 October 2019.

NON-POTS services

In October 1997, a subsidiary, TM entered into a Joint Investment in Non-Plain Old Telephone System ("NON-POTS") services through a Multimedia Network Agreement (the "Agreement") with TOT. Under the terms of the Agreement, TM has certain commitments such as, among others, to acquire, install, manage and maintain the hardware and equipment for NON-POTS services. TM is also committed to transfer to TOT all hardware and equipment pertaining to such system when the installations are completed. This Agreement is for a period of twenty years commencing from the Agreement date and will be expired on 20 October 2017. TM is unable to terminate it unless certain criteria specified in the Agreement have been met. During the term of the Agreement, TM is entitled to collect the service fees, membership fees and other service fees from customers as stipulated in the Agreement.

TM has placed a letter of guarantee issued by a local bank in favour of TOT amount of Baht 5.00 million to guarantee the TM's compliance with the terms of the Agreement.

Internet services

On 19 May 2011, a subsidiary, TIG was granted a Type II, renewal licence by NBTC for international internet gateway provision. TIG is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 18 May 2016.

On 23 June 2014, a subsidiary, KSC was granted a Type I, renewal licence by NBTC for internet provision. KSC is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 22 June 2019.

On 18 August 2014, a subsidiary, TI was granted a Type I, renewal licence by NBTC for internet provision. TI is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licence. The licence will be expired on 17 August 2019.

Mobile Phone services

On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the term of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive a revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will be expired on 15 December 2020.

These subsidiaries have placed letters of guarantee issued by certain local banks in favour of CAT totalling Baht 2,209.92 million to guarantee the Group's compliance with the terms of the agreements.

## 2. Joint Operation and Joint Investment Agreement, Agreements for operation and licences (Cont'd)

### Mobile Phone services (Cont'd)

On 7 December 2012, a subsidiary, TUC was granted the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded three spectrums bandwidth licence and authorised TUC to provide mobile service under those spectrums bandwidth for 15 years. The maturity date will be on 6 December 2027. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

On 4 December 2015, a subsidiary, TUC was granted the 1800MHz Bandwidth licence by NBTC. The licence covered with two spectrums bandwidth licence and authorised TUC to provide mobile service under those spectrums bandwidth for 18 years. The maturity date will be on 15 September 2033. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence. TUC has placed letter of guarantee issued by local banks in favour of NBTC totaling Baht 21,288.72 million (including value added tax) for the unpaid licence fee.

### Pay-TV services

The Group has invested in True Visions and True Cable. True Visions and True Cable are engaged in the operation of pay television networks (Digital Satellite Television and Cable Television) under the agreements granted by MCOT dated 17 April 1989 and 6 June 1994 and amendments thereto dated 19 May 1994 and 9 November 1994 which was expired on 30 September 2014 and will be expired on 31 December 2019, respectively. Under the aforementioned agreements, True Visions and True Cable are required to pay annual fees to MCOT based on a fixed percentage of revenue from subscription and installation or at the minimum fee as specified in each of those agreements, whichever is higher (Note 38.3). In addition, True Visions and True Cable must transfer the ownership of certain equipment procured for the operations of television networks to MCOT within the periods specified in each of those agreements.

True Visions and True Cable have placed letters of guarantee issued by certain local banks in favour of MCOT totalling Baht 31.20 million to guarantee the Group's compliance with the terms of the agreements.

A subsidiary, TVG was granted with broadcasting network license for non - frequency business at national level over the period of 15 years which will expire on 20 January 2028. TVG and its subsidiaries, CNP and PTE were granted with several licences for the operation of television broadcasting service, which were awarded by the NBTC. Under the terms and conditions of the service licence the subsidiaries are committed to pay annual fee to NBTC and revenue contribution at a certain percentage stipulated in the licence.

On 25 April 2014, NBTC granted the licence for the spectrum of television broadcasting service via digital system to True4U and TNN, subsidiaries of the Group. The licence has awarded the right to utilise spectrum bandwidth to operate Standard Variety channel for True4U and to operate News Channel for TNN over the period of 15 years. The subsidiaries must comply with the terms and conditions and pay the licence fee as stipulated in the licence. The subsidiaries has placed letter of guarantee issued by the local banks in favour of NBTC totaling Baht 2,722.94 million for the unpaid licence fee.



### **3. Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and company financial statements are set out below.

#### **3.1 Basis of preparation**

The consolidated and company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the SEC under the Securities and Exchange Act B.E. 2535.

The consolidated and company financial statements have been prepared under the historical cost convention as modified by the revaluation of trading and available-for-sale securities at fair value.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 6.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

#### **3.2 New financial reporting standards, revised financial reporting standards and interpretations**

##### **3.2.1 New financial reporting standards, revised accounting standards are effective on 1 January 2015. These standards are relevant to the group.**

##### **a) Financial reporting standards and revised accounting standards which have a significant impact to the group:**

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement

TAS 1 (revised 2014), the main change is that a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The Group has assessed the full impact and already applied this standard.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory. The Group has assessed the full impact and already applied this standard.

### 3. Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, revised financial reporting standards and interpretations (Cont'd)

##### 3.2.1 New financial reporting standards, revised accounting standards are effective on 1 January 2015. These standards are relevant to the group. (Cont'd)

###### a) Financial reporting standards and revised accounting standards which have a significant impact to the group: (Cont'd)

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period. The Group has assessed the full impact and already applied this standard.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements. The Group has assessed the full impact and already applied this standard.

TAS 28 (revised 2014) provides the requirements for investment in associates and joint ventures accounted by equity method. The Group has assessed the full impact of this standard and applied this standard with effect from 1 January 2015.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment. The Group has assessed the full impact and already applied this standard.

TFRS 10 has a single definition of control and supersedes the principles of control and consolidation included within the original TAS 27, "Consolidated and separate financial statements". The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. The Group has assessed the full impact and already applied this standard.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting. The Group has assessed the full impact and already applied this standard.



### 3. Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, revised financial reporting standards and interpretations (Cont'd)

##### 3.2.1 New financial reporting standards, revised accounting standards are effective on 1 January 2015. These standards are relevant to the group. (Cont'd)

##### a) Financial reporting standards and revised accounting standards which have a significant impact to the group: (Cont'd)

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. The Group has assessed the full impact of this standard and considered that there is no impact to the Group.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs. The Group has assessed the full impact of this standard and considered that there is no material impact to the Group, except for disclosing information in note to financial statements.

##### b) Financial reporting standards with minor changes and do not have material impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 8 (revised 2014)	Operating segments
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes

### 3. Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, revised financial reporting standards and interpretations (Cont'd)

##### 3.2.2 New and revised accounting standards have been published by the Federation of Accounting Professions that are mandatory for annual periods beginning on or after 1 January 2016. The Group has not yet early adopted these revised standards.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS10 (revised 2015) 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015) introduces disclosures that an investment entity needs to disclose.

The management has assessed and considered that the above revised standards will not have a material impact on the Group.



### 3. Accounting policies (Cont'd)

#### 3.3 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Thai Baht, which is the company's functional and the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gain and loss resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

##### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or income statement are translated at average exchange rates; and
- All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### 3.4 Cash and cash equivalents

In the consolidated and company statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and company statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

### 3. Accounting policies (Cont'd)

#### 3.5 Investments

Investments other than investments in subsidiaries, associates and interests in joint ventures are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gain and loss of trading investments are recognised in profit or loss. The unrealised gain and loss of available-for-sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

#### 3.6 Trade accounts receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss under administrative expenses.



### **3. Accounting policies (Cont'd)**

#### **3.7 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average cost method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimation of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

#### **3.8 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at cost less any accumulated depreciation and impairment loss.

#### **3.9 Investments in subsidiaries, associates and interests in joint ventures**

##### **a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

### 3. Accounting policies (Cont'd)

#### 3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

##### a) Subsidiaries (Cont'd)

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognise and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal subsidiaries are set out in Note 20.

##### b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gain or loss on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of the entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.



**3. Accounting policies (Cont'd)**

**3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)**

**c) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of loss in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further loss, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised loss are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gain and loss arising in investments in associates are recognised in the profit or loss.

In the company's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's principal associates are set out in Note 20.

### 3. Accounting policies (Cont'd)

#### 3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

##### d) Joint arrangements

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2015.

The change in accounting policy has had no impact on earnings per share.

The details of the Group's principal joint ventures are set out in Note 20.

#### 3.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. The original cost includes directly attributable costs relating to acquisition of each asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Details of useful lives are as follows:

	Years
Land improvement	20
Buildings and improvements	15 - 40
Telephone network equipment	
- Switching equipment	15
- Transmission	15 - 35
- Outside plant	15 - 35
- Mobile phone network equipment	12 - 25
Public phone	8 - 15
Power supply and computer	5 - 15
Network management systems	15
Multimedia network equipment	8 - 35
Vehicle	5 - 7
Leasehold building improvements	Lease period
Furniture, fixtures, tools and office equipment	5 - 8



### **3. Accounting policies (Cont'd)**

#### **3.10 Property, plant and equipment (Cont'd)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gain or loss on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### **3.11 Leases - where a Group Company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

#### **Leases - where a Group Company is the lessor**

##### **Operating leases**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

#### **3.12 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment loss. Impairment loss on goodwill are not reversed. Gain and loss on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

### 3. Accounting policies (Cont'd)

#### 3.13 Intangible assets

##### (a) Computer software development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use or sell it;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product including the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed ten years.

##### (b) Copyright

Copyright arisen from contractual right agreement between a subsidiary and its related party to grant that related party the right to provide song and/or video clip downloading through the subsidiary's website. Copyright is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the contractual right not exceeding a period of four years.

##### (c) Film rights and program rights

Film rights and program rights are stated at acquisition cost less accumulated amortisation. Film rights and program rights are recorded as assets and liabilities for rights acquired and obligations incurred under licence agreements when the licence period begins, the cost of each program is known or reasonably determinable, the program material is accepted and it is available for the first showing. Sports rights are written off upon showing the event and general entertainment and films are amortised on a straight-line basis over the shorter of the period of the licence and two years or based on showings where the number of showings is limited or amortised after the first broadcast to be based on the ratio relating to the expected revenue earned from each of the revenue-generated program over the lifetime of planned broadcast but not exceeding five years. Amortisation of film and program rights is included in "Cost of providing services".



### 3. Accounting policies (Cont'd)

#### 3.13 Intangible assets (Cont'd)

##### (d) Rights to operate

Under the subsidiaries' agreements for operation, the subsidiaries must pay annual fees to the grantors based on either fixed percentages of relevant revenues or at the minimum fee amounts stipulated in the agreements whichever is higher. The rights to operate represent the present value of the minimum fees payable over the agreement periods. The rights to operate are presented in the consolidated statement of financial position as an intangible asset and are amortised using the straight-line method over the agreement periods. Amortisation of rights to operate are included in "Cost of providing services". The rights to operate are not re-valued subsequent to initial recognition but are reviewed annually for impairment.

##### (e) Service contract

Under the subsidiary's service contract, the service contract represented the present value of the service revenue receivable over the agreement period. The service contract is presented in the consolidated statement of financial position as an intangible asset and are amortised using the straight-line method over the agreement period. The amortisation of service contract is included in "Cost of providing services". The service contract is not re-valued subsequent to initial recognition but are reviewed annually for impairment.

##### (f) Cost of spectrum licences

Cost of spectrum licences consisted of spectrum licences for mobile service and television broadcasting. The costs of licence were initial recognition by measuring at the cash equivalent price based on the present value of the consideration at the time of acquisition. The difference between present value of the payment and total payment will be recognised as finance cost over the payment period. Cost of licences at present value will be amortised over the licences period. The costs of spectrum are not re-valued subsequent to initial recognition but are reviewed annually for impairment.

##### (g) Right to use transponder

Right to use transponder is under long-term lease agreement and will be amortised over the lease agreement of twelve years which is shorter than its estimated economic useful life.

##### (h) Other intangible assets

Other intangible assets represent the cost which equal to fair value of shares issued in exchange for rights to operate NON-POTS services and to hang dropwire. These intangible assets are amortised using the straight-line method over their estimated useful lives, ranging from twenty to twenty five years.

#### 3.14 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subjected to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 3. Accounting policies (Cont'd)

#### 3.15 Subscriber acquisition cost

Subscriber acquisition cost is the cost of essential equipment necessary for customers to use the Group's services, including telephone handsets distributed to subscribers free of charge. Subscriber acquisition cost is amortised over the future economic benefit period. Subscriber acquisition cost is included in other current assets and other non-current assets.

#### 3.16 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the taxation authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 3.17 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of reporting date.



### 3. Accounting policies (Cont'd)

#### 3.18 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating loss.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 3.19 Employee benefits

##### Provident fund

The Group operates a provident fund, being a defined contribution plan. The assets of which are held in a separate trustee-administered fund. The provident fund is funded by payments from employees and by the relevant Group of companies. The Group's contributions to provident fund are charged to the statement of income in the period to which the contributions relate.

##### Legal severance pay

Legal severance pay is defined as an amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Actuarial gain and loss arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

### 3. Accounting policies (Cont'd)

#### 3.20 Share capital

- (a) Ordinary shares is classified as equity.
- (b) External costs directly attributable to the issue of new shares, other than on a business combination, are shown as a deduction, net of tax, in equity from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.
- (c) Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### 3.21 Revenue recognition

##### Online business

Telephone usage revenues for local and domestic long distance calls are recognised based on completed call time at the tariffs set by TOT. Where a billing period does not coincide with a calendar month the Company estimates the local call usage based on historical usage. Telephone usage revenue earned but not billed is included in the statement of financial position in accounts receivable.

Inbound and outbound international long distance calls are connected through the CAT network. CAT bills the Company's customers directly for international calls. CAT pays each carrier at the agreed rate per minute for international traffic. The Company recognises international long distance call revenue based on customer usage reported to the Company by CAT.

Revenue from DDN service is recognised rateably over the service period. Annual revenues from DDN service billed but unearned income are included in the statement of financial position in unearned income.

Revenue derived from the installation of fixed lines and the activation of PCT services is recognised on completion of installation services and activation of services. Unearned advance receipts are included in the statement of financial position in unearned income.

Revenues from public telephone services are recognised according to metered usage and cash received.

Revenues from internet services are recognised according to actual time used by the customers.

Sales of telephone equipment and handsets are recognised on delivery of equipment and handsets or customer acceptance.

Revenues from radio program are recognised when the program is broadcasted.

Advance cash received from selling of tower is recognised as unearned income. Revenue from sell of tower will be recognised as income upon the significant risk and rewards of towers are transferred to the buyer.



### 3. Accounting policies (Cont'd)

#### 3.21 Revenue recognition (Cont'd)

##### Wireless business

Revenues from mobile phone services are recognised based on completed call time. Cash received from selling of scratch cards is recognised as unearned income until such time that the customers make calls.

Inbound and outbound international long distance calls are connected through the CAT network. CAT bills the Company's customers directly for international calls. CAT pays each carrier at the agreed rate per minute for international traffic. The Company recognises international long distance call revenue based on customer usage reported to the Company by CAT.

Revenue from equipment rental is recognised on an accrual basis at the rates stipulated in the lease agreement. Revenue from providing services is recognized when services are rendered.

Sales of mobile phone are recognised upon delivery of equipment, handsets or customer acceptance.

##### Pay-TV business

Revenues from monthly subscription fees are recognised in the month in which the service is provided, commencing from completion of installation. Monthly subscription fees include a rental charge to subscribers who rent rather than purchase set-top boxes.

Revenues from sponsorship agreements and commissions on media are recognised upon the showing of the program for which the sponsorship payments are made.

Revenue from equipment installation and connection fees are recorded as unearned income when the installation is accomplished and recognised over estimated subscription period.

Revenue from maintenance services is recognised when the maintenance service is completed.

Revenue from the sale of music albums is the invoiced value of goods supplied net of output tax, goods returned and discounts.

Revenues from production of concerts represent the income from production of concerts and shows, which are recognised as income when the concerts and shows have taken place.

Subscription fees received in advance is recorded as deferred revenue and recognised as income when services are rendered according to the terms of subscribers' agreements.

Sales of set-top boxes are recognised on delivery of set-top boxes or customer acceptance.

##### Group

In accordance with the agreements described in Note 2, TOT and MCOT are entitled to receive a share of certain revenues generated by the Group. The revenues sharing are calculated according to the percentage and methodology as stipulated in the agreements. The revenue sharing is included in cost of providing services.

All revenues have been presented net of cash discounts and related cash-based promotions.

Other revenues earned by the Group are recognised on the following bases:

- royalty and rental income - on an accrual basis;
- interest income - on an effective yield basis; and
- dividend income - when the Group's right to receive payment is established.

**3. Accounting policies (Cont'd)**

**3.22 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as group management that makes strategic decisions.

**3.23 Non-current assets (or disposal groups) held-for-sale**

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sales is considered highly probable. They are stated at the lower of the carrying amount and fair value less cost to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

**4. Change in accounting policy**

**4.1 Accounting policy for recognition and measuring of derivatives**

In order to manage the risks arising from fluctuation in currency exchange rates and interest rates, the group entered into various forward foreign exchange contracts. Previously, these derivative instruments were not recognised in the financial statements on inception. Any increase or decrease in the amount required to realise an asset or liability was offset by a corresponding movement in the value of the forward exchange contract on the settlement date. The unrealised gain and loss on the derivative instruments at each reporting date were not recognised in the financial statements.

During 2015, the management reviewed the related accounting policies and made decision to change the policy applying to derivative instruments so that the financial statements better reflect the financial position. The derivative instruments are recognised at their fair value by referring to a quoted market price at each reporting date. The unrealised gain or loss at each reporting date will be recognised through profit or loss statements and recognised as receivable or payable in the statement of financial position. There was no derivative instrument outstanding as of 31 December 2014 and 1 January 2014. Therefore, there is no adjustment made to the financial statements for the year ended 31 December 2014.

4. Change in accounting policy (Cont'd)

4.2 Accounting policy for initial recognition of cost of licences

To comply with TAS 38: Intangible assets, the Group has revisited the accounting treatment regarding the initial recognition of the licences received and remeasured cost of licenses at the cash equivalent price based on present value of the consideration at the time of acquisition. The difference between present value and amount of payments will be recognised as finance costs over the payment period. Cost of licences at present value will be amortised over the licences period. The Group has made retrospective adjustment to reflect the change in accounting treatment, of which the effect is as follows:

	Consolidated	
	31 December 2014 Baht Million	1 January 2014 Baht Million
<b>Statement of financial position</b>		
Increase in deficit	214.35	83.01
Decrease in trade and other payables (current portion of accrued licence fee)	142.28	157.48
Decrease in other non-current liabilities (non-current of accrued licence fee)	110.92	79.69
Decrease in intangible assets, net	521.13	340.94
Increase in deferred tax assets	53.59	20.75
		<b>Consolidated</b>
		<b>31 December</b>
		<b>2014</b>
		<b>Baht Million</b>
<b>Statement of comprehensive income</b>		
Increase in finance costs		202.85
Decrease in cost of providing services (amortisation costs)		(38.68)
Decrease in income tax expenses		(32.83)
Basic earnings per share		-



## 5. Financial risk management

### 5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

#### (a) Foreign exchange rate risk

Purchases of network equipment are mainly made in foreign currencies. In order to manage the risk arising from fluctuations in currency exchange rates, the Group makes use of forward foreign exchange contracts. Trading of the forward foreign exchange contracts for speculative purpose is prohibited by the Group's policy

External foreign exchange forward contracts are designated at Group level as hedges of foreign exchange rate risk on specific assets, liabilities and future transactions in Note 5.2.

#### (b) Interest rate risk

Interest rate risk occurred from the changes in market interest rates which it may impact to the Group's earnings and cash flows. However, the Company's income and operating cash flow are not substantially dependent of changes in market interest rates. In addition, the Company has not entered into any financial instruments to protect the interest rate risk.

#### (c) Credit risk

The Group has no significant concentrations of credit risks. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

#### (d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

### 5.2 Accounting for derivative financial instruments and hedging activities

The Group is party to derivative financial instruments comprising of foreign currency forward contracts. Foreign currency forward contracts protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled.

The instruments are recognised at cost in the financial statements on inception date and at fair value using forward exchange market rates at the end of reporting period. The unrealised gains or losses on the derivative instruments will be recognised in profit or loss statements and as receivable or payable in the statement of financial position on each reporting date. On the settlement date, any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract.

Disclosures about derivative financial instruments to which the Group is a party are provided in Note 37.



## 6. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 6.1 Critical accounting estimates and assumptions

#### a) Estimated impairment of goodwill, property, plant and equipment and intangible assets

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note 3.12. The Group also considers impairment indicator for property, plant and equipment and intangible assets. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The change in the assumption used would impact the recoverable amount.

In testing impairment of goodwill, if the estimated cost of capital used in determining the post-tax discount rate applied to the discounted cash flows had been 10% higher than management's estimates (for example, 10.56% instead of 9.60%), value in use of goodwill would be higher than carrying value of segment goodwill, then, goodwill for all segments would have not been impaired.

#### b) Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit loss. The management uses judgment to establish reserves for estimated loss for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of percentage of revenues, analysis of debt aging, collection experience, and taking into account of change in the current economic environment. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable loss and adjustments to the allowances may therefore be required in the future.

#### c) Useful lives for property, plant and equipment and intangible assets

The Group's property, plant and equipment and intangible assets are deal with telecommunication network and computer system network. The annual depreciation charge is sensitive to the estimated useful lives and residual values allocated to each type of asset. Useful lives and residual values are assessed annually and change when necessary to reflect current situation on their remaining useful lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

#### d) Deferred tax

Deferred tax assets and liabilities are recognised for temporary difference arising between tax bases of assets and liabilities and their carrying amount for accounting purposes as at the end of reporting date. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimize these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimize of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

## 6. Critical accounting estimates and judgements (Cont'd)

### 6.1 Critical accounting estimates and assumptions (Cont'd)

#### e) Borrowings

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the director's expect would be available to the Group at the end of reporting date. The change in the discount rate would impact the fair value of the borrowings.

#### f) Employee benefits

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for employee benefit include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of high-quality government bonds that are denominated in the currency in which the benefits will be paid.

Other key assumptions for employee benefits are based in part on current market conditions. Additional information is disclosed in Note 31.

If the discount rate used differs by 1% from management's estimates, the carrying amount of employee benefits would be Baht 186.85 million lower or Baht 156.77 million higher.

#### g) Service contract

The present value of the service contract on initial date is calculated from the discounted cash flow of estimated revenue from service agreement using a discount rate based upon the Group's Weighted Average Cost of Capital ("WACC"). Any change in these assumptions will have an impact on the carrying amount of service contract.

**6. Critical accounting estimates and judgements (Cont'd)**

**6.2 Critical judgements in applying the entity's accounting policies**

**a) Consolidation of the entity in which the Group holds less than 50%.**

Management consider that the Group has de facto control of Telecom KSC Co., Ltd. even though it has less than 50% of the voting rights. The Group has control and power to govern the financial and operating policies of TKSC and there is no history of other shareholders forming a group to exercise their votes collectively. Consequently, this investment has been classified as a subsidiary and consolidated to the Group's consolidated financial statements.

**b) Investment in associates**

Management has assessed the level of influence that the Group has on Digital Telecommunications Infrastructure Fund ("DIF") (formerly "TRUE Telecommunications Growth Infrastructure Fund") ("TRUEIF") and True GS Co., Ltd., and determined that it has significant influence even though the shareholding are 28.11% and 45.00%, respectively. Consequently, these investments have been classified as associates.

**c) Joint arrangements**

The Group holds various percentages of the voting rights of its joint arrangements. The Group has joint control over these arrangements as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Group's joint arrangements are structured as limited companies and provide the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, these arrangements are classified as joint venture.

**7. Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or issue new debentures to finance debts or sell assets to reduce debts.



## 8. Consolidated segment information

The Group Management is the Group's chief operating decision-maker. The Group Management has determined the operating segments based on the information reviewed by the Group Management for the purposes of allocating resources and assessing performance.

Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment. The Group Management considers the business from three services categories, Online, Wireless and Pay-TV of which are consisted of the following:

- **Online** to install and provide services of 2.6 million fixed lines including public telephone and related value added service, data service, multimedia services, NON-POTS and broadband service, internet service and other services;
- **Wireless** to provide cellular telephone services, resell of 3G services using HSPA technology, network equipment rental services, to provide mobile service under the 2.1 IMT GHz Bandwidth licence and 1800MHz Bandwidth licence and sales of handsets and accessories and other supporting services in the Group; and
- **Pay-TV** to provide pay television services both via cable and satellite platform, rental and trading of related equipment and other related services to the pay television business, advertising sale and agency.

No single customer represents a major customer because the Group has large number of customers, who are end users covering business and individuals.

The Group Management assesses the performance of the operating segments based on a measure of adjusted EBITDA and net income on ongoing operation. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments.

### Revenue

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Group Management is measured in a manner consistent with that in the statements of comprehensive income.

	Baht : Million					
	For the year ended 31 December 2015			For the year ended 31 December 2014		
	Total segment revenue	Inter-segment revenue	Revenue from external customer	Total segment revenue	Inter-segment revenue	Revenue from external customer
Online	33,204.58	(5,470.88)	27,733.70	31,609.59	(4,969.02)	26,640.57
Wireless	82,670.90	(1,117.57)	81,553.33	74,158.00	(577.43)	73,580.57
Pay-TV	12,193.86	(2,700.21)	9,493.65	10,830.25	(1,835.35)	8,994.90
Total	128,069.34	(9,288.66)	118,780.68	116,597.84	(7,381.80)	109,216.04

8. Consolidated segment information (Cont'd)

EBITDA

	Baht : Million					
	For the year ended 31 December 2015			(Restated) For the year ended 31 December 2014		
	Included inter segment	Inter segment	Excluded inter segment	Included inter segment	Inter segment	Excluded inter segment
Online	11,523.05	(3,793.64)	7,729.41	11,084.32	(3,897.32)	7,187.00
Wireless	10,123.43	5,112.41	15,235.84	7,769.37	5,075.63	12,845.00
Pay-TV	902.01	(1,757.85)	(855.84)	1,428.73	(1,410.39)	18.34
Total EBITDA	22,548.49	(439.08)	22,109.41	20,282.42	(232.08)	20,050.34
Depreciation and amortisation	(17,650.43)	148.66	(17,501.77)	(17,201.73)	73.77	(17,127.96)
Interest income	767.40	(624.96)	142.44	226.34	(50.36)	175.98
Interest expenses	(3,522.17)	624.96	(2,897.21)	(5,151.64)	50.36	(5,101.28)
Other finance costs	(142.63)	-	(142.63)	(1,404.79)	-	(1,404.79)
Finance costs related to licences	(194.12)	-	(194.12)	(220.37)	-	(220.37)
Gain on sale investment	0.09	(0.09)	-	-	-	-
Income tax:						
Current tax expenses	(473.51)	-	(473.51)	(587.27)	-	(587.27)
Deferred income tax	222.16	-	222.16	2,683.08	-	2,683.08
Share of results	1,413.98	-	1,413.98	6,220.94	(0.47)	6,220.47
Non-controlling interest	27.73	(16.38)	11.35	20.78	30.03	50.81
Net profit on going operation	2,996.99	(306.89)	2,690.10	4,867.76	(128.75)	4,739.01
Net profit on going operation before deferred income tax	2,774.82	(306.89)	2,467.93	2,184.68	(128.75)	2,055.93
Foreign exchange gain	498.00	-	498.00	174.99	-	174.99
Other income (expenses)	1,237.44	(14.02)	1,223.42	(3,620.57)	0.51	(3,620.06)
Net profit for the year	4,732.43	(320.91)	4,411.52	1,422.18	(128.24)	1,293.94

Other profit and loss disclosures

	Baht : Million					
	For the year ended 31 December 2015			(Restated) For the year ended 31 December 2014		
	Depreciation and amortisation	Income tax expense	Share of results	Depreciation and amortisation	Income tax expense	Share of results
Online	(5,978.27)	(294.03)	1,441.50	(5,752.48)	(602.14)	6,252.81
Wireless	(9,413.79)	(11.00)	-	(9,482.47)	2,860.52	-
Pay-TV	(2,109.72)	53.68	(27.52)	(1,893.01)	(162.57)	(32.34)
	(17,501.78)	(251.35)	1,413.98	(17,127.96)	2,095.81	6,220.47

8. Consolidated segment information (Cont'd)

Assets

	Baht : Million					
	At 31 December 2015			(Restated) At 31 December 2014		
	Total assets	Investment in associates and others	Additions to non-current assets	Total assets	Investment in associates and others	Additions to non-current assets
Online	74,493.95	15,317.67	14,011.49	65,758.40	16,742.83	9,413.00
Wireless	180,498.36	0.40	57,277.72	142,298.32	0.40	15,035.95
Pay-TV	27,851.96	7.17	4,994.78	26,046.19	13.74	7,361.38
	<u>282,844.27</u>	<u>15,325.24</u>	<u>76,283.99</u>	<u>234,102.91</u>	<u>16,756.97</u>	<u>31,810.33</u>

Liabilities

	Baht : Million	
	(Restated)	
	At 31 December 2015	At 31 December 2014
Online	83,189.75	63,836.02
Wireless	111,344.97	86,766.24
Pay-TV	13,103.01	12,774.28
	<u>207,637.73</u>	<u>163,376.54</u>



## 9. Fair value

### 9.1 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2015.

	Level 2			
	Consolidated		Company	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
	Baht Million	Baht Million	Baht Million	Baht Million
<b>Asset</b>				
Equity securities - mutual fund	1.89	0.11	1.78	-
Derivative receivables	1,209.51	-	12.09	-
<b>Total asset</b>	<b>1,211.40</b>	<b>0.11</b>	<b>13.87</b>	<b>-</b>
<b>Liabilities</b>				
Derivative payables	22.99	-	-	-

### 9.2 Valuation techniques used to derive Level 2 fair values

Level 2 Trading securities are fair valued using a Net Asset Valuation ("NAV") approach as at period end date. The data is publicly available on the Thai Bond Market Association, which is calculated by fund manager of the mutual fund.

Level 2 derivatives instruments are measured based on input that are observable for the types of instruments such as foreign exchange rates observable at commonly quoted in publicly available sources on the statements of financial position date.

# 10. Expenses by nature

The following items have been included in arriving at operating results:

For the years ended 31 December	Consolidated		Company	
	(Restated)			
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Direct costs related to revenues	39,257.41	35,441.15	805.22	932.26
Network operating and maintenance	10,904.29	9,227.50	943.16	1,143.37
Staff costs	11,967.98	11,201.51	2,521.35	2,332.43
Selling, advertising and publicity	5,231.40	4,828.25	584.49	399.25
Doubtful accounts	1,523.41	1,243.54	217.74	289.29
Depreciation				
- owned assets	9,115.15	10,966.66	344.40	489.26
- leased assets under finance leases	1,147.40	908.11	9.90	9.90
Amortisation				
- Intangible assets (Note 24)	7,100.33	6,716.79	1,421.84	1,434.96
- Others	2,510.16	853.14	-	-
Impairment				
- Investments in subsidiary	-	-	-	672.79

# 11. Finance costs

For the years ended 31 December	Consolidated		Company	
	(Restated)			
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Interest expense	2,897.21	5,101.28	2,279.55	2,693.84
Foreign exchange loss (gain)	294.88	(81.15)	36.56	(82.80)
Finance cost related to licences	194.12	220.37	-	-
Other financial fees	142.63	1,404.78	61.13	68.94
Total finance costs	3,528.84	6,645.28	2,377.24	2,679.98

# 12. Income tax

For the years ended 31 December	Consolidated		Company	
	(Restated)			
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Current tax	(473.51)	(587.28)	-	-
Deferred income tax:				
Origination and reversal of temporary differences (Note 25)	222.16	2,683.09	(413.11)	(503.84)
Income tax (expenses) revenue	(251.35)	2,095.81	(413.11)	(503.84)



## 12. Income tax (Cont'd)

The tax on the Group's profit before tax differs from the tax amount for filing purposes as follows:

For the years ended 31 December	Consolidated		Company	
	2015	(Restated) 2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million
Profit (loss) before income tax	4,651.52	(852.68)	5,931.39	6,013.83
Tax calculated at the tax rate of 20%	(930.30)	170.53	(1,186.28)	(1,202.78)
Income not subject to tax	34.63	1.00	303.21	253.93
Expenses not deductible for tax purposes	(1,549.62)	(106.21)	(57.21)	(136.12)
Current year tax loss for which no deferred tax asset was recognised	(64.39)	(1,436.06)	-	-
Utilisation of previously unrecognised deferred tax asset from tax loss	1,975.54	2,222.45	527.17	581.13
Associates results reported, net of tax	282.79	1,244.10	-	-
Income tax (expenses) revenue	(251.35)	2,095.81	(413.11)	(503.84)

Further information about deferred income tax is presented in Note 25.

## 13. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to common shareholders by the weighted average number of common shares outstanding during the year. The calculation are as follows:

	Consolidated		Company	
	2015	(Restated) 2014	2015	2014
Profit attributable to shareholders (Baht Million)	4,411.52	1,293.94	5,518.28	5,509.99
Weighted average number of common shares in issue (million shares)	24,607.93	19,056.27	24,607.93	19,056.27
Basic earnings per share (Baht)	0.18	0.07	0.22	0.29

## 14. Cash and cash equivalents

At 31 December	Consolidated		Company	
	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million
Cash on hand	797.66	1,414.52	1.60	1.72
Deposits held at call with banks	9,792.72	5,197.07	2,192.30	650.19
	10,590.38	6,611.59	2,193.90	651.91

15. Restricted cash at bank

Restricted cash consist of:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Current	558.97	1,139.79	558.97	1,100.55
Non-current	47.96	50.69	-	-
	606.93	1,190.48	558.97	1,100.55

Current:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Saving deposits	558.97	1,100.55	558.97	1,100.55
Short-term investments				
- Debt securities	-	39.24	-	-
	558.97	1,139.79	558.97	1,100.55

Under the terms of asset sale and transfer agreement, the Company has deposited in the construction reserve account of Baht 500.00 million (2014: 993.00 million) as collateral for the contracted party.

Non-current:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Saving deposits	23.16	23.83	-	-
Time deposits	24.80	26.86	-	-
	47.96	50.69	-	-

Under the terms of loan, financing and supplier agreements, certain subsidiaries have deposited in the security accounts as collateral for the contracted parties.

16. Investments

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Current	2.84	1.04	1.78	-
Non-current	325.21	322.77	240.74	240.74
Total	328.05	323.81	242.52	240.74
<b>Current:</b>				
Time deposits	0.95	0.93	-	-
Trading securities - equity securities	1.89	0.11	1.78	-
Total current investments	2.84	1.04	1.78	-

Movement of current investments

For the year ended 31 December 2015

	Consolidated Baht Million	Company Baht Million
Opening net book value	1.04	-
Additions	4,800.00	1,800.00
Disposals	(4,842.00)	(1,800.00)
Reclassifications	39.24	-
Interest received	0.02	-
Fair value adjustment	4.54	1.78
Closing net book value	2.84	1.78

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Non-current:</b>				
General investments				
- Non-marketable equity securities	325.21	322.77	240.74	240.74
Total	325.21	322.77	240.74	240.74

Movement of general investments

For the year ended 31 December 2015

	Consolidated Baht Million	Company Baht Million
Opening net book value	322.77	240.74
Additions	2.44	-
Closing net book value	325.21	240.74



17. Trade and other receivables

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Receivable from TOT	688.96	651.47	688.96	651.47
Billed customers	17,840.74	32,512.93	2,212.60	2,298.87
Receivables and accrued income from related parties (Note 42)	8,805.07	10,550.36	2,704.74	1,714.24
Trade accounts receivable	27,334.77	43,714.76	5,606.30	4,664.58
Accrued income	13,031.44	22,565.29	2,042.13	1,901.26
Total trade accounts receivable	40,366.21	66,280.05	7,648.43	6,565.84
<u>Less</u> Allowance for doubtful accounts	(7,558.06)	(7,423.47)	(3,067.99)	(2,906.48)
Trade accounts receivable, net	32,808.15	58,856.58	4,580.44	3,659.36
Prepaid expenses	2,711.99	2,169.32	50.91	45.32
Other receivable	3,067.12	1,134.84	58.34	62.90
Interest receivable	41.17	42.41	4.66	26.03
Trade account and other receivables	38,628.43	62,203.15	4,694.35	3,793.61

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Current	10,420.93	24,348.47	1,122.48	1,858.91
Less than 3 months	6,225.85	5,193.22	920.43	608.88
3 - 6 months	1,904.95	3,231.89	791.22	222.29
6 - 12 months	3,234.22	5,115.80	657.43	120.66
More than 12 months	5,548.82	5,825.38	2,114.74	1,853.84
Trade accounts receivable	27,334.77	43,714.76	5,606.30	4,664.58
Accrued income	13,031.44	22,565.29	2,042.13	1,901.26
Total trade accounts receivable	40,366.21	66,280.05	7,648.43	6,565.84
<u>Less</u> Allowance for doubtful accounts	(7,558.06)	(7,423.47)	(3,067.99)	(2,906.48)
Trade accounts receivable, net	32,808.15	58,856.58	4,580.44	3,659.36

Concentrations of credit risk with respect to trade accounts receivable are limited due to the Group has large number of customers, who are end users of telephone services, covering business and individuals. The Group's experience in the collection of accounts indicates that the allowance provided will be sufficient. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade accounts receivable.

As at 31 December 2015, trade accounts receivable, in the consolidated and company statements of financial position included accrued income from TOT amount of Baht 245.57 million (2014: Baht 240.52 million) in respect of interconnection fee for TOT service because TOT has not provided sufficient and clarified information to enable the Company to agree with its fee calculation method. The Company has accounted for interconnection fee based on the Company's international call usage records. This matter is under negotiation with TOT. The Company's management believes that the amount is recoverable.

18. Inventories, net

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Spareparts for networks (at cost)	231.97	259.56	162.45	165.69
<u>Less</u> Allowance for decline in value	(136.32)	(135.01)	(136.32)	(135.01)
Spareparts for networks, net	95.65	124.55	26.13	30.68
Merchandise (at cost)	5,882.44	4,387.96	3.25	3.25
<u>Less</u> Allowance for decline in value	(284.40)	(286.37)	(1.20)	(1.20)
Merchandise, net	5,598.04	4,101.59	2.05	2.05
Work in process (at cost)	2,600.89	67.99	-	66.79
Inventories, net	8,294.58	4,294.13	28.18	99.52

During 2015, the damage and obsolete inventories were reversed to the consolidated profit or loss for Baht 0.43 million, (2014: the damage and obsolete inventories was reversed to the consolidated profit or loss for Baht 49.43 million).

19. Other current assets

As at 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Value added tax pending receipt of tax invoices	2,755.05	2,471.62	67.61	102.16
Film and program right (Note 24)	530.78	595.25	-	-
Subscriber acquisition cost, net	2,547.34	1,206.73	-	-
Forward Contract Receivables	1,209.51	-	12.09	-
Others	0.08	0.20	-	-
	7,042.76	4,273.80	79.70	102.16

Subscriber acquisition cost comprises mainly essential equipment necessary for customers to use the Group's services, including telephone handset distributed to subscribers free of charge. Subscriber acquisition cost is amortised over the future economic benefit. The amortisation for the year charged in the consolidated financial statements was Baht 2,467.39 million (2014: Baht 841.64 million).

20. Investments in subsidiaries, associates and joint ventures, net

Movements of investments are as follows:

For the years ended 31 December	Consolidated		Company	
	2015 Million Baht	2014 Million Baht	2015 Million Baht	2014 Million Baht
Opening net book value	16,428.66	16,138.80	127,800.87	82,844.60
Additional investments	25.00	36.19	12.00	48,647.61
Unrealised gain from assets sold	(1,430.75)	(1,398.52)	-	-
Disposal of investments	-	(3,209.23)	-	(3,018.55)
Dividends income (Note 42)	(1,516.05)	(1,345.75)	-	-
Share of results	1,443.44	6,220.47	-	-
Reclassifications	44.20	-	-	-
Loss from liquidation of associate	-	(6.08)	-	-
Proceed from liquidation of associate	-	(7.22)	-	-
Impairment of investments	-	-	-	(672.79)
Closing net book value	14,994.50	16,428.66	127,812.87	127,800.87



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20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

At 31 December 2015

At 31 December 2015							
Company							
	Business	Relationship	Paid-up capital Baht Million	% Ownership interest	Investment – at cost Baht Million	Allowance for impairment Baht Million	Net investment Baht Million
Subsidiaries							
Telecom Holding Co., Ltd.	Holding company	Shareholder	34,290.24	100.00	34,290.24	10,271.43	24,018.81
True Move H Universal Communication Co., Ltd.							
True Internet Co., Ltd.	Wireless Telecommunication services	Shareholder	84,844.39	100.00	84,843.77	-	84,843.77
True International Gateway Co., Ltd.	Internet solution provider	Shareholder	2,149.88	100.00	2,149.88	-	2,149.88
K.I.N. (Thailand) Limited	Telecommunication and internet services	Shareholder	436.00	100.00	436.00	-	436.00
True Public Communication Co., Ltd.	Holding company	Shareholder	192.70	93.62	180.40	180.40	-
True Vistas Co., Ltd.	Telecommunication services	Shareholder	86.00	100.00	86.00	86.00	-
True Universal Convergence Co., Ltd.	Production and distribution of movie films	Shareholder	35.50	100.00	35.50	-	35.50
	Telecommunication services	Shareholder	10,000.00	0.01	1.00	-	1.00
Total investment in subsidiaries					122,022.79	10,537.83	111,484.96
Associate							
Digital Telecommunications Infrastructure Fund (formerly “TRUE Telecommunications Growth Infrastructure Fund”)	Leasing of telecommunication infrastructure	Shareholder	58,080.00	28.11	16,327.91	-	16,327.91
Total investment in associate					16,327.91	-	16,327.91
Total investments in subsidiaries and associate					138,350.70	10,537.83	127,812.87



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20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

At 31 December 2014	Company						
	Business	Relationship	Paid-up capital Baht Million	% Ownership interest	Investment - at cost Baht Million	Allowance for impairment Baht Million	Net investment Baht Million
Subsidiaries							
Telecom Holding Co., Ltd.	Holding company	Shareholder	34,290.24	100.00	34,290.24	10,271.43	24,018.81
True Move H Universal Communication Co., Ltd.	Wireless Telecommunication services	Shareholder	84,844.39	100.00	84,843.77	-	84,843.77
True Internet Co., Ltd.	Internet solution provider	Shareholder	2,149.88	100.00	2,149.88	-	2,149.88
True International Gateway Co., Ltd.	Telecommunication and internet services	Shareholder	436.00	100.00	436.00	-	436.00
K.I.N. (Thailand) Limited	Holding company	Shareholder	192.70	93.62	180.40	180.40	-
True Public Communication Co., Ltd.	Telecommunication services	Shareholder	86.00	100.00	86.00	86.00	-
True Vistas Co., Ltd.	Production and distribution of movie films	Shareholder	23.50	100.00	23.50	-	23.50
True Universal Convergence Co., Ltd.	Telecommunication services	Shareholder	10,000.00	0.01	1.00	-	1.00
Total investment in subsidiaries					122,010.79	10,537.83	111,472.96
Associate							
Digital Telecommunications Infrastructure Fund (formerly “TRUE Telecommunications Growth Infrastructure Fund”)	Leasing of telecommunication infrastructure	Shareholder	58,080.00	28.11	16,327.91	-	16,327.91
Total investment in associate					16,327.91	-	16,327.91
Total investments in subsidiaries and associate					138,338.70	10,537.83	127,800.87

**20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)**

**Subsidiary undertakings**

Name of subsidiaries	% Ownership	Business	Country of incorporation
AP&J Production Co., Ltd. *	70.00	Entertainment	Thailand
Asia Wireless Communication Co., Ltd. *	100.00	PCT operator	Thailand
Bangkok Inter Teletech Public Company Limited *	99.48	Holding company	Thailand
BebaydCG Company Limited *	70.00	Production of animation	Thailand
BFKT (Thailand) Limited *	100.00	Mobile equipment Lessor	Thailand
Cineplex Co., Ltd. *	100.00	Program production	Thailand
Hutchison CAT Wireless MultiMedia Limited *	68.02	Dormant	Thailand
Hutchison MultiMedia Services (Thailand) Limited *	100.00	Dormant	Thailand
Hutchison Telecommunications (Thailand) Company Limited *	100.00	Dormant	Thailand
Hutchison Wireless MultiMedia Holdings Limited *	92.02	Holding company	Thailand
Internet Knowledge Service Center Co., Ltd. *	56.93	Non-government telecommunication	Thailand
KSC Commercial Internet Co., Ltd. *	56.83	Internet services provider	Thailand
MKSC World Dot Com Co., Ltd. *	91.08	Internet services and distributor	Thailand
Panther Entertainment Co., Ltd. *	99.92	Artist management and related business	Thailand
Real Move Co., Ltd. *	99.48	Reseller of mobile phone service	Thailand
Samut Pakan Media Corporation Co., Ltd. *	99.43	Dormant	Thailand
Satellite Service Co., Ltd. *	99.53	Sales and rental of equipment related to Pay Television	Thailand
SM True Co., Ltd. *	51.00	Artist management and related business	Thailand
Song Dao Co., Ltd. *	99.41	Dormant	Thailand
Tele Engineering and Services Co., Ltd. *	100.00	Content provider	Thailand
Telecom Asset Management Co., Ltd. *	100.00	Marketing management	Thailand
Telecom Holding Co., Ltd.	100.00	Holding company	Thailand
Telecom KSC Co., Ltd. *	34.39	Dormant	Thailand
Thai News Network (TNN) Co., Ltd. *	100.00	News Channel	Thailand
True Distribution and Sales Co., Ltd. *	99.44	Distribution Center Services	Thailand
True4U Station Co., Ltd.	100.00	Television and related business	Thailand
True Icontent Co., Ltd. *	100.00	Contents provider	Thailand
True Incube Co., Ltd. (formerly "KOA Co., Ltd.") *	100.00	Holding Company	Thailand
True Information Technology Co., Ltd. *	100.00	IT services and training	Thailand
True International Communication Co., Ltd. *	100.00	Telecommunication services	Thailand
True International Gateway Co., Ltd.	100.00	Telecommunication and internet service	Thailand
True Internet Co., Ltd.	100.00	Internet solution provider	Thailand
True Life Plus Co., Ltd. *	100.00	Telecommunication services reseller	Thailand
True Media Solutions Co., Ltd. (Formerly "True Digital Media Co., Ltd.") *	100.00	Advertising sale and agency	Thailand
True Move Co., Ltd. *	99.44	Cellular operator	Thailand
True Move H Universal Communication Co., Ltd.	100.00	Wireless Telecommunication services	Thailand
True Multimedia Co., Ltd. *	91.08	NON-POTS and multimedia services	Thailand
True Music Co., Ltd. *	99.40	Content provider	Thailand
True Music Radio Co., Ltd. *	69.94	Trading and production of advertising media	Thailand
True Public Communication Co., Ltd.	100.00	Telecommunication services	Thailand
True Touch Co., Ltd. *	100.00	Call centre services	Thailand
True United Football Club Co., Ltd. *	70.00	Football Club and related activities management	Thailand
True Universal Convergence Co., Ltd. *	100.00	Telecommunication services	Thailand
True Visions Public Company Limited *	99.53	Pay Television	Thailand
True Visions Cable Public Company Limited *	99.10	Pay Television via cable system	Thailand
True Visions Group Co., Ltd. *	100.00	Pay Television	Thailand
True Vistas Co., Ltd.	100.00	Production and distribution of movie films	Thailand
K.I.N. (Thailand) Co., Ltd. *	100.00	Holding company	British Virgin Island
Gold Palace Logistics Limited *	100.00	Holding company	British Virgin Island
Gold Palace Investments Limited *	100.00	Holding company	British Virgin Island
Golden Light Co., Ltd. *	100.00	Holding company	Republic of Mauritius
Goldsky Co., Ltd. *	100.00	Holding company	Republic of Mauritius
Golden Pearl Global Limited *	100.00	Holding company	British Virgin Island
GP Logistics Company Limited *	100.00	Holding company	British Virgin Island
Rosy Legend Limited *	99.48	Holding company	British Virgin Island
Prospect Gain Limited *	100.00	Holding company	British Virgin Island
True Internet Technology (Shanghai) Company Limited *	100.00	Developing, designing, producing and sale of software products	China
True Trademark Holdings Company Limited (Formerly "Dragon Delight Investments Limited")	100.00	Holding company	British Virgin Island

\* indirectly owned by the Company



## 20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

### Subsidiary undertakings (Cont'd)

Even though the Group has investment in TKSC only at 34.39%, however, the Group has control and power to govern the financial and operating policies of TKSC. Therefore, TKSC is classified as subsidiary of the Group.

The total non-controlling interest as of 31 December 2015 is Baht 659.08 million, of which Baht 476.47 million is for TM. The remaining non-controlling interest is in IKSC, BITCO, TVG, and HWMH. Total amount of non-controlling interest is considered immaterial to the Group's equity.

### Transactions incurred during 2015:

The Company made additional investment in the wholly owned subsidiary, TVT amounting to Baht 12.00 million.

On 25 November 2015, ADBS a wholly owned subsidiary was liquidated. There is no immaterial impact to the Group.

On 9 October 2015 and 17 December 2015, CTV and KIN the wholly owned subsidiaries were liquidated. There is no material impact to the Group.

### Transactions incurred during 2014:

The Company made additions investments in TUC, TH, TI and TVT, which are wholly owned subsidiaries, amounting to Baht 38,600.00 million, Baht 8,556.43 million, Baht 1,460.00 million and Baht 20.00 million, respectively.

The Company assessed the impairment of investment in TH, the wholly owned subsidiary, as a resulted of ceasing operation of TH's foreign subsidiaries. An impairment loss amounting to Baht 672.79 million was recognised under "Other expenses" in the Company profit or loss for the year ended 31 December 2014.

A subsidiary purchased True Visions's shares amounting to Baht 31.39 million and obtained ADBS's share at no cost from non-controlling interests. Consequently, the Group's shareholding proportion in True Visions and ADBS increased to 99.53% and 100.00%, respectively. The carrying amounts of shareholders of the parent and non-controlling interests are adjusted to reflect change in controlling interest. The Group recognised loss from change of proportion in True Visions amounting to Baht 28.09 million and recognised gain of change of proportion in ADBS amounting to Baht 21.82 million which are the differences between the book value of non-controlling interests and the fair value of the net assets received. The gain and loss are recognised directly in equity attributed to the shareholders in the consolidated financial statement.

On 11 March 2014, a subsidiary invested in AP&J, a newly established company, amounting to Baht 11.67 million representing 70.00% of its equity interest, and the non-controlling interests paid-up the subscription amounting to 15.99 million. AP&J engages in the business that supports the expansion of TV programs production.

On 8 May 2014, a subsidiary invested in TICT, a newly established company, amounting to Baht 51.00 million representing 100.00% of its equity interest. TICT engages in the business of providing music, movie and publication via Broadband Internet.

On 12 November 2014, a subsidiary invested in TV, a newly established company, amounting to Baht 13.20 million representing 55.00% of its equity interest. TV engages in the business of providing voice recognition-related hardware and software products and services.

20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

Associates

Name of associates	% Ownership	Business	Country of incorporation
Digital Telecommunications Infrastructure Fund ("DIF") (formerly "TRUE Telecommunications Growth Infrastructure Fund" ("TRUEIF"))	28.11	Leasing of telecommunication infrastructure	Thailand
True GS Co., Ltd. *	45.00	Home shopping	Thailand

\* indirectly owned

Transaction incurred during 2015

The Company delivered 2,979 telecommunication towers to DIF in accordance with the agreement dated 24 December 2013. The Group recognised unrealised gain amounting to Baht 1,289.73 million reflecting 28.11% of gain according to the Group's interest in DIF.

On 5 March 2015, AWC entered into agreements with DIF as described in Note 41. The Group recognised unrealised gain amounting to Baht 141.02 million reflecting 28.11% of gain according to the Group's interest in DIF.

Transaction incurred during 2014

The Company additionally invested in 1.15 million units of DIF at the value of Baht 11.19 million. Subsequently, the Group and the Company disposed 301.96 million units of DIF, and received proceeds amounting to Baht 3,193.42 million and Baht 3,190.85 million, respectively. The Group recognised loss from disposal of investment amounting to Baht 15.81 million under "other expenses" in the consolidated profit or loss for the year ended 31 December 2014, and the Company recognised gain from disposal of investment amounting to Baht 172.30 million under "Other income" in the Company profit or loss for the year ended 31 December 2014. The disposal resulted in a decrease of the Group's interest in DIF from 33.29% to 28.11%.

During 2014, the Company delivered 3,021 telecommunication towers to DIF in accordance with the agreement dated 24 December 2013. The Group recognised unrealised gain amounting to Baht 1,398.51 million reflecting shareholding proportion of gain upon the delivery of the towers.

The Group received proceeds amounting to Baht 7.22 million from Channel [V] Music (Thailand) Co., Ltd., an associate completely liquidated. The Group recognised loss from liquidation of Baht 6.07 million under "other expenses" in consolidated profit and loss for the year ended 31 December 2014.

Details of associates are as follows:

At 31 December 2015

At 31 December 2015			Consolidated			
			Paid-up capital Baht Million	% Ownership interest	Investment - at cost Baht Million	Investment - at equity Baht Million
	Business	Relationship				
Associates						
Digital Telecommunications Infrastructure Fund (formerly "TRUE Telecommunications Growth Infrastructure Fund")	Invested in telecommunication infrastructure	Shareholder	58,080.00	28.11	16,327.91	14,947.66
True GS Co., Ltd.	Home shopping	Shareholder	240.00	45.00	108.00	-
Total investment in associates					16,435.91	14,947.66



20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

Associates (Cont'd)

At 31 December 2014

Business	Relationship	Consolidated		Investment - at cost Baht Million	Investment - at equity Baht Million
		Paid-up capital Baht Million	% Ownership interest		
<b>Associates</b>					
Digital Telecommunications Infrastructure Fund (formerly "TRUE Telecommunications Growth Infrastructure Fund")	Invested in telecommunication infrastructure	Shareholder	58,080.00	28.11	16,327.91
True GS Co., Ltd.	Home shopping	Shareholder	240.00	45.00	108.00
<b>Total investment in associates</b>				<b>16,435.91</b>	<b>16,428.66</b>

Summarised statement of financial position:

At 31 December	DIF		True GS		Total	
	2015	2014	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
<b>Current assets</b>						
Cash and cash equivalents	854.70	292.12	70.37	88.30	925.07	380.42
Other current assets	1,294.13	1,546.95	74.87	50.73	1,369.00	1,597.68
<b>Total current assets</b>	<b>2,148.83</b>	<b>1,839.07</b>	<b>145.24</b>	<b>139.03</b>	<b>2,294.07</b>	<b>1,978.10</b>
<b>Non-current assets</b>	<b>84,651.00</b>	<b>71,551.00</b>	<b>72.26</b>	<b>97.65</b>	<b>84,723.26</b>	<b>71,648.65</b>
<b>Total assets</b>	<b>86,799.83</b>	<b>73,390.07</b>	<b>217.50</b>	<b>236.68</b>	<b>87,017.33</b>	<b>73,626.75</b>
<b>Current liabilities</b>						
Other current liabilities	(2,285.26)	(1,276.83)	(217.16)	(178.93)	(2,502.42)	(1,455.76)
<b>Total current liabilities</b>	<b>(2,285.26)</b>	<b>(1,276.83)</b>	<b>(217.16)</b>	<b>(178.93)</b>	<b>(2,502.42)</b>	<b>(1,455.76)</b>
<b>Non-current liabilities</b>						
Financial liabilities	(12,935.86)	-	-	-	(12,935.86)	-
Other liabilities	-	-	(5.97)	(1.82)	(5.97)	(1.82)
<b>Total non-current liabilities</b>	<b>(12,935.86)</b>	<b>-</b>	<b>(5.97)</b>	<b>(1.82)</b>	<b>(12,941.83)</b>	<b>(1.82)</b>
<b>Total Liabilities</b>	<b>(15,221.12)</b>	<b>(1,276.83)</b>	<b>(223.13)</b>	<b>(180.75)</b>	<b>(15,444.25)</b>	<b>(1,457.58)</b>

Summarised statement of comprehensive income:

For the years ended 31 December	DIF		True GS		Total	
	2015	2014	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Revenue	5,900.73	4,342.21	945.85	699.91	6,858.23	5,042.12
Depreciation and amortisation	-	-	(26.67)	(26.56)	(26.67)	(26.56)
Interest income	10.29	23.37	0.77	1.26	11.06	24.63
Profit (loss) from continuing operation	4,857.94	17,931.80	(36.16)	(45.44)	4,825.65	17,886.36
Post-tax profit (loss) from continuing operation	4,857.94	17,931.80	(36.16)	(45.44)	4,825.65	17,886.36
<b>Total comprehensive income</b>	<b>4,857.94</b>	<b>17,931.80</b>	<b>(36.16)</b>	<b>(45.44)</b>	<b>4,825.65</b>	<b>17,886.36</b>
Dividends received from associate	1,516.05	1,345.75	-	-	1,516.05	1,345.75

## 20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

### Associates (Cont'd)

Reconciliation of the summarised financial statements presented to the carrying amount of its interest in associates

At 31 December	DIF		True GS		Total	
	2015	2014	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million	Baht Million
Opening net assets 1 January	72,113.24	58,353.52	30.53	101.37	72,143.77	58,454.89
Profit (loss) for the year	4,857.94	17,931.80	(36.16)	(45.44)	4,821.78	17,886.36
Dividends paid	(5,392.47)	(4,172.08)	-	-	(5,392.47)	(4,172.08)
Closing net assets	71,578.71	72,113.24	(5.63)	55.93	71,573.08	72,169.17
Interest in associates	28.11%	28.11%	45.00%	45.00%	-	-
	20,122.77	20,273.12	-	25.17	20,122.77	20,298.29
Unrealised gain from assets sold	(5,175.11)	(3,869.63)	-	-	(5,175.11)	(3,869.63)
Carrying value	14,947.66	16,403.49	-	25.17	14,947.66	16,428.66

### Joint ventures

Name of joint ventures	% Ownership	Business	Country of incorporation
Asia Infonet Co., Ltd. *	65.00	Internet services provider	Thailand
BEC-TERO True Visions Co., Ltd. *	50.00	Sport and Entertainment	Thailand
Transformation Films Co., Ltd. *	28.57	Manufacturing and filmmaker	Thailand
True Voice Co., Ltd. *	55.00	Voice recognised service and related software and hardware	Thailand

\* indirectly owned

### Transaction incurred during 2015

On 21 January 2015, the Group additionally invested in TTF amounting to Baht 25.00 million to maintain the shareholding proportion in TTF.

The Group adopted TAS 28 (revised 2014) "Investment in associates and joint ventures", which was effective on 1 January 2015. The Group formerly accounted for investment in joint venture using proportionate consolidation. Commencing 1 January 2015, the Group accounts for such investment using equity method. The Group has considered that the application of this standard has immaterial impact on the consolidated statement of financial position at 31 December 2014 and the statement of comprehensive income for the year then ended, both for individual items and in aggregate as a whole. Accordingly, no adjustment has been made in the financial statements for the year ended 31 December 2014.

The Group has interests in number of individually immaterial joint ventures. Set out below are the summarised aggregate financial information which is accounted for using the equity method.

20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)

Joint ventures (Cont'd)

Summarised statement of financial position:

	As at 31 December	
	2015 Baht Million	2014 Baht Million
<b>Current assets</b>		
Cash and cash equivalents	55.91	142.74
Other current assets(excluding cash)	57.52	125.07
Total current assets	113.43	267.81
<b>Non-current assets</b>	13.29	8.02
<b>Total assets</b>	126.72	275.83
<b>Current liabilities</b>		
Other current liabilities(including trade payables)	24.51	154.51
Total current liabilities	24.51	154.51
<b>Total liabilities</b>	24.51	154.51
Net assets	102.21	121.32

Summarised statement of comprehensive income:

	For the years ended 31 December	
	2015 Baht Million	2014 Baht Million
<b>Revenue</b>	135.43	44.65
Depreciation and amortisation	(66.73)	(0.17)
Interest income	0.53	0.29
Interest expense	(1.12)	-
Profit or loss from continuing operations	(105.23)	(55.98)
Income tax income	8.62	-
Post-tax profit from continued operations	(96.61)	(55.98)

The information above reflects the amounts presented in the financial statements of the joint ventures (and not The Group's share of those amounts) adjusted for differences in accounting policies between the group and the associates.



**20. Investments in subsidiaries, associates and joint ventures, net (Cont'd)**

**Joint ventures (Cont'd)**

Reconciliation of summarised aggregate financial information

Reconciliation of the summarised aggregate financial information presented to the carrying amount of its interest in joint ventures

	<b>For the years ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht Million</b>	<b>Baht Million</b>
Summarised financial information		
Opening net assets 1 January	121.32	65.80
Common shares call up	77.50	111.50
Loss for the period	(96.61)	(55.98)
Closing net assets	102.21	121.32
Aggregate carrying amount of individually immaterial joint ventures	46.84	55.63

**21. Investment property, net**

<b>For the years ended 31 December</b>	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht Million</b>	<b>Baht Million</b>
Opening net book value	5.53	5.53
Closing net book value	5.53	5.53
<b>As at 31 December</b>	<b>2015</b>	<b>2014</b>
	<b>Baht Million</b>	<b>Baht Million</b>
Cost	15.02	15.02
<u>Less</u> Allowance for decline in value	(9.49)	(9.49)
Net book value	5.53	5.53

The fair value of investment property for land as at 31 December 2015 is Baht 7.89 million (2014: Baht 7.30 million).

The fair value of investment property is determined by an external independent valuer. Valuations were made on the basis of recent market transactions on arm's length terms. The fair value is within level 2 of the fair value hierarchy.

## 22. Property, plant and equipment, net

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Network equipment</b>				
Opening net book value	70,697.71	63,488.13	2,139.57	2,573.77
Additions	32,813.69	23,399.08	0.18	0.69
Disposals, net	(325.64)	(897.77)	(0.24)	(0.10)
Write-off, net	(80.63)	-	-	-
Reclassifications	9.73	397.95	-	0.64
Depreciation charge	(9,117.68)	(15,689.68)	(284.49)	(435.43)
Closing net book value	93,997.18	70,697.71	1,855.02	2,139.57
<b>Non-network equipment</b>				
Opening net book value	4,387.24	4,378.92	169.68	180.76
Additions	1,300.91	1,645.91	54.84	53.12
Disposals, net	(47.03)	(38.60)	(2.35)	(0.47)
Reclassifications	(36.50)	(724.13)	-	-
Depreciation charge	(1,144.87)	(874.86)	(59.81)	(63.73)
Closing net book value	4,459.75	4,387.24	162.36	169.68
<b>Total</b>	<b>98,456.93</b>	<b>75,084.95</b>	<b>2,017.38</b>	<b>2,309.25</b>

There is no borrowing cost being capitalised as cost of assets in 2015 (2014: Baht 7.22 million). Borrowing costs capitalised as cost of assets during the year included in "Additions".

### 22.1 Network equipment

Leased assets are finance leases of network assets details are as follows:

	Consolidated	
	2015 Baht Million	2014 Baht Million
Cost - capitalised finance leases	9,659.74	7,882.34
<u>Less</u> Accumulated depreciation	(5,271.26)	(4,115.86)
Net book value	4,388.48	3,766.48

Additions included Baht 1,960.77 million (2014: Baht 1,839.86 million) of assets leased under finance leases (where the Group is the lessee).

### 22.2 Non-network equipment

Leased assets are finance leases of computers and equipments, details are as follows:

	Consolidated	
	2015 Baht Million	2014 Baht Million
Cost - capitalised finance leases	82.87	86.12
<u>Less</u> Accumulated depreciation	(51.17)	(38.49)
Net book value	31.70	47.63

Additions included Baht 5.80 million (2014: Baht 6.36 million) of assets leased under finance leases (where the Group is the lessee).

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22. Property, plant and equipment, net (Cont'd)

Network equipment	Consolidated									Total Baht Million
	Land and land improvement Baht Million	Building and improvement Baht Million	Telephone network equipment Baht Million	Wireless network equipment Baht Million	Public phones Baht Million	Multimedia network equipment Baht Million	Power supply and computers Baht Million	Pay - TV Baht Million	Work in progress Baht Million	
At 1 January 2014										
Cost	-	135.65 (39.40)	5,487.98 (3,233.64)	102,824.65 (62,470.72)	2,116.48 (2,060.29)	21,390.87 (10,797.28)	384.95 (284.84)	13,594.01 (7,803.39)	12,778.45	158,713.04 (86,689.56)
Less Accumulated depreciation	-	-	-	(8,051.74)	(35.84)	(154.70)	-	(293.07)	-	(8,535.35)
Allowance for impairment	-	-	-	32,302.19	20.35	10,438.89	100.11	5,497.55	12,778.45	63,488.13
Net book value	-	96.25	2,254.34	32,302.19	20.35	10,438.89	100.11	5,497.55	12,778.45	63,488.13
Year ended 31 December 2014										
Opening net book value	-	96.25	2,254.34	32,302.19	20.35	10,438.89	100.11	5,497.55	12,778.45	63,488.13
Additions	-	0.40	0.69	1,293.32	-	4,159.47	-	1,193.68	16,751.52	23,399.08
Disposals, net	-	(0.06)	-	(344.94)	(0.10)	(10.99)	-	(459.99)	(81.69)	(897.77)
Adjustments/reclassifications	-	141.66	0.63	14,188.83	-	2,571.08	64.60	0.89	(16,569.74)	397.95
Depreciation charge	-	(14.56)	(258.35)	(11,934.85)	(8.48)	(1,941.46)	(39.38)	(1,492.60)	-	(15,689.68)
Closing net book value	-	223.69	1,997.31	35,504.55	11.77	15,216.99	125.33	4,739.53	12,878.54	70,697.71
At 31 December 2014										
Cost	-	277.64	5,506.91	117,406.22	2,109.73	27,894.98	467.93	13,603.88	12,878.54	180,145.83
Less Accumulated depreciation	-	(53.95)	(3,509.60)	(73,876.46)	(2,062.12)	(12,523.29)	(342.60)	(8,571.28)	-	(100,939.30)
Allowance for impairment	-	-	-	(8,025.21)	(35.84)	(154.70)	-	(293.07)	-	(8,508.82)
Net book value	-	223.69	1,997.31	35,504.55	11.77	15,216.99	125.33	4,739.53	12,878.54	70,697.71
Year ended 31 December 2015										
Opening net book value	-	223.69	1,997.31	35,504.55	11.77	15,216.99	125.33	4,739.53	12,878.54	70,697.71
Additions	790.45	487.74	0.18	1,834.82	-	4,438.39	-	2,063.98	23,198.13	32,813.69
Disposals, net	-	-	-	(300.76)	(0.24)	(5.67)	-	(18.44)	(0.53)	(325.64)
Write-off, net	-	-	-	(80.63)	-	-	-	-	-	(80.63)
Adjustments/reclassifications	2.88	(1.13)	-	9,901.67	-	4,624.77	(1.67)	33.72	(14,550.51)	9.73
Depreciation charge	-	(16.35)	(254.97)	(4,761.75)	(4.57)	(2,597.04)	(31.93)	(1,451.07)	-	(9,117.68)
Closing net book value	793.33	693.95	1,742.52	42,097.90	6.96	21,677.44	91.73	5,367.72	21,525.63	93,997.18
At 31 December 2015										
Cost	793.33	763.80	5,492.47	128,521.35	2,006.64	36,644.72	454.09	15,120.13	21,525.63	211,322.16
Less Accumulated depreciation	-	(69.85)	(3,749.95)	(78,398.24)	(1,963.84)	(14,812.58)	(362.36)	(9,459.34)	-	(108,816.16)
Allowance for impairment	-	-	-	(8,025.21)	(35.84)	(154.70)	-	(293.07)	-	(8,508.82)
Net book value	793.33	693.95	1,742.52	42,097.90	6.96	21,677.44	91.73	5,367.72	21,525.63	93,997.18

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22. **Property, plant and equipment, net (Cont'd)**

Non - network equipment	Consolidated						
	Land and land improvement Baht Million	Building and improvement Baht Million	Furniture, fixtures and equipment Baht Million	Power supply and computers Baht Million	Vehicles Baht Million	Work in progress Baht Million	Total Baht Million
At 1 January 2014							
Cost	148.86	1,688.27	3,671.61	6,627.23	43.02	1,096.56	13,275.55
Less Accumulated depreciation	-	(1,123.13)	(2,309.56)	(4,994.38)	(25.37)	-	(8,452.44)
Allowance for impairment	-	(62.50)	(116.30)	(264.07)	(1.32)	-	(444.19)
Net book value	148.86	502.64	1,245.75	1,368.78	16.33	1,096.56	4,378.92
Year ended 31 December 2014							
Opening net book value							
Additions	148.86	502.64	1,245.75	1,368.78	16.33	1,096.56	4,378.92
Disposals, net	-	25.81	614.91	73.00	8.50	923.69	1,645.91
Adjustments/reclassifications	-	(31.34)	(4.47)	(2.59)	-	(0.20)	(38.60)
Depreciation charge	-	478.59	(331.24)	631.67	-	(1,503.15)	(724.13)
	-	(188.87)	(331.14)	(351.75)	(3.10)	-	(874.86)
Closing net book value	148.86	786.83	1,193.81	1,719.11	21.73	516.90	4,387.24
At 31 December 2014							
Cost	148.86	1,840.71	3,594.53	5,940.82	47.64	516.90	12,089.46
Less Accumulated depreciation	-	(1,046.43)	(2,321.91)	(4,221.71)	(24.88)	-	(7,614.93)
Allowance for impairment	-	(7.45)	(78.81)	-	(1.03)	-	(87.29)
Net book value	148.86	786.83	1,193.81	1,719.11	21.73	516.90	4,387.24
Year ended 31 December 2015							
Opening net book value							
Additions	148.86	786.83	1,193.81	1,719.11	21.73	516.90	4,387.24
Disposals, net	-	25.63	617.50	82.11	6.66	569.01	1,300.91
Adjustments/reclassifications	-	(37.90)	(8.39)	(0.72)	-	(0.02)	(47.03)
Depreciation charge	-	233.79	10.16	300.52	-	(580.97)	(36.50)
	-	(216.69)	(559.08)	(364.79)	(4.31)	-	(1,144.87)
Closing net book value	148.86	791.66	1,254.00	1,736.23	24.08	504.92	4,459.75
At 31 December 2015							
Cost	148.86	2,015.31	4,056.62	5,660.97	51.60	504.92	12,438.28
Less Accumulated depreciation	-	(1,216.20)	(2,729.21)	(3,924.74)	(26.49)	-	(7,896.64)
Allowance for impairment	-	(7.45)	(73.41)	-	(1.03)	-	(81.89)
Net book value	148.86	791.66	1,254.00	1,736.23	24.08	504.92	4,459.75



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22. Property, plant and equipment, net (Cont'd)

Network equipment	Company					
	Building and improvement Baht Million	Telephone network equipment Baht Million	Wireless network equipment Baht Million	Public phones Baht Million	Power supply and computers Baht Million	Work in progress Baht Million
<b>At 1 January 2014</b>						
Cost	49.31	5,496.70	5,115.89	2,116.48	224.59	13,018.51
Less Accumulated depreciation	(23.92)	(3,242.39)	(2,984.69)	(2,060.28)	(138.27)	(8,449.55)
Allowance for impairment	-	-	(1,959.34)	(35.85)	-	(1,995.19)
Net book value	25.39	2,254.31	171.86	20.35	86.32	2,573.77
<b>Year ended 31 December 2014</b>						
Opening net book value	25.39	2,254.31	171.86	20.35	86.32	2,573.77
Additions	-	0.69	-	-	-	0.69
Disposals, net	-	-	-	(0.10)	-	(0.10)
Adjustments/reclassifications	-	0.64	-	-	-	0.64
Depreciation charge	(2.67)	(258.33)	(152.25)	(8.48)	(13.70)	(435.43)
Closing net book value	22.72	1,997.31	19.61	11.77	72.62	2,139.57
<b>At 31 December 2014</b>						
Cost	49.31	5,492.29	5,115.89	2,109.73	224.59	13,007.35
Less Accumulated depreciation	(26.59)	(3,494.98)	(3,136.94)	(2,062.11)	(151.97)	(8,872.59)
Allowance for impairment	-	-	(1,959.34)	(35.85)	-	(1,995.19)
Net book value	22.72	1,997.31	19.61	11.77	72.62	2,139.57
<b>Year ended 31 December 2015</b>						
Opening net book value	22.72	1,997.31	19.61	11.77	72.62	2,139.57
Additions	-	0.18	-	-	-	0.18
Disposals, net	-	-	-	(0.24)	-	(0.24)
Depreciation charge	(2.67)	(254.97)	(8.58)	(4.57)	(13.70)	(284.49)
Closing net book value	20.05	1,742.52	11.03	6.96	58.92	1,855.02
<b>At 31 December 2015</b>						
Cost	49.31	5,492.47	5,115.89	2,006.64	224.59	12,904.44
Less Accumulated depreciation	(29.26)	(3,749.95)	(3,145.52)	(1,963.83)	(165.67)	(9,054.23)
Allowance for impairment	-	-	(1,959.34)	(35.85)	-	(1,995.19)
Net book value	20.05	1,742.52	11.03	6.96	58.92	1,855.02

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## 22. Property, plant and equipment, net (Cont'd)

	Company					
	Leasehold and improvement Baht Million	Furniture, fixtures and equipment Baht Million	Power supply and computers Baht Million	Vehicles Baht Million	Work in progress Baht Million	Total Baht Million
Non – network equipment						
At 1 January 2014						
Cost	348.70	568.11	1,158.86	3.23	13.06	2,091.96
Less Accumulated depreciation	(312.58)	(494.68)	(1,102.15)	(1.79)	-	(1,911.20)
Net book value	36.12	73.43	56.71	1.44	13.06	180.76
Year ended 31 December 2014						
Opening net book value	36.12	73.43	56.71	1.44	13.06	180.76
Additions	1.84	8.17	10.33	-	32.78	53.12
Disposals, net	-	(0.41)	(0.06)	-	-	(0.47)
Adjustments/reclassifications	6.05	0.99	0.08	-	(7.12)	-
Depreciation charge	(25.93)	(18.87)	(18.63)	(0.30)	-	(63.73)
Closing net book value	18.08	63.31	48.43	1.14	38.72	169.68
At 31 December 2014						
Cost	356.59	562.07	1,055.42	3.23	38.72	2,016.03
Less Accumulated depreciation	(338.51)	(498.76)	(1,006.99)	(2.09)	-	(1,846.35)
Net book value	18.08	63.31	48.43	1.14	38.72	169.68
Year ended 31 December 2015						
Opening net book value	18.08	63.31	48.43	1.14	38.72	169.68
Additions	0.25	8.36	10.69	-	35.54	54.84
Disposals, net	-	(2.18)	(0.15)	-	(0.02)	(2.35)
Adjustments/reclassifications	28.10	1.15	-	-	(29.25)	-
Depreciation charge	(26.41)	(15.38)	(17.72)	(0.30)	-	(59.81)
Closing net book value	20.02	55.26	41.25	0.84	44.99	162.36
At 31 December 2015						
Cost	373.63	539.33	1,043.84	3.23	44.99	2,005.02
Less Accumulated depreciation	(353.61)	(484.07)	(1,002.59)	(2.39)	-	(1,842.66)
Net book value	20.02	55.26	41.25	0.84	44.99	162.36

## 23. Goodwill, net

There is no movement in goodwill during 2015 and 2014.

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. A segment-level summary of the goodwill allocation is presented below.

	Unit: Baht in million		
	Consolidated		
	Online	Pay-TV	Total
<b>Goodwill allocation by segment</b>			
Opening net book value	360.62	11,042.47	11,403.09
Closing net book value	360.62	11,042.47	11,403.09

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are conservatively extrapolated using the zero growth rates and does not exceed the long-term average growth rate for the business in which the CGU operates.

The key assumptions used for value-in-use calculations are as follows:

By segment	Online %	Pay-TV %
Gross margin <sup>1</sup>	38.79	44.42
Growth rate <sup>2</sup>	0.00	0.00
Discount rate <sup>3</sup>	9.60	9.60

<sup>1</sup> Budgeted gross margin.

<sup>2</sup> Weighted average growth rate used to extrapolate cash flows beyond the budget period.

<sup>3</sup> Post-tax discount rate applied to the cash flow projections.

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are post-tax and reflect specific risks relating to the relevant segments. Additionally, Management believes that the risks for Online and Pay-TV are approximately the same under the telecommunication industry. Therefore, Management applies the same discount rate for both segments.



24. Intangible assets, net

At 31 December	Consolidated		Company	
	2015 Baht Million	(Restated) 2014 Baht Million	2015 Baht Million	2014 Baht Million
Current (included in "Other current assets" (Note 19))	530.78	595.25	-	-
Non-current	69,297.50	34,164.08	2,620.07	4,040.00
Total	69,828.28	34,759.33	2,620.07	4,040.00

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24. Intangible assets, net (Cont'd)

	Consolidated							
	Trademark, right and licences Baht Million	Computer software Baht Million	Rights to operate Baht Million	Film and Program right Baht Million	Service contract Baht Million	Leased transponder equipment Baht Million	Work in progress Baht Million	Total Baht Million
<b>At 1 January 2014</b>								
Cost	13,584.28	12,692.58	73,577.14	1,931.01	10,755.00	3,237.67	280.50	116,058.18
Less: Accumulated amortisation	(990.25)	(9,051.10)	(66,975.50)	(1,241.03)	(2,168.44)	(158.38)	-	(80,584.70)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value	12,594.03	2,947.33	6,601.64	689.98	8,586.56	3,079.29	239.82	34,738.65
<b>Year ended 31 December 2014</b>								
Opening net book value as previously reported	12,594.03	2,947.33	6,601.64	689.98	8,586.56	3,079.29	239.82	34,738.65
Change in accounting policy (Note 4.2)	(340.94)	-	-	-	-	-	-	(340.94)
Opening net book value as restated	12,253.09	2,947.33	6,601.64	689.98	8,586.56	3,079.29	239.82	34,397.71
Additions	3,471.35	316.34	-	2,390.76	-	255.91	330.98	6,765.34
Disposals, net	(4.01)	(0.46)	-	-	-	-	-	(4.47)
Adjustments/reclassifications	-	704.91	-	-	-	-	(387.37)	317.54
Amortisation charge	(1,066.98)	(588.06)	(1,519.58)	(2,316.72)	(740.40)	(485.05)	-	(6,716.79)
Closing net book value	14,653.45	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	34,759.33
<b>At 31 December 2014</b>								
Cost	16,644.02	13,704.78	73,577.14	2,296.98	10,755.00	3,493.58	224.11	120,695.61
Less: Accumulated amortisation	(1,990.57)	(9,630.57)	(68,495.08)	(1,532.96)	(2,908.84)	(643.43)	-	(85,201.45)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value	14,653.45	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	34,759.33
<b>Year ended 31 December 2015</b>								
Opening net book value as previously reported	15,174.58	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	35,280.46
Change in accounting policy (Note 4.2)	(521.13)	-	-	-	-	-	-	(521.13)
Opening net book value as restated	14,653.45	3,380.06	5,082.06	764.02	7,846.16	2,850.15	183.43	34,759.33
Additions	38,652.47	522.90	-	2,670.24	-	-	323.78	42,169.39
Disposals, net	(0.43)	(31.11)	-	-	-	-	-	(31.54)
Adjustments/reclassifications	1.37	297.68	(1,515.20)	(2,371.26)	(740.40)	(518.34)	(267.62)	31.43
Amortisation charge	(1,338.41)	(616.72)	-	-	-	-	-	(7,100.33)
Closing net book value	51,968.45	3,552.81	3,566.86	1,063.00	7,105.76	2,331.81	239.59	69,828.28
<b>At 31 December 2015</b>								
Cost	55,296.96	14,483.26	73,577.14	3,569.59	10,755.00	3,493.58	280.27	161,455.80
Less: Accumulated amortisation	(3,328.51)	(10,236.30)	(70,010.28)	(2,506.59)	(3,649.24)	(1,161.77)	-	(90,892.69)
Allowance for impairment	-	(694.15)	-	-	-	-	(40.68)	(734.83)
Net book value	51,968.45	3,552.81	3,566.86	1,063.00	7,105.76	2,331.81	239.59	69,828.28

## 24. Intangible assets, net (Cont'd)

### Trademark, Right and Licence

Consists the following:

1. IMT 2.1GHz bandwidth licence which was awarded by NBTC for a period of 15 years. Net carrying is amounting to Baht 10,447.39 million (net of accumulated amortisation of Baht 2,649.01 million).
2. 1800MHz bandwidth licence which was awarded by NBTC for a period of 18 years. Net carrying is amount to Baht 38,418.22 million (net of accumulated amortisation of Baht 184.13 million). On 25 November 2015, the Group made first installment of 50% of the licence fee amounting to Baht 20,492.72 million including VAT and net of deposit Baht 796.00 million. The unpaid amount of 19,896.00 million will be due at two installments on 4 December 2017 and 2018. The unpaid amount was recognised under "Other non-current liabilities" in the consolidated financial statements.
3. Licence for the spectrum of television broadcasting service using digital system awarded by NBTC for a period of 15 years. Net carrying is amounting to Baht 3,031.75 million (net of accumulated amortisation of Baht 380.37 million). The unpaid amount of Baht 2,544.80 million will be due in four installments during 2016 to 2019. The unpaid amount was recognised under "Trade and other payables" and "Other non-current liabilities" in the consolidated financial statements.

### Right to operate

Consists the following:

1. The right to operate NON-POTS services represents the fair value of TOT's interest in the nationwide NON-POTS agreement for which TM issued 18.50 million ordinary shares in exchange for the agreement.
2. The right to hang dropwire represents the fair value of TOT's interest in the multimedia network which TM issued 40.00 million ordinary shares in exchange for this privilege.
3. The rights to operate represent the discounted cash flow of minimum fees payable to CAT and MCOT as described in Note 30 and Note 38.3.
4. Right to operate included cost of assets transferred to TOT under "Joint Operation and Joint Investment for Expansion of Telephone Services Agreement". The net book value is Baht 2,541.30 million (net of accumulated amortisation Baht 68,790.07 million (2014: Baht 67,403.67 million).

### Service contract

Service contract represents the fair value of identifiable intangible asset derived from a business acquisition.

24. Intangible assets, net (Cont'd)

Movement of the Company's intangible assets are as follows:

	Company		
	Computer software Baht Million	Rights to operate Baht Million	Total Baht Million
<b>At 1 January 2014</b>			
Cost	2,330.17	71,331.36	73,661.53
<u>Less</u> Accumulated amortisation	(2,186.57)	(66,017.28)	(68,203.85)
Net book value	143.60	5,314.08	5,457.68
<b>Year ended 31 December 2014</b>			
Opening net book value	143.60	5,314.08	5,457.68
Additions	17.28	-	17.28
Amortisation charge	(48.57)	(1,386.39)	(1,434.96)
Closing net book value	112.31	3,927.69	4,040.00
<b>At 31 December 2014</b>			
Cost	2,347.45	71,331.36	73,678.81
<u>Less</u> Accumulated amortisation	(2,235.14)	(67,403.67)	(69,638.81)
Net book value	112.31	3,927.69	4,040.00
<b>Year ended 31 December 2015</b>			
Opening net book value	112.31	3,927.69	4,040.00
Additions	1.91	-	1.91
Amortisation charge	(35.45)	(1,386.39)	(1,421.84)
Closing net book value	78.77	2,541.30	2,620.07
<b>At 31 December 2015</b>			
Cost	2,349.36	71,331.36	73,680.72
<u>Less</u> Accumulated amortisation	(2,270.59)	(68,790.06)	(71,060.65)
Net book value	78.77	2,541.30	2,620.07



## 25. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences, using the liability method and applying a principal tax rate of 20%. The deferred taxation related to the temporary differences between the carrying amounts and the tax bases of assets and liabilities of the Group are summarised below:

As at 31 December	Consolidated					2015 Baht Million
	(Restated) 2013 Baht Million	Credited to equity (Note 4.2) Baht Million	Credited (charged) to profit or loss Baht Million	(Restated) 2014 Baht Million	Credited (charged) to profit or loss Baht Million	
<b>Deferred income tax assets</b>						
Depreciation and amortisation	1,969.65	20.75	191.87	2,182.27	(454.09)	1,728.18
Allowances	2,264.99	-	203.73	2,468.72	(15.19)	2,453.53
Borrowings	162.36	-	(121.16)	41.20	16.01	57.21
Unearned income	10.57	-	122.59	133.16	62.43	195.59
Accrued expenses	21.40	-	8.59	29.99	4.59	34.58
Other current liabilities	0.08	-	(0.07)	0.01	(0.01)	-
Tax loss carried forwards	1,515.29	-	1,323.16	2,838.45	1,698.75	4,537.20
Minimum payment fees	23.07	-	(4.57)	18.50	(18.50)	-
Film and program right	31.01	-	(4.70)	26.31	(3.44)	22.87
Employee benefits obligations	56.80	-	(7.01)	49.79	6.09	55.88
Provisions	1,352.26	-	(232.50)	1,119.76	(425.24)	694.52
Derivative payables	-	-	-	-	1.99	1.99
	<u>7,407.48</u>	<u>20.75</u>	<u>1,479.93</u>	<u>8,908.16</u>	<u>873.39</u>	<u>9,781.55</u>
<b>Deferred income tax liabilities</b>						
Accounts receivable						
- billed customers	(289.01)	-	2.37	(286.64)	6.07	(280.57)
Debt issuance cost	(166.49)	-	143.41	(23.08)	(22.89)	(45.97)
Leased assets	(36.19)	-	(14.25)	(50.44)	(3.90)	(54.34)
Depreciation and amortisation	(2,315.11)	-	261.38	(2,053.73)	51.88	(2,001.85)
Difference on network assets	(1,146.58)	-	1,146.58	-	-	-
Borrowings	(2,783.09)	-	173.47	(2,609.62)	87.84	(2,521.78)
Other current assets	(8.37)	-	(504.36)	(512.73)	(536.38)	(1,049.11)
Investment in associate	-	-	(5.44)	(5.44)	5.44	-
Derivative receivables	-	-	-	-	(239.29)	(239.29)
	<u>(6,744.84)</u>	<u>-</u>	<u>1,203.16</u>	<u>(5,541.68)</u>	<u>(651.23)</u>	<u>(6,192.91)</u>
<b>Deferred income tax assets, net</b>	<u>662.64</u>	<u>20.75</u>	<u>2,683.09</u>	<u>3,366.48</u>	<u>222.16</u>	<u>3,588.64</u>

25. Deferred income taxes (Cont'd)

As at 31 December	Company		
	2014 Baht Million	Credited (charged) to profit or loss Baht Million	2015 Baht Million
<b>Deferred income tax assets</b>			
Depreciation	1,155.54	(418.72)	736.82
Allowances	27.24	0.26	27.50
Borrowings	41.20	16.01	57.21
Tax loss carried forwards	5.44	(5.44)	-
	1,229.42	(407.89)	821.53
<b>Deferred income tax liabilities</b>			
Accounts receivable - billed customers	(286.64)	6.08	(280.56)
Depreciation	(7.54)	4.42	(3.12)
Debt issuance cost	(23.08)	(12.77)	(35.85)
Leased assets	(1.19)	(0.53)	(1.72)
Derivative receivables	-	(2.42)	(2.42)
	(318.45)	(5.22)	(323.67)
<b>Deferred income tax assets, net</b>	910.97	(413.11)	497.86

The analysis of deferred tax assets and deferred tax liabilities are as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	(Restated) 2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	1,973.32	1,573.49	430.12	438.02
Deferred tax assets to be recovered after 12 months	7,808.23	7,334.67	391.41	791.40
	9,781.55	8,908.16	821.53	1,229.42
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(858.29)	(894.64)	(214.62)	(217.29)
Deferred tax liabilities to be settled after 12 months	(5,334.62)	(4,647.04)	(109.05)	(101.16)
	(6,192.91)	(5,541.68)	(323.67)	(318.45)
<b>Deferred income tax, net</b>	3,588.64	3,366.48	497.86	910.97

25. Deferred income taxes (Cont'd)

Presentation in the statements of financial position are as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	(Restated) 2014 Baht Million	2015 Baht Million	2014 Baht Million
Deferred income tax assets	5,663.35	5,820.86	497.86	910.97
Deferred income tax liabilities	(2,074.71)	(2,454.38)	-	-
Deferred income tax, net	3,588.64	3,366.48	497.86	910.97

Deferred income tax assets and liabilities are offset when the income taxes related to the same fiscal authority. Deferred tax assets and deferred tax liabilities in the consolidated financial positions are presented at net amount of assets and liabilities incurred in each entity.

The movement on deferred income taxes during the year is as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	(Restated) 2014 Baht Million	2015 Baht Million	2014 Baht Million
Opening net book amount as previously reported	3,312.89	662.64	910.97	1,414.81
Change in accounting policy (Note 4.2)	53.59	20.75	-	-
Opening net book value restated	3,366.48	683.39	910.97	1,414.81
Charge to profit or loss (Note 12)	222.16	2,683.09	(413.11)	(503.84)
Closing net book value	3,588.64	3,366.48	497.86	910.97

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

The Group did not recognise deferred income tax assets of Baht 9,603.24 million in respect of tax loss carried forward approximately Baht 48,016.19 million. A summary of the tax loss carried forward and the expiry dates are set out below:

Expiry year	Consolidated Baht Million	Company Baht Million
2016	12,988.82	9,218.78
2017	10,979.43	452.72
2018	18,739.33	1,705.50
2019	3,451.11	-
2020	1,857.50	-
	48,016.19	11,377.00



26. Other non-current assets

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Value added tax pending receipt of tax invoices related to debt restructuring	16.88	32.80	16.88	32.80
Deposits	998.33	844.84	111.36	113.73
Subscriber acquisition cost, net	2,975.13	1,850.15	-	-
Prepaid expenses	705.00	622.76	-	-
Others	94.16	28.41	52.44	39.20
<b>Total</b>	<b>4,789.50</b>	<b>3,378.96</b>	<b>180.68</b>	<b>185.73</b>

27. Borrowings

Short-term borrowings

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Loans from banks	12,936.32	2,977.09	7,982.72	2,417.09
Debentures	16,990.89	-	7,999.56	-
<b>Total</b>	<b>29,927.21</b>	<b>2,977.09</b>	<b>15,982.28</b>	<b>2,417.09</b>

The loans from banks are unsecured and bearing interest rate at MLR and will be due during the next six months.

Long-term borrowings

Borrowings are denominated in Thai Baht, United States Dollars and Japanese Yen.

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Current</b>				
- Finance leases	1,437.25	1,136.21	6.24	12.50
- Debentures	10,906.22	7,500.00	5,915.40	7,500.00
- Suppliers credit	259.11	236.64	259.11	236.64
<b>Total Current</b>	<b>12,602.58</b>	<b>8,872.85</b>	<b>6,180.75</b>	<b>7,749.14</b>
<b>Non-current</b>				
- Finance leases	4,284.39	3,767.76	-	6.19
- Debentures	50,979.65	28,897.62	31,032.06	28,897.62
- Suppliers credit	258.27	471.43	258.27	471.43
<b>Total Non-current</b>	<b>55,522.31</b>	<b>33,136.81</b>	<b>31,290.33</b>	<b>29,375.24</b>
<b>Total</b>	<b>68,124.89</b>	<b>42,009.66</b>	<b>37,471.08</b>	<b>37,124.38</b>

## 27. Borrowings (Cont'd)

Movement of borrowings can be analysed as follows:

For the year ended 31 December 2015

	Consolidated Baht Million	Company Baht Million
Opening net book value	42,009.66	37,124.38
Additional borrowings:		
- principal (net of debt issuance cost)	33,134.01	8,205.44
- non-cash finance leases	1,966.57	-
- interest	326.00	1.19
Repayment of borrowings		
- cash item	(9,699.07)	(7,969.67)
- realised gain on foreign exchange	3.82	3.82
Amortisation of debt issuance costs	70.96	61.11
Currencies translations	312.94	44.81
Closing net book value	68,124.89	37,471.08

Borrowings are presented netting-off unamortised debt issuance costs of Baht 240.41 million and Baht 179.27 million for the consolidated and the company financial statements, respectively (2014: Baht 115.38 million for the consolidated and the company financial statements).

Maturity of non-current borrowings (excluding finance lease liabilities and unamortised debt issuance cost):

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Between 1 and 2 years	19,169.26	6,236.02	19,169.26	6,236.02
Between 2 and 5 years	23,962.70	23,248.41	3,962.70	23,248.41
Over 5 years	8,330.00	-	8,330.00	-
	51,461.96	29,484.43	31,461.96	29,484.43

The carrying amounts and fair values of certain non-current borrowings (excluding finance lease liabilities) are as follows:

	Consolidated			
	Carrying amounts		Fair values	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Debentures	50,979.65	28,897.62	51,184.11	29,694.41
Suppliers credit	258.27	471.43	384.26	582.25

	Company			
	Carrying amounts		Fair values	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Debentures	31,032.06	28,897.62	31,445.13	29,809.79
Suppliers credit	258.27	471.43	384.26	582.25

The fair value of current borrowings and lease obligation approximate to their carrying amount, as the impact of discounting is not significant. The fair values for non-current borrowings are based on discounted cash flows using a discount rate of the Group's and the Company's borrowing interest rates which are 3.42% and 3.45%, respectively (2014: 4.25% for the Group's and the Company's) which is within level 2 of the fair value hierarchy.

## 27. Borrowings (Cont'd)

The carrying amounts and fair values of non-current borrowings (excluding finance lease liabilities) are denominated in the following currencies:

	Consolidated			
	Carrying amounts		Fair values	
	2015	2014	2015	2014
	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million
Thai Baht	50,979.65	28,897.62	51,184.11	29,694.41
Japanese Yen	853.07	1,704.62	1,269.21	2,105.71

	Company			
	Carrying amounts		Fair values	
	2015	2014	2015	2014
	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million	Equivalent to Baht Million
Thai Baht	31,032.06	28,897.62	31,445.13	29,694.41
Japanese Yen	853.07	1,704.62	1,269.21	2,105.71

The interest rate exposure of the borrowings are as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Total borrowings (excluding the unamortised debt issuance cost)				
- at fixed rates	68,365.30	42,125.04	37,649.91	37,239.76
	68,365.30	42,125.04	37,649.91	37,239.76

The weighted average effective interest rates are as follows:

At 31 December	Consolidated		Company	
	2015 %	2014 %	2015 %	2014 %
Weighted average effective interest rates				
- finance lease	5.04	5.27	0.91	0.66
- debentures	3.42	4.25	3.45	4.25

The Group has the following undrawn borrowing facilities:

	Consolidated	
	2015 Baht Million	2014 Baht Million
Floating rate		
- expiring within one year	12,205.15	15,014.01



## 27. Borrowings (Cont'd)

### Finance lease liabilities

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Gross finance lease liabilities - minimum lease payment:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Not later than 1 year	1,731.18	1,418.79	6.25	12.50
Later than 1 year and not later than 5 years	4,713.11	3,938.69	-	6.25
Later than 5 years	-	343.55	-	-
	6,444.29	5,701.03	6.25	18.75
Future finance charges on finance leases	(722.65)	(797.06)	(0.01)	(0.06)
Present value of finance lease liabilities	5,721.64	4,903.97	6.24	18.69

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Representing lease liabilities:				
- current	1,437.25	1,136.21	6.24	12.50
- non-current	4,284.39	3,767.76	-	6.19
	5,721.64	4,903.97	6.24	18.69

The present value of finance lease liabilities is as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Not later than 1 year	1,437.25	1,136.21	6.24	12.50
Later than 1 year and not later than 5 years	4,284.39	3,431.17	-	6.19
Later than 5 years	-	336.59	-	-
	5,721.64	4,903.97	6.24	18.69

### Banks

On 4 September 2014, the Group made a prepayment of secured banks loans amounting to Baht 51,582.40 million. All equity securities and assets pledged as collateral including guaranteed obligation were released.

### Debentures

The Group's debentures are unsecured debentures and will be mature between 2015 and 2022. The debentures are denominated in Thai Baht and carry average interest of 3.42% per annum.

On 6 March 2014, the Company issued two tranches of unsecured debentures at 4.00 million unit of each tranche and at par value of Baht 1,000 per unit. The maturity date will be on 15 November 2015 and 6 March 2018. The debenture carry interest at the rates of 4.80% and 5.40% per annum, respectively, payable on a quarterly basis starting from 6 June 2014. The proceeds of Baht 7.96 billion, net of debt issuance cost and related expenses will be used to prepay existing borrowings and used for the Company's ongoing operation.

## **27. Borrowings (Cont'd)**

### **Debentures (Cont'd)**

During 2014, the Company repaid Baht 4.30 billion of unsecured debenture on its maturity date.

On 29 July 2015, TUC, a subsidiary, issued 10 million units of unsecured debentures at par value of Baht 1,000 per unit. The debentures carry interest at the rate of 4.20% per annum payable on the quarterly basis starting from 29 October 2015. The maturity date will be on 29 July 2018. The subsidiary used Baht 9.96 billion, being the net proceed of issuance cost and related expenses for its ongoing operations.

On 14 August 2015, TUC, a subsidiary, issued 10 million units of unsecured debentures at par value of Baht 1,000 per unit. The debentures carry interest at the rate of 4.20% per annum payable on the quarterly basis starting from 29 October 2015. The maturity date will be on 29 July 2018. The subsidiary used Baht 9.98 billion, being the net proceed of issuance cost and related expenses for its ongoing operations.

On 10 November 2015, TUC, a subsidiary, issued 5 million units of unsecured debentures at par value of Baht 1,000 per unit. The debentures carry interest at the rate of 2.60% per annum payable the entire amount on the maturity date, which will be on 21 November 2016. The subsidiary used Baht 4.98 billion, being the net proceed of issuance cost and related expense for its ongoing operations.

During 2015, the Company repaid Baht 7.72 billion of unsecured debenture on a maturity date.

On 10 November 2015, the Company issued 8.33 million units of partial secured debentures at par value of Baht 1,000 per unit. The debentures carry interest at the rate of 4.11% per annum payable twice a year starting from 10 May 2016. The maturity date will be on 10 November 2022. The Company used Baht 8.20 billion, being the net proceed of issuance cost and related expenses for its ongoing operations.

### **Suppliers credit**

Suppliers credit are the Company's Deferred Payment Note ("DPN") issued to certain unsecured creditors since 2002. The DPN are denominated in Japanese Yen, mature in 2017 and bear interest of 2.00% per annum.

The Company and certain unsecured creditors agreed to settle obligation under the Deferred Payment Notes Agreement and the Unsecured Creditors Restructuring Agreement dated 22 December 1999 ("DPN Agreement").

During 2014, the Company made a prepayment of the settlement price of Baht 1,398.09 million and the unsecured creditors agreed to return the DPN with book value of Baht 1,767.40 million to the Company. The Group recognised gain on settlement of DPN obligation of Baht 350.93 million under "other income" in the company's and consolidated comprehensive income for the year ended 31 December 2014.

During 2014, the Company settled another installment payment of Baht 274.33 million on scheduled period.



28. Trade and other payables

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Trade accounts payable	40,619.90	37,389.55	1,030.59	1,812.24
Other payables	784.33	2,207.28	646.69	1,150.10
Unearned income	3,127.85	10,116.34	140.53	8,291.08
Accrued expenses	21,333.81	51,514.19	1,378.20	1,067.87
Trade and other payables	65,865.89	101,227.36	3,196.01	12,321.29

Unearned income in 2014 included the advance received of 8,137.91 million in relation to assets sold under the "Asset Sale and Transfer Agreement" dated 24 December 2013.

Accrued expenses can be analysed as follows:

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Regulatory cost	9,735.64	39,242.02	317.00	332.82
Accrued licence fee	2,854.47	5,054.95	-	-
Current portion of liabilities under agreements for operation (Note 30)	18.04	16.05	-	-
Network facility expenses	1,655.86	1,015.16	127.23	139.62
Performance pay	1,231.84	1,105.52	260.22	241.64
Interest expenses	608.79	106.82	419.26	106.75
Others	5,229.17	4,973.67	254.49	247.04
Total accrued expenses	21,333.81	51,514.19	1,378.20	1,067.87

29. Other current liabilities

At 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Output VAT pending tax invoice	2,651.68	3,226.50	96.23	146.54
Others	724.14	932.46	58.38	124.13
Total	3,375.82	4,158.96	154.61	270.67

### 30. Liabilities under agreements for operation

Detail of liabilities under agreements for operation can be summarised as follows:

At 31 December	Consolidated	
	2015 Baht Million	2014 Baht Million
Current (included in "Accrued expenses") (Note 28)	18.04	16.05
Non-current	86.05	104.09
	<u>104.09</u>	<u>120.14</u>

Movement of liabilities under agreements for operation can be analysed as follow:

	Consolidated Baht Million
<b>For the year ended 31 December 2015</b>	
Opening net book value	120.14
Repayments	(30.00)
Interest expense charge	13.95
Closing net book value	<u>104.09</u>

### 31. Employee benefits obligations

#### Retirement benefit obligations

The Group operates an unfunded defined benefit plan for eligible employees in Thailand. Under the Plan, the employees are entitled to Legal Severance Payment benefits ranging from 30 days to 300 days of final salary upon retirement. The present value of defined benefits obligations are as follows:

	Consolidated		Company	
	31 December 2015 Baht Million	31 December 2014 Baht Million	31 December 2015 Baht Million	31 December 2014 Baht Million
Statement of financial position				
Retirement benefit obligations	1,368.62	1,232.11	370.86	337.07
Loss charge included in operating profit	164.99	149.49	40.61	38.29



### 31. Employee benefits obligations (Cont'd)

#### Retirement benefit obligations (Cont'd)

The movement in the defined benefit obligations over the year is as follows:

	Consolidated	Company
For the year ended 31 December 2015	Baht Million	Baht Million
Opening net book value	1,232.11	337.07
Current service cost	111.43	25.89
Interest cost	53.56	14.72
Benefit paid	(28.48)	(6.82)
Closing net book value	1,368.62	370.86

The amounts recognised in the profit or loss are as follows:

	Consolidated		Company	
For the years ended 31 December	2015	2014	2015	2014
	Baht Million	Baht Million	Baht Million	Baht Million
Current service cost	111.43	101.25	25.89	24.80
Interest cost	53.56	48.24	14.72	13.49
Total (included in staff costs)	164.99	149.49	40.61	38.29
Classified as:				
Cost of providing services	60.47	47.70	13.45	8.37
Selling expenses	36.69	31.84	8.09	4.09
Administrative expenses	67.83	69.95	19.07	25.83
	164.99	149.49	40.61	38.29

The principal actuarial assumptions used were as follows:

	Consolidated and Company	
	2015	2014
	%	%
Discount rate	4.40	4.40
Future salary increases	6.00	6.00

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics in Thailand. The Thailand TMO08 tables contain the results of the most recent mortality investigation on policy holders of life insurance companies in Thailand. It is reasonable to assume that these rates are reflective of the mortality experience of the working population in Thailand.

Sensitivity of key assumptions:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
	%	%	%
Discount rate	1.00	Decrease by 11.45	Increase by 13.65
Future salary increases	1.00	Increase by 13.50	Decrease by 11.55

### 31. Employee benefits obligations (Cont'd)

#### Retirement benefit obligations (Cont'd)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Through its retirement benefits obligations, the Group is exposed to a risk, the most significant of which is:

Changes in bond yields     A decrease in Government bond yields will increase plan liabilities.

The weighted average duration of the defined benefit obligation is 25.10 years.

Expected maturity analysis of undiscounted retirement during the year 2016 - 2023 as follow:

	Consolidated			Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Over 3 years Baht	
At 31 December 2015				
Retirement benefits obligations	54,449,902	115,693,387	436,527,065	606,670,354
Total	54,449,902	115,693,387	436,527,065	606,670,354

	Company			Total Baht
	Less than a year Baht	Between 1 - 2 years Baht	Over 3 years Baht	
At 31 December 2015				
Retirement benefits obligations	22,831,115	45,624,245	132,752,038	201,207,398
Total	22,831,115	45,624,245	132,752,038	201,207,398

### 32. Other non-current liabilities

At 31 December	Consolidated		Company	
	2015 Baht Million	(Restated) 2014 Baht Million	2015 Baht Million	2014 Baht Million
Advance received for long-term Operating lease	11,166.23	-	-	-
Deposit received from customers	1,498.44	1,729.76	-	-
Valued added tax pending receipt of tax invoice related to debt restructuring	16.89	32.80	16.89	32.80
Withholding tax related to debt restructuring	6.58	13.19	6.58	13.19
Accrued licence fee	20,561.72	2,433.89	-	-
Provision	3,472.60	4,648.79	-	-
Others	62.97	83.71	-	3.38
<b>Total</b>	<b>36,785.43</b>	<b>8,942.14</b>	<b>23.47</b>	<b>49.37</b>

During 2015, CAT's call option provision of Baht 1,176.19 million (2014: Baht 1,162.47 million) was reversed and recognized as other income in consolidated financial statements.

### 33. Share capital, premium and discount on share capital

The total authorised number of shares is 24,607.93 million shares (2014: 24,607.93 million shares) with a par value of Baht 4 per share (2014: Baht 10 per share).

Details of issued and fully paid share capital are as follows:

	Number of shares Million	Common shares Baht Million	Share premium (discount) Baht Million	Total Baht Million
<b>At 1 January 2014</b>	14,530.22	145,302.15	(74,638.59)	70,663.56
- Issue of common shares	10,077.71	100,777.13	(35,925.01)	64,852.12
<b>At 31 December 2014</b>	24,607.93	246,079.28	(110,563.60)	135,515.68
- Par value reduction	-	(147,647.57)	110,563.60	(37,083.97)
<b>At 31 December 2015</b>	24,607.93	98,431.71	-	98,431.71

On 24 April 2015, the Annual General Meeting of the Shareholders has approved to reduce the par value of the Company's common share from Baht 10.00 per share to Baht 4.00 per share. The reduction amount will be compensated with legal reserve, net amount of the share premium and discount and the deficits. The Company completed the par value reduction process and registered with the Ministry of Commerce on 25 September 2015.

On 25 July 2014, the Extra General Shareholder's Meeting passed a resolution to decrease the authorised share capital from Baht 153.33 billion to Baht 145.30 billion and then increase the authorised share capital to Baht 246.08 billion by issuing 10.08 billion new common shares at par value of Baht 10 each. The allotment of the newly issued shares are for the follows:

- 5.65 billion shares are for right offering to the existing shareholders at the ration of 2.5725 existing shares for 1 newly issued share, at Baht 6.45 per share.
- 4.43 billion shares are offered under private placement scheme to China Mobile International Holdings Limited at Baht 6.45 per share.



**33. Share capital, premium and discount on share capital (Cont'd)**

The Company completed the right offering and private placement processes and registered the capital issued and paid-up with the Department of Business Development, Ministry of Commerce on 5 September 2014. The Company received the paid-up capital amounting to Baht 64,852.12 million net of issuance cost amounting to Baht 149.13 million.

**34. Legal reserve**

The legal reserve of the Company was established in accordance with the provisions of the Public Company Limited Act B.E. 2535, which requires the appropriation as legal reserve of at least 5% of net profit for the year after deduction of accumulated deficit brought forward (if any) until the reserve is not less than 10% of the authorised share capital. This reserve is not available for dividend distribution. During the year, the company set aside legal reserve amounting to Baht 275.91 million.

**35. Non-controlling interests**

At 31 December	Consolidated	
	2015 Baht Million	2014 Baht Million
Opening net book value	591.08	651.02
Addition investment in subsidiary by non-controlling interests	90.00	15.99
Purchasing shares from non-controlling interests	(0.01)	(31.39)
Reclassification of investment	(10.65)	-
Increase in non-controlling interests	0.01	6.27
Share of results of subsidiaries	(11.35)	(50.81)
Closing net book value	659.08	591.08

### 36. Cash flows from operating activities

Reconciliation of profit (loss) to cash flows from operating activities:

For the years ended 31 December	Notes	Consolidated		Company	
		2015	(Restated) 2014	2015	2014
		Baht Million	Baht Million	Baht Million	Baht Million
Profit (loss) before income tax		4,651.52	(852.68)	5,931.39	6,013.83
Adjustments for:					
Depreciation and amortisation		19,944.99	25,335.26	1,827.27	2,003.07
Interest income		(142.44)	(175.98)	(620.23)	(168.39)
Interest expense	11	2,897.21	5,101.28	2,279.55	2,693.84
Finance costs related to licences	11	194.12	220.37	-	-
Dividends received	42	(40.81)	(10.00)	(1,516.05)	(1,345.75)
Loss on disposals of property, plant and equipment		81.82	274.33	0.06	0.17
Gain from disposal of infrastructure assets	41	(360.60)	-	-	-
Loss from liquidation of associate	20	-	6.07	-	-
Doubtful accounts	10	1,523.41	1,243.54	217.74	289.29
Write off network equipment	22	80.63	410.18	-	-
Impairment charge of investment	20	-	-	-	672.79
Reversal of provision for CAT's call option	32	(1,176.19)	(1,162.47)	-	-
Increase in retirement benefits obligations		144.71	95.02	33.79	0.11
Unrealised (gain) loss on foreign exchange		(189.88)	(223.00)	32.73	(100.92)
Loss (gain) on sale of investment in associate		-	15.81	-	(172.30)
Realised loss on foreign exchange related to repayment of borrowings	27	3.82	6.16	3.82	17.95
Gain on settlement of DPN obligation	27	-	(350.93)	-	(350.93)
Share of results	20	(1,443.44)	(6,220.47)	-	-
Changes in operating assets and liabilities					
- Trade and other receivables		21,920.56	(25,726.99)	(1,177.79)	1,025.44
- Short-term investments		(1.78)	100.32	-	-
- Inventories		(4,004.04)	764.51	71.35	(59.44)
- Other current assets		(7,566.22)	(5,346.55)	28.00	(23.39)
- Film and program rights		(2,670.24)	(2,390.76)	-	-
- Other non-current assets		(205.09)	35.38	5.05	110.94
- Trade and other payables		(36,216.03)	13,203.27	(9,441.04)	(6,598.21)
- Other current liabilities		(784.31)	(719.38)	(78.88)	(1,059.64)
- Other non-current liabilities		10,726.06	(167.60)	(22.51)	(128.75)
Cash generated from operations		7,367.78	3,464.69	(2,425.75)	2,819.71
Add Interest received		143.67	158.08	641.59	182.69
Income tax received		712.33	115.60	263.14	-
Less Interest paid		(1,947.51)	(5,103.26)	(1,844.90)	(2,972.44)
Income tax paid		(2,943.22)	(2,278.91)	(252.21)	(307.12)
Net cash received from (used in) operating activities		3,333.05	(3,643.80)	(3,618.13)	(277.16)

### 37. Financial instruments

#### Objective and significant terms and conditions

In order to manage the risks arising from fluctuations in currency exchange rates, the Group adopts the following foreign currency risk management practices:

- entering into forward foreign exchange contracts;
- negotiating payment terms for foreign currency settlements on an individual transaction basis; and
- negotiating with foreign suppliers to share foreign exchange exposure.

Transaction risk is calculated in each foreign currency transaction and is projected six months forward. Exchange rates are monitored and forecasted information supplied by recognised research and financial analysis is used to estimate future exchange rates. These are compared against premiums on forward exchange contracts, and after making adjustments for the related risk, a decision is taken on whether to cover foreign currency transactions.

Transactions, if hedged with forward exchange contracts, are not hedged on a net basis, but rather on a transaction by transaction basis.

As at 31 December 2015 and 2014, the outstanding foreign currency assets and liabilities as follows:

	Consolidated		Company	
	2015 Currency Million	2014 Currency Million	2015 Currency Million	2014 Currency Million
<b>Assets</b>				
US Dollar	26.87	14.91	-	-
Euro	10.60	3.68	-	-
Japanese Yen	0.10	-	-	-
<b>Liabilities</b>				
US Dollar	774.77	498.87	0.10	0.05
Japanese Yen	1,709.33	2,560.75	1,708.89	2,560.74
Great British Pound Sterling	0.03	0.03	-	-
Euro	1.67	2.30	0.01	-
SGD	0.02	0.02	-	-

Foreign currency assets represent cash and accounts receivable whilst the above foreign currency liabilities represent trade accounts payable, borrowings and other payables.



### 38. Contracts and commitments

38.1 The Company entered into the agreement for Joint-Operation and Investments for Expansion of 2.6 million lines Telephone Services with TOT and other supplements to the Agreement for the following services:

- Wireline Services
- Value Added Services
- Personal Communication Telephone Services
- Public Telephone Services
- Receiving telephone service orders, and receiving payment for installation charges, deposits and monthly usage for TOT
- Fault notification and dropwire maintenance
- Personal Communication Telephone Service for TOT subscribers

Under the provisions of the “Agreement”, the “Amendment” and the Supplementary Agreements, TOT and the Company will share the gross revenues collected from operating the telephone network in accordance with the percentages as stipulated in the agreements. Among the Company’s responsibilities are the acquisition, installation, project management, operation and maintenance of the system as set out in the agreements. In addition, the Company is required to transfer to TOT certain equipment pertaining to such system together with the land and buildings acquired by the Company related to the project.

#### 38.2 Agreement for PCT operation

According to the Joint Operation and Joint Investment Agreement and the PCT Supplemental Agreement (“the Agreement”) between the Company and TOT to jointly operate and invest in the expansion of basic telephone services, including a personal communication telephone system in the telephone areas of Bangkok using the same long-distance telephone area code (the “Territory”), the Company is obliged to operate and comply with the Agreement. AWC, a subsidiary of the Company will operate and share revenues with the Company in accordance with the PCT Contract (the “Contract”). In July 2001, the Company entered into the Contract with AWC, which became effective on 25 July 2001. The principal terms and conditions include the following.

- a. AWC is responsible, at its own cost and expense, to procure, purchase, install, operate and maintain a personal communication telephone system in the Territory, all of which are to be performed in accordance with the requirements of the Agreement; and
- b. In consideration of the foregoing, AWC is entitled to receive a portion of the revenue generated by the PCT services in accordance with the calculation methodology set out in the Contract.

On 1 July 2006, the Company and AWC entered into the Addendum to the PCT contract. The Company increased the additional revenue sharing from the PCT services since 1 July 2006 onwards. The said Addendum was ceased on 31 December 2007. The principal terms and conditions are still effective and unchanged.



### 38. Contracts and commitments (Cont'd)

- 38.3 Certain subsidiaries have agreements with state enterprises, including CAT, TOT and MCOT to provide nationwide cellular telephone service, the lease of long distance circuits and Pay TV service, respectively.

Under the terms of the agreements, the subsidiaries have certain commitments to acquire, install, manage and maintain all equipment. The subsidiaries are also committed to transfer to CAT, TOT and MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreements, the subsidiaries are entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreements.

In addition, the subsidiaries are contingently liable to certain local banks for letters of guarantee totalling Baht 1,404.63 million issued by the said banks in favour of CAT, TOT and MCOT. The letters of guarantee cover the guarantee for the subsidiaries in compliance with the provisions of the agreements referred to above.

Under the term of the agreements, certain subsidiaries are obliged to pay minimum fee as follows:

Period due	Minimum fee Baht Million
Within 1 year	30.00
Between 1 - 2 years	35.00
Between 2 - 5 years	70.00

- 38.4 On 27 January 2011, a subsidiary, BFKT entered into an agreement with CAT to lease telecommunication equipment under HSPA technologies for the periods of 14.5 years. Under the terms and conditions of HSPA agreement, BFKT has certain commitments including acquiring, installing, managing, and maintaining all equipment necessary to provide mobile phone service using HSPA technology according to the capacity stipulated in the agreement and amended agreement executed on 3 December 2013 for the period of 14.5 years. As consideration of providing such services, BFKT entitles to receive revenue as stipulated in the agreement.

On 27 January 2011, a subsidiary, RMV entered into a re-sales and wholesales agreement with CAT ("the Agreement"). Under the terms and conditions of the Agreement, RMV provides mobile phone services using HSPA technology wholesale from CAT for the period of 14.5 years. On 16 December 2015, RMV was granted renewal Type I licences by NBTC for resale mobile services and internet services. RMV is entitled to maintain rights and obligations according to The Telecommunication Act B.E. 2544 under the terms and conditions as stipulated in the licences. The licences will be expired on 15 December 2020.

During 2015, the Group and CAT reached the solution to settle certain portion of rental and services revenue in BFKT and accrued operating cost in RMV for the period from July 2011 to October 2015. Currently, all parties are discussing the details to finalise the unsettled balances. The management has strong view that there will be no material impact to the Group's operations as a result of the discussion.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 841.49 million.

- 38.5 On 7 December 2012, a subsidiary, TUC was granted with the 2.1 IMT GHz Bandwidth licence by NBTC. The licence awarded covers three spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 15 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

### 38. Contracts and commitments (Cont'd)

38.6 On 4 December 2015, a subsidiary, TUC was granted with the 1800MHz Bandwidth licence issued by NBTC. The licence covers two spectrum bandwidth and authorises TUC to provide mobile service under those spectrum bandwidth for the period of 18 years. TUC must comply with the terms and conditions and pay the licence fee as stipulated in the licence.

38.7 The Company and subsidiaries are contingently liable to certain local banks for letters of guarantee in favour of certain government agencies, certain state enterprises and companies amount of Baht 3,797.88 million and Baht 370.65 million, respectively.

38.8 Under the terms of various agreements, the Company's and certain subsidiaries' assets have been pledged and/or mortgaged as collateral with the contracted parties, details of which are as follows:

	Carrying Value at 31 December			
	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Fixed and saving deposits	606.94	1,190.48	558.97	1,100.55
Investments in shares of associate	635.84	-	694.55	-

38.9 The Company and subsidiaries have entered into contracts with various contractors to supply and install additional network and expansion of network equipment capability and various agreements related to capital expenditure. The Group's and the Company's commitments as at 31 December 2015 were Baht 17,834.80 million and Baht 4.58 million, respectively (2014: Baht 12,437.59 million and Baht 7.03 million, respectively).

38.10 The agreement to operate cellular telephone services, Digital PCN 1800 granted to TMV expired on 15 September 2013.

On 16 August 2013, the NBTC announced the regulation in respect of the protection of mobile customers using mobile service on networks whose concession expires. In 2014, The National Council for Peace and Order ("NCPO") announced to extend the period of caretaking from 15 September 2014 to 15 July 2015. The regulation allows TMV to continue providing mobile service in the 1800 MHz spectrum during the transition period after the expiry of the agreement and requires operators to submit any remaining amount of income after deduction of costs incurred in providing mobile service during the transition period to the office of NBTC for verification prior to submitting the remaining amount as governmental revenue. Such costs include network operating costs, numbering fee and other administrative expenses and relevant costs for providing services. Giving that the definition of 'deductible costs' is unclear as to which expenses are deductible, TMV is seeking clarification from NBTC on this matter. According to the financial information, TMV had negative result from operations, and there was no remaining amount to be submitted. Accordingly, there was no liability relating to this matter recorded in the consolidated financial statement. On 17 August 2015, the NBTC notified TMV by referring to the NTC's resolution requesting TMV to submit an amount of Baht 1,069.98 million for the revenue earned during 16 September 2013 to 17 July 2014 which was the "caretaking" period. On 18 September 2015, TMV disputed and asked NTC to reconsider the methodology of income and expenses definition and computation during the caretaking period. Finally, TMV has brought this case to the Administrative Court on 17 November 2015 (Note 39.4.20).



### 38. Contracts and commitments (Cont'd)

- 38.11 The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 15 years.

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

	Consolidated	
	2015 Baht Million	2014 Baht Million
Not later than 1 year	3,263.24	2,349.91
Later than 1 year but not later than 5 years	12,814.76	9,752.69
Later than 5 years	18,740.42	16,019.75
	<u>34,818.42</u>	<u>28,122.35</u>

### 39. Litigations and Arbitration disputes and contingent liabilities

#### 39.1 Litigations outstanding at the Administrative Court

##### 39.1.1 Dispute in relation to the use of True's logo on public payphone booths

On 23 July 2004, TOT filed an arbitration claim against the Company alleging that the Company failed to comply with joint agreement between the Company and TOT for the public payphone booths. TOT claimed damages for the use of the Company's logo on the public payphone booths amount of Baht 433.85 million. On 30 November 2005, the Company submitted the statement of objection to the Arbitration Panel. On 12 July 2006, the Arbitration Panel awarded in TOT's favour. On 6 November 2006, the Company filed a lawsuit in order to withdraw the arbitral award at the Central Administrative Court. On 27 February 2008, TOT filed a motion to the Central Administrative Court to enforce according to the Arbitration's award and claim for payment of Baht 150.00 million and Baht 90.00 per month per payphone booth from the day of filing until the Company cease using True's logo on public phone boots of TOT. The Central Administrative court ordered to combine the case which the Company requested to repeal the execution of Arbitration's ruling. The Central Administrative Court has fixed the date of 26 December 2008 as final pursuance of fact-finding. On 24 February 2009, the Court ruled in favour of TOT and enforced the arbitral award for the black case number 61/2547 and red case number 77/2549, dated 12 July 2006. The Court ordered the Company to pay Baht 150.00 million within 60 days from the final date of the case and repay court fees for the total amount of Baht 80,000 to TOT. The Company appealed to the Court on 25 March 2009. The lawsuit is currently in the judicial process of the Supreme Administrative Court.

##### 39.1.2 Dispute in relation to interconnection charges

On 4 February 2011, Total Access Communication Public Company Limited filed with the Central Administrative Court against the Company and TOT to jointly pay for interconnection charges (IC) amount of Baht 3.94 billion. Currently, the case is under the judicial process of the Central Administrative Court.

### **39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)**

#### **39.1 Litigations outstanding at the Administrative Court (Cont'd)**

##### **39.1.3 Dispute in relation to the use of True's name and logo on invoices, tax invoices and receipts**

On 13 December 2004 and 11 March 2005, TOT filed an arbitration claim against the Company, claiming for advertising compensation for the unauthorised publication of True's name and logo on TOT's invoices, changing of the invoice pattern, related mailing expense and damages on marketing and image totalling amount of Baht 1,848.95. On 20 September 2013, the Arbitration ruled in favour for TOT force the Company to pay Baht 98.59 million. On 27 December 2013, the Company filed a protest against Arbitration's ruled with the Central Administrative Court. On 14 October 2015, TOT filed a petition to enforce the arbitral award with the Central Administrative Court. Currently, the case is under the consideration of the Court.

##### **39.1.4 Dispute in relation to the Agreement Article 38.**

On 15 May 2006, the Company filed an arbitration claim against TOT asking TOT to discontinue using its authority over the Agreement as well as to discontinue using its authority over the contract from the date its status changed. The authority to regulate shall be transferred to the Ministry of Transport or the Ministry of Information and Communication Technology. This case has no monetary claim amount. TOT submitted the objection statement on 17 June 2006. On 8 November 2006, the Company filed an arbitration claim against the authorisation limits of TOT on the Agreement Article 38 as a separate case. which two dispute, the arbitration ruling on 4 September 2014 that authorities of TOT is to use under the agreement. Later on 26 November 2014 the Company filed a request to revoke the award to the Central Administrative Court. The Court has ordered to acceptance the complaint on 3 December 2014 as the Black Case No. 1978/2557 and 1979/2557. The case is under the consideration of the court.

##### **39.1.5 Dispute in relation to revenue sharing under the Agreement.**

On 22 January 2008, TOT filed arbitration against the Company claimed for un-eligible revenue sharing paid to the Company amount of Baht 1,479.62 million plus interest. The Company filed a protest on 18 April 2008. Subsequently, on 26 June 2014, the majority of arbitrators ruled in favour of TOT and ordered the Company to pay Baht 1,217.50 million together with interest at 7.5% per annum starting from 22 January 2008 until the payment has been completely made. On 7 October 2014, the Company submitted a request to revoke the Arbitration's award with Central Administrative Court. The case is currently within the Court process.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of provision for possible liabilities have been made in the financial statements unless otherwise stated.



### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.2 Arbitration disputes outstanding at the Thai Arbitration Institute

##### 39.2.1 Arbitration cases filed by the Company against TOT

Dispute in relation to revenue sharing collected from international call services.

On 28 January 2005, the Company filed an arbitration claim against TOT regarding the calculation of revenue sharing from international calls under the Joint Operation and Joint Investment Agreement. The Company claimed damages in the amount of Baht 5,000.00 million for failure to obtain the actual number of international incoming calls, and damages of Baht 3,407.68 million for the incorrect calculation. Both amounts are entitled to bear interest. The case is currently within the arbitration process.

Dispute in relation to revenue sharing collected from international call.

On 25 December 2007, the Company filed an arbitration claim against TOT of Baht 1,968.70 million in respect of revenue sharing collected from international calls whereby TOT failed to deliver to the Company on a tariff stipulated in the agreement. The following are requested of the arbitrator to adjudicate on:

1. Requesting TOT to comply with the Agreement in respect of revenue sharing collected from international call and make payment according to the conditions stipulated in the Agreement.
2. Requesting TOT to pay damages amount of Baht 1,968.70 million.
3. Requesting TOT to apply the rate in calculation of revenue sharing both in-coming and out-going call base on the rate of Baht 6 per minute as stipulated in the Agreement as from September 2007 and onwards.
4. Requesting TOT to pay related interest at the rate stipulated in the Agreement Article 21 (MLR+1) or 7.86% per annum calculated from the amount unpaid from the date of submitting the arbitration claim until full payment has been made.

On 29 April 2008, TOT submitted a statement of objection. However, on 11 July 2013, TOT made a payment of revenue sharing collected from international call for the period of 1 January 2004 to 30 June 2004 amount of Baht 133.16 million. The Company acknowledged receipt the payment and agreed not to claim against the period received. Anyway, the Company retain the right to defend or to restrain the dispute.

##### 39.2.2 Arbitration cases filed by TOT against the Company

Dispute in relation to the lease of telephone conduits.

On 31 May 2005, TOT filed an arbitration claim against the Company seeking an order to pay rent for the lease of telephone conduits at Muang Thong Thani from May 2004 to April 2005 in the amount of Baht 6.72 million plus interest and onwards. The Company submitted a statement of objection on 19 September 2005. The case is currently within the arbitration process.

Dispute in relation to conduits rental fee.

On 17 February 2014, TOT filed the arbitration against the Company claiming for rental fee of lease conduits at Muang Thong Thani for the period from May 2005 to December 2013 amounting to Baht 59.17 million together with related interest. The Company is of the opinion that these conduits are the Company's asset and there should be no rental fee thereon for the usage. The Company filed an objection on 12 September 2014. Currently, the case is being under the arbitration process.

### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.2 Arbitration disputes outstanding at the Thai Arbitration Institute (Cont'd)

##### 39.2.2 Arbitration cases filed by TOT against the Company (Cont'd)

Dispute in relation to TA1234 campaign.

On 30 June 2005, TOT filed an arbitration claim alleging that it suffered damage from the loss of revenue sharing from 16 November 2000 to March 2005 of Baht 15,804.18 million plus interest as a result of the Company's invoices for domestic long distance call services at reduced tariff rates under the Company's "TA 1234" campaign. TOT also sought an order compelling the Company to collect domestic long distance call tariffs at the rates agreed in the Joint Operation and Joint Investment Agreement. On 12 March 2013, TOT made additional claim from April 2005 to 30 June 2005 for additional amount of Baht 1,060.91 million, becoming total claim amount of Baht 16,865.09 million. The case is currently within the arbitration process.

Dispute in relation to high speed internet (ADSL) service.

On 28 October 2005, TOT filed an arbitration claim against the Company, claiming that the Company was in breach of the wireline agreement by allowing other parties to provide high speed internet service (ADSL). TOT claimed the compensation amount of Baht 2,010.21 million plus interest. In addition, TOT has claimed continuous damages from July 2005 at the rate of Baht 180.00 million per month, plus interest. TOT also requested an order prohibiting the Company from providing ADSL service or allowing any other parties to provide ADSL service. Subsequently, on 6 November 2015, TOT amended the damage claim due to shortfall of revenue on ADSL internet services during September 2001 to August 2015 amounting to (including interest) Baht 86,206.29 million. The case is currently within the arbitration process.

Dispute in relation to remuneration of the Gateway for international long distance telephone service.

On 1 August 2011, TOT filed arbitration against the Company claimed for Baht 91.88 million including VAT and interest regarding to the remuneration of the Gateway for international long distance telephone services through code 007 for the period of July 2004 to May 2011. And claim for occurring interest until payment has been made. Moreover, claiming for outstanding invoice for the month of June 2011, plus interest and VAT. The Company has accrued expenses amount of Baht 79.21 million and this dispute is in the process of arbitration.

Dispute in relation to the numbering fees.

On 21 June 2013, TOT filed arbitration against the Company, claiming for a numbering fee of specific period of time with total claim is Baht 539.02 million. On 11 December 2013, the Company file the protest to the arbitration. The dispute is currently in the process of arbitration.

The ultimate outcomes of the aforementioned arbitration are presently unable to be determined, and accordingly, no recognition of revenue or provision for possible liabilities have been made in the financial statements unless otherwise stated.



**39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)**

**39.3 Assessment from the Excise Department**

On 21 July 2006, the Company was informed by the Excise Department regarding claims for penalties and surcharge on delay of payments for excise tax from January 2005 to March 2005 amount of Baht 185.87 million. On 21 August 2006, the Company filed for alleviation of this administrative order. Subsequently, on 1 September 2006, the Company filed an objection against this administrative order. On 30 April 2007, the Director General of Excise Department ruled to reject the Company's objection. On 2 May 2007, the Company filed an appeal with the Excise Tax Appeal Committee requesting repeal of the ruling of the Director General of the Excise Department. On 19 September 2008, the Excise Tax Appeal Committee dismissed the Company's appeal and ordered the Company to pay the excise tax according to the decision of excise tax assessment for the amount of Baht 185.87 million. On 22 January 2009, the Company filed against ruling of the Excise Tax Appeal Committee with the Central Tax Court. On 29 September 2009, the Central Tax Court pronounced a judgment withdrawing all the penalties and surcharge. However, on 2 March 2010, the Company appealed other points which are the results of the judgment. Subsequently, on 4 November 2015, the Supreme Court ruled to reversed the judgment of the Central Tax Court and order the Company to pay Baht 185.87 million to the Excise Department. The Company made such payment on 4 December 2015. The case was closed.

On 13 February 2009, the Company filed a request to the Director General of the Excise Department to make a claim for an excise tax refund for the period between January 2006 to 26 February 2007 in the total amount of Baht 348.87 million on the grounds that the Company is not obligated to pay excise tax. On 24 February 2012, the Excise Department dismissed the Company's appealing process. The Company is entitled to bring the case to the Central Tax Court within 10 years.

On 3 December 2015, a subsidiary filed against the Revenue Department with Central Tax Court requested to revoke the tax assessment by the Tax Assessment Officer and to revoke the decision of the Appeals Committee regarding the Tax Assessment Officer has notified the subsidiary to pay withholding tax for the period from 1 January 2003 to 31 December 2007 amounting to Baht 14.97 million claiming that the subsidiary did not follow the rule of withholding tax. Currently, the case is under the consideration of the Central Tax Court.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of provision for possible liability has been made in the financial statements.



### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.4 Litigations and arbitration disputes of subsidiaries

- 39.4.1 In March 2005, a distribution agency appointed by several subsidiaries whose contract had been terminated, filed a civil lawsuit claiming damages up to maximum of Baht 300.00 million from the said subsidiaries, based on alleged breach of the Commercial Dwelling Unit ("CMDU") subscription agreements. Subsequently, on 26 May 2008, the Civil Court ruled in favour of subsidiary and ordered the plaintiff to pay Baht 1.66 million plus interest at 7.5% per annum from the date of counterclaim until completion of payment. The Appeal Court affirmed the judgment of the Civil Court. On 23 June 2014, the plaintiff files dika. Currently, the case is under the Supreme Court's process.
- 39.4.2 On 13 October 2006, CAT filed an arbitration claim against a subsidiary to claim for a numbering fee amount of Baht 113.58 million. Subsequently, on 15 August 2008, the Arbitration ruled in favour of CAT by ordering the subsidiary to pay of Baht 99.60 million (excluded interest at 7.5% per annum). The subsidiary acknowledged on 24 August 2008. The subsidiary filed the protest with the Central Administrative Court. On 23 February 2011, the Central Administrative Court has judged that the Arbitrator's ruling is illegal. Thus, the Court ordered to repeal that ruling. On 22 March 2011, CAT appealed to the Supreme Administrative Court. Subsequently, on 16 June 2011, CAT filed a petition to the Central Administrative Court to enforce the award of the arbitral tribunal and asked for resolving compliant from the subsidiary. The subsidiary will oppose the claim since the award of the arbitral tribunal has been revoked by the Court and being under consideration of the Supreme Administrative Court. CAT is not entitled to file such petition. The case is currently under the judicial process of the Central Administrative Court.
- 39.4.3 On 9 January 2008, CAT filed for arbitration against the subsidiary claiming for shortcomings revenue sharing from the subsidiary including penalties and interest at the total amount of Baht 8,969.08 million. On 16 September 2011, the arbitrator decided to withdraw the claim. Consequently, the subsidiary is not required to pay the claim. On 25 November 2011, CAT has filed a petition to revoke the arbitration award with the Central Administrative Court. On 22 July 2014, the Central Administrative Court has ruled to revoke CAT's appealing. Consequently, CAT has appealed further to the Supreme Administrative Court. Currently, the case is under the process of the Supreme Administrative court.
- 39.4.4 On 19 February 2008, CAT filed an arbitral dispute against a subsidiary claiming for additional revenue sharing amount of Baht 45.95 million. On 6 March 2012, the Arbitrator awarded in favour of CAT by ordering the subsidiary to pay CAT amount of Baht 7.00 million (excluded interest). On 29 June 2012, the subsidiary brought the case to Central Administrative Court. The case is currently under the process of the Central Administrative Court.
- 39.4.5 On 29 January 2009, CAT filed an arbitral dispute against the subsidiary claiming for transfer and conveyance of 4,546 units of masts and towers together with their accessories to CAT. If, in any event, the transfer and conveyance of the subsidiary are impracticable, the subsidiary shall pay to CAT for the amount of Baht 2,766.16 million. The subsidiary filed a statement of objection to the Arbitration Office on 3 September 2009. On 2 August 2013, the arbitration rule to withdraw the case due to CAT's claimant are not in accordance with the agreement for operation signed with the subsidiary. Then, on 12 September 2013, CAT filed a petition to the Central Administrative Court to overrule the arbitral award. The case is currently under the consideration of the Central Administrative Court.



### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.6 Pertaining to the dispute between a subsidiary and CAT, where CAT claims for Baht 1,445.00 million (Baht 1,204.00 million and Baht 241.00 million) for the licence fee, numbering fee, additional minimum payment and excised tax under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A system, on 11 September 2015, the Arbitrators ruled to revoke all CAT's applications for the claim amount of Baht 1,204.00 million together with the subsidiary's counter claim of Baht 2,544.72 million. On 28 August 2015, the Central Administrative Court rejected CAT's petition against the arbitrator award and disposed the case.

On 13 August 2015, the Arbitrators ordered the subsidiary to pay Baht 91.83 million plus interest at 7.5% per annum for the claim amount of Baht 241.00 million being the fine for delay in monthly invoicing payment under the aforementioned agreement, and revoked all other claims within this category. The subsidiary has made full provision for Baht 91.83 million. On 25 November 2015, the subsidiary filed petition with the Central Administrative Court to revoke the arbitrator's award. The case is currently under the Center Administrative Court's process.

- 39.4.7 On 15 May 2009, CAT filed an arbitral dispute against the subsidiary claiming for reimbursement of numbering fee for four-digit special number "1331", which CAT paid to NTC, for the amount of Baht 3.96 million plus 7.5% per annum interest, value added tax, 1.25% per month stipulated penalty and fees and costs resulting from arbitral process. The claimed penalty would be in effect from the date that CAT had paid the numbering fee to NTC to the date that the subsidiary fully reimbursed to CAT. The subsidiary made a statement of objection on 11 December 2009. The case is currently under the process of Arbitration.
- 39.4.8 On 16 June 2010, a person who represent the foreign Pay-TV company filed against a subsidiary jointly with a group of person with the Civil Court claimed for damage of Baht 660.00 million. Subsequently, the Court of First Instance and the Court of Appeal ruled to dismiss the case due to the expiration of the case. The plaintiff filed petition on 7 February 2013. Later, on 11 December 2014, the Supreme Court ruled that the lawsuit's prescription has over and dismissed from the Court. It was later found that the plaintiff filed another appeal, the Supreme Court order the Appeal Court to reconsider that appeal and order the subsidiary to file the objection. Currently, the case is under the consideration of Appeal Court.
- 39.4.9 On 25 February 2011, CAT has filed an arbitration against a subsidiary claiming for the minimum bank guarantee amount of Baht 646.00 million and Baht 679.00 million, totalling of Baht 1,325.00 million for the 14<sup>th</sup> - 15<sup>th</sup> year of operation. On 7 October 2011, the subsidiary has made a counterclaim against CAT request for returning a minimum bank guarantee for 11<sup>th</sup> to 13<sup>th</sup> year and claim the amount of Baht 56.19 million. On 30 August 2013, CAT filed an arbitration request for bank guarantee for 16<sup>th</sup> - 17<sup>th</sup> year of operation. The subsidiary files an objection on 18 June 2013. On 24 September 2015, the majority of Arbitrators ruled to revoke CAT's applications and order CAT to pay an amount of Baht 60.46 million plus interest at 7.50% per annum of the subsidiary's damages, and CAT to compensate the subsidiary for the bank guarantee fee during the year of operation 11<sup>th</sup> - 13<sup>th</sup> at 2.00% per annum of guarantee amount which is Baht 26.20 million per year plus interest at 7.50% per annum until the bank guarantees are returned. In this regard, CAT retains right to bring the case to Administrative Court within 90 days from the date of Arbitrators' ruling.
- 39.4.10 On 8 September 2011, CAT filed an arbitration claim against the subsidiary regarding revenue sharing amount of Baht 11,946.15 million. The case is currently in the arbitration process.
- 39.4.11 On 23 July 2001, a subsidiary, as a jointly defendant was filed by a common person with the Civil Court claiming for breach of brokerage agreement requested amount of Baht 438.58 million. The case is currently under the judicial process of the Supreme Court.



### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.12 On 14 September 2011, the dispute between a subsidiary and NBTC as its regulator, regarding the collection of information and detail of pre-paid mobile telephone customer and charge for administrative fine at Baht 80,000 per day within 30 days from the receiving of notification date. The subsidiary brought the cash to the Central Administrative Court and Supreme Administrative Court charging for various cases, included among other are to request for temporary relief of fine Baht 80,000 per day and the collection of information of customer. For the first case, the Court in favour of the subsidiary not to pay any amount until the case is final. For the second case the Court dismissed the charge which may cause the subsidiary must comply in collecting the information of customer. On 3 March 2014, the subsidiary paid Baht 34.96 million as the administrative fine of Baht 80,000 per day calculated from 6 July 2012 to 15 September 2013. However, the aforementioned payment should not be interpreted that the administrative order and fine are lawful. If the final judgement is in favour of the subsidiary, the subsidiary shall redeem the amount paid. The case is pending in the Central Administrative Court.
- 39.4.13 On 8 May 2012, a subsidiary has requested NBTC and the Secretary of the NBTC to revoke the order and the resolution of the NBTC that prohibit any prepaid mobile phone operators to offer promotion in any manner which forces the customers to use the service within the specified period (Validity) and sought for court order to determine measures and procedures for the temporary relief before the final judgment is delivered. However, for the time being, the court does not issue any order as requested. This case is currently pending in the Central Administrative Court. On 8 May 2012, the Secretary of NBTC issued a letter requesting the subsidiary to revise conditions of service of prepaid mobile phone so that there is no provision in any manner which forces the customer to use the services within a specified period and shall not include conditions that force users to use the service within the period. On 31 May 2012, the Secretary of NBTC issued another letter to the subsidiary order a penalty for an administrative fine at the rate of Baht 100,000 per day since 30 May 2012 onwards subsequently the subsidiary has filed a petition with the court for suspension of enforcement of NBTC's orders and sought for such measures and procedures for the temporary relief before the final judgement. The Court dismissed the motion. However, subsidiary submitted appealing to the Secretary of NBTC to retain from the administrative fine. The result was that the subsidiary still have to pay the penalty. The amount of penalty during 30 May 2012 to 18 January 2013 totaling Baht 23.30 million. On 10 January 2013, the subsidiary filed a lawsuit against Secretary of the NBTC with Central Administrative Court to revoke the order of administrative fine and requested for the temporary relief before the judgement. Subsequently, NBTC agreed upon the term of providing mobile service to the prepaid customer proposed by the subsidiary and cease an administrative fine commencing 18 January 2013. On 20 February 2014, the subsidiary paid Baht 23.30 million as administrative fine. However, the aforementioned payment should not be interpreted that the administrative order and fine are lawful. If the final judgement is in favour of the subsidiary, the subsidiary shall redeem the amount paid. Current, the case is under consideration of the Central Administrative Court.
- 39.4.14 On 28 February 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 15<sup>th</sup> year of operation for the amount of Baht 1,571.60 million due to the inappropriate calculation. On 18 June 2013, the subsidiary file the petition. During 2014, CAT filed the motion with Central Administrative Court for disagreement with the Arbitrators arrangement and asked to cease the arbitration process until CAT's request has been solved. The Central Administrative Court dismissed the request for ceasing the arbitration process. On 1 September 2015, the majority of Arbitrators ruled in CAT's favour, ordering the subsidiary to pay for the amount of Baht 1,571.60 million plus surcharge of 15.00% per annum on that amount commencing 14 December 2011 until the completion of payment. The subsidiary file a petition to revoke against the Arbitrators' ruling with the Central Administrative Court on 4 December 2015. Currently, the case is under the Central Administrative Court's process.



### 39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

#### 39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.15 On 22 April 2013, CAT filed for arbitration against the subsidiary requested for transferring the passive type of telecommunication infrastructure or a compensation amounting to Baht 821.14 million in case of failure to transfer. The subsidiary filed protest on 28 August 2013. Currently, the case is under the arbitration process.
- 39.4.16 On 30 August 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 16<sup>th</sup> year of operation for the amount of Baht 2,441.69 million due to the inappropriate calculation. Currently, the case is under the arbitration process.
- 39.4.17 On 12 November 2013, CAT filed for arbitration against the subsidiary requested for transferring of 59 generator stations or compensation amount to Baht 39.57 million in case of failure to transfer. Currently, the case is under the arbitration process.
- 39.4.18 The dispute between CAT and a subsidiary, where CAT claims under the Marketing Service Agreement for Cellular Digital AMPS 800 Band A system. On 20 February 2014, HCAT, a subsidiary has requested through the Civil Court to issue an order not allowing CAT to force payment from bank guarantees given by the subsidiary amounting to Baht 63.02 million. The Civil Court ordered CAT not to claim against the guarantor bank until the case has been finalised. The judicial district for the case is fall under the Central Administrative Court. On 20 March 2014, CAT has filed against HCAT and BFKT with the Central Administrative Court requiring compensation amounting to Baht 1,576.19 million claiming for breach of various contracts. Later on, the Central Administrative Court ordered to combine both claimed by CAT or the subsidiary. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.19 On 20 May 2015 and 11 September 2015, CAT filed against a subsidiary claiming that the subsidiary uses the telecommunication equipment that was already transferred to CAT under the Build-Transfer-Operate Agreement of nationwide cellular 1800 MHz. network on 16 September 2013, the Agreement expiry date, without entering into any new arrangement with CAT. The claimed amount for using the telecommunication equipment is Baht 23,016.55 million from the Agreement expiry date to 16 July 2015, the period that NBTC required the subsidiary to act as a caretaker to continue providing mobile services under the 1800 MHz. spectrum and the two-year extension period announced by National Council for Peace and Order ("NCPO"). Currently, the case is under the Central Administrative Court and the subsidiary is under the process of submitting the clarification statement.
- 39.4.20 On 17 November 2015, a subsidiary filed a case against the NBTC, NTC, Office of the NBTC and The Secretary General of the NBTC with the Central Administrative Court requested to revoke the NTC's resolution that ordered the subsidiary to pay Baht 1,069.98 million, an assumed revenue occurred during caretaker period from 16 September 2013 to 17 July 2014. In addition, the subsidiary requested to reimburse cost of providing service incurred during such period from those aforementioned parties amounting to Baht 16,074.10 million and also claimed a numbering fee paid to NBTC by mislead after the expiring of the Agreement per 39.4.19 amounting to Baht 190.97 million. Currently, the case is under the Central Administrative Court's process.

The ultimate outcome of the aforementioned cases cannot presently be determined, and accordingly, no provision for possible liability has been made in the financial statements.

#### 40. Access charges

##### 40.1 The Company's access charges

On 21 August 2002, the Company filed an arbitration claim regarding a dispute arising from the wireline Agreement between the Company and TOT. The terms of the wireline Agreement provided that the Company is entitled to additional considerations from TOT if TOT provides or allows any third parties to provide "special services" over the network. TOT allowed CAT and other mobile telecommunications service providers to use this network for mobile telecommunications services and obtained access charges from CAT and the other mobile telecommunications service providers. However, TOT disagreed that the use of the Company's wireline network for mobile telecommunications services was a "special service" and therefore refused to provide the Company with the additional considerations. The Company claimed for its portion of revenue sharing regarding access charges received by TOT starting from October 1992 to June 2003 amount of Baht 25,419.40 million. On 21 February 2006, the Arbitration delivered to the Company rulings of the arbitration dated 17 January 2006. The arbitral rulings are as follows:

1. The Company is entitled to benefits derived from TOT's provisions of special services on the Company's network or from TOT's permission for other parties to provide special services on the Company's network.
2. With respect to benefits from the beginning until 22 August 2002, TOT must pay the Company the sum of Baht 9,175.82 million plus interest at the rate of 7.5% per annum from 22 August 2002. The payment must be made within 60 days from the receipt of the arbitral award. TOT has not paid any amount. The claimed amount on 31 December 2011 is Baht 15,620.26 million.
3. As from 23 August 2002, TOT must pay to the Company 50% of the benefit derived by TOT from the portion accessing to the Company's network.

On 20 April 2006, TOT filed a motion with the Central Administrative Court requesting an order to withdraw the arbitral award. Subsequently, on 19 September 2006, the Company submitted a statement of objection to the Central Administrative Court, and the court accepted the Company's statement of objection for consideration on 28 September 2006. On 8 May 2008, the Company as the petitioner requested the Central Administrative Court for the execution of the Arbitration's ruling. The court ordered to combine the case which TOT requested to repeal the execution for Arbitration's ruling. The case is currently in the judicial process of the Central Administrative Court.

On 19 September 2012, the Central Administrative Court has ruled in favour of TOT, by revoking the ruling of the arbitration dated 17 January 2006. On 18 October 2012, the Company appealed against the ruling of the Central Administrative Court with the Supreme Administrative Court. The case is under the Supreme Administrative Court process.



#### 40. Access charges (Cont'd)

##### 40.2 A subsidiary's access charges

On 5 October 2006, a subsidiary issued a letter to TOT requesting it to enter into negotiation regarding the interconnection agreement ("IC") between its network and TOT's network. On 17 November 2006, the subsidiary issued a written notification informing TOT and CAT that it will cease payment of access charge under the Access Charge Agreement on the basis that the rate and the collection of access charge under the Access Charge Agreement were contrary to the law in a number of respects. The subsidiary also requested TOT to enter into the interconnection charge agreement to be in compliance with the law or temporarily apply the provisional rate announced by the NTC while the negotiations on the interconnection agreement with TOT has not been concluded.

However, on 23 November 2006, TOT issued a letter informing the subsidiary that the subsidiary was not entitled to interconnect its network with the TOT network because the subsidiary was not a telecommunications licensee, as granted by the NTC, and did not have its own telecommunications network. TOT also disputed that the Access Charge Agreement did not violate any law and that the rate and the collection of access charge under the Access Charge Agreement continuously prevail.

Pertaining to the NTC's announcement regarding the dispute resolution in respect of uses and interconnection of telecommunication network (IC), the subsidiary has brought the dispute to the Dispute Resolution Committee ("DRC") on 29 June 2007, requesting TOT to enter into the contract in relation to interconnection (IC). The DRC considered this and NTC deemed that the subsidiary is entitled to negotiate with TOT regarding the interconnection contract (IC) on 21 November 2007 and 28 November 2007, respectively. On 23 June 2008, subsequently, TOT agreed to enter into the interconnection charge agreement (IC) with the subsidiary on the condition that specific only the new numbers allocated by NTC. The subsidiary notified to agree with TOT's offering. For the old numbers, the subsidiary will carry on the case and depend on judgment of the Civil Court.

On 16 November 2007, TOT filed a lawsuit against the subsidiary with the Civil Court, claiming violation of the access charges contract (agreement) and requested for access charges payment amount of Baht 4,508.10 million with related interest and value added tax. On 16 September 2009, the Civil Court and the Central Administrative Court agreed that the case was within the Central Administrative Court's jurisdiction and thus, struck the case out of the case-list.

On 9 May 2011, TOT filed a lawsuit with Central Administrative Court against CAT jointly with a subsidiary claiming for an access charge amounting of Baht 41,540.27 million.

On 31 July 2014, TOT has amended the claim amount to Baht 59,628.00 million plus interest from the initial filing date until the payment is made. The case is currently in the judicial of the Central Administrative Court.

If the subsidiary has to pay such access charges, the subsidiary would record additional expense and be liable to accrue additional access charges for the period from 18 November 2006 to 15 September 2013 are as follows:

	Accrued access charges Million Baht	Net effect to the consolidated profit or loss, net of revenue sharing to CAT Million Baht
For the period from 18 November 2006 to 15 September 2013	32,344.56	23,762.55

The management and its external lawyer have opined that the subsidiary would not be liable to pay the said access charges.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of revenue and provision for possible liability has been made in the financial statements.



#### 41. Infrastructure fund transaction

On 5 March 2015, Asia Wireless Communication Co., Ltd. ("AWC"), entered into agreements with Digital Telecommunications Infrastructure Fund ("DIF") (formerly "True Telecommunications Growth Infrastructure Fund" ("TRUEIF")) with details as follows:

- i) **Asset and Revenue Sale and Transfer Agreement:** to transfer the right of net revenues of 338 telecommunication towers (including all claim, awards, judgment, suits and any other right of AWC arising out of or in connection with such revenues and any agreement under which such revenues would be derived) to be generated on and from the effectiveness of the Asset and Revenue Sale and Transfer Agreement (5 March 2015) until the expiration of the agreement (3 August 2025). Under the term of the agreement, AWC will transfer the telecommunications towers to DIF at the expiry date of the agreement.

The Group recognised gain from the transaction of Baht 360.60 million under "Other income" in the consolidated statement of comprehensive income for the year ended 31 December 2015.

	<b>Consolidated Baht Million</b>
Amount proceed	806.89
<u>Less</u> Costs of assets sale and relevant costs	(291.24)
<u>Less</u> Related expenses	(14.03)
Total gain from assets sale	501.62
<u>Less</u> Unrealised gain from assets sale	(141.02)
Gain recognised during the period	<u>360.60</u>

The Group holds 28.11% interest in DIF. Unrealised gain represents 28.11% of gain from aforementioned transaction that is not recognised.

- ii) **Long-Term Lease Agreement with call option:** to lease 7,981 kilometers of the fiber optic cable to DIF with lease term of 20 years starting from the effectiveness of the Long-Term Lease Agreement (5 March 2015) until the expiration of the agreement (4 March 2035). On the commencement date of the agreement, DIF made a prepayment for rental of the assets amounting to Baht 12,293.12 million, excluding VAT of Baht 860.52 million to AWC. After DIF receives a refund of the corresponding VAT from the Revenue Department, DIF will make payment of VAT to AWC as specified in the Agreement.

The Group recognised Baht 368.22 million as rental revenue for the year ended 31 December 2015 and recognised current and non-current unearned income of Baht 614.66 million and Baht 11,166.23 million presented under "Trade and other payable" and "Other non-current liabilities", respectively.

#### 42. Related party transactions

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, joint ventures and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

CP Group of companies is the major shareholder of the Company.

The following transactions were carried out with related parties:

##### i) Sales of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Sales of goods:</b>				
Subsidiaries	-	-	-	4.21
Associates	8,140.29	8,255.55	8,137.91	8,252.64
Related company				
CP Group of companies	1,234.37	2,021.66	-	0.07
	<u>9,374.66</u>	<u>10,277.21</u>	<u>8,137.91</u>	<u>8,256.92</u>
<b>Sales of services:</b>				
Subsidiaries	-	-	5,229.01	5,543.60
Joint ventures	3.65	-	-	-
Associates	631.21	91.64	-	-
Related company				
CP Group of companies	1,271.41	953.84	53.13	58.54
	<u>1,906.27</u>	<u>1,045.48</u>	<u>5,282.14</u>	<u>5,602.14</u>

As at 31 December, 2015 the Group holds a 9.42% (2014: 9.42%) equity interest in NEC Corporation (Thailand) Co., Ltd.

42. Related party transactions (Cont'd)

ii) Purchases of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Purchases of goods:</b>				
Subsidiaries	-	-	86.59	0.34
Related company				
CP Group of companies	6,283.22	7,201.92	1,207.63	1,051.39
	<u>6,283.22</u>	<u>7,201.92</u>	<u>1,294.22</u>	<u>1,051.73</u>
<b>Purchases of services:</b>				
Subsidiaries	-	-	860.57	631.05
Joint ventures	5.35	1.88	-	-
Associates	5,001.73	3,287.30	-	-
Related companies				
CP Group of companies	5,105.68	3,927.60	434.99	410.93
China Mobile Group of companies	43.06	-	-	-
NEC Corporation (Thailand) Co., Ltd.	0.30	0.06	0.04	0.02
	<u>10,156.12</u>	<u>7,216.84</u>	<u>1,295.60</u>	<u>1,042.00</u>

iii) Outstanding balances arising from sales and purchases of goods and services

As at 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Receivables from related parties: (included in "Trade accounts receivable" (Note 17))</b>				
Subsidiaries	-	-	2,597.40	1,626.85
Joint venture	3.38	-	0.03	0.03
Associates	30.64	23.53	-	(0.03)
Related companies				
CP Group of companies	8,695.74	10,526.67	107.31	87.22
China Mobile Group of companies	75.13	-	-	-
NEC Corporation (Thailand) Co., Ltd.	0.18	0.16	-	0.17
	<u>8,805.07</u>	<u>10,550.36</u>	<u>2,704.74</u>	<u>1,714.24</u>
<b>Payables to related parties: (included in "Trade and other payables")</b>				
Subsidiaries	-	-	330.34	359.67
Joint venture	21.99	-	-	-
Associates	315.89	316.67	-	-
Related company				
CP Group of companies	6,963.03	9,522.81	212.61	581.47
China Mobile Group of companies	18.63	-	-	-
	<u>7,319.54</u>	<u>9,839.48</u>	<u>542.95</u>	<u>941.14</u>



42. Related party transactions (Cont'd)

iv) Loans to related parties

As at 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
<b>Loans to related parties</b>				
Current	147.00	147.00	19,815.00	9,450.00
Total	147.00	147.00	19,815.00	9,450.00

Movement of loans to related parties can be analysed as follows:

As at 31 December	Consolidated Baht Million	Company Baht Million
<b>For the year ended 31 December 2015</b>		
Opening net book value	147.00	9,450.00
Additions		
- Principal	-	49,367.00
Payment received		
- Principal	-	(39,002.00)
Closing net book value	147.00	19,815.00

The outstanding loan to related party in the consolidated financial statements as at 31 December 2015 is a loan to CP Group of companies for Baht 147.00 million (2014: Baht 147.00 million), which were call promissory notes bearing interest at MLR per annum.

The consolidated and the Company related interest income for the year ended 31 December 2015 were Baht 11.13 million and Baht 569.55 million, respectively (2014: Baht 11.31 million and Baht 92.06 million, respectively).

v) Loans from related party

As at 31 December	Company	
	2015 Baht Million	2014 Baht Million
Current	555.00	700.00
Total	555.00	700.00

Movement of loans from related party can be analysed as follows:

For the year ended 31 December 2015	Company Baht Million
Opening net book value	700.00
Additional borrowings	9,805.00
Repayment	(9,950.00)
Closing net book value	555.00

The interest expense in connection with these loans in the company financial statement for the year ended 31 December 2015 was Baht 129.50 million (2014: Baht 572.29 million).

42. Related party transactions (Cont'd)

vi) Interest receivable arising from loans to related parties

As at 31 December	Consolidated		Company	
	2015 Baht Million	2014 Baht Million	2015 Baht Million	2014 Baht Million
Interest receivable: (included in "Trade and other receivables")				
Related companies	35.16	27.37	0.07	11.89
	35.16	27.37	0.07	11.89

vii) Directors and key management's remuneration

The total remuneration of the directors and the key management of the Group and the Company were Baht 361.21 million and Baht 302.28 million, respectively (2014: Baht 334.99 million and Baht 270.62 million, respectively).

The post retirement benefit for directors and senior executive is Baht 7.62 million (2014: Baht 7.12 million).

viii) Dividends received

During 2015, the Company received dividends from an associate of Baht 1,516.05 million (2014: Baht 1,345.75 million). Dividends were recognised as "Dividends income" under "Other income" in the Company profit or loss and recognised directly to investment in associate in the consolidated statement of financial position. A subsidiary received dividends from other company amounting to Baht 40.81 million (2014: Baht 10.00 million).

43. Event after the reporting date

On 1 February 2016, the Company's Board of Directors has a resolution to increase the Company's share capital amounting to Baht 60,000 million by right offering to the existing shareholders. This resolution will require approval at the Annual General Meeting of the shareholders on 8 April 2016.

On 21 December 2015, TUC a 99.99% directly owned subsidiary of the Company was officially notified by the NBTC that TUC has been awarded with two spectrum bandwidth licence with total price of Baht 76,298.00 million under the auction of the 900MHz bandwidth. TUC must pay for the licence fee and comply and fulfill with the terms and conditions as stipulated in the terms of auction and licence regulated by NBTC. License and related liabilities will be recognised when the license is granted by NBTC.



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