

TOGETHER, TRULY CONNECTED

ANNUAL REPORT 2017

true
together

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GLOSSARY AND ACRONYMS

GLOSSARY AND ACRONYMS

| | |
|-----------------------------|--|
| The Company or TRUE | True Corporation Public 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. |
| AP&J | AP&J Production Company Limited |
| AWC | Asia Wireless Communication Company Limited |
| Beboyd | BeboydCg Co., Ltd. |
| BFKT | BFKT (Thailand) Limited |
| BITCO | Bangkok Inter Teletech Public Company Limited |
| BMA | Bangkok Metropolitan Area |
| CAT or CAT Telecom | CAT Telecom Public Company Limited |
| China Mobile | China Mobile International Holdings Limited |
| CNP | Cineplex Company Limited |
| DIF | Digital Telecommunications Infrastructure Fund |
| Golden Light | Golden Light Company Limited (Registered in foreign) |
| Goldsky | Goldsky Company Limited (Registered in foreign) |
| GPI <BVI> | Gold Palace Investments Limited (Registered in foreign) |
| HCWML | Hutchison CAT Wireless MultiMedia Limited |
| 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 |

| | |
|------------------|--|
| IKSC | Internet Knowledge Service Center Company Limited |
| K.I.N. <BVI> | K.I.N. (Thailand) Company Limited (Registered in foreign) |
| KSC | KSC Commercial Internet Company Limited |
| MCOT | MCOT Public Company Limited |
| MKSC | MKSC World Dot Com Company Limited |
| MVNO | Mobile Virtual Network Operator |
| NBTC | National Broadcasting and Telecommunications Commission |
| 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 |
| TAI | True Axion Interactive Limited |
| TAM | Telecom Asset Management Company Limited |
| TCJ | True CJ Creations Company Limited |
| TDMP | True Digital & Media Platform Company Limited |
| TDPK | True Digital Park Co., Ltd. |
| TDS | True Distribution & Sales Company Limited |
| TE | Tele Engineering and Services Company Limited |
| TFF | Transformation Films Company Limited |
| TGS | True GS Company Limited |
| TH | Telecom Holding Company Limited |
| TI | True Internet Company Limited |
| TIC | True International Communication Company Limited |
| TICC | True Internet Corporation Company Limited (Formerly : True Universal Convergence Company Limited) |
| TICT | True Icontent Company Limited |
| TIG | True International Gateway Company Limited |
| TIT | True Information Technology Company Limited |

| | |
|---------------------------|---|
| TITS | True Internet Technology (Shanghai) Company Limited (Registered in foreign) |
| TKSC | Telecom KSC Co., Ltd. |
| TLP | True Life Plus Co., Ltd. |
| TM | True Multimedia Company Limited |
| TMD | True Media Solutions Co., Ltd. (Formerly : True Digital Media 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 Music | True Music Company Limited |
| True Trademark | True Trademark Holdings Company Limited (Formerly : Dragon Delight Investment Limited) |
| True4U | True4U Station Company Limited (Formerly : True DTT Company Limited) |
| TT | True Touch 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 |
| TVC | True Visions Cable Public Company Limited |
| TVG or True Visions Group | True Visions Group Company Limited |
| TVT | True Vistas Company Limited (Formerly: True Magic Company Limited) |
| VoIP | Voice over Internet Protocol |

COMPANY BACKGROUND AND BUSINESS OVERVIEW

COMPANY BACKGROUND AND BUSINESS OVERVIEW

TRUE GROUP'S VISION, OBJECTIVE AND LONG TERM GOAL

True Group is Thailand's fully-integrated telecommunications provider and convergence leader. It offers an unrivaled selection of communication services utilizing advanced technologies, innovative solutions and a comprehensive range of digital media and content. Its vision is to be the leading digital infrastructure provider that fully connects people, organizations, economies, and societies together to create sustainable value for life.

True Group seeks to elevate Thailand's telecommunications infrastructure to be at the forefront of the international community while progressing the country towards the goal of becoming a digital infrastructure gateway in Asean. The Group's ongoing dedication in developing wired and wireless networks as well as equipping its portfolio with quality international and local content increase opportunities and channels for Thai people throughout the country to thoroughly access news and information, to bridge the digital divide, and to facilitate Thailand's evolution into a knowledge-based society.

True Group's core businesses are: TrueMove H, which operates cellular business with superior network quality and coverage through the most comprehensive spectrum portfolio. TrueMove H delivers optimum mobile experience on all platforms comprising 4.5G/4G, 3G and 2G networks which cover 98% of the Thai population nationwide. This resulted in its above-industry revenue and subscriber growth throughout 2017. TrueMove H added 2.7 million net subscribers during the year and expanded its subscriber base to 27.2 million. TrueOnline, the leading broadband internet and WiFi provider through high-quality fiber network encompassing approximately 13 million homes nationwide. Its fiber broadband campaigns have received strong market response and pushed TrueOnline's broadband subscriber base to grow by 14% from the previous year to 3.2 million. TrueVisions, the leading nationwide pay TV and HD TV operator. TrueVisions Group was also granted two digital terrestrial TV licenses comprising variety channel "True4U" and news channel "TNN24". TrueVisions ended 2017 with the total customer base of 4.0 million, of which 2.2 million were premium and standard customers while the rest were FreeView and Free-to-air customers; and the Group's digital platform and offerings, which focus on innovation, digital offerings and solutions utilizing cutting-edge technologies including TrueID, Internet of Things ("IoT") and Analytics or Artificial Intelligence ("AI").

True Group's ongoing commitment is to provide high-quality offerings to consumers by focusing on network superiority, service excellence, innovation and digital offerings and an ideal combination of its various products through convergence propositions. Convergence is one of the Group's key competitive advantages as it fulfills customers' demands and lifestyles while enhancing their engagement. This positions True Group well to accelerate growth alongside consumers' growing demands for telecommunications and digital services.

True Group strives to develop its business towards sustainability by conducting its business transparently and engaging with all stakeholder groups accordingly, demonstrating economic, social, and environmental responsibility at the national, community and corporate levels continuously. As a result, True Group has received a number of

international recognitions in sustainable development and was the only company in the Thai telecommunications industry selected for inclusion in both the Dow Jones Sustainability Index – Emerging Markets, and the FTSE4Good Emerging Index in 2017. True Group will continue to raise the bar on corporate sustainability to further create shared value for its stakeholders.

The Company is backed by the Charoen Pokphand Group (“CP Group”), one of the leading global agro-conglomerates, and China Mobile, the world’s largest mobile operator by subscriber base, with shareholding of 50% and 18% of the Group’s total number of issued shares, respectively as at March 16, 2017. True Group’s total registered and paid-up capital was Baht 133,473 million at the end of 2017. 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 25-year build-transfer-operate concession with TOT to build, install, jointly operate and maintain a 2.6 million-line wireline network in the BMA. The fixed-line telephone concession ended in October 2017 and True Group completely transferred the rights and equipment to TOT. The Group continues to offer its licensed fixed-line telephone service “Fixed Line Plus” as a value added service to customers.

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.

True Group started providing hi-speed data communication services 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 has committed to providing an excellent internet experience to both the consumer and corporate segments through competitive fiber broadband campaigns, bundling with other products within True Group, and expanding its broadband network to reach approximately 13 million households nationwide. The fiber network not only enables True Group to offer fast and constant internet speed for customers but also facilitates the real convergence 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. 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.

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 on the 2.1 GHz spectrum in May 2013. In addition, TUC was granted the 1800 MHz and 900 MHz spectrum licenses in December 2015

and March 2016, respectively. These additional licenses extend the Group's mobile business at least until 2033 and reinforce its leadership in 4G and wireless high-speed broadband services through the most comprehensive spectrum portfolio totaling 55 MHz by leveraging on an ideal combination and 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. TrueMove H's 4.5G/4G, 3G and 2G networks cover 98% of the Thai population nationwide, penetrating village level in all 77 provinces of Thailand. This, combined with its nationwide 3CA (Carrier Aggregation) and 4X4 MIMO technologies, provides consumers with an optimum mobile experience while fulfilling their lifestyles in this digital age. Throughout 2017, TrueMove H remained committed to developing the best network for Thai consumers and further took the lead in utilizing cutting-edge technologies. The business completed the trial of massive MIMO 32T32R with 5 times more capacity to support consumers' increasing demands for higher speeds and the Thailand 4.0 national strategy.

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, increased to 100.0%. While TrueVisions' main revenue source comes from monthly subscription fees, MCOT in 2009 authorized the Company to carry advertising. Furthermore, subsidiaries under TrueVisions Group were granted two digital terrestrial TV licenses for news channel "TNN24" and variety channel "True4U" from the NBTC in April 2014. These increase opportunities to further drive revenue growth and upselling potential.

TrueVisions' full range of quality international and local content, particularly live broadcasting and exclusive content, combined with excellent response to the Group's value convergence packages are key drivers for expanding its subscription revenue and paying subscriber base. At the same time, TrueVisions' quality content is shared across True Group's multiple platforms, further enhancing the Group's competitiveness, customers' engagement and subscriptions to True Group's various products.

True Group achieved a strategic partnership with China Mobile in 2014 when China Mobile became the second largest shareholder of True with an 18-percent holding. The partnership further strengthens True Group's business fundamentals through collaborations in several areas, including network and device procurement, international business, complementary capabilities for data business services and new business opportunities in relation to innovation and Internet of Things. True Group also joined the Hand-in-Hand Program ("hi-H Program") led by China Mobile International (CMI) in 2015. The hi-H Program empowers the connection between members in sharing resource, expertise and knowledge to further enhance consumers' experiences. All these initiatives will result in the development of services which will align not only with the technology development but also with the development of customer demands.

True Group's digital platform was created with an aim to provide the best possible digital and content platforms to fulfill consumers' demands and lifestyles. The TrueID application combines a wide variety of quality and digital content including movies, TV, music, sports, and lifestyles as well as exclusive privileges in one application. It's designed for all networks and applicable for various platforms from mobile application, websites to over-the-top (OTT) media. In addition, True Group has integrated digital technologies to develop innovative solutions and IoT offerings in various areas including healthcare, transport and logistics, building automation and security, smart cities, retail and manufacturing. The Group also continues to place importance on Big Data and Artificial Intelligence technologies, which provide data-driven business intelligence to be analyzed (Data Analytics) for competitive

advantages and better responding to consumers' needs.

Asset divestment to the Digital Telecommunications Infrastructure Fund "DIF", the first and largest telecommunications infrastructure fund in Thailand, is one of True Group's strategies to enhance capital structure and to facilitate future business growth opportunities. True Group has agreed 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. In 2017, the Group entered into an additional asset disposal transaction, divided into two tranches. The first tranche was completed and True Group received gross proceeds of approximately Baht 12.9 billion in November 2017. The second tranche is expected to be completed within the first half of 2018. After its completion, the total telecom infrastructure assets held by DIF will be 15,271 telecommunications towers, approximately 2.6 million core-km of FOC and related transmission system equipment, and an upcountry broadband system with a capacity of approximately 1.2 million ports. True Group's holding in DIF was 28.1% at the end of 2017.

MAJOR DEVELOPMENTS IN 2017

JANUARY

- TrueOnline maintained its market leadership with its most stable and fastest internet speeds employing advanced fiber technology delivered to households across the country. The new value-for-money packages were launched under the “Speedy Internet, Popular Channels & High-Definition TV” campaign, offering fiber broadband internet with download speeds ranging from 30 to 300 Mbps as well as a wide variety of TrueVisions’ quality content including globally reputed movies, sport programs and documentaries in the highest clarity for both high-definition and digital TV channels.
- TrueVisions remained committed to equipping its portfolio with high-quality content to satisfy the evolving preferences of Thai consumers. The business introduced six new channels from leading international studios including Warner TV HD, Sony Channel HD, Paramount Channel HD, Fox Action Movies HD, Celestial Classic Movies and Food Network HD. These channels receive positive market response and further cement TrueVisions’ position as the center of world-class entertainment for all family members.

FEBRUARY

- True Group announced collaboration with Huawei in developing “True-Huawei IoT Open Lab”, the first in Thailand and Southeast Asia, aiming to create innovative and Internet of Things solutions to match consumers’ demands and build a better connected world. This collaboration will drive technological innovation and promote the ecosystem relating to IoT while supporting the government’s policy to drive the country towards Thailand 4.0 regime.

MARCH

- TrueMove H continued to take the lead in utilizing advanced technologies. It completed the trial of massive MIMO 32T32R with 5 times more capacity to better respond to consumers’ growing demands for higher speeds and digital lifestyles. This paves the way for further enhancing TrueMove H’s network capability while supporting the Thailand 4.0 national strategy.
- TrueVisions capitalized on True Group’s nationwide fiber internet footprint with an introduction of the True TV box campaign enabling consumers to watch a variety of high-definition and popular channels, including live sports plus movies on demand services, via internet. This move will further fulfill consumers’ lifestyles while increasing the Group’s up-selling and cross-selling opportunities.
- True Incube announced collaboration with Withfluence, an influencer marketing technology platform operator from Japan, to jointly develop new digital technology and cognitive computing platform to leverage Asia influencers’ market trend insight and content creators by creating efficient online and social media marketing campaigns. These will strengthen True Group’s digital and entertainment business and support its expansion across Asia.

APRIL

- True Group reiterated its leadership in integrated communication services and solutions for both large-scale enterprises and SMB customers. It implemented “Smart Business Partner” strategy to work closely with clients to achieve success through combined strengths of True Group’s superior telecommunication services and advanced solutions including convergence propositions with high-quality fiber network, TrueMove H 4G+, TrueVisions’ quality contents along with Cloud Infrastructure and IoT (Internet of Things) solutions. In addition to the close support from the Group’s professional consultancy and after-sale teams, customers can enjoy exclusive privileges from True

Black Card and TrueSphere, the first class co-working space, to fulfill digital life at ease as well as other benefits such as the chance to promote their businesses through various media partners in True Group.

MAY

- True Group joined forces with Ericsson in using LTE-M (Cat-M1) technology to develop IoT device and install Thailand's first Vehicle/Asset Tracking system in real environment at King Mongkut's Institute of Technology Ladkrabang. This technology provides the capability to visually track location and status of a vehicle and its cargo, updating the information on a server to immediately display tracking results on a mobile application. This reinforces the Group's leadership in innovation and Internet of Things (IoT) technology as it moves forward to continuously develop its network, solutions, and platform technologies into a high-efficiency network to drive the "Smart Life Smart City" concept.

JUNE

- True Group signed a memorandum of understanding (MoU) with the Sports Authority of Thailand and National Olympic Committee of Thailand as well as with Paralympic Committee of Thailand on its role as the official telecommunications provider for Thai athletes at the 29th SEA Games 2017 and the 9th ASEAN Para Games 2017 in Malaysia respectively. Thai athletes, coaches, officers and journalists can easily connect with their loved ones and families in Thailand through the Group's highly efficient networks nationwide.

JULY

- True and the National Innovation Agency (NIA) signed a memorandum of understanding to jointly develop Thailand innovation districts to support the country in moving towards Thailand 4.0. This initiative is aimed at making these districts a key part in driving economic growth while promoting human resources development and development of innovative infrastructure for the maximum benefit of the country.
- TrueSphere, the first class co-working space, remained committed to delivering excellent service experience by utilizing True Group's superior telecommunications services with a range of special privileges. The "TrueSphere Apple Excellence" service was launched with dedicated staff, directly trained by Apple and guaranteed capability, to help support and provide consultation to Apple users. Additionally, Watson Analytics will be offered to enterprise customers to better analyze and respond to consumers' needs. Customers can enjoy these privileges across TrueSphere branches at The Emquartier, Central Festival Eastville, Central Plaza West Gate, Mega Bangna, The Mall Bang Kapi, Future Park Rangsit, Bluport Huahin, and True Branding Shop at Siam Paragon.
- True Group commercially launched TrueID with "Your Extra-Tainment" concept combining a wide variety of quality and digital contents including movies, TV, music, sports, and lifestyles as well as exclusive privileges in one application, designed for all networks and applicable for various platforms from mobile application, websites to over-the-top (OTT) media. These fulfill consumers' preferences in every lifestyle while addressing their increasing trend towards digital consumption of content.

AUGUST

- True Group affirmed its position as the genuine convergence leader by introducing the value-for-money "Super Fiber Plus" propositions, offering fiber broadband internet, TrueMove H, WiFi, TrueVisions, TrueID, TrueYou privileges and fixed-line plus services at a starting price of Baht 799 per month. The campaign has received strong market response and enhanced customers' engagement to True Group.

SEPTEMBER

- True Group reinforced its position as the leading Internet Service Provider by offering full-scale internet service with innovative and versatile solutions customized to match customers' needs in all business segments while enhancing their experience through superior quality and stability of its network. Its bandwidth was upgraded to suit the actual usage of corporate clients by expanding Content Delivery Network (CDN) to enable users to access overseas contents at higher speed. In addition, the Group's after-sales service teams are guaranteed by the quality management certification in terms of network, management and security system that are ready to render services 24 hours a day.

OCTOBER

- True Group and the Department of Land Transport signed a memorandum of understanding for the development of information and communication system under the project "Safe journey with GPS Vehicles". This will improve security level and enhance management of the public transport system while increasing options and benefits for participating operators. Moreover, True Group will offer solutions to help operators manage their transportation activities and operating costs efficiently including the Business IoT SIM that is compatible with GPS devices and in-vehicle cameras, connected to a central database stored on the cloud and datacenter.

NOVEMBER

- True Group joined forces with Makro in launching TrueBusiness Kiosk, a one stop service for True Group's business customers particularly small businesses and retailers, at Makro. The partnership will elevate customers' service experience through the most convenient and comprehensive service channel. Customers can easily subscribe to all of True Group's products and business solutions as well as receive its full range of services at TrueBusiness Kiosk, which is available at Makro Ladprao and Srinakarin and will be expanded to 90 branches of Makro nationwide.
- True Group is committed to supporting Thai Government in putting technology and innovation into efforts for Digitalized Thailand mission. The True Digital Park, aiming to be the largest digital hub in Southeast Asia, is being developed as an open innovation platform that promotes collaboration between multinational companies, startups, SMEs, investors, universities, and public sector to build an innovation-focused community under one roof. Corporate and startups will be exposed to talent from around the globe to foster knowledge-sharing and digital innovation at the Park, which is expected to open in late 2018. The Park will be equipped with high-speed internet connectivity, IoT solutions, and digital service platforms such as cloud computing and e-payment solutions, to support any kind of business. This project will create a positive impact to attract funding and investment while driving the Thai economy and society towards Thailand 4.0.
- The first tranche of asset divestment to the Digital Telecommunications Infrastructure Fund (DIF) was completed and True Group received gross proceeds of approximately Baht 12.9 billion. The second tranche is expected to be completed in the first half of 2018 strengthening True Group's competitiveness and capital structure.

DECEMBER

- TrueMove H announced its collaboration with Suvannabhumhi Taxi Cooperative to upgrade taxi service in Bangkok under the concept of "Smart Transportation 4.0" and in line with the Thai government's Thailand 4.0 regime. The partners will start their cooperation in early 2018 with the offering of "Car WiFi" by TrueMove H with the most reliable Net SIM and the development of IoT SIM for passengers' uses as well as allowing passengers to make their fare payment through TrueMoney Wallet. Passengers will also enjoy "Entertainment in Car" service from TrueID, a one-stop application for a variety of content.

TRUE GROUP AWARDS & RECOGNITIONS IN 2017

MOBILE SERVICE PROVIDER OF THE YEAR AWARDS AT THE 2017 ASIA PACIFIC ICT AWARDS IN SINGAPORE

- True Group received prestigious awards at the 2017 Frost & Sullivan Asia-Pacific ICT Awards in Singapore. TrueMove H was awarded both Best LTE Service Provider as well as Mobile Service Provider of the Year. The awards were evaluated and judged by key executives in Asia Pacific's telecommunications industry as well as by Frost & Sullivan's analysts, reflecting True Group's success potential and its internationally-recognized business operations.

BROADBAND INTERNET SERVICE PROVIDER BRAND OF THE YEAR FROM WORLD BRANDING AWARDS IN LONDON, UK

- TrueOnline received Brand of the Year Award at the 4th World Branding Awards held at Kensington Palace in London, UK. The winners were judged through 3 streams: brand valuation, consumer market research, and public online voting, where 70% of the scoring process came from the latter 2 streams.

THAILAND CORPORATE EXCELLENCE AWARDS 2016

- True Group received 5 awards from the Thailand Corporate Excellence Awards 2016, comprising excellence in the fields of Business Leadership, Products & Services, Sustainable Development/Corporate Social Responsibility, Innovations, and Marketing. The Thailand Corporate Excellence Award 2016 was organized by the Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University honoring excellent business organizations as role models for good management development. The winning organizations were judged by a panel of business leaders from Thailand's top 1,000 business enterprises in terms of revenue.

THAILAND ICT EXCELLENCE AWARDS 2017

- True Group was the recipient of 2 awards from the Thailand ICT Excellence Awards 2017 comprising Best Award in the Driving Business category as a result of its Mari 4.0 voice recognition service from the Customer Service Department, and Outstanding Award in the Innovation category for its Big Data – Real Time Recommendation Engine from the Research and Data Analytics Department. The awards were organized by the Thailand Management Association (TMA) to recognize organizations with business excellence in managing Information Communications Technology (ICT) and implementing it effectively in the organization.

2017 FROST & SULLIVAN THAILAND EXCELLENCE AWARDS

- True Group was named Service Provider of the Year for 7 consecutive years at the 2017 Frost & Sullivan Thailand Excellence Awards. This achievement covered 3 categories: Thailand Telecom Service Provider of the Year; Thailand Mobile Service Provider of the Year; and Thailand Mobile Data Service Provider of the Year. The awards showcased business organizations with excellent practices in various areas such as technology and innovation, customer service, and strategic product development. The selection was based on in-depth analyses and research by Frost & Sullivan's expert analysts.

2017 OUTSTANDING SUSTAINABILITY REPORT

- True Group's 2017 Sustainability Report received an Outstanding Award from the Thai Listed Companies Association (TLCA) for its reliability in overall sustainability information disclosure covering economic, social, and environmental dimensions as well as corporate governance. The disclosure of such information is regarded as beneficial to investors and all stakeholder groups, and to the development of the organization towards sustainability. Already in its 5th year, the awards were organized by the CSR Club and TCLA with support from the Securities and Exchange Commission (SEC) and Thaipat Institute to help promote and encourage company information disclosure and sustainability reporting.

CERTIFICATE OF MEMBERSHIP IN THE THAILAND'S PRIVATE SECTOR COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

- True Group received a Certificate of Membership in the Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) from the Thai Institute of Directors Association (IOD) which reflects the organization's stance in fighting against corruption, in line with transparent and traceable business practices, as well as corporate governance. This also serves as a good example for society and corresponds to the organization's sustainable development goals for the next 3 years.

HONORABLE PLAQUE FOR OUTSTANDING PRIVATE SECTOR SUPPORT FOR DISABLED PERSONS ON INTERNATIONAL DAY OF PERSONS WITH DISABILITIES 2017

- True Group was awarded an Honorable Plaque for Outstanding Private Sector Support for Disabled Persons on International Day of Persons with Disabilities 2017. This award is the highest in its category and was only awarded to 4 organizations. True Group has won this recognition for 4 consecutive years.

HONORABLE PLAQUE FOR SAFE AND CREATIVE MEDIA AT THE JOIN FORCES FOR CREATIVE MEDIA FOR THAI SOCIETY EVENT

- True Group received an Honorary Plaque in recognition for its safe and creative media to promote morals, ethics, good values, and social responsibility through TrueMove H's "Giving is the Best Form of Communication" advertising campaign.

TOP BRAND AWARD AT THE NO. 1 BRAND AWARDS 2016-2017

- TrueMove H received the No. 1 4G Operator Brand award for 3 consecutive years, reinforcing its 4G mobile network which is the best in Thai people's perception. This recognition also reflected TrueMove H's success in all-round development.

THAILAND'S MOST ADMIRER BRAND 2017

- TrueOnline and TrueVisions were named Most Admired Brands by consumers across Thailand in the Internet Service Provider category and Pay TV category, respectively. Organized by BrandAge magazine, TrueOnline and TrueVisions have won these awards for 4 consecutive years.

MOST ADVANCED TECHNOLOGY AWARD AT THE THAILAND TOP COMPANY AWARDS 2017

- TrueMove H received the Most Advanced Technology Award at the Thailand Top Company Awards 2017 jointly organized by the Thai Chamber of Commerce University and Business+ magazine.

BEST 4G NETWORK IN THAILAND AWARD FROM NPERF, AN INTERNET QUALITY TEST SERVICE PROVIDER FROM FRANCE

- TrueMove H received the Best 4G Network in Thailand award from nPerf, an Internet quality test service provider which measures broadband network speeds, coverage, LTE Advanced services, etc.

INTERNATIONAL INVENTION PRIZE FROM THE SEOUL INTERNATIONAL INVENTION FAIR 2017, SEOUL, SOUTH KOREA

- True Group received 7 prizes at the Seoul International Invention Fair 2017 which was organized by the Korea Invention Promotion Association (KIPA). The prizes won comprised 3 gold medals, 2 special international prizes, and 2 bronze medals.

2016 BEST TV COMMERCIAL AT THE DARADAILY THE GREAT AWARDS #6

- True Group was awarded 2016 Best TV Commercial for its Royal Tribute TV commercial titled “Doctor in His Majesty’s Footsteps” produced by the Charoen Pokphand Group, True Corporation, and subsidiary companies.

BEST E-COMMERCE WEBSITE AWARD 2017

- TrueSelect, the operator of the online shopping websites TrueSelect and TrueShopping, was presented with the Best e-Commerce Website Award 2017 in recognition that www.trueselect.com was 1 in 9 websites which received a 100 full score from a total of 232 website entrants.

BEST CHILDREN’S TV PROGRAM AT THE NATARAJA AWARDS 2016

- At an unprecedented event, the dharma reality TV program “True Little Monk Year 5” produced by the Charoen Pokphand Group and True Corporation was awarded Best Children’s TV Program 2016 at the Nataraja Awards 2016 organized by the Radio-Television Broadcasting Professional Federation (RTBPF).

BEST YOUTH PROMOTION PROGRAM AT THE 31ST TV GOLD AWARDS 2016

- At the 31st TV Gold Awards 2016, True4U received Best Youth Promotion Program in the children, youth, women and family TV program category for its dharma reality TV program “True Little Monk Year 5” which was produced by True Plookpanya Media under True Group. The program is broadcast on TrueVisions and True4U TV channel 24.

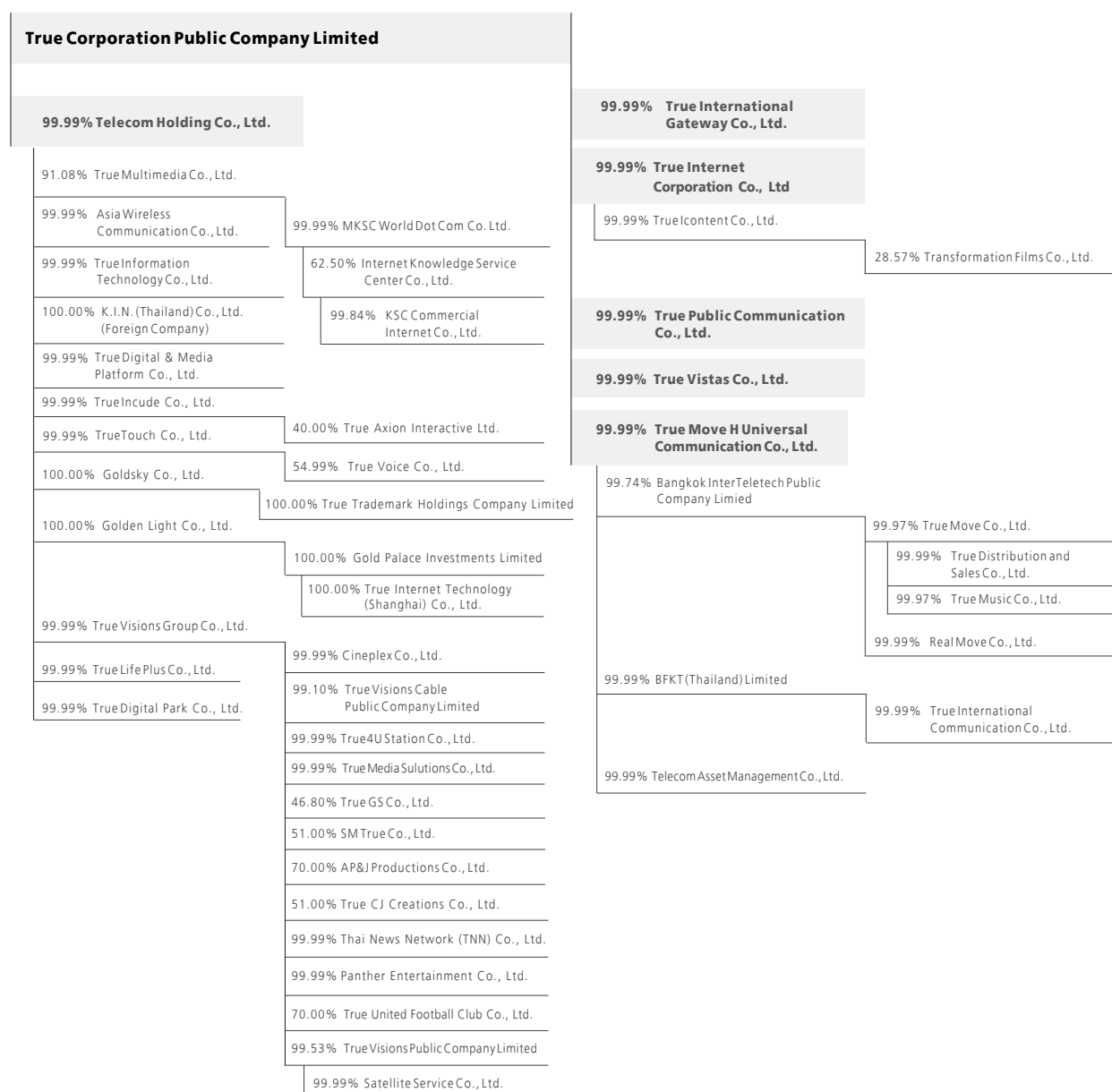
GROUP INVESTMENT STRUCTURE

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

- 1) TrueOnline consists of the Company and its 25 active subsidiaries, 2 joint venture and 1 Associate.
- 2) TrueMove H consists of 8 active subsidiaries.
- 3) TrueVisions consists of 12 active subsidiaries, 1 joint venture and 1 Associate.

GROUP INVESTMENT STRUCTURE

AS AT 31ST DECEMBER 2017



Remark: 1. Group structure of investment that shows investments in active companies.
 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 2017 the Company has holding 1,632,790,800 units or equivalent to 28.11% of the total units offered of Digital Telecommunications Infrastructure Fund

INVESTMENT STRUCTURE BY BUSINESS GROUP

AS AT 31ST DECEMBER 2017

True Corporation Public Company Limited and Subsidiaries

| TrueMoveH | TrueVisions | TrueOnline | Other |
|---|--|--|--|
| True Move H Universal Communication Co., Ltd. 100.00 % | True Visions Group Co., Ltd. 100.00 % | True Corporation Public Company Limited | Telecom Holding Co., Ltd. 100.00 % |
| True Move Co., Ltd. 99.70 % | True Visions Public Company Limited 99.53 % | True Public Communication Co., Ltd. 100.00 % | Bangkok Inter Teletech Public Company Limited 99.74 % |
| True Distribution and Sales Co., Ltd. 99.70 % | Cineplex Co., Ltd. 100.00 % | True Touch Co., Ltd. 100.00 % | K.I.N. (Thailand) Co., Ltd. (Foreign) 100.00 % |
| True Music Co., Ltd. 99.67 % | True Visions Cable Public Company Limited 99.10 % | Asia Wireless Communication Co., Ltd. 100.00 % | MKSC World Dot Com Co., Ltd. 91.08 % |
| Telecom Asset Management Co., Ltd. 100.00 % | Satellite Service Co., Ltd. 99.53 % | True Voice Co., Ltd. 55.00 % | True Incube Co., Ltd. 100.00 % |
| Real Move Co., Ltd. 99.74 % | Panther Entertainment Co., Ltd. 99.99 % | True Multimedia Co., Ltd. 91.08 % | True Trademark Holdings Company Limited 100 % |
| True International Communication Co., Ltd. 100.00 % | AP&J Productions Co., Ltd. 70.00 % | True Internet Corporation Co., Ltd. 100.00 % | Gold Palace Investments Limited 100 % |
| BFKT (Thailand) Limited 100.00 % | True Media Solutions Co., Ltd. 100.00 % | True Life Plus Co., Ltd. 100.00 % | Golden Light Co., Ltd. 100 % |
| | True United Football Club Co., Ltd. 70.00 % | True Axion Interactive Ltd. 40.00 % | Goldsky Co., Ltd. 100 % |
| | SM True Co., Ltd. 51.00 % | True Vistas Co., Ltd. 100.00 % | Transformation Films Co., Ltd. 28.57 % |
| | Thai News Network (TNN) Co., Ltd. 100.00 % | Internet knowledge Service Center Co., Ltd. 56.93 % | |
| | True 4U Station Co., Ltd. 100.00 % | KSC Commercial Internet Co., Ltd. 56.83 % | |
| | True CJ Creations Co., Ltd. 51.00 % | True International Gateway Co., Ltd. 100.00 % | |
| | True GS Co., Ltd. 46.80 % | True Information Technology Co., Ltd. 100 % | |
| | | True Icontent Co., Ltd. 100 % | |
| | | True Digital & Media Platform Co., Ltd. 100 % | |
| | | True Digital Park Co., Ltd. 100 % | |
| | | True Internet Technology (Shanghai) Co., Ltd. 100 % | |

Remark:

- The companies that are inactive but need to be maintained are Telecom KSC Co., Ltd. (34.39%) Hutchison MultiMedia Services (Thailand) Limited (100.00%) Hutchison Telecommunications (Thailand) Co., Ltd. (100.00%) Hutchison CAT Wireless MultiMedia Limited (68.02%) Hutchison Wireless MultiMedia Holdings Limited (92.02%) Rosy Legend Limited (99.48%) Prospect Gain Limited (100.00%) Samut Pakan Media Corporation Co., Ltd. (99.43%) Song Dao Co., Ltd. (99.41%) BeboyCG Co., Ltd. (84.67%) and Tele Engineering and Services Co., Ltd. (100.00%)
- The Company in process of liquidation are Asia Infonet Co., Ltd. (65.00%) and BEC-TERO True Visions Co., Ltd. (50.00%)

REVENUES BREAKDOWN

REVENUES BREAKDOWN BY BUSINESS GROUP

| BUSINESS GROUP | FULL YEAR OF 2017 | | FULL YEAR OF 2016 | | FULL YEAR OF 2015 | |
|----------------|-------------------|--------|-------------------|--------|-------------------|--------|
| | Baht Million | % | Baht Million | % | Baht Million | % |
| 1. TrueOnline | 25,782 | 18.2% | 23,036 | 18.4% | 27,734 | 23.3% |
| 2. TrueMoveH | 105,975 | 75.0% | 91,985 | 73.8% | 81,553 | 68.7% |
| 3. TrueVisions | 9,533 | 6.8% | 9,698 | 7.8% | 9,494 | 8.0% |
| Total Revenues | 141,290 | 100.0% | 124,719 | 100.0% | 118,781 | 100.0% |

REVENUES BREAKDOWN BY COMPANY

| BUSINESS GROUP / OPERATION BY | FULL YEAR OF 2017 | | FULL YEAR OF 2016 | | FULL YEAR OF 2015 | |
|---|-------------------|--------|-------------------|--------|-------------------|--------|
| | Baht Million | % | Baht Million | % | Baht Million | % |
| 1. TrueOnline | | | | | | |
| • True Corporation Public Company Limited | 2,595 | 1.9% | 4,118 | 3.3% | 10,667 | 9.0% |
| • True Multimedia Co., Ltd. | 14 | 0.0% | 37 | 0.0% | 48 | 0.0% |
| • True Internet Co., Ltd. | 2,392 | 1.7% | 14,391 | 11.5% | 12,709 | 10.8% |
| • True Life Plus Co., Ltd. | 206 | 0.1% | 109 | 0.1% | 192 | 0.2% |
| • KSC Commercial Internet Co., Ltd. | 456 | 0.3% | 506 | 0.4% | 534 | 0.4% |
| • Asia Wireless Communication Co., Ltd. | 443 | 0.3% | 443 | 0.4% | 368 | 0.3% |
| • True Touch Co., Ltd. | 439 | 0.3% | 394 | 0.3% | 404 | 0.3% |
| • True International Gateway Co., Ltd. | 438 | 0.3% | 506 | 0.4% | 469 | 0.4% |
| • True Inernet Corporation Co., Ltd. | 18,670 | 13.2% | 2,459 | 2.0% | 2,191 | 1.8% |
| • True Internet Technology (Shanghai) Co., Ltd. | - | - | 29 | 0.0% | - | - |
| • True Digital & Media Platform Co., Ltd. | 110 | 0.1% | - | - | - | - |
| • Others | 19 | 0.0% | 44 | 0.0% | 152 | 0.1% |
| Total | 25,782 | 18.2% | 23,036 | 18.4% | 27,734 | 23.3% |
| 2. TrueMoveH | | | | | | |
| • BITCO Group of companies | 21,044 | 15.0% | 17,324 | 14.0% | 18,207 | 15.4% |
| • BFKT (Thailand) Co., Ltd. | 15,262 | 10.8% | 14,086 | 11.3% | 16,018 | 13.5% |
| • Real Move Co., Ltd. | 62,790 | 44.4% | 48,575 | 38.9% | 36,832 | 31.0% |
| • True Move H Universal Communication Co., Ltd. | 6,846 | 4.8% | 11,949 | 9.6% | 10,447 | 8.8% |
| • Telecom Asset Management Co., Ltd. | 33 | 0.0% | 51 | 0.0% | 49 | 0.0% |
| Total | 105,975 | 75.0% | 91,985 | 73.8% | 81,553 | 68.7% |
| 3. TrueVisions | | | | | | |
| • True Visions Group Group of companies | 9,533 | 6.8% | 9,698 | 7.8% | 9,494 | 8.0% |
| Total Revenues | 141,290 | 100.0% | 124,719 | 100.0% | 118,781 | 100.0% |

NATURE OF BUSINESS

PRODUCTS AND SERVICES

True Group is Thailand's fully-integrated telecommunications provider and convergence leader offering an unrivalled selection of integrated communications services and solutions. Its ongoing commitment is to provide consumers with superior network, service excellence and leading combination of the Group's comprehensive range of products, services as well as digital and media content under its multiple platforms comprising mobile services (voice and non-voice), broadband internet, WiFi, television and digital platforms. The Group's convergence propositions fulfill customers' needs and significantly enhance their engagement. These put True well positioned to amplify growth in this digital era while supporting the Thailand 4.0 national strategy.

TRUE GROUP'S CORE BUSINESSES HAVE BEEN ORGANIZED INTO THE FOLLOWING CATEGORIES:

- TrueOnline, providing broadband internet services and solutions, business data services, WiFi, data gateways and value-added services through advanced fiber technology;
- TrueMove H, providing a full range of mobile services with superior network quality and coverage through 4.5G/4G, 3G and 2G networks nationwide leveraging on its most comprehensive spectrum portfolio;
- TrueVisions, providing Pay TV, high-definition ("HD") TV, and digital TV services with a comprehensive range of quality international, local and self-produced contents; and
- Digital platform and offerings, focusing on innovation, digital offerings and solutions utilizing cutting-edge technologies including TrueID, Internet of Things ("IoT") and Analytics or Artificial Intelligence ("AI").

THE TABLE BELOW PRESENTS TRUE GROUP'S TOTAL REVENUE BY SEGMENTS

| Total revenue Unit : Baht million | 2014 | % | 2015 | % | 2016 | % | 2017 | % |
|---|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| TrueOnline | 26,641 | 24 | 27,734 | 23 | 23,036 | 18 | 25,782 | 18 |
| TrueMove H | 73,581 | 67 | 81,553 | 69 | 91,986 | 74 | 105,975 | 75 |
| TrueVisions | 8,995 | 8 | 9,494 | 8 | 9,698 | 8 | 9,533 | 7 |
| Total | 109,216 | 100 | 118,781 | 100 | 124,719 | 100 | 141,290 | 100 |

Remark: Figures are after intersegment elimination.

Financial performance of TDMP is reported under TrueOnline.

TRUEONLINE

TrueOnline comprises broadband internet and solutions, business data services, data gateways and value-added services including fixed-line telephone under license granted by the NBTC.

BROADBAND INTERNET AND BUSINESS DATA SERVICES

True Group is Thailand's leading broadband or hi-speed internet operator under the brand "TrueOnline" with the total subscriber base of 3.2 million and network coverage of approximately 13 million homes passed nationwide. Its subsidiary, True Internet Corporation Company Limited "TICC", was granted a Type Three license from the NBTC to provide broadband, data services and fixed-line telephone nationwide.

True Group started offering hi-speed data communication services in 2001 and later introduced WiFi services in 2003. Since then, it has remained committed to providing high-quality offerings to consumers and upgraded technology. The business has continued to expand its fiber footprint nationwide to meet consumers' growing demand while increasing the value of its fiber broadband propositions through higher speeds, ranging from 30 Mbps to 1Gbps, service excellence and convergence packages with an ideal combination of the Group's various products and services including mobile (TrueMove H), fiber broadband (TrueOnline), WiFi, fixed-line telephone, pay TV (TrueVisions), TrueID, and special privileges under TrueYou. TrueOnline's fiber broadband offerings provide fast and stable connection while fulfilling consumers lifestyles in this digital age particularly rising trend of massive data transfer such as high-definition content and streaming services. Its fixed-line telephone service (Fixed Line Plus) is also offered as a value added service to consumers through the Group's fiber broadband network.

At the same time, the Group strengthens its position as the top-of-mind service provider of integrated telecommunications solutions and secures its leadership in the enterprise segment by offering full-scale internet services as well as innovative and versatile solutions utilizing cutting-edge technologies, customized to match customer needs in all business disciplines. The business places importance on the quality and stability of its network while assuring high level of security. Its bandwidth has been upgraded to suit the actual usage of corporate clients by expanding Content Delivery Network (CDN) to enable users to access overseas contents at higher speed. In addition, the Group clearly separates the channels between individual customers and corporate clients, capable of linking to the high-speed internet faster and more stable.

True Group offers services to corporate 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 comprising network performance management, fault management and configuration management. Furthermore, its service infrastructure is built on modern IP technology that supports cloud computing and IP DID service to corporate customers.

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 SME including online game stores across the country. 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 Group 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 “SME Package” that suits different size and demand of each SME customer, providing them with reliable and high quality internet services including fixed IP address that supports web & mail server, streaming server, VDO conference, VoIP, fixed-line telephone “Fixed Line Plus” and CCTV. These best-valued offerings, matching customers’ internet usage and demand, have received positive response from the targeted segments.

All these developments have enhanced customers’ engagement and boosted the Group’s solid revenue and subscriber growth. In 2017, TrueOnline added 385,451 net broadband subscribers and expanded its subscriber base to 3.2 million. This drove its total broadband internet revenue to grow by 10% YoY, compared to 7% in the previous year, with an ARPU of Baht 606 in 2017.

The following table shows the number of broadband subscribers and ARPU for the periods indicated:

| Broadband | As of December 31, | | | | |
|-----------------------|--------------------|-----------|-----------|-----------|-----------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Subscribers | 1,809,600 | 2,081,436 | 2,388,118 | 2,768,641 | 3,154,092 |
| ARPU (Baht/Sub/Month) | 712 | 710 | 668 | 629 | 606 |

VALUE-ADDED SERVICES

FIXED-LINE TELEPHONE

True Group offers modern fixed-line telephone service called “Fixed Line Plus” by leveraging on its Next Generation Network (NGN) which seamlessly connects with the broadband and MPLS networks. This ideally combines the Group’s fixed-line telephone service, broadband internet and business data services through an advanced IP network (MPLS) while responding to demands of both consumer and corporate customers. The main services comprise Fixed Line Plus and IP-DID.

- Fixed Line Plus is the fixed-line telephone service which can be offered together with broadband internet service through fiber optic (both direct-to-home and PABX);
- IP DID is a voice communication service on NGN network through MPLS using fiber optic line and connected with IP branch exchange hardware by using digital card or SIP protocol.

In addition, True Group offers a range of value-added services to meet customers’ needs, including:

- Basic value-added services: Caller ID, Call Waiting, Conference Calling, Call Forwarding, Outgoing Call Barring and Smart Alert.

- Special value-added services, including:
 - Hunting Lines service, which bundles two or more telephone lines at one location into a single number;
 - Free Phone 1-800, allowing businesses to provide their customers with a free contact call service;
 - Call routing is a call management procedure wherein a call is sent to a specific queue before directing to an endpoint, which has various branches or numbers, while allowing customers to remember only one number; and
 - Call management service for customers with special 4-digit number allocated by the NBTC.

INTERNATIONAL GATEWAY SERVICES

True Group started providing International Internet Gateway services in 2007 and International Data Gateway in 2008. With International Internet Gateway and Domestic Internet Exchange License (Type Two with Network) and an International Private Leased Circuit (Type Three) granted by the NBTC, the Group can provide international internet and international data services, both via terrestrial and submarine networks.

Since its launch, the Group has considerably expanded the capacity to support growth of internet and international data services which have grown every year. At the end of 2017, its backbone capacity reached approximately 800 Gbps and keeps on expanding. While major portion of its international bandwidth still remains to be utilized within True Group, the business sees significant growth coming from Indochina countries, Hong Kong and China. True Group's revenue from international gateway business has continued to grow from both existing customers and new customers who subscribed to its services in 2017. Its external customers are local and Indochina ISPs, local and multinational corporations, and international telecom operators.

Certified ISO 9001:2008 on internet gateway and international leased circuit services, the Group commits to best network quality and best customer experience. Its backbone carrying international traffic is proven to be highly reliable with network design that is fully diverse and resilient. Its IP Points of Presence in Thailand, Hong Kong, Netherlands, Singapore, United Kingdom and United States help to ensure highest service quality under the Group's own network control.

Aligning with Digital Thailand national policy, True Group is proud to play a key role in helping Thailand to become regional hub by expanding its best network connectivity throughout the region. As far as border connectivity goes, it is interconnected to all Thailand's neighboring countries: Cambodia, Laos, Malaysia and Myanmar; this ideally serves its customers while ensuring direct paths within Indochina region.

The Group's strength also lies on closely knit carrier partnership and collaboration; it commits to seek new synergy in order to bring global service values to its customers while at the same time helping its carrier partners grow their business and set footprint in Thailand and Indochina countries.

The Group's service scope includes International Internet Gateway ("IIG") and National Internet Exchange ("NIX", also known as Domestic Internet Exchange) as well as a variety of International Data Services comprising International Private Leased Circuit ("IPLC"), International Ethernet Line ("IEL"), Internet Protocol Virtual Private Network ("IPVPN") and Virtual Node services.

TRUEMOVE H

TrueMove H operates mobile business through the most comprehensive spectrum portfolio totaling 55 MHz of bandwidth. An ideal combination 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 accommodates all market segments and ecosystems. True Group holds 100.0 percent of the shares in TUC, which is the Group's holding company for mobile business and a type-3 telecom operator.

True Group entered the mobile telecommunications segment through a subsidiary, BITCO, in October 2001 and expanded its mobile business through the purchase of shares of four local companies from Hutchison Group which was completed in January 2011. Under the reseller agreement between the Group's subsidiary "Real Move" and CAT Telecom, which is effective until 2025, the TrueMove H brand was established in April 2011 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.

TUC participated in the 2.1 GHz auction and was granted the license by the NBTC in December 2012. This enabled TrueMove H to reap the benefit from being the first operator to commercially launch 4G service on the 2.1 GHz frequency in May 2013. Additionally, TUC was one of the winners in the 1800 MHz and 900 MHz spectrum auctions, which were held in November and December 2015 respectively. It was granted the 1800 MHz license in December 2015 and the 900 MHz license in March 2016, further extending True Group's mobile business until at least 2033. These spectrum acquisitions are the Group's major stepping stones to secure its 4G and wireless broadband leadership while lifting consumers perception on the Group's networks and offerings.

Since then, TrueMove H remained committed to developing the best network for Thai consumers. The business expanded and densified its 4.5G/4G, 3G and 2G networks which cover 98% of the Thai population and penetrate village level in all 77 provinces of Thailand by leveraging on 3CA (Carrier Aggregation) and 4X4 MIMO technologies. In 2017, TrueMove H further took the lead in utilizing cutting-edge technologies. It completed the trial of massive MIMO 32T32R with 5 times more capacity to support consumers' digital lifestyles towards increasing demands for higher speeds and the Thailand 4.0 national strategy.

SUBSCRIBERS

TrueMove H's top network position, its competitive data and device-bundling propositions, and growing nationwide distribution channels of True Group and partners were key drivers for its above-industry revenue and subscriber growth. TrueMove H gained 2.7 million net subscribers in 2017 with strong acquisition in both postpaid and prepaid markets. This drove its total subscriber base to 27.2 million while blended ARPU was Baht 208 per month in 2017.

The following table sets forth certain information with respect to the Group's mobile business during the periods indicated:

| TrueMove H | As of December 31, | | | | |
|--------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Subscribers | | | | | |
| - Prepaid | 19,714,534 | 19,768,653 | 14,380,853 | 18,465,482 | 20,339,922 |
| - Postpaid | 3,161,617 | 3,878,781 | 4,726,018 | 6,060,388 | 6,880,449 |
| Total Subscribers | 22,876,151 | 23,647,434 | 19,106,871 | 24,525,870 | 27,220,371 |
| Blended ARPU | 124 | 130 | 171 | 217 | 208 |
| (Baht/Sub/Month) | | | | | |
| - Prepaid ARPU | 59 | 59 | 90 | 122 | 117 |
| - Postpaid ARPU | 577 | 527 | 492 | 505 | 485 |

PRE PAY

TrueMove H'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 TrueMove H phone accounts, and "over-the-air" top-up. TrueMove H also provides subscribers with a mobile payment channel via TrueMoney, True iService and TrueID to meet a new generation of lifestyle needs.

POST PAY

TrueMove H'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

TrueMove H'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. Additionally, TrueMove H offers 4G HD Voice service, a high quality voice service on TrueMove H's superior 4G network. This 4G VoLTE technology enhances customers' voice communication through high definition quality and 4 times faster call set up than 3G for supported devices. TrueMove H also offers its voice subscribers international roaming services, enabling them to make and receive calls when they are outside of Thailand.

NON-VOICE SERVICES

TrueMove H provides a range of non-voice services to enhance and meet 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. TrueMove H's subscribers are increasingly using its non-voice

services, in particular downloadable and uploadable pictures, video streaming, as well as the accessing of social networks, through mobile internet services. In addition, TrueMove H is able to use content as a growth driver by leveraging exclusive content assets of True Group including TrueID, TrueVisions and TrueMusic.

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 4G and 3G capable devices under the Group's house brand such as True Smart and True Super while capitalizing on synergy with China Mobile. These competitive devices have received positive market response and facilitated 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 TrueMove H's mobile packages.

INTERNATIONAL ROAMING SERVICES

International Roaming Services are value-added services that enable TrueMove H subscribers to use the networks of international operators with whom it has entered into international roaming agreements (Outbound Roaming Service). The roaming services enable customers to call and receive calls, send SMS and use data roaming when travelling abroad in more than 200 countries worldwide. In addition, visitors to Thailand whose network operators have international roaming agreements with TrueMove H can use TrueMove H's cellular network when traveling in Thailand (Inbound Roaming Service).

True Group's cellular business joined Conexus Mobile Alliance in 2008 and strategically collaborated with China Mobile since 2014. Conexus Mobile Alliance and China Mobile have a combined customer base of approximately 1,250 million. As a result, these subscribers can use roaming services in Thailand on TrueMove H's network.

TrueMove H has focused on expanding 4G roaming service, covering 70 countries worldwide, to support customers and travellers through its superior connection with high speed data service. This, combined with its partnership with international 4G operators, has made TrueMove H the first mobile operator in Thailand whose 4G roaming network covers all continents in the world. TrueMove H's wide range of competitive offerings and selections enables its customers to choose promotions that best fit with their demand and usage.

TrueMove H is determined to offer the best quality international roaming services both voice and data usages at valuable prices, including upgrade options such as Non-Stop data roaming package starting at only Baht 99 per day and voice roaming service that allows customers to call and receive calls starting at only Baht 5 per minute, which supports both prepaid and postpaid customers while travelling abroad via networks of TrueMove H's international partners. In addition, in April 2017, TrueMove H launched new "Travel SIM" products comprising Travel SIM Asia 4GB 8 days and Travel SIM World 4GB 15 days. Both have targeted Thai data travelers when visiting top outbound destinations worldwide. The business also introduced the "TrueMove H Roaming Application" which is a convenient way for customers to check their usages and buy packages on the go. Subscribers can also access the services, including service activation, help and information, additional service subscription as well as e-service on billing and payment easily through TrueMove H's smartphone application.

Meanwhile, "Thailand - Greater China Number Service", the ultimate innovation from collaboration between True Group and China Mobile, enables subscribers to stay connected whenever travelling to China, Hong Kong and other countries with both China and Hong Kong numbers embedded in one SIM at special tariff rates. This service is in line with Thai business customers' requirement for value and convenient communications when travelling to China and Hong Kong as well as Chinese and Hong Kong consumers who live in Thailand.

INTERNATIONAL DIRECT DIALING SERVICE

True Group provides IDD service through its subsidiary, TUC, which was granted a Type Three license for International Telephone Service from the NBTC. “True 006” is the premium grade IDD service via “006” prefix offering high quality signal with network coverage in 230 destinations worldwide.

The Group’s IDD service captured potential growth in CLMV comprising Cambodia, Laos, Myanmar and Vietnam, and focused on top destinations worldwide including China, India, USA and other Asian countries by introducing various competitive offerings for international call via dialing 006. Its special topping packages, offering competitive rates and premium service quality, continued to receive positive market response. In addition, TUC’s wholesale service in serving international telephone traffic continued to grow well, supported by ongoing expansion of its strategic alliances. These, together with the Group’s commitment to providing superior service quality, have strengthened its competitiveness and boosted customers’ loyalty.

Other IDD services include “00600” dialing prefix via VoIP technology, offering low cost call for budget customers, “4G Tourist SIM”, “Mingalaba 4G SIM” for calling to Myanmar and “Suasadei SIM” for calling to Cambodia at competitive rates.

TRUEVISIONS

TrueVisions is Thailand’s leading nationwide pay TV and high-definition (“HD”) TV operator, offering services via digital direct-to-home satellite (DStv) and digital HFC (hybrid-fiber-coaxial) cable network platforms.

TrueVisions provides its DStv services 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 services everywhere in Thailand. This service is transmitted via Thaicom satellite. TrueVisions provides its cable TV services using networks of True Group’s subsidiary, TICC.

TrueVisions was formed in 1998 by a merger of UBC (formerly IBC) and UBC Cable (formerly UTV) and was successfully integrated into the Group at the beginning of 2006. 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 the NBTC. This not only extends the Group’s pay TV business until at least January 2028 but also enables it to successfully migrate customers onto the license-based entity.

The MCOT Board of Directors approved for TrueVisions to air advertising subject to revenue sharing of 6.5 percent on October 8, 2009. Following this decision, TrueVisions began gradually introducing paid advertising while ensuring the viewer experience was not impacted. In addition, TrueVisions Group entered the digital TV business by acquiring two licences for news and variety channels from the NBTC in April 2014. Its digital TV channels “True4U” and “TNN24” have received positive market feedback. This paves the way for advertising growth while facilitating TrueVisions opportunity to market its content through a much larger viewer base.

TrueVisions has continued to differentiate and strengthen its platform while further enhancing consumers’ viewing experience through a large selection of high-quality content, particularly HD, live broadcasting and exclusive content. Additionally, the business has developed its own-produced and attractive content to match the evolving preferences of Thai consumers. TrueVisions also offers innovative premium value-added-services such as High Definition Personal Video Recorder and TrueVisions Anywhere that allows access to TrueVisions’ content anywhere, anytime via multiple platforms.

As demands for broadband and digital services keep rising, TrueVisions adopts itself as a content provider that shares quality contents across True Group's multiple platforms particularly through the TrueID application. The business also capitalizes on True Group's nationwide fiber internet footprint with an introduction of the True TV box campaign enabling consumers to watch a variety of high-definition and popular channels via internet, including live sports plus movies on demand services. These moves further fulfill consumers' lifestyles while increasing its upselling and growth opportunities.

All these developments, integrated with TrueVisions' mass-market strength particularly through bundled campaigns with True Group, resulted in continued increase of its paying subscribers to approximately 2.2 million. The business ended 2017 with the total customer base of 4.0 million.

The following table shows the number of TrueVisions customers and ARPU for the periods indicated:

| TrueVisions | As of December 31, | | | | |
|------------------------------|--------------------|------------------|------------------|------------------|------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Premium package | 342,535 | 310,593 | 292,460 | 290,394 | 254,934 |
| Standard package | 418,739 | 629,379 | 1,108,019 | 1,694,611 | 1,906,032 |
| FreeView package | 739,769 | 584,751 | 478,836 | 409,573 | 367,291 |
| Free-to-air box | 869,929 | 947,047 | 1,184,160 | 1,535,457 | 1,436,728 |
| Total customers | 2,370,972 | 2,471,770 | 3,063,475 | 3,930,035 | 3,964,985 |
| ARPU (Baht/Sub/Month) | 895 | 715 | 523 | 379 | 311 |

DIGITAL PLATFORM AND OFFERINGS

True Group's digital platform was created with an aim to provide the best possible digital and content platforms to fulfill consumers' demands and lifestyles. The TrueID application combines a wide variety of quality and digital content including movies, TV, music, sports, and lifestyles as well as exclusive privileges in one application. It's designed for all networks and applicable for various platforms from mobile application, websites to over-the-top (OTT) media. In addition, True Group has integrated digital technologies to develop innovative solutions and IoT offerings in various areas including healthcare, transport and logistics, building automation and security, smart cities, retail and manufacturing. The Group also continues to place importance on Big Data and Artificial Intelligence technologies, which provide data-driven business intelligence to be analyzed (Data Analytics) for competitive advantages and better responding to consumers' needs.

CONVERGENCE PROPOSITIONS

True Group provides customers with value-for-money offerings through unique and attractive convergence packages, bundling products and services within the Group, that suit their various preferences and lifestyles. The Group's comprehensive range of convergence propositions under campaigns "True Smart choice" and "Super Fiber Plus" combine TrueMove H's voice and data usage, WiFi, TrueOnline's fiber broadband internet, TrueVisions' quality content, fixed-line telephone call, TrueID and special privileges under TrueYou. In addition, consumers can select top-up packages and services according to their demand and usage. These, in turn, enhance True Group's competitiveness and contribute to customers' engagement and subscriptions to the Group's various offerings.

MARKETING STRATEGY

True Group is Thailand's leading digital lifestyle and convergence provider with an aim to provide high-quality products and services to consumers. These include tailored and digitized solutions and a comprehensive range of bundled telecommunications services across its multiple platforms comprising mobile, broadband internet, television and digital platforms. Its ongoing commitment to develop the best network, value-for-money convergence packages and service excellence through various privilege programs have resonated in customers' mind, further driving their satisfaction and engagement. The Group believes that demand has shifted towards convergence and digital services that can fulfill all lifestyle needs. As a result, it continues to focus on digital platform and offerings as well as analytics to better meet consumers' preferences and growing demands. These strategies should position True Group well to further amplify growth in this digital age.

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 and 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 sales and distribution channels include:

- True Shop and True Authorized Reseller at retail shops under Com7 located in high visibility and high traffic locations, such as shopping malls, hypermarkets, and office buildings. TrueSphere, the first class co-working space providing customers with the infinite first-class service experience through True Group's comprehensive services and advanced technologies, also falls into this category;
- True Partner and True dealer;
- Multi-retailers and chainstores located in hypermarkets, specialty stores, and convenience store chains including 7-eleven;
- 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 freelances; and
- Telesales and e-commerce such as iTruemart

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, True iService and TrueID – 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
- Top-up kiosk and True top-up machines offering more convenience for True Group's customers in conducting transactions for all of the Group's products.

PROCUREMENT OF PRODUCTS AND SERVICES

NETWORK ACQUISITION

True Group primarily imports network equipment directly from global leading telecommunications technology suppliers. 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.

THAI TELECOMMUNICATIONS INDUSTRY AND COMPETITIVE LANDSCAPE

MOBILE BUSINESS

Thailand had approximately 89.9 million mobile subscribers, excluding subscribers of CAT Telecom, TOT and their MVNOs, at the end of 2017. Majority of the Thai mobile users was in the prepaid market accounting for 78% of the total base. The market's postpaid share is expected to increase beyond 22% as operators continue to focus on this lucrative segment. TrueMove H was the second largest mobile operator in the country with 30.3% subscriber market share on 27.2 million subscriber base, of which 6.9 million were postpaid and 20.3 million were prepaid users. In 2017, it significantly outgrew the industry and gained 2.7 million net subscribers while the other major players reported combined net subscriber loss of 2.8 million.

Thailand has entered the digital era with increasing 4G footprint, rising smartphone adoption and higher demands for data and streaming services. The Thai mobile industry has been competitive but rational with operators focusing on network expansion, attractive data price plans highlighting speeds and 4G services, as well as a variety of pre-to-post campaigns. Despite competition, industry's revenue grew well, led by TrueMove H, in 2017. This was driven by solid non-voice growth following continued popularity of social media and rising consumption of digital content.

Industry's revenue is expected to grow further in 2018 as demands for 4G and data services keep rising, supported by the availability and popularity of mobile application and streaming content. TrueMove H is well positioned to reap the benefit from this positive trend leveraging on its top network position, improving service quality, and value-driven offerings through the Group's digital platform and privilege programs.

BROADBAND INTERNET AND BUSINESS DATA SERVICES

Thailand's broadband internet market grew healthily in 2017, underpinned by continued expansion of broadband networks particularly through FTTx technologies which greatly complemented mobile services. The market

dynamic was competitive with operators focusing on improving consumers' experience through higher speed, fiber expansion and bundled offerings while short-period discounts were scaled down.

Broadband subscriber base in Thailand increased 13 percent from the previous year to approximately 8 million in 2017, driving the household penetration rate to 38% compared to 34% in 2016 (Source: NBTC updated as of 2 February 2018). TrueOnline secured its position as the largest broadband operator in Thailand with the total broadband subscriber base of 3.2 million, representing approximately 39 percent share of the Thai broadband market.

The broadband internet access in Thailand is expected to grow strongly over the next few years as operators should continue to expand their fiber footprint to meet consumers' growing demand, driven by the increasing popularity of over-the-top (OTT) video services, online content and social media. At the same time, coverage expansion will generate additional upcountry internet demand. This, combined with the government's national broadband rollout plan in the Thailand 4.0 era, presents ample opportunity for broadband growth and will bridge the digital divide between urban and rural areas.

Meanwhile, the business data market in Thailand continued to grow in 2017 with approximate market value of Baht 18 billion supported by increasing demand for online data transmission and internet access. Despite competition, True Group remained the largest business data provider with an estimated 24 percent share in 2017 while the second and third largest players accounted for 20 percent and 18 percent, respectively (Source: True Group's estimation).

PAY TV BUSINESS

Penetration rate of cable TV and satellite TV in Thailand was approximately 59 percent (Source: True Group's estimation). TrueVisions is the leading pay TV and HD TV provider with the total customer base of approximately 4.0 million, of which 2.2 million subscribed to its premium and standard packages while the rest were FreeView and Free-to-air customers, at the end of 2017.

The pay TV business in Thailand has been affected by economy, piracy, increasing competition from both legal and illegal alternatives, a variety of digital free TV channels as well as consumers' growing trend towards digital media and online consumption particularly over-the-top (OTT) services and streaming content through internet.

Despite these challenges, TrueVisions' subscription revenue and paying subscriber base grew in 2017. Its full range of quality content and bundling packages with other offerings within True Group should continue to be key growth drivers. At the same time, the business sees growth potential from digitization and determines to constantly adapt and be responsive to consumers' digital lifestyles by placing importance on content selection and integration as well as synergy among True Group's multiple platforms particularly TrueID.

LICENSES OBTAINED BY TRUE GROUP'S SUBSIDIARIES AND ASSOCIATES

| True's subsidiaries/ associates | Type | Business | Validity | Date of Regulatory Authority approval | Expiration date |
|--|---|---|----------------------|--|--------------------|
| Telecommunications license | | | | | |
| 1 KSC Commercial Internet (KSC) | 1 | ISP | 5 years | 23 Jun 2014 | 22 Jun 2019 |
| 2 True Internet Corporation Company Limited (TICC) | 1 | ISP | 5 years | 4 Jan 2018 | 3 Jan 2023 |
| 3 KSC Commercial Internet (KSC) | 1 | Resale IPLC | 5 years | 11 Nov 2014 | 10 Nov 2019 |
| 4 True Internet Corporation Company Limited (TICC) | 1 | Resale PSTN (GPRS, DSL) & leased circuit/channel services | 5 Years | 26 Aug 2014 | 25 Aug 2019 |
| 5 Real Move (RMV) | 1 | Resale mobile services | 5 years | 16 Dec 2015 | 15 Dec 2020 |
| 6 True Move H Universal Communication (TUC) | 1 | Resale fixed-line telephone & GPS tracking services | 5 Years | 11 May 2016 | 10 May 2021 |
| 7 True International Gateway (TIG) | 2 | International Internet Gateway & National Internet Exchange (IIG & NIX) | 5 years | 19 May 2016 | 18 May 2021 |
| 8 True Internet Corporation Company Limited (TICC) | 2 | International Internet Gateway & National Internet Exchange (IIG & NIX) | 5 years | 25 Sep 2017 | 24 Sep 2022 |
| 9 True Internet Corporation Company Limited (TICC) | 3 | Fixed Line Service and VAS | 20 years | 8 Dec 2006 | 7 Dec 2026 |
| 10 True International Communication (TIC) | 3 | International Direct Dialing (IDD) and VAS | 20 years | 25 Jan 2007 | 24 Jan 2027 |
| 11 True International Gateway (TIG) | 3 | International Private Leased Circuit (IPLC) | 15 years | 11 Nov 2009 | 10 Nov 2024 |
| 12 True Move H Universal Communication (TUC) | 3 | Wireless network service 2.1 GHz | 15 years | 7 Dec 2012 | 6 Dec 2027 |
| 13 True Move H Universal Communication (TUC) | 3 | Wireless network service 1800 MHz | 17 years 9 months | 4 Dec 2015 | 15 Sep 2033 |
| 14 True Move H Universal Communication (TUC) | 3 | Wireless network service 900 MHz | 15 years 3 months | 16 Mar 2016 | 30 Jun 2031 |
| 15 True Move H Universal Communication (TUC) | 3 | International Direct Dialing (IDD) and VAS | 15 years | 22 Jun 2016 | 21 Jun 2031 |
| 16 True Move H Universal Communication (TUC) | 3 | Telecommunication service (WiFi) | 15 years | 23 Nov 2016 | 22 Nov 2031 |
| 17 True Internet Corporation Company Limited (TICC) | 3 | International Private Leased Circuit (IPLC) | 9 years 2 months | 4 Oct 2017 | 7 Dec 2026 |
| Broadcasting and Television license | | | | | |
| 18 True Visions Group Co., Ltd. | Broadcasting and Television Network Broadcasting | Subscription Television Network Service | 15 years | 21 Jan 2013 | 20 Jan 2028 |
| 19 True4U Station Co., Ltd. | and Television Service Broadcasting | Digital Terrestrial Television Service | 15 years | 25 Apr 2014 | 24 Apr 2029 |
| 20 Thai News Network (TNN) Co., Ltd. | and Television Service | Digital Terrestrial Television Service | 15 years | 25 Apr 2014 | 24 Apr 2029 |

RISK FACTORS

True Group sees continued growth opportunities in year 2018 after achieving key milestones in year 2017 particularly in mobile service business which gained increased revenue and subscriber base while internet broadband business remained a leader in the market with significant and continued growth. The foregoing notwithstanding, True Group and/or its subsidiaries could possibly face a variety of risks that may impact on operations as follows:

SPECIFIC RISKS WHICH MAY ARISE FROM ACQUISITION OF 1800 MHZ AND 900 MHZ IMT SPECTRUM LICENSES

FINANCIAL RISK

The Company may have financial risk from spectrum licenses payments and continued network investment. However, the Company believes that the 1800 MHz IMT and 900 MHz IMT spectrum acquisitions are key stepping stones to accelerate its revenues after commencing full mobile services on these telecommunication networks in 2016. Additionally, the Group's cellular business continued to outperform the industry both in terms of revenue and subscriber growth throughout 2017. These shall reduce the Company's financial risk. Moreover, the payments of both spectrum fees and network investment spread out over several years, which would help the Company to generate more income to settle its financial burdens as abovementioned.

COMPETITIVE RISK

The Company may have additional risks from the increasing of business competition because other operators prevent their customers from migrating to use the Company's services and also because of competition in offering sales promotions, new forms of service, and new operators. However, the Company anticipates that such risk is a short term risk and the Company has several measures to minimize such risk; for example, increasing of service centers to provide more convenience to customers or adjusting sale promotions to compete with other operators.

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 spectrum in November 2015 and 900 MHz spectrum in December 2015 and May 2016. 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 98 per cent population coverage nationwide. Furthermore, True Group won both spectrum auctions which will enable the mobile operators 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.

Since one of True Group companies that provides mobile phone service has a duty to roll out networks with nationwide coverage, and is determine to expand its network coverage, therefore, such mobile operator under True Group will continue to encounter tower construction issues with individuals making complaints to the NBTC or filing lawsuits at the Administrative Court asking for the suspension or dismantle of the towers that are claimed to have an effect on them. These claims can affect True Group's mobile phone service including increase relating costs. If finally such towers have to be dismantled, True Group will have to absorb such dismantle.

As for the Company's fixed-line business unit, since the Joint Operation Agreement to operate a fixed-line service between TOT and the Company has expired on October 28, 2017, True Group still has a license for providing fixed-line service. However, this business still 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. In the broadband Internet market, even though the market has new operator but True Group's major competitors are, for example, TOT, 3BB, and AWN which provides AIS Fiber net 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 nationwide coverage with a target to cover more households in 2017.

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

Risks relating to TrueVisions' operations include relying on suppliers for international content as well as rising competition in the pay TV, digital terrestrial TV with 24 channels , and the OTT service providers 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 has obstacles in obtaining attractive programming or if the cost of this programming substantially increases in the future, its performance would be adversely affected. Moreover, if TrueVisions could not renew the broadcasting rights of particular channels or programs and have to cancel such channels or programs, subscribers may terminate the subscription contracts or may exercise their legal rights. Subscribers who are interested in overseas programs are both premium and general packages which help support TrueVisions' business.

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 regulations, for example, the channel lineup regulation and the channel cancellation regulation, which requires TrueVisions to inform such cancellation for a specific period in advance, create risk to TrueVisions' ability to comply with those regulations. Furthermore, there are risks that arise from uncertain regulations including the NBTC's discretion on some issues such as advertising, content and remedial measures of channel cancellation.

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 of 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 to persuade customers to use each mobile operator's service 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. However, despite some denial or prevention, True Group has offered facilitating procedures to help customers switch to True Group's mobile service.

RISKS FROM CHANGES IN THE REGULATORY ENVIRONMENT WHICH WILL CREATE RISKS FOR OPERATORS

Presently, government agencies such as the Government or the NBTC has promulgated and revised many rules and regulations which may put the Company and its subsidiaries in a regulatory risk from enforcement or different interpretations between the Company and its subsidiaries and different government agencies. As the Act on the Organization to Assign Radio frequency and to Regulate the Broadcasting and Telecommunications Services (No.2) B.E. 2560 (2017) has been enacted together with the present NBTC's term has expired, the new NBTC is currently under the selection process which is expected to complete in June 2018. This new NBTC may set new policies.

RISKS FROM THE ALLOCATION OF FREQUENCIES FOR OPERATING MOBILE BUSINESSES

TUC has been granted 2.1 GHz, 1800 MHz and 900 MHz spectrum licenses from the NBTC. This result in intensifying competition in mobile market while, as a consequence of winning the spectrum auction, True Group is obliged to pay for spectrum fees 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, 4G service and other technologies, True Group will have to build and expand both network and equipment to serve services under various spectrum.

True Group believes that the winning all spectrum auctions will allow True Group to provide 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 the above spectrum and 850 MHz spectrum together will be able to adequately fulfill customer needs and True Group will continue to be the leading 3G 4G and other technologies 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

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 since September 2013 and TrueMove has ceased its service under the Notification on Protection for Subscribers together with the NCPO's order No. 94/2557 and relevant regulations on December 3rd, 2015, TUC has been granted with the 1800 MHz spectrum license and the telecom service license which valid until September 15th, 2033. Also, on March 16th, 2016, TUC has been granted with the 900 MHz spectrum license and the telecom service license which are valid until March 15th, 2031.

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, had 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 have continuously declined. In addition, the notification barred CAT and TrueMove from registering new subscribers and stipulates that CAT and TrueMove should 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. The NBTC has set up a working committee to examine the revenues, expenses and other cost relating to the provision of services. 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 interests to the Office of the NBTC. Since TrueMove thinks that such resolution is incorrect and unlawful, TrueMove has submitted further evidence to the NTC and asked for reconsideration. Eventually, TrueMove filed a complaint to revoke such resolution because during the period TrueMove provided service to protect the subscribers from September 16th, 2013 to December 3rd, 2015, TrueMove did not receive income or profit from providing mobile service on 1800 MHz. Currently, the case is 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.

As a result of the Protection of Subscribers Notification, 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, asking the Court to order TrueMove, the Office of the NBTC, the NTC, and the NBTC to pay CAT 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, calculated from September 16th, 2013 to December 3rd, 2015 in the total amount of Baht 67,150.89 million (the amount specifically for TrueMove is Baht 25,222.54 million. In this case, TrueMove has submitted a deposition and relevant document. 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 such amount. However, the result of such case is currently unpredictable, therefore, TrueMove did not record such amount as expenses or set accrue for the claim under this case in their financial reports.

As a result of the Protection of Subscribers Notification, the Office of the NBTC filed a lawsuit against TrueMove at the Central Administrative Court, asking the Court to order TrueMove to pay for the mobile numbering fee and additional fee from March 2014 to December 2015 in the amount of Baht 878.37 million which was the period under the Notification on Protection for Subscribers together with the NCPO's order No. 94/2557. The case is currently in the Central Administrative Court's process.

Moreover, the Joint Operation Agreement between the Company and TOT for fixed-line and value-added services has expired in October 2017 which creates risk for the Company in losing its revenue shared from TOT. However, TU (or presently TICC), 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 (Type 3 License).

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 9th, 2011 TOT filed a lawsuit against CAT and TrueMove with the Central Administrative Court requesting AC payment of Baht 41.54 billion. After that, 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 59.62 billion 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 INCLUDING REQUESTING TUC AND TRUEMOVE TO REMOVE 2.1 GHZ EQUIPMENT

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. After that, CAT filed a petition to the Central Administrative Court to revoke such arbitration panel's ruling. However, CAT filed a petition to withdraw such petition and the Central Administrative Court allowed for case dismissal.

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.

Furthermore, CAT filed a plea with the arbitration panel, requesting TUC and TrueMove to remove 2.1 GHz equipment which are connected to the stations used for providing telecom services under 1800 MHz spectrum in which CAT claimed ownership upon, or to compensate CAT for the non removal. The case is currently under the arbitration procedure.

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 8.96 billion with the Supreme Administrative Court. 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 10.27 billion.

TOT filed an arbitration case claiming shared revenue from the fixed line business from which the Company received more than its right of Baht 1.47 billion 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. 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 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 – 17th years of operation in the amount of Baht 18.55 billion, on September 1st, 2015, the majority of the arbitration panel ruled that TrueMove had to pay to CAT for revenue shortfalls for the 15th year of operation in the amount of Baht 1.57 billion 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 the 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 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 11.82 billion 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 1.44 billion 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 Baht 2.54 billion 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. 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 case mentioned below.

On March 20th, 2014 CAT filed a lawsuit at the Central Administrative Court against HutchCAT, BFKT, and bank who issued letters of guarantee for the payment, 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 1.27 billion 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

TrueMove filed a case 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. The Central Administrative Court ruled in favor of TrueMove. However, the NBTC has appealed the decision of the Central Administrative Court to the Supreme Administrative Court and, currently, the case is in the fact finding process of the Supreme Administrative Court.

RISKS FROM DISPUTES ON MOBILE PREPAID SERVICES

The office of the NBTC 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. Later, The office of the NBTC set administrative fine at Baht 100,000 per day. TrueMove submitted the appeal to revoke such order to the NBTC and also filed a complaint to the Central Administrative Court to revoke such order. However, the Central Administrative Court ruled in favor of the NBTC and did not revoke such order. Thus, TrueMove has appealed such decision to the Supreme Administrative Court and the case is currently in the process of the Supreme Administrative Court.

RISKS FROM INTERCONNECTION CHARGES FOR THE FIXED-LINE BUSINESS

In the case where the NBTC has ordered the Company to enter into interconnection agreements with other mobile operators' networks which are not under True Group and the Company has objected such order, the Supreme Administrative Court has revoked the NBTC's order for the reason that the Company is only a private party and TOT is the owner of the fixed-line network, therefore, the Company does not have to enter into such interconnection agreements. A related case is where the NBTC approved the temporary IC rate for fixed line which placed the Company at risk of being charged IC from other mobile operators. In terms of the Company's previous fixed line business under the Joint Operation Agreement for fixed-line businesses which has now expired, this also means the Company may incur increased expenses in the future. On August 3rd, 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 26th, 2012. The case is currently in the process of the Supreme Administrative Court.

Furthermore, 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 which is in line with the Supreme Administrative Court's judgment to revoke the NBTC's order which ordered the Company to enter into interconnection agreements with other mobile operators' networks as stated above. 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

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 and on February 23rd, 2015, the Central Administrative Court revoked the NTC acting on behalf of the NBTC's order from the 30/2554 resolution on September 28th, 2011. The revocation is retroactive to the date in which the order has been made. Currently, the NBTC and the NBTC's secretary-general have submitted the appeal to revoke the decision of the Central Administrative Court to the Supreme Administrative Court and the case is in the process of the Supreme Administrative Court.

RISKS IN RELATION TO TRUE-CAT'S 3G HSPA PROJECT

As True Group and CAT have proceeded with 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, True Group is negotiating the disputes with CAT which may cause True Group to pay for the unsettled part, including its interests. 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.

RISKS RELATED TO THE FACT THAT TRUE GROUP COMPETE WITH TOT AND CAT WHO WERE 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 15th, 2013. 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. This dispute with either CAT or TOT could affect the ability of the Company and its subsidiaries to conduct business.

In the case of the Joint Operation Agreement for the Company's fixed-line service with TOT which has expired on October 28th, 2017, the Joint Operation Agreement stipulates that the Company has obligation to provide fixed-line network for TOT in order to provide fixed-line services. If dispute arises, TOT, which collects all fixed-line revenues from subscribers within the network and makes payment to True Group of its proportion stipulated by the revenue-sharing provisions of the Joint Operation Agreement, may have certain disagreements with the Company. There is a risk that TOT may think that the Company is breaching the agreement in any material respect.

The aforementioned matters could also affect TrueMove. For example, 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.

RISKS FROM DISPUTE WITH TOT REGARDING 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 Joint Operation and Joint Investment 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. Later, on 6 November 2015, TOT filed the amendment to increase claim amount of the damages from the lack of revenue from broadband ADSL services from September 2001 to August 2015 in the amount of 63,457,916,473 baht with interest at the rate of MLR + 1 amounting Baht 22,748,372,095.10, totaling Baht 86,206,288,568.10. The case is currently within the arbitration process. In this matters, the company and legal advisor are of the opinion that TOT's claim is highly unlikely. The result of this case cannot be predicted at this time, so the company did not record such amount as expenses or set accrue for the claim under this case in their financial reports.

RISK FROM CAT CLAIMING MOBILE DOMESTIC ROAMING FEE (ROAMING) FROM TRUE GROUP

In April 2016, CAT filed a lawsuit against RealMove at the Central Administrative Court requesting RealMove to pay for mobile domestic roaming service over 2G mobile network system on 1800 MHz from April 27th, 2011 to November 15th, 2015 in the amount of Baht 22,972.07 million. The case is currently in the process of the Central Administrative Court. 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.

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 competition rules which impose on the licensees under True Group.

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 119.5 billion at the end of 2017, increasing from Baht 111.8 billion at the end of 2016 due to additional borrowings to support the Group's business expansion including working capital requirements. The Group's capital structure remained at a comfortable level with the net debt to EBITDA ratio of 2.5 times at the end of 2017, flat from a year earlier but decreasing from 3.0 times in the previous quarter driven by strong EBITDA growth. True Group's future funding sources 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 various funding sources including cash flow from operations, vendor financing, as well as asset divestment to DIF and its unit holding in the fund.

RISKS FROM FOREIGN EXCHANGE RATE AND INTEREST RATE MOVEMENTS

As at December 31, 2017, True Group had no consolidated non-current borrowings (excluding finance leases) denominated in foreign currencies.

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

| | Consolidated | | | |
|------------|----------------------|----------------------|----------------------|----------------------|
| | Carrying amounts | | Fair values | |
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Debentures | 44,122.74 | 55,038.06 | 42,533.83 | 53,427.55 |

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;
- Negotiating with foreign suppliers to share foreign exchange exposure; and
- Using US dollar currency deposited in foreign currency deposit accounts to settle payment denominated in US dollar currency.

Transaction risk is calculated in each foreign currency transaction and the risk exposure is projected at least one year ahead. The Thai Baht is the functional currency for True Group. Volatility in foreign exchange rates creates exposure that may affect the financial and economic performance of True Group. As a result, forward foreign exchange contract may be used to hedge this exposure. The use of the forward foreign exchange contract for speculative purpose is not permitted. 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 studies 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.

RISK FROM AGREEMENTS WITH THE DIGITAL TELECOMMUNICATIONS INFRASTRUCTURE FUND (PREVIOUSLY NAMED, TRUE GROWTH TELECOMMUNICATIONS INFRASTRUCTURE FUND) ("THE FUND")

True Group has additional obligations from entering into transactions with the Fund as follows;

(1) Rental payments for slots on telecommunications towers and fiber optic cable which True Group, as the Lessee or Sub-lessee, has to pay to the Fund, as the Lessor, under the Master Lease, Operation, Maintenance and Management agreements and the Master Sub-Lease, Operation, Maintenance and Management agreement ((i) the Master Lease Agreements, (ii) the Master Sub-Lease Agreement, (iii) the transaction to extend the lease of the Fund's current assets and (iv) the Letter of Agreement) until September 15, 2033. For the fiber optic cable, True Group has agreed to extend the lease or the sublease for 10 years or for the remaining term of the telecommunications license held by True Group whichever is shorter in accordance with the terms under the relevant agreements. Moreover, True Group has other obligations as stated in the relevant agreements.

(2) Delivery of Sale Revenue to the Fund under the Asset and Revenue Sale and Transfer Agreements between True Group as the sellers and the Fund as the buyer for the selling of Sale Revenue expected to be received under the Asia Wireless Communication Company Limited (AWC) Leasing Agreement and the HSPA Leasing Agreement. After the expiry of the AWC leasing agreement, True Group has an obligation to transfer some of the assets to the Fund under the relevant Asset and Revenue Sale and Transfer agreement. Furthermore, after the expiry of the

HSPA Leasing Agreement, if the Fund exercises the option to purchase the assets under the relevant Asset and Revenue Sale and Transfer agreement, True Group has an obligation to transfer some of the assets to the Fund. Moreover, True Group has to deliver revenue from the leasing of 1 slot on each remaining tower under the relevant Asset and Revenue Sale and Transfer agreement that have not been transferred to the Fund for 10 years after the expiry of the HSPA Leasing Agreement.

Such obligations may affect True Group's cash flow and liquidity which result in its ability to obtain reasonable funding for debt repayments and/or business expansion plan could be affected. Nevertheless, the Group has various funding sources to reduce such risk including cash flow from operations, vendor financing, and its unit holding investment in the Fund.

RISKS FROM HAVING MAJORITY SHAREHOLDERS HOLDING MORE THAN A 50-PERCENT STAKE IN THE COMPANY

As at 16th March 2017, the group of majority shareholders who held more than 50 percent in True was CP Group which comprised Charoen Pokphand Group Co., Ltd. and its affiliated companies. The CP Group totally held 50.21 percent of the total issued and paid-up shares of True. 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. This is because the group of majority shareholders may control agenda which require majority votes, such as appointments of directors. Therefore, retail shareholders may not be able to accumulate sufficient votes to check and balance agenda 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. With 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.

EMERGING RISKS

True aware of the risks that may impact to the company, so we has distributed the risk survey and held a workshop for various functions to work together on considering long-term risks that may arise from both internal and external factors. Risks in all functions were identified and prioritized in order to formulate mitigation and remedy plans going forward.

| Emerging Risk | Description | Impact on Business | Mitigation |
|---|---|---|--|
| Quick move of disruptive innovations and/or new technologies | Rapid technological advancement and increasing consumer demand in the digital era require the Company to develop both the digital infrastructure and business model to adapt to the expanding value chain, as well as develop innovative products and services. In order to be a leader in technology and respond to changing consumer lifestyles, the Company needs to continuously develop digital innovation capabilities, including the infrastructure, organizational agility, and the role in the evolving digital ecosystem. | True also concerns that disruptive innovation or new technologies might emerge that outpace an organization's ability to keep up and remain competitive. The business model must continuously improve in order to meet rapidly changing consumer expectations and needs in the digital era, or the Company's efficiency and competitiveness will decline and decrease revenue. | True regularly reviews and develops its business policy to enable flexibility rapid adjustments. The Company invests in digital infrastructure and innovation through both in-house development and partnerships in order to develop its capabilities and competitiveness. Moreover, True continuously develops its human capital with a focus on innovation and technology, in terms of process and product, with consideration of economic, social, and environmental factors. |
| Data Privacy & Security | Information and communications technology (ICT) has a prominent role in the daily life of today's society. As consumers gain more access to gigabytes of data at increasing speeds in the era of the Internet of Things (IoT) and Big Data, and increasing amounts of personal information are stored in cloud technology, Telecom service providers need to manage data appropriately and legally, in order to ensure customer data privacy and security. | The increase in data and technological advancements in data transmission and storage implicate the increasing risk of data breach and cyber crime. If the data security system is not up to date with rapid technology changes, there is a risk of negative impact on consumers and the Company. This would negatively affect the credibility of the data security system, the Company's reputation, and bottom line. Therefore, the management and system of data privacy and security are of utmost importance. | True has a Data Privacy & Security Policy and Information Security Management (ISM), which complies with ISO 27001, a Data Access Policy for business units, as well as a Third-Party Security Policy. The Company continuously improves and develops data security system to prepare for future technology, using a penetration test and loophole check, along with fostering ethical conduct and responsibility in handling data among employees at all times. |

CORPORATE AND OTHER SIGNIFICANT INFORMATION

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 31st December 2017, the Company’s authorized capital is Baht 133,474,621,856 divided into 33,368,655,464 ordinary shares with a par value of Baht 4 per share. The Company’s paid-up capital is Baht 133,472,781,204 divided into 33,368,195,301 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) 859-1111 Fax: (662) 859-9134
Website: 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) 859-1111 Fax. (662) 859-9134 | Mobile equipment Lessor | 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) 859-1111 Fax. (662) 859-9134 | Holding Company | THB 16,229 million divided into 6,491.74 million ordinary shares with a par value of Baht 2.50 each and fully paid up. | 99.74 |
| BeboydCG Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Production of animation | THB 124.67 million divided into 12.47 million ordinary shares with a par value of Baht 10 each and fully paid up. | 84.67 |
| BFKT (Thailand) Limited | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Mobile equipment Lessor | THB 23,358.32 million divided into 233.58 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) 764-9000 Fax. (662) 764-9900 | 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) 859-1111 Fax. (662) 859-9134 | Dormant | THB 950 million divided into 95 million ordinary shares with a par value of Baht 10 each and fully paid up. | 68.20 |
| Hutchison MultiMedia Services (Thailand) Limited | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Dormant | THB 230 million divided into 23 million ordinary shares with a par value of Baht 10 each and fully paid up. | 100.00 |
| Hutchison Telecommunications (Thailand) Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | 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 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|--|---|--|--|-----------------|
| Hutchison Wireless MultiMedia Holdings Limited | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | 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. | 92.26 |
| Internet Knowledge Service Center Co., Ltd. | 2/4 Chubb Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 779-7777 Fax. (662) 779-7111 | 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 Chubb Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 779-7777 Fax. (662) 779-7111 | 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 Chubb Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 779-7777 Fax. (662) 779-7111 | 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 |
| Panther Entertainment Co., Ltd. | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | Artist management and related business | THB 555 million divided into 105.5 million ordinary shares with a par value of Baht 10 each 15.50 million ordinary shares fully paid up and 90 million ordinary shares call-up Baht 4.44 each. | 99.99 |
| Real Move Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Reseller of mobile phone services | THB 7,000 million divided into 70 million ordinary shares with a par value of Baht 100 each and fully paid up. | 99.74 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|---|--|---|--|-----------------|
| Samut Pakan Media Corporation Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Dormant | THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up. | 99.69 |
| Sattellite Service Co., Ltd. | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | 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) 764-9000 Fax. (662) 764-9900 | 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) 859-1111 Fax. (662) 859-9134 | Dormant | THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up. | 99.67 |
| Tele Engineering and Services Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Dormant | 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) 859-1111 Fax. (662) 859-9134 | 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 |
| Telecomholding Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Holding Company | THB 39,160.99 million divided into 5,082.62 million ordinary shares with a par value of Baht 8 each, 4,332.62 million ordinary shares fully paid up and 750 million ordinary shares call-up Baht 6 each. | 100.00 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|---|---|---|---|-----------------|
| Telecom KSC Co., Ltd. | 2/4 Chubb Tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 779-7777 Fax. (662) 779-7111 | 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) 764-9000 Fax. (662) 764-9900 | News Channel | THB 1,600 million divided into 20 million ordinary shares with a par value of Baht 100 each, 10 million ordinary shares fully paid up and 10 million ordinary shares call-up Baht 60 each. | 100.00 |
| True Digital & Media Platform Co., Ltd | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Trading and internet provider including online digital media services on website and telecommunication devices | THB 500 million divided into 5 million ordinary shares with a par value of Baht 100 each and fully paid up. | 100.00 |
| True Digital Park Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Business solution provider | THB 1 million divided into 100,000 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) 859-1111 Fax. (662) 859-9134 | Distribution Center Services | THB 16,301 million divided into 163.01 million ordinary shares with a par value of Baht 100 each and fully paid up. | 99.70 |
| True4U Station Co., Ltd. | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | Television and related business | THB 3,260 million divided into 70 million ordinary shares with a par value of Baht 100 each, 10 million ordinary shares fully paid up and 60 million ordinary shares call-up Baht 37.67 each. | 100.00 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|--|---|---|---|-----------------|
| True Icontent Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Contents provider | THB 201 million divided into 20.1 million ordinary shares with a par value of Baht 10 each and fully paid up. | 100.00 |
| True Incube Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Holding Company | 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 |
| True Information Technology Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | IT services | THB 1,347 million divided into 134.7 million ordinary shares with a par value of Baht 10 each and fully paid up. | 100.00 |
| True International Communication Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Telecommunication 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. | 100.00 |
| True International Gateway Co., Ltd. | 1 Fortune Town Building, 15 th Floor, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800 | Telecommunication and internet service | 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 Corporation Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Telecommunication services and internet solution provider | 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 Life Plus Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651 | Telecommunication services reseller | THB 2,195 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 7.625 each | 100.00 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|---|--|---------------------------------------|---|-----------------|
| True Media Solutions Co., Ltd. | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | 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 Move Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Telecommunication management services | THB 3,387.07 million divided into 677.41 million ordinary shares with a par value of Baht 5 each and fully paid up. | 99.70 |
| True Move H Universal Communication Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Wireless Telecommunication services | THB 141,959.30 million divided into 14,195.93 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) 859-1111 Fax. (662) 859-9134 | NON-POTS and multimedia services | 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) 859-1111 Fax. (662) 859-9134 | Content provider | THB 200,000 divided into 20,000 ordinary shares with a par value of Baht 10 each and fully paid up. | 99.67 |
| True Public Communication Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Telecommunication services | THB 97 million divided into 970,000 ordinary shares with a par value of Baht 100 each and fully paid up. | 100.00 |
| True Touch Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | 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 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|---|--|---|--|-----------------|
| True United Football Club Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | 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 Visions Cable Public Company Limited | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | 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) 764-9000 Fax. (662) 764-9900 | Pay Television | THB 24,516.70 million divided into 305.17 million ordinary shares with a par value of Baht 100 each, 225.17 million ordinary shares fully paid up and 80 million ordinary shares call-up Baht 25 each. | 100.00 |
| True Visions Public Company Limited | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | 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 Vistas Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Production and distribution of movies films | THB 46.63 million divided into 4.66 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 Incorporation 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 Investments Limited | P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands | Holding Company | USD 15.22 million divided into 15.22 million 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 17.72 million divided into 17.72 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 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. | 99.74 |
| 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 16 million divided into 16 million ordinary shares with a par value of USD 1 each and fully paid up. | 100.00 |
| True Trademark Holdings Company Limited | P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands | Holding Company | USD 4.97 divided into 4.97 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 th , 17 th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800 | Dormant | 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 th Floor, Rama 4 Rd., Klongton, Klongtoey, Bangkok 10110 Tel. (662) 204-3333 Fax. (662) 204-1384 | Dormant | 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 175 million divided into 1.75 million ordinary shares with a par value of Baht 100 each And fully paid up. | 28.57 |
| True CJ Creations Co., Ltd. | 118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 764-9000 Fax. (662) 764-9900 | Production House | THB 80.85 million divided into 1,108,800 ordinary shares and 46,200 preference shares with a par value of Baht 100 each, 10,000 ordinary shares fully paid up and 1,145,000 ordinary shares call-up Baht 69.74 each. | 51.00 |
| True Voice Co., Ltd. | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | 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) 859-1111 Fax. (662) 859-9134 | Home shopping | THB 340 million divided into 3.4 million ordinary shares with a par value of Baht 100 each and fully paid up. | 46.80 |
| True Axion Interactive Ltd.* (formerly "True Axion Games Ltd.") | 18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 859-1111 Fax. (662) 859-9134 | Games and application development | THB 89 million divided into 89,000 ordinary shares with a par value of Baht 1,000 each and fully paid up. | 40.00 |
| NEC Corporation (Thailand) Co., Ltd. | 159 Sermmit Tower, 2 nd and 24 th Floor, Sukumvit 21, Klongtoey Nua, Wattana, Bangkok 10110 | Telecommunication 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, 27 th 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 |

| COMPANY NAME | ADDRESS | TYPE OF BUSINESS | PAID-UP CAPITAL | % OF INVESTMENT |
|---|---|---|--|-----------------|
| Supernap (Thailand) Co., Ltd. | 390/2 Hemaraj Industrial Estate Chonburi 2, Moo 2, Kao Khan song, Sriracha, Chonburi 20230 | Data centers | THB 1,410.01 million divided into 200 million ordinary shares with a par value of Baht 10 each, 141 million ordinary shares call-up Bath 8.954 each and 59 million ordinary shares call-up Baht 2.50 each. | 15.00 |
| Clearing House for Number Portability Co., Ltd. | 98, Sathorn Square Office Tower, Room No. 403, 4 th 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. | 19.97 |

REFERENCE

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93 Ratchadaphisek Road, Dindaeng,
Bangkok 10400, Thailand
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Fax : (66 2) 009 9991
Call Center : (66 2) 009 9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th

Auditor : Mr. Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Limited
179/74-80 Bangkok City Tower, 15th Floor,
South Sathorn Road, Sathorn, Bangkok 10120
Telephone: (662) 286-9999, (662) 344-1000
Fax: (662) 286-5050

Debenture Registrar/
Debentureholders'
Representative : Bank of Ayudhya Public Company Limited
1222 AA Floor Rama III Road, Bang Phongphang,
Yannawa, Bangkok 10120
Telephone : (662) 296-5695, (662) 296-2796, (662) 296-5715,
(662) 296-2030, (662) 296-4788, (662) 296-4808
Fax: (662) 683-1389, (662) 683-1298

OTHER SIGNIFICANT INFORMATION

1. Appointment of Executive Officers

In Early 2018, the Company had management restructure and Mr. Supakit Vuntanadit was appointed as Group Chief Commercial Officer and Mrs. Raksa-orn Tantivess was appointed as Director, Group Controller effective 1st January 2018 onwards. In this regard, the Company has already submitted information of executive officers to the Officers of Securities and Exchange Commission ("SEC").

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 - 28th 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 aforementioned 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 (20th October 1997 – 19th October 2017).

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 29th, 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 (“the Fund”) (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 the Fund

- (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 the Fund 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 the Fund 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 the Fund on the closing of the transfer of the BFKT Main Specified Assets (the “BFKT Main Specified Asset Closing Date”), BFKT shall pay to the Fund 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 the Fund.

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 the Fund 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 the Fund, 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 the Fund and the Fund shall purchase and accept such BFKT Remaining Specified Assets at a price (the “BFKT Remaining Specified Asset Purchase Price”) to be agreed between the Fund 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 the Fund 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, the Fund 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 the Fund 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 the Fund 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 the Fund shall not exceed their BFKT Terminal Value; (iii) the BFKT Remaining Specified Assets transferred to the Fund shall not exceed the purchase price of the BFKT Remaining Specified Assets paid by the Fund; (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, the Fund 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 the Fund, provided that the Fund 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 the Fund, 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 the Fund ("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 the Fund

- (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 land 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 the Fund, and the Fund 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 the Fund 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 the Fund. 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 the Fund 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 the Fund, 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 the Fund and the Fund shall purchase and accept such AWC Remaining Specified Assets at a price to be agreed between the Fund 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 the Fund 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 the Fund shall not exceed their AWC Terminal Value; (iii) the AWC Remaining Specified Assets transferred to the Fund shall not exceed the purchase price of the AWC Remaining Specified Assets paid by the Fund; (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, the Fund 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 The Fund, provided that The Fund 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 The Fund, 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 the Fund ("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 the Fund, and the Fund 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 the Fund, and the Fund 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 the Fund 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 the Fund. 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-Leasing 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 the Fund 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 the Fund 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, the Fund 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 the Fund, provided that the Fund 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 the Fund, 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.

- (6.4) Additional Asset and Revenue Sale and Transfer Agreement No.2 between Asia Wireless Communication Company Limited ("AWC") as a seller and the Fund ("AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No.2") (1st December 2017 - 3rd August 2025)

Subject to the satisfaction of all conditions precedent specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, AWC shall sell and transfer to the Fund, and the Fund shall purchase and accept, the revenue expected to be received by AWC from the rental of AWC's telecommunications towers being 149 telecommunications towers and other relevant passive telecommunications equipment (if any) ("AWC Towers for Additional Investment No. 2") pursuant to the Additional AWC Leasing Agreement No. 2, (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. 2) from the Commencement Date for Additional Investment No. 2 until the expiry date of the Additional AWC Leasing Agreement No. 2 ("Additional AWC Expiry Date") 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. 2") on the closing date which is specified in the AWC Asset and Revenue Sale and Transfer

Agreement for Additional Investment No. 2 (the “AWC Revenue Closing Date for Additional Investment No. 2”).

Upon the Additional AWC Expiry Date or the date on which the Additional AWC Leasing Agreement No. 2 is terminated prior to its term or extended term, as the case may be, AWC shall transfer to the Fund, and the Fund shall accept, the AWC Towers for Additional Investment No. 2 (the “AWC Assets for Additional Investment No. 2”) on the date which is scheduled to be the closing date for the transfer and delivery of the AWC Assets for Additional Investment No. 2 (the “AWC Asset Closing Date for Additional Investment No. 2”). (The AWC Sale Revenue for Additional Investment No. 2 and the AWC Assets for Additional Investment No. 2 are collectively, the “AWC Sale Assets for Additional Investment No. 2”).

Conditions precedent to be satisfied on or before the AWC Revenue Closing Date for Additional Investment No. 2 include, but are not limited to, (a) all relevant corporate approvals and authorisations of AWC required for entering into and performance of its obligations under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 having been obtained, (b) the execution and perfection of the Transaction Documents for Additional Investment No. 2, (c) the execution of credit facility agreement to obtain financing for the Fund’s acquisition of the Additional AWC Towers for Additional Investment No. 2, (d) the Fund having obtained the unitholders’ resolution to execute the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 pursuant to TN. 1/2554 Notification, and (e) no material adverse effect having occurred from the date of the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. If the conditions precedent are not satisfied or waived within 14 Business Days from the signing date of the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, AWC or the Fund may (provided that the failure to satisfy the relevant conditions precedent has not solely resulted from any breach of the obligations by such party) terminate the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, and neither AWC nor the Fund shall have any claim against the other under it, save for any claim arising from a breach of any obligation to fulfill the relevant conditions precedent and to complete and make effective the transactions pursuant to the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2.

The purchase price of the AWC Sale Assets for Additional Investment No. 2 is THB545,713,306 (the “AWC Purchase Price for Additional Investment No. 2”). AWC shall be responsible for any relevant Thailand specific business tax owed by the Fund in relation to the assets and revenues sale and transfer transaction.

AWC shall, on the AWC Asset Closing Date for Additional Investment No. 2, transfer to the Fund the AWC Assets for Additional Investment No. 2, subject to the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. Conditions to be satisfied on or before the AWC Asset Closing Date for Additional Investment No. 2 include, but are not limited to, the details and evidence of legal and valid land rights and/or lawful leases in relation to the sites on which the AWC Assets for Additional Investment No. 2 are located.

For the AWC Assets for Additional Investment No. 2 that cannot be transferred and delivered on the AWC Asset Closing Date for Additional Investment No. 2, AWC shall pay the Fund the terminal value of the relevant AWC Assets for Additional Investment No. 2 on the AWC Asset Closing Date for Additional Investment No. 2. 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. 2 to the Fund. The terminal value in relation to any AWC Assets for Additional Investment No. 2 shall be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for Additional Investment No. 2 for the 12 months preceding the month in which the AWC Asset Closing Date for Additional Investment No. 2 occurs (the “AWC Terminal Value”).

In case of any change to the monthly rental revenue of the AWC Towers for Additional Investment No. 2 pursuant to the Additional AWC Leasing Agreement No. 2 as a result of CAT Telecom agreeing to the interpretation of its exclusive right to use the AWC Towers for Additional Investment No. 2 under the HSPA Equipment-Leasing Agreement, the parties agree that the terminal value in relation to any AWC Assets for Additional Investment No. 2 shall remain to be an amount equal to 14 times the aggregate amount of the AWC Monthly Rental Revenue for Additional Investment No. 2 for the 12 months preceding the month in which the AWC Asset Closing Date for Additional Investment No. 2 occurs as if there has been no change in the monthly rental revenue of the AWC Towers for Additional Investment No. 2 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. 2.

Title and risk of loss or damage to the AWC Sale Revenue for Additional Investment No. 2 and the AWC Assets for Additional Investment No. 2 shall pass to the Fund upon the relevant closing dates, except as otherwise provided in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2.

The AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 constitutes an outright and absolute sale of the AWC Sale Revenue for Additional Investment No. 2 and not a security arrangement for any obligations of AWC. The Fund shall have full title and interest in the AWC Sale Revenue for Additional Investment No. 2 as from, and including, the AWC Revenue Closing Date for Additional Investment No. 2, shall be free to further dispose of the AWC Sale Revenue for Additional Investment No. 2 and shall be fully entitled to receive and retain for its own account the AWC Sale Revenue for Additional Investment No. 2.

AWC shall procure and deliver to the Fund the applicable AWC Sale Revenue for Additional Investment No. 2 until the date on which the applicable AWC Sale Revenue for Additional Investment No. 2 has been paid in full, no later than the last Business Day of each calendar month, beginning in the month in which the AWC Revenue Closing Date for Additional Investment No. 2 occurs.

Each in the amount as follows (the “AWC Monthly Rental Revenue for Additional Investment No. 2”):

AWC Monthly Rental Revenue for Additional Investment No. 2 shall be calculated based on 149 telecommunications towers as per below.

| Year | AWC Monthly Rental Revenue for Additional Investment No.2 per tower (Baht/month) |
|-----------------|---|
| 2017 (December) | 21,495 |
| 2018 | 21,317 |
| 2019 | 21,134 |
| 2020 | 20,944 |
| 2021 | 20,750 |
| 2022 | 20,549 |
| 2023 | 20,342 |
| 2024 | 20,130 |
| 2025 (7 months) | 19,910 |

Remarks: The AWC Monthly Rental Revenue for Additional Investment No. 2 above is based on a term of the Additional AWC Leasing Agreement No. 2 which is currently scheduled to expire on August 3, 2025. If the Additional AWC Leasing Agreement No. 2 is extended, the AWC Monthly Rental Revenue for Additional Investment No. 2 per tower for the extended period shall be in line with the relevant rentals under the Additional AWC Leasing Agreement No. 2 expected to be received from BFKT during the extended period.

Prior to the AWC Asset Closing Date for Additional Investment No. 2, if a trigger event as specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 occurs, the Fund may demand AWC to make payment of the net present value of all remaining AWC Sale Revenue for Additional Investment No. 2 owed plus the AWC Terminal Value of the AWC Assets for Additional Investment No. 2 (collectively, the “AWC Outstanding Sale Revenue for Additional Investment No. 2”) and exercise or enforce all or any part of the rights of the Fund available under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. The trigger events include, among others, non-payment by AWC of the AWC Monthly Rental Revenue for Additional Investment No. 2 for three consecutive months, non-payment by AWC of the AWC Monthly Rental Revenues for Additional Investment No. 2 for two consecutive months if the Net Interest Bearing Debt to EBITDA ratio exceeds 5:1, AWC’s failure to perform certain obligations specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 and such failure remains uncured within a specified period, AWC’s default on financial indebtedness in an aggregate principal amount exceeding Baht 1.0 billion, insolvency or creditors’ proceedings being initiated against AWC and termination or default under the Additional AWC Leasing Agreement No. 2 under certain circumstances described in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2.

If the non-payment by AWC of the AWC Monthly Rental Revenue for Additional Investment No. 2 for three consecutive months, or for two consecutive months in case of a failure to maintain the agreed financial ratio, is caused by BFKT’s failure to pay the applicable AWC Sale Revenue for Additional Investment No. 2 in relation to the Additional AWC Leasing Agreement No. 2 as a result of a default by CAT Telecom of its obligation to pay its rental payments to BFKT under the HSPA Equipment-Leasing Agreement and such default by CAT Telecom is not caused by a breach by Real Move of its obligation under the HSPA Wholesale Agreement, then the Fund will not be entitled to call a trigger event and demand AWC to pay to the Fund the AWC Outstanding Sale Revenue for Additional Investment No. 2.

Other key obligations of AWC are the following:

- 1) From the relevant closing of the transfer of the AWC Assets for Additional Investment No. 2 (the “AWC Assets for Additional Investment No. 2 Closing Date”), AWC shall at its own expense: (1) in relation to any land and/or property leases which cannot be assigned and/or novated to the Fund, procure that each of the Fund, tenants of the AWC Assets for Additional Investment No. 2, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant sites; (2) in relation to any contracts with respect to the AWC Assets for Additional Investment No. 2 which cannot be assigned and/or novated to the Fund, procure that the Fund can enjoy the rights and benefits of AWC under such contracts; (3) for a period of nine months following the AWC Assets for Additional Investment No. 2 Closing Date, AWC shall, at its own expenses, undertake the following: (a) give to the Fund such information and assistance as it may reasonably require relating to the relevant AWC Assets for Additional Investment No. 2 which have been delivered and transferred to the Fund (the “AWC Transferred Specified Assets”); and (b) use reasonable endeavours to provide the Fund with such facilities and services as The Fund may reasonably require (at the cost of AWC) to enable the AWC Transferred Specified Assets to be used in all material respects in the same manner in which they were used immediately prior to its relevant AWC Asset for Additional Investment No. 2 Closing Date; and (c) retain the documents relating to the AWC Transferred Specified Assets and shall allow the Fund reasonable access to such documents.
- 2) From the AWC Assets for Additional Investment No. 2 Closing Date, if, as a result of (A) a site or part thereof, which has been assigned and/or novated to the Fund, in relation to any AWC Transferred Specified Asset being seized, taken into custody or otherwise rendered unsuitable for use by any tenant due to any illegality to access or to use such site or any part thereof which is not attributable

to the Fund or any tenant of such Transferred Specified Assets which is not a True Group entity, (B) prior to the leases being assigned or novated to the Fund, the validity, legality or any right to use a site pursuant to any lease for any AWC Transferred Specified Assets being challenged which is not attributable to the Fund or any tenant of such Transferred Specified Assets which is not a True Group entity, or (C) AWC fails to procure the access to and use of the relevant sites by the Fund, the tenants, the Telecom Asset Manager or their designated persons (the "AWC Affected Site"), thereby resulting in any tenant or The Fund being unable to access, operate and/or use the AWC Transferred Specified Assets, then AWC shall, at its own costs and expenses: (1) procure or obtain a new site that both the parties agree would be substantially equivalent to the AWC Affected Site (both parties acting reasonably) having regard to: (a) its location; (b) the tenants' network coverage that would be available from the new site; and (c) the capacity and space available to install the AWC Transferred Specified Assets and other tenants' telecommunications equipment at the new site; and (2) relocate the AWC Transferred Specified Assets which are located on the AWC Affected Site or procure new equipment and assets having at least the same quality, specifications and capacity as the AWC Transferred Specified Assets to be installed on the new site and shall ensure that the capacity, performance and space availability of the AWC Transferred Specified Assets or the new equipment and assets, which are relocated and installed on the new site, remain the same as they were located on the AWC Affected Site prior to such site becoming the AWC Affected Site.

- 3) In case that AWC fails to relocate the AWC Transferred Specified Assets or procure the new assets and such failure has not been remedied to the Fund's reasonable satisfaction within the period specified in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, AWC shall: (1) purchase and/or procure the purchase of the relevant AWC Transferred Specified Assets which are located or installed on the AWC Affected Site (the "AWC Affected Assets") at the price equal to the AWC Terminal Value (the "AWC Affected Assets Purchase Price") plus interest at 7.5 percent per annum from the AWC Assets for Additional Investment No. 2 Closing Date to and including the date on which AWC pays the AWC Affected Assets Purchase Price to the Fund; (2) pay the Fund all costs and expenses in connection with the sale and transfer of the AWC Affected Assets and all lease and rental payments of the AWC Affected Assets that the tenants of such AWC Affected Assets do not pay the Fund due to such tenants being unable to use the AWC Affected Assets, up to the date on which AWC pays the AWC Affected Assets Purchase Price to the Fund; and (3) pay the Fund all costs, expenses, damages, losses, claims and liabilities incurred or to be incurred by the Fund arising out of or resulting from the use of the AWC Affected Site, the leases and the relocation of the AWC Affected Assets and the tenants' claims against the Fund due to the tenants being unable to use the AWC Affected Assets.
- 4) Subject to AWC's compliance with its obligations in relation to the repurchase of the AWC Affected Assets as described above, the Fund shall pay AWC the full amount of the rental payments in relation to the AWC Affected Assets that the Fund received from the relevant tenants that are True Group entities pursuant to the relevant lease agreements between such entities and the Fund plus interest at 7.5 percent per annum from the date on which the Fund received each relevant rental payment from the relevant lessees that are True Group entities pursuant to the lease agreement between such entities and the Fund to and including the date on which the Fund pays such rental payments to AWC, provided that such amount shall not exceed the relevant AWC Affected Assets Purchase Price.
- 5) The obligation of AWC in relation to the relocation and repurchase of the AWC Affected Assets, located on the sites of which their leases have been assigned or novated to the Fund, being seized, taken into custody or otherwise rendered unsuitable for use 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 the Fund.

- 6) If CAT Telecom fails to pay BFKT the rental payments under the HSPA Equipment-Leasing Agreement or the HSPA Equipment-Leasing Agreement is terminated due to a default of CAT Telecom and BFKT fails to pay the rental payments under the Additional AWC Leasing Agreement No. 2, thereby resulting in AWC's failure to pay the Fund the AWC Sale Revenue for Additional Investment No. 2 which is not a trigger event under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, upon the Fund's request, AWC shall use its best endeavors or shall procure that BFKT uses its best endeavors to pursue any legally permissible and valid claim against CAT Telecom. The Fund agrees to be responsible for any costs and expenses in connection with such claim. Upon AWC's or BFKT's receipt of any damages award or compensation, AWC shall or shall procure that BFKT shall pay to the Fund the compensation or amounts paid by CAT Telecom in accordance with the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. AWC or BFKT, whoever is the person making the claim, shall have the right to deduct any costs and expenses incurred in connection with such claim from the compensation or amounts paid by CAT Telecom before paying such amount to the Fund in case the Fund has not paid such costs and expenses to AWC or BFKT, as the case may be.

From the AWC Revenue Closing Date for Additional Investment No. 2, AWC irrevocably grants the Fund a right of first offer to purchase rights, benefits, interest and/or investment in relation to telecommunications infrastructure assets of AWC or any other True Group entity (other than AWC Sale Assets for Additional Investment No. 2 and certain other assets) which the Fund can invest in pursuant to the laws and regulations of the Thai SEC (the "AWC Additional Assets") until the earlier of (a) the fifth anniversary of the AWC Revenue Closing Date for Additional Investment No. 2 or the fifth anniversary of the registration date of the Fund's capital increase No. 1 in accordance with the Securities and Exchange Act, whichever is later, and (b) the date on which any telecommunications operator holds more units issued by the Fund than True holds, in accordance with the following terms and conditions: (1) If, AWC and/or any True Group entity (the "ROFO Seller") wishes to sell any AWC Additional Assets to any third party, AWC shall and shall procure that such True Group entity shall, issue a written notice (the "Offer Notice") to the Fund containing the details as described in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, including, without limitation, all material terms and conditions of the lease of such AWC Additional Assets (if any). (2) If the Fund wishes to buy such AWC Additional Assets, it shall, within 10 Business Days of its receipt of the Offer Notice or such longer period as the ROFO Seller may agree, notify the ROFO Seller in writing that it wishes to purchase such AWC Additional Asset (the "AWC Transferred Assets") on the terms specified in the Offer Notice (the "Acceptance Notice"). Within three months from the date of the Acceptance Notice, the Fund shall use its best endeavors to obtain the unitholders' approval which may be required for the purchase of the AWC Transferred Assets; and AWC shall and/or shall procure that the relevant True Group entity shall use their best endeavors to obtain all consents and approvals which may be required in accordance with applicable laws, regulations and contracts for the sale of the AWC Transferred Assets. After having obtained the relevant consents and approvals, the Fund and the ROFO Seller shall enter into definitive agreements and complete the sale and transfer of the AWC Transferred Assets within three months after all consents and approvals have been obtained by the Fund and the ROFO Seller. (3) If, (a) the Fund does not send the ROFO Seller the Acceptance Notice within the specified period; (b) the Fund or the ROFO Seller is unable to obtain the relevant consents and approvals required, within three months from the date of the Acceptance Notice, or (c) the parties are unable to complete the sale and transfer of the AWC Transferred Assets within three months from the date on which all relevant consents and approvals required were obtained, the ROFO Seller shall have the right to sell the AWC Transferred Assets to any third party on the same or more favorable (as to the ROFO Seller) terms and conditions as specified in the Offer Notice within six

months thereafter. If the ROFO Seller cannot complete the sale of such AWC Transferred Assets to such third party within such six-month period and if any time thereafter the ROFO Seller wishes to sell such AWC Transferred Assets, then the Fund shall again have the right of first offer to purchase such AWC Transferred Assets and similar procedures shall be complied with in full.

For a right of first offer of AWC, if the Fund purchases any AWC Transferred Assets and wishes to sell such AWC Transferred Assets to any third party, the Fund shall issue a written notice to AWC containing, (a) the offer price proposed by the Fund, and (b) all material terms and conditions for the sale of the relevant AWC Transferred Assets proposed by the Fund. Upon receipt of such notice, AWC shall have a right of first offer to purchase such AWC Transferred Assets in accordance with the terms and conditions set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2. AWC may assign its right to purchase the AWC Transferred Assets to any other True Group entity without prior consent of the Fund.

Under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, AWC's liability is limited by, among other customary items, the following: (1) AWC shall be liable in respect of any claim in relation to the AWC Transferred Specified Assets if a notice of such claim is given by the Fund within two years from the AWC Assets for Additional Investment No. 2 Closing Date, except for claims arising out of certain material matters as set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, AWC's warranties on its authority and capacity, ownership of the AWC Transferred Specified Assets and breach of relevant undertakings; (2) The aggregate liability of AWC in respect of (a) the AWC Sale Revenue for Additional Investment No. 2 shall not exceed the AWC Outstanding Sale Revenue for Additional Investment No. 2; (b) the AWC Assets for Additional Investment No. 2 transferred to the Fund shall not exceed their AWC Terminal Value; and (c) all other breaches the aggregate liabilities shall not exceed 50 percent of the AWC Purchase Price for Additional Investment No. 2. 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. 2.

Insurance: AWC undertakes: (1) to procure that, within 45 days from the AWC Revenue Closing Date for Additional Investment No. 2, the Fund 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. 2; (2) to procure that all True Group's insurance policies in relation to the AWC Towers for Additional Investment No. 2 are maintained in accordance with the terms set out in the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2; (3) upon the AWC Asset Closing Date for Additional Investment No. 2, to arrange for an insurance policy for the AWC Transferred Specified Assets under the name of the Fund, provided that the Fund shall be responsible for the insurance premiums with respect to such insurance policy; (4) not to modify any term of True Group's insurance policies in relation to the AWC Towers without the prior written consent of the Fund, which shall not be unreasonably withheld; and (5) 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.

Without limitation to any other right which the Fund may have under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, AWC agrees to indemnify the Fund, the Management Company and their respective representatives against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by AWC pursuant to the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, except

in the case of the Fund's, the Management Company's or their respective representatives' own fault, gross negligence or willful misconduct. With respect to the indemnities of the Fund, without limitation to any other right which AWC may have under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, the Fund agrees to indemnify AWC and its representatives against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by the Fund pursuant to the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, except in the case of AWC's or their representatives' own fault, gross negligence or willful misconduct.

Except as permitted under the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2, neither AWC nor the Fund may, without the prior written consent of the other, assign, grant any security interest over or otherwise transfer the benefit of the whole or any part of the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2.

The AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2 is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2.

(7) Asset Sale and Transfer Agreement

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

The objective of True Asset Sale and Transfer Agreement is to sell and transfer to the Fund, and the Fund 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 the Fund, True shall pay delay damages to the Fund in an amount equal to the amount that the Fund 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 the Fund, True shall pay to the Fund 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 the Fund and the True Final Long Stop Date, if any New Tower Asset delivered by True to the Fund 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 the Fund 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 the Fund, procure that each of the Fund, 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 the Fund'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 the Fund, provided that the Fund 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 the Fund, 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 the Fund 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 the Fund, 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 the Fund.

- (7.2) Asset Sale and Transfer Agreement between True Internet Corporation Company Limited ("TICC") as a seller and the Fund as a purchaser ("TICC Asset Sale and Transfer Agreement")

The objective of TICC 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 "TICC Sale Assets").

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

From the Asset Closing Date, TICC shall at its own expense, procure that each of the Fund, the lessees of the TICC 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 TICC Asset Sale and Transfer Agreement.

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

From the Asset Closing Date, TICC shall be liable in respect of any claim in relation to the TICC Transferred Specified Assets if a notice of such claim is given by the Fund within two years from the Asset Closing Date, except for claims arising out of certain material matters as set out in the TICC 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, TICC's warranties on its authority and capacity, ownership of the TICC Sale Assets and breach of relevant material undertakings.

The aggregate liability of TICC in respect of all breaches under the TICC Asset Sale and Transfer Agreement shall not exceed the TICC Purchase Price. TICC 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 TICC Asset Sale and Transfer Agreement.

TICC undertakes to procure that: (a) until the Fund's relevant insurances are put in place, all True Group's insurance policies in relation to the TICC Sale Assets are maintained in accordance with the terms set out in the TICC Asset Sale and Transfer Agreement; (b) to arrange relevant insurance policies in relation to the TICC Sale Assets under the name of the Fund, provided that the Fund 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 TICC Sale Assets without the prior written consent of the Fund, which shall not be unreasonably withheld and delayed.

- (7.3) Asset Sale and Transfer Agreement between TUC as a seller and The Fund as a purchaser ("TUC Asset Sale and Transfer Agreement for Additional Investment No.2")

Subject to the satisfaction of all conditions precedent specified in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, TUC shall sell and transfer to the Fund, and the Fund shall purchase and accept the ownership in: (1) on the closing date for the transfer and delivery of the TUC Sale Assets for Additional Investment No. 2 (the "TUC Asset Closing Date for Additional Investment No. 2"), (a) 350 telecommunications towers; and (b) 1,113 km of FOC (or approximately 62,594 core km in capacity) currently used for provision of mobile services located in the upcountry region of Thailand (the "TUC Sale Assets for Additional Investment No. 2"); and : (2) on the closing date for the transfer and delivery of the TUC Sale Assets for Additional Investment No. 3 (the "TUC Asset Closing Date for Additional Investment No. 3"), (a) 2,589 telecommunications towers; and (b) 8,017 km of FOC (or approximately 252,006 core km in capacity) currently used for provision of mobile services located in the upcountry region of Thailand (the "TUC Sale Assets for Additional Investment No. 3"); (collectively, the "TUC Sale Assets for Additional Investment No. 2 and No. 3").

Condition precedents stated in TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 are the following: (1) Conditions precedent to be satisfied on or before each of the TUC Asset Closing Date for Additional Investment No. 2 and the TUC Asset Closing Date for Additional Investment No. 3 include, but are not limited to, (a) all relevant corporate approvals and authorisations of TUC required for entering into and performance of its obligations under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 having been obtained, (b) the execution and perfection of the Transaction Documents for Additional Investment No. 2, (c) the Fund having obtained the unitholders' resolution to execute the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 pursuant to TN. 1/2554 Notification, (d) with respect to the TUC Sale Assets for Additional Investment No. 2, the

execution of credit facility agreement to obtain financing for the Fund's acquisition of the TUC Sale Assets for Additional Investment No. 2, (e) with respect to the TUC Sale Assets for Additional Investment No. 3, the execution of credit facility agreement to obtain partial financing for the Fund's acquisition of the TUC Sale Assets for Additional Investment No. 3 (if any) and the Fund's capital increase No. 1 having been duly registered in accordance with the Securities and Exchange Act, and (f) no material adverse effect having occurred from the date of the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2. (2) With respect to the TUC Sale Assets for Additional Investment No. 2, if the conditions precedent are not satisfied or waived within 14 Business Days from the signing date of the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, TUC or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and neither TUC nor the Fund shall have any claim against the other under it, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the transactions pursuant to the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2. (3) With respect to the TUC Sale Assets for Additional Investment No. 3, if the conditions precedent are not satisfied or waived within 14 Business Days from the date which is scheduled to be the TUC Asset Closing Date for Additional Investment No. 3 pursuant to the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, TUC or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the sale and transfer to the extent in relation to the TUC Sale Assets for Additional Investment No. 3 and neither TUC nor the Fund shall have any claim against the other with respect thereto, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the sale and transfer of the TUC Sale Assets for Additional Investment No. 3 pursuant to the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2.

The purchase price of the TUC Sale Asset for Additional Investment No. 2 is THB3,629,906,842 (the "TUC Purchase Price for Additional Investment No. 2") and the purchase price of the TUC Sale Assets for Additional Investment No. 3 (the "TUC Purchase Price for Additional Investment No. 3") shall be in the amounts set out in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 and shall be paid in full by the Fund on the TUC Asset Closing Date for Additional Investment No. 2 or the TUC Asset Closing Date for Additional Investment No. 3, as the case may be.

Title and risk of loss or damage to the TUC Sale Assets for Additional Investment No. 2 and No. 3 shall pass to the Fund upon each closing of the relevant sale and transfer, except as otherwise provided in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2. On each relevant closing of the relevant sale and transfer of the TUC Sale Assets for Additional Investment No. 2 and No. 3, TUC shall warrant and represent to the Purchaser that, among others, the relevant TUC Sale Assets for Additional Investment No. 2 and No. 3 to be sold and transferred shall be legally and beneficially owned by TUC and shall be free from all encumbrances.

Key obligations of TUC are the following:

- 1) From the signing date of the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 to the TUC Asset Closing Date for Additional Investment No. 3, TUC undertakes that it shall, if there is any change in the location of any site or type of certain TUC Sale Assets for Additional Investment No. 3 which are telecommunication towers from those set out in the agreement, promptly provide the Fund with an update of the TUC Sale Assets for Additional Investment No. 3 which are certain telecommunication towers and their proposed sites and type every three months from the last business day of the month in which TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 is executed, provided such change shall not adversely impact net economic value of the unitholders from those which has been approved by the meeting of the unitholders of the Purchaser No. 1/2017

held on November 23, 2017. The parties agree that if there is any change in the type of such telecommunication towers which is not in compliance with the above conditions, the parties shall, in good faith, enter into negotiations, with an ultimate view to achieving a fair and equitable compensation for the Fund. The final list of the TUC Sale Assets for Additional Investment No. 3 which are telecommunication towers shall be agreed between the parties at least five business days prior to the TUC Asset Closing Date for Additional Investment No. 3.

- 2) From each closing of the relevant TUC Sale Assets for Additional Investment No. 2 and No. 3 (the "Relevant Asset Closing Date"), TUC shall at its own expense: (a) procure that each of the Fund, the lessees of the relevant TUC Sale Assets for Additional Investment No. 2 and No. 3 which are FOC, 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 TUC Asset Sale and Transfer Agreement for Additional Investment No. 2; (b) in relation to any land and/or property leases which cannot be assigned or novated to the Fund, procure that each of the Fund, the lessees of the TUC Sale Assets for Additional Investment No. 2 and No. 3 which are telecommunications towers, the Telecom Asset Manager and their designated persons has the right to access and to use the relevant sites; and (c) in relation to any contracts with respect to the TUC Sale Assets for Additional Investment No. 2 and No. 3 which cannot be assigned or novated to the Fund, procure that the Fund can enjoy the rights and benefits of TUC under such contracts.
- 3) For a period of nine months following the Relevant Asset Closing Date: (a) give to the Fund such information and assistance as it may reasonably require relating to the TUC Sale Assets for Additional Investment No. 2 and No. 3 which have been delivered and transferred to the Fund upon the Relevant Asset Closing Date (the "TUC Transferred Specified Assets"); and (b) use reasonable endeavours to provide the Fund with such facilities and services as the Fund may reasonably require (at the cost of TUC) to enable the TUC Transferred Specified Assets to be used in all material respects in the same manner in which they were used immediately prior to the Relevant Asset Closing Date; and (c) retain the documents relating to the TUC Transferred Specified Assets and shall allow the Fund reasonable access to such documents.

Additional obligations of TUC relating to the transferred telecommunications towers are the following: (1) From the Relevant Asset Closing Date, if, as a result of (A) a site (or part of a site) on which any TUC Transferred Specified Asset which are telecommunication towers are operated, which has been assigned or novated to the Fund, being seized, taken into custody or otherwise rendered unsuitable for use by any tenant due to any illegality to access or to use such site or any part thereof which is not attributable to the Fund or any tenant of such TUC Transferred Specified Asset which is not a True Group entity, (B) prior to the relevant land and/or property leases being assigned or novated to the Fund, the validity, legality or any right to use a site pursuant to any asset or property leases for any TUC Transferred Specified Asset which are telecommunication towers being challenged which is not attributable to the Fund or any tenant of such TUC Transferred Specified Asset which is not a True Group entity, or (C) TUC fails to procure the access and use of the relevant sites by the Fund, the tenants, the Telecom Asset Manager and their designated persons (the "TUC Affected Site"), any tenant or the Fund is unable to access, operate and/or use the TUC Transferred Specified Assets which are telecommunication towers then TUC shall, at its own costs and expenses: (i) procure or obtain a new site that both the parties agree would be substantially equivalent to the TUC Affected Site (both parties acting reasonably) having regard to its location, the tenants' network coverage that would be available from the new site, and the capacity and space available to install the TUC Transferred Specified Assets which are telecommunication towers and other tenants' telecommunications equipment at the new site; and (ii) relocate the TUC Transferred Specified Assets (which are telecommunication towers) which are located on the TUC Affected Site or procure new equipment and assets having at least the same quality, specifications and

capacity as such TUC Transferred Specified Assets to be installed on the new site and shall ensure that the capacity, performance and space availability of such TUC Transferred Specified Assets or the new equipment and assets, which are relocated and installed on the new site, remain the same as they were located on the TUC Affected Site prior to such site becoming the TUC Affected Site. (2) In case that TUC fails to relocate the TUC Transferred Specified Assets (which are telecommunication towers) or procure the new assets and such failure has not been remedied to the Fund's reasonable satisfaction within the period specified in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, TUC shall: (A) purchase and/or procure the purchase of such relevant TUC Transferred Specified Assets which are located or installed on the TUC Affected Site(s) (the "TUC Affected Assets") at the price that the Fund paid TUC for such TUC Affected Assets (the "TUC Affected Assets Purchase Price") plus interest at 7.5 percent per annum from the Relevant Asset Closing Date to and including the date on which TUC pays the purchase price of the TUC Affected Assets to the Fund; (B) pay the Fund all costs and expenses in connection with the sale and transfer of the TUC Affected Assets and all lease and rental payments of the TUC Affected Assets that the tenants of such TUC Affected Assets do not pay the Fund due to such tenants being unable to use the TUC Affected Assets, up to the date on which TUC pays the Fund the TUC Affected Assets Purchase Price; and (C) pay the Fund all costs, expenses, damages, losses, claims and liabilities incurred or to be incurred by the Fund arising out of or resulting from the use of the TUC Affected Sites, the leases and the relocation of the TUC Affected Assets and the tenants' claims against the Fund due to the tenants being unable to use the TUC Affected Assets. (3) Subject to TUC's compliance with its obligations in relation to the repurchase of the TUC Affected Assets as described above, the Fund shall pay TUC the full amount of the rental payments in relation to the TUC Affected Assets that the Fund has received from the relevant lessees of such assets pursuant to the Master Leases plus interest at 7.5 percent per annum from the date on which the Fund received each rental payment from the relevant lessees of such assets pursuant to the Master Leases to and including the date on which the Fund pays such rental payments to TUC which shall not exceed the purchase price of the relevant TUC Affected Assets. (4) The obligation of TUC in relation to the relocation and repurchase of the TUC Affected Assets on the site (or part of a site) which has been assigned or novated to the Fund, in relation to any TUC Transferred Specified Asset being seized, taken into custody or otherwise rendered unsuitable for use 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 the Fund.

From the TUC Asset Closing Date for Additional Investment No. 2, TUC irrevocably grants the Fund a right of first offer to purchase rights, benefits, interest and/or investment in relation to telecommunications infrastructure assets of TUC or any other True Group entity (other than TUC Sale Assets) which the Fund can invest in pursuant to the laws and regulations of the Thai SEC (the "TUC Additional Assets") until the earlier of (a) the fifth anniversary of the TUC Asset Closing Date for Additional Investment No. 2 or the fifth anniversary of the registration date of the Fund's capital increase No. 1 in accordance with the Securities and Exchange Act, whichever is later, and (b) the date on which any telecommunications operator holds more units issued by the Fund than True holds, in accordance with the following terms and conditions: (1) If, TUC and/or any True Group entity (the "ROFO Seller") wishes to sell any TUC Additional Assets to any third party, TUC shall and shall procure that such True Group entity shall, issue a written notice (the "Offer Notice") to the Fund containing the details as described in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, including among others, all material terms and conditions of the lease of such TUC Additional Assets (if any). (2) If the Fund wishes to buy such TUC Additional Assets, it shall notify, within 10 Business Days of its receipt of the Offer Notice or such longer period as the ROFO Seller may agree, the ROFO Seller in writing that it wishes to purchase such TUC Additional Asset (the "TUC Transferred Assets") on the terms specified in the Offer Notice (the "Acceptance Notice"). Within three months from the date of the Acceptance Notice,

the Fund shall use its best endeavours to obtain the unitholders' approval which may be required for the purchase of the TUC Transferred Assets; and TUC shall and/or shall procure that the relevant True Group entity shall use their best endeavours to obtain all consents and approvals which may be required in accordance with applicable laws, regulations and contracts for the sale of the TUC Transferred Assets. After having obtained the relevant consents and approvals, the Fund and the ROFO Seller shall enter into definitive agreements and complete the sale and transfer of the TUC Transferred Assets within three months after all consents and approvals have been obtained by the Fund and the ROFO Seller. (3) If, (a) the Fund does not send the ROFO Seller the Acceptance Notice within the specified period; (b) the Fund or the ROFO Seller is unable to obtain the relevant consents and approvals required within three months from the date of the Acceptance Notice, or (c) the parties are unable to complete the sale and transfer of the TUC Transferred Assets within three months from the date on which all relevant consents and approvals required were obtained, the ROFO Seller shall have the right to sell the TUC Transferred Assets to any third party on the same or more favorable (as to the ROFO Seller) terms and conditions as specified in the Offer Notice within six months thereafter. If the ROFO Seller cannot complete the sale of such TUC Transferred Assets to such third party within such six month period and if any time thereafter the ROFO Seller wishes to sell such TUC Transferred Assets, then the Fund shall again have the right of first offer to purchase such TUC Transferred Assets and similar procedures shall be complied with in full. For a right of first offer of TUC, if the Fund purchases any TUC Transferred Assets and wishes to sell such TUC Transferred Assets to any third party, the Fund shall issue a written notice to TUC containing, (a) the offer price proposed by the Fund, and (b) all material terms and conditions for the sale of the relevant TUC Transferred Assets. Upon receipt of such notice, TUC shall have a right of first offer to purchase such TUC Transferred Assets in accordance with the terms and conditions set out in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2. TUC may assign its right to purchase the TUC Transferred Assets to any other True Group entity without prior consent of the Fund.

From the Relevant Asset Closing Date, TUC shall be liable in respect of any claim in relation to the TUC Transferred Specified Assets if a notice of such claim is given by the Fund within two years from the Relevant Asset Closing Date, except for claims arising out of certain material matters as set out in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, TUC's warranties on its authority and capacity, ownership of the TUC Sale Assets for Additional Investment No. 2 and No. 3 and breach of relevant material undertakings. However, the aggregate liability of TUC in respect of all breaches under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 shall not exceed the TUC Purchase Price for Additional Investment No. 2 in respect of TUC Sale Assets for Additional Investment No. 2 and the TUC Purchase Price for Additional Investment No. 3 in respect of TUC Sale Assets for Additional Investment No. 3. TUC 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 TUC Asset Sale and Transfer Agreement for Additional Investment No. 2.

Insurance: TUC undertakes: (1) to procure that, until the Fund's relevant insurances are put in place, all True Group's insurance policies in relation to the TUC Sale Assets for Additional Investment No. 2 and No. 3 are maintained in accordance with the terms set out in the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2; (2) to arrange relevant insurance policies in relation to the TUC Sale Assets for Additional Investment No. 2 and No. 3 under the name of the Fund, provided that the Fund shall be responsible for the insurance premiums with respect to such insurance policies; and (3) not to modify any term of True Group's relevant insurance policies for the TUC Sale Assets for Additional Investment No. 2 and No. 3 without the prior written consent of the Fund, which shall not be unreasonably withheld and delayed.

Without limiting any other rights which the Fund may have under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, TUC agrees to indemnify the Fund, the Management Company and their respective representatives from and against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by TUC pursuant to the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, except in the case of the Fund's, the Management Company's or their respective representative's own fault, gross negligence or willful misconduct. With respect to the indemnities of the Fund, Without limiting any other rights which TUC may have under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, the Fund agrees to indemnify TUC and its representatives from and against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by the Fund pursuant to the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, except in the case of TUC's or their representative's own fault, gross negligence or willful misconduct.

Except as permitted under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2, neither TUC nor the Fund may, without the prior written consent of the other, assign, grant any security interest over or otherwise transfer the benefit of the whole or any part of the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2.

The TUC Asset Sale and Transfer Agreement for Additional Investment No. 2 is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2.

(7.4) Asset Sale and Transfer Agreement between True Move as a seller and the Fund as a purchaser ("True Move Asset Sale and Transfer Agreement for Additional Investment No.2")

Subject to the satisfaction of all conditions precedent specified in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, True Move shall sell and transfer to the Fund, and the Fund shall purchase and accept the ownership in: (1) on the closing date for the transfer and delivery of the True Move Sale Assets for Additional Investment No. 2 (the "True Move Asset Closing Date for Additional Investment No. 2"), 542 km of FOC (or approximately 117,147 core km in capacity) currently used for provision of mobile and internet services located in the BMA (the "True Move Sale Assets for Additional Investment No. 2"); and (2) on the closing date for the transfer and delivery of the True Move Sale Assets for Additional Investment No. 3 (the "True Move Asset Closing Date for Additional Investment No. 3"), (a) approximately 546 km of FOC (or approximately 117,871 core km in capacity) currently used for provision of mobile and internet services located in the BMA; and (b) approximately 5,933 km of FOC (or approximately 220,428 core km in capacity) currently used under FTTx system (FOC for FTTx) for provision of internet and broadband internet services located in the upcountry region of Thailand (the "True Move Sale Assets for Additional Investment No. 3"); (collectively, the "True Move Sale Assets for Additional Investment No. 2 and No. 3").

Condition precedents stated in True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 are the following: (1) Conditions precedent to be satisfied on or before each of the True Move Asset Closing Date for Additional Investment No. 2 and the True Move Asset Closing Date for Additional Investment No. 3 include, but are not limited to, (a) all relevant corporate approvals, authorisations of True Move required for entering into and performance of its obligations under the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 having been obtained, (b) the execution and

perfection of the Transaction Documents for Additional Investment No. 2, (c) the Fund having obtained the unitholders' resolution to execute the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 pursuant to TN. 1/2554 Notification, (d) with respect to the True Move Sale Assets for Additional Investment No. 2, the execution of credit facility agreement to obtain financing for the Fund's acquisition of to the True Move Sale Assets for Additional Investment No. 2, (e) with respect to the True Move Sale Assets for Additional Investment No. 3, the execution of credit facility agreement to obtain partial financing for the Fund's acquisition of to the True Move Sale Assets for Additional Investment No. 3 (if any) and the Fund's capital increase No. 1 having been duly registered in accordance with the Securities and Exchange Act, and (f) no material adverse effect having occurred from the date of the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2. (2) With respect to the True Move Sale Assets for Additional Investment No. 2, if the conditions precedent are not satisfied or waived within 14 Business Days from the signing date of the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, True Move or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 and neither True Move nor the Fund shall have any claim against the other under it, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the transactions pursuant to the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2. (3) With respect to the True Move Sale Assets for Additional Investment No. 3, if the conditions precedent are not satisfied or waived within 14 Business Days from the date which is scheduled to be the True Move Asset Closing Date for Additional Investment No. 3 pursuant to the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, True Move or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the sale and transfer to the extent in relation to the True Move Sale Assets for Additional Investment No. 3 and neither True Move nor the Fund shall have any claim against the other with respect thereto, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the sale and transfer of the True Move Sale Assets for Additional Investment No. 3 pursuant to the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2.

The purchase price of the True Move Sale Assets for Additional Investment No.2 is THB5,312,107,901 (the "True Move Purchase Price for Additional Investment No. 2") and the purchase price of the True Move Sale Assets for Additional Investment No. 3 (the "True Move Purchase Price for Additional Investment No. 3") shall be in the amounts set out in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 and shall be paid in full by the Fund on the True Move Asset Closing Date for Additional Investment No. 2 or the True Move Asset Closing Date for Additional Investment No. 3, as the case may be.

Title and risk of loss or damage to the True Move Sale Assets for Additional Investment No. 2 and No. 3 shall pass to the Fund upon each closing of the relevant sale and transfer, except as otherwise provided in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2.

On each relevant closing of the relevant sale and transfer of the True Move Sale Assets for Additional Investment No. 2, True Move shall warrant and represent to the Purchaser that, among others, the relevant True Move Sale Assets for Additional Investment No. 2 to be sold and transferred shall be legally and beneficially owned by True Move and shall be free from all encumbrances.

From each closing of the relevant True Move Sale Assets for Additional Investment No. 2 and No. 3 (the "Relevant Asset Closing Date"), True Move shall at its own expense: (1) procure that each of the Fund, the lessees of the relevant True Move Sale Assets for Additional Investment No. 2 and No. 3 which are

FOC, 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 True Move Asset Sale and Transfer Agreement for Additional Investment No. 2; (2) in relation to any contracts with respect to the True Move Sale Assets for Additional Investment No. 2 and No. 3 which cannot be assigned or novated to the Fund, procure that the Fund can enjoy the rights and benefits of True Move under such contracts; (3) for a period of nine months following the Relevant Asset Closing Date: (a) give to the Fund such information and assistance as it may reasonably require relating to the True Move Sale Assets for Additional Investment No. 2 and No. 3 which have been delivered and transferred to the Fund upon the Relevant Asset Closing Date (the “True Move Transferred Specified Assets”); and (b) use reasonable endeavours to provide the Fund with such facilities and services as the Fund may reasonably require (at the cost of True Move) to enable the True Move Transferred Specified Assets to be used in all material respects in the same manner in which they were used immediately prior to the Relevant Asset Closing Date; and (c) retain the documents relating to the True Move Transferred Specified Assets and shall allow the Fund reasonable access to such documents.

From the True Move Asset Closing Date for Additional Investment No. 2, True Move irrevocably grants the Fund a right of first offer to purchase rights, benefits, interest and/or investment in relation to telecommunications infrastructure assets of True Move or any other True Group entity (other than True Move Sale Assets) which the Fund can invest in pursuant to the laws and regulations of the Thai SEC (the “True Move Additional Assets”) until the earlier of (a) the fifth anniversary of the True Move Asset Closing Date for Additional Investment No. 2 or the fifth anniversary of the registration date of the Fund’s capital increase No. 1 in accordance with the Securities and Exchange Act, whichever is later, and (b) the date on which any telecommunications operator holds more units issued by the Fund than True holds, in accordance with the following terms and conditions: (1) If, True Move and/or any True Group entity (the “ROFO Seller”) wishes to sell any True Move Additional Assets to any third party, True Move shall and shall procure that such True Group entity shall, issue a written notice (the “Offer Notice”) to the Fund containing the details as described in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, including among others, all material terms and conditions of the lease of such True Move Additional Assets (if any). (2) If the Fund wishes to buy such True Move Additional Assets, it shall notify, within 10 Business Days of its receipt of the Offer Notice or such longer period as the ROFO Seller may agree, the ROFO Seller in writing that it wishes to purchase such True Move Additional Asset (the “True Move Transferred Assets”) on the terms specified in the Offer Notice (the “Acceptance Notice”). Within three months from the date of the Acceptance Notice, the Fund shall use its best endeavours to obtain the unitholders’ approval which may be required for the purchase of the True Move Transferred Assets; and True Move shall and/or shall procure that the relevant True Group entity shall use their best endeavours to obtain all consents and approvals which may be required in accordance with applicable laws, regulations and contracts for the sale of the True Move Transferred Assets. After having obtained the relevant consents and approvals, the Fund and the ROFO Seller shall enter into definitive agreements and complete the sale and transfer of the True Move Transferred Assets within three months after all consents and approvals have been obtained by the Fund and the ROFO Seller. (3) If, (a) the Fund does not send the ROFO Seller the Acceptance Notice within the specified period; (b) the Fund or the ROFO Seller is unable to obtain the relevant consents and approvals required within three months from the date of the Acceptance Notice, or (c) the parties are unable to complete the sale and transfer of the True Move Transferred Assets within three months from the date on which all relevant consents and approvals required were obtained, the ROFO Seller shall have the right to sell the True Move Transferred Assets to any third party on the same or more favorable (as to the ROFO Seller) terms and conditions as specified in the Offer Notice within six months thereafter. If the ROFO Seller cannot complete the sale of such True Move Transferred Assets to such third party within such

six-month period and if any time thereafter the ROFO Seller wishes to sell such True Move Transferred Assets, then the Fund shall again have the right of first offer to purchase such True Move Transferred Assets and similar procedures shall be complied with in full.

For a right of first offer of True Move, If the Fund purchases any True Move Transferred Assets and wishes to sell such True Move Transferred Assets to any third party, the Fund shall issue a written notice to True Move containing, (a) the offer price proposed by the Fund, and (b) all material terms and conditions for the sale of the relevant True Move Transferred Assets. Upon receipt of such notice, True Move shall have a right of first offer to purchase such True Move Transferred Assets in accordance with the terms and conditions set out in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2. True Move may assign its right to purchase the True Move Transferred Assets to any other True Group entity without prior consent of the Fund.

From the Relevant Asset Closing Date, True Move shall be liable in respect of any claim in relation to the True Move Transferred Specified Assets if a notice of such claim is given by the Fund within two years from the Relevant Asset Closing Date, except for claims arising out of certain material matters as set out in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 for which there shall be no time limitation for giving notice of claims (other than pursuant to applicable law). Such matters include, among others, True Move's warranties on its authority and capacity, ownership of the True Move Sale Assets for Additional Investment No. 2 and No. 3 and breach of relevant material undertakings. However, the aggregate liability of True Move in respect of all breaches under the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 shall not exceed the True Move Purchase Price for Additional Investment No. 2 in respect of True Move Sale Assets for Additional Investment No. 2 and the True Move Purchase Price for Additional Investment No. 3 in respect of True Move Sale Assets for Additional Investment No. 3. True Move 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 Move Asset Sale and Transfer Agreement for Additional Investment No. 2.

Insurance: True Move undertakes: (1) to procure that, until the Fund's relevant insurances are put in place, all True Group's insurance policies in relation to the True Move Sale Assets for Additional Investment No. 2 and No. 3 are maintained in accordance with the terms set out in the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2; (2) to arrange relevant insurance policies in relation to the True Move Sale Assets for Additional Investment No. 2 and No. 3 under the name of the Fund, provided that the Fund shall be responsible for the insurance premiums with respect to such insurance policies; and (3) not to modify any term of True Group's relevant insurance policies for the True Move Sale Assets for Additional Investment No. 2 and No. 3 without the prior written consent of the Fund, which shall not be unreasonably withheld and delayed.

Without limiting any other rights which the Fund may have under the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, True Move agrees to indemnify the Fund, the Management Company and their respective representatives from and against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by True Move pursuant to the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, except in the case of the Fund's, the Management Company's or their respective representative's own fault, gross negligence or willful misconduct. With respect to indemnities of the Fund, without limiting any other rights which True Move may have under the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 or any applicable law, the Fund agrees to indemnify True Move and its

representatives from and against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by the Fund pursuant to the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, except in the case of True Move's or their representative's own fault, gross negligence or willful misconduct.

Except as permitted under the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2, neither True Move nor the Fund may, without the prior written consent of the other, assign, grant any security interest over or otherwise transfer the benefit of the whole or any part of the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2.

The True Move Asset Sale and Transfer Agreement for Additional Investment No. 2 is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the True Move Asset Sale and Transfer Agreement for Additional Investment No. 2.

(8) Master Lease, Operation and Management Agreements

- (8.1) Master Lease, Operation and Management Agreement between TUC as a lessee and the Fund 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 III: 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 the Fund 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, the Fund 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. the Fund 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 the Fund pursuant to the terms of True Asset Sale and Transfer Agreement.

Upon the earlier of the date True delivers all New Tower Assets to the Fund and 31st December 2020, if any New Tower Asset delivered by True to the Fund 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 the Fund 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.

The Fund 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, the Fund shall be the person making the rental payments under the land leases in respect of the site where the Leased Properties are located.

The Fund 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 the Fund 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 the Fund, 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 the Fund 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 the Fund without the founder tenant discount; provided that the Fund 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 the Fund 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 the Fund's cost plus a reasonable margin. If the Fund lacks funding for such reinforcement or enhancement, TUC will advance the costs of such reinforcement or enhancement. The Fund 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, the Fund 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 the Fund 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 the Fund.

- (8.2) Amended and Restated TUC Master Lease, Operation and Management Agreement between TUC as lessee and the Fund as lessor ("Amended and Restated Tower Master Lease, Operation and Management Agreement")

The provisions of the Amended and Restated Tower Master Lease, Operation and Management Agreement become effective upon the completion of sale of TUC Towers for Additional Investment No. 2, which is November 28, 2017 (the "Effective Date for Additional Investment No. 2") provided that certain provisions in relation to the Towers to be sold by TUC to the Fund under the Additional Investment No. 3 (the "TUC Towers for Additional Investment No. 3") will become effective upon the completion of sale of TUC Towers for Additional Investment No. 3 (the "Effective Date for Additional Investment No. 3").

For the purpose of the summary of the Amended and Restated Tower Master Lease, Operation and Management Agreement, the immediately next sale and lease of any Additional Assets by any member of True Group to the Fund after the Additional Investment No. 2 shall be referred to as the "Additional Investment No. 3."

The properties that TUC leases, operates and manages under the Amended and Restated Tower Master Lease, Operation and Management Agreement are slots on telecommunications towers, and passive facilities in relation to certain towers (collectively, the "Leased Properties").

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

- 1) Properties from True Tower Assets as part of the Initial Telecom Infrastructure Assets

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

- 2) Properties from TUC Towers for Additional Investment No. 2

Subject to successful closing of the sale of TUC Towers for Additional Investment No. 2, 700 slots on 350 towers commencing from the Effective Date for Additional Investment No. 2.

3) Properties from TUC Towers for Additional Investment No. 3

Subject to successful closing of the sale of TUC Towers for Additional Investment No. 3 by TUC to the Fund, 5,178 slots on 2,589 towers commencing from the Effective Date for Additional Investment No. 3.

Rental rates of the Leased Properties are as follows:

1) From December 2425, 2013 until the Effective Date for Additional Investment No. 2, 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:

- (a) Type I: ground-based towers: Baht 25,400 per month per slot;
- (b) Type II: rooftop-based towers: Baht 23,200 per month per slot; and
- (c) Type III: 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 percent;
- (b) volume discount (regardless of which type):
 - (i) 1 – 3,000 slots: no discount;
 - (ii) 3,001 – 5,000 slots: 30 percent discount;
 - (iii) 5,001 – 10,000 slots: 35 percent discount; and
 - (iv) 10,001 slots and more: 40 percent discount.

2) From November 28, 2017, the rental rates for the Leased Property will be divided into 3 types as listed below:

- (a) Type I: ground-based towers: Baht 14,626 per month per slot;
- (b) Type II: rooftop-based towers: Baht 13,359 per month per slot; and
- (c) Type III: IBC/DAS: Baht 22,687 per month per slot.

provided that TUC will be entitled to the following founder tenant rental rates so long as not less than 50 percent of the Fund's net cash generated from the Telecom Infrastructure Assets and any telecom infrastructure assets or revenue acquired by the Fund under the Additional Investment No. 3 are from True Group:

- (a) Type I: ground-based towers: Baht 10,969.50 per month per slot;
- (b) Type II: rooftop-based towers: Baht 10,019.25 per month per slot; and
- (c) Type III: IBC/DAS: Baht 17,015.25 per month per slot.

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 the founder tenant rental rates except in the case of subleasing by TUC under paragraph (3) of the right to sublease under the heading "Assignment" below. Moreover, Annual escalation at a fixed rate of 2.7 percent per annum applies to the above rental rates from January 2019.

With respect to rental payment for Properties from True Tower Assets, TUC will make rental payments for the lease, operation and management of the Leased Properties in advance on the 7th day (or the next business day) of each month starting from January 2014. See amount of the net advance annual rental payments in the table attached to the summary of the Amended and Restated Tower Master Lease, Operation and Management Agreement. TUC will make the rental payments to the Fund in advance on a monthly basis for the Minimum Leased Properties in relation to the Properties from True Tower Assets – one year in advance for slots on the first batch of 3,000 towers delivered in 2014 and two years

in advance for slots on the second batch of 3,000 towers delivered in 2015. After the initial term, the rental payment in relation to the Leased Properties from True Tower Assets shall be in advance on a monthly basis on the 7th day (or the next business day) of each month on the actual number of leased slots (without one year or two years in advance).

With respect to the properties from TUC Towers for Additional Investment No. 2 and Properties from TUC Towers for Additional Investment No. 3, from the Effective Date for Additional Investment No. 2 or the Effective Date for Additional Investment No. 3, as the case may be, TUC will make rental payments for the lease, operation and management of the Leased Properties in advance on the 7th day (or the next business day) of each month.

The term of the lease, operation and management of Leased Properties is:

- (1) Properties from True Tower Assets: until December 31, 2027 and upon the occurrence of the Effective Date for Additional Investment No. 3 occurs, the term will be extended to expire on September 15, 2033;
- (2) Properties from TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3 (subject to the relevant completion of the assets sale under the TUC Asset Sale and Transfer Agreement for Additional Investment No. 2): until September 15, 2033.

In respect of the Properties from True Tower Assets, at least two years prior to the expiry of the current term (being December 31, 2027 or upon the Effective Date for Additional Investment No. 3, September 15, 2033), TUC and/or other founder tenants shall notify the Fund should it wish to reserve its right to renew the lease term for at least one slot on each tower from the True Tower Assets after the expiry of the current term on December 31, 2027 or September 15, 2033, as the case may be, and TUC and/or other founder tenants shall pay a reserve fee to the Fund on a monthly basis whereby the Fund shall reserve at least one slot on such towers for lease, operate and manage by TUC and/or other founder tenants for the renewal term. The reserve fee shall be in the following amount:

- (1) For year 2026 or 2032 (as the case may be): an amount equivalent to the rental fee for lease of one slot on 3,000 towers at the rental rate for year 2026 or 2032, as the case may be (the applicable founder tenant rental rates (if eligible) with annual escalation at 2.7 percent per annum);
- (2) For year 2027 or 2033 (as the case may be): an amount equivalent to the rental fee for lease of one slot on 6,000 towers at the rental rate for year 2027 or 2033, as the case may be (the applicable founder tenant rental rates (if eligible) with annual escalation at 2.7 percent per annum).

In relation to Properties from TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3, at least two years prior to the expiry of its respective current term, TUC and/or other founder tenants shall notify the Fund should it wish to reserve its right to renew the lease term for at least one slot on each tower from TUC Towers for Additional Investment No. 2 or TUC Towers for Additional Investment No. 3 at a mutually agreed market rate subject to an agreed founder tenant rental rate (if eligible).

The Fund shall be responsible for the rental payments under the land leases and relevant property tax in respect of the site where the Leased Properties are located whereby: (1) during the term of the lease, TUC shall be the person making the rental payments under the land leases and relevant property tax in respect of the site where the Leased Properties are located which (i) in respect of the True Tower Assets, such method has been reflected in the amount of the net advance annual rental payments in the table attached to the summary of the Amended and Restated Tower Master Lease, Operation and Management Agreement; and (ii) in respect of TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3, such method has been reflected in the amount of the monthly

net rental payments, provided that in each case, if a new law on property tax is enacted, the parties shall enter into good faith discussion on the responsibility and allocation in relation to property tax or similar tax under such new law for the Leased Properties; and (2) for the renewal term (being the term after December 31, 2027 or upon the Effective Date for Additional Investment No. 3, after September 15, 2033), the Fund shall be the person making the rental payments under the land leases and relevant property tax in respect of the site where the Leased Properties are located.

Subject to the Amended and Restated Tower Master Lease, Operation and Management Agreement, the Fund has the right to further lease to any third party and allow any third party to operate and manage any of the properties other than the Leased Properties or slots and facilities that are allocated to TUC and other founder tenants, subject to the rights of TUC described below. However, If the Fund desires to lease to any third party and allow any third party to operate and manage or otherwise negotiates the lease, operation and management for any available slots, it must first offer such lease, operation and management to TUC, and TUC has the right to accept such lease, operation and management, provided that it be on no less favorable terms than that offered to the third party (and any discounts that would be applicable to such third-party lessee would also apply to TUC) and provided that the Fund shall not lease the slots on the Towers to third party at a rental rate which is lower than 12.5 percent of the then current rental rate (taking into account the escalation of 2.7 percent per annum). In the case that the Fund at any time enters into an agreement with a third-party lessee in respect of the same property that is subject to the Amended and Restated Tower Master Lease, Operation and Management Agreement on terms more favorable than as provided to TUC, TUC has the right to cause the Fund to amend the Amended and Restated Tower Master Lease, Operation and Management Agreement so that TUC shall also have such more favorable terms.

The Fund shall not be responsible for the operation and management of any network or the management of any asset. TUC shall be responsible, by itself or through any person it may appoint, for maintaining, operating and managing the Leased Property and relevant towers and sites where the Leased Property is located in accordance with the service levels set out in the Amended and Restated Tower Master Lease, Operation and Management Agreement and the rules and regulations of the NBTC.

With respect to a right to install equipment, TUC has the right to install, maintain and operate: (a) any active telecommunications equipment; (b) any passive facilities for its own use and/or use by its sub-lessee; and (c) any other equipment, if required or necessary for the purpose of carrying out its maintenance work under the Amended and Restated Tower Master Lease, Operation and Management Agreement, on the Leased Property or the sites where the Leased Property are located subject to the terms and conditions set out in the Amended and Restated Tower Master Lease, Operation and Management Agreement.

In relation to use of Leased Properties and sites, TUC agrees to use, operate and manage the Leased Properties and sites in accordance with the terms and conditions set out in the Amended and Restated Tower Master Lease, Operation and Management Agreement. Such conditions include, among others, not to do or permit to be done anything that would become a nuisance or annoyance to the Fund or additional lessee, to keep the sites where the Leased Properties are located clean or in appropriate working condition, to take all reasonable precautions to avoid causing damage to the sites where the Leased Properties are located or any structure or building thereon, to ensure that the equipment and facilities installed and/or maintained in the Leased Properties or the sites where the Leased Properties are located are in compliance with applicable laws, not to use the Leased Properties for any purpose other than in relation to telecommunications activities and/or broadcasting (if legally permitted), to notify the Fund as soon as reasonably practicable after it becomes aware of any case of fire, flood, emergency or accidents affecting the sites where the Leased Properties are located.

For relocation of Towers in case of non-renewal of site leases, TUC shall, at its own costs and expenses, be responsible for relocating towers in respect of the True Tower Assets, TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3 from the site where the Leased Properties are located to a new site if the land leases in respect such site cannot be renewed or extended. The Fund shall pay TUC a monthly compensation of Baht 6.6 million ("Compensation for Relocation") for TUC's responsibility relating to the tower relocation in respect of the True Tower Assets, TUC Towers for Additional Investment No. 2 and TUC Towers for Additional Investment No. 3. Annual escalation at a fixed rate of 2.7 percent per annum applies to such compensation from January 2019.

Insurance: The Fund 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. On the other hand, 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 the Fund and TUC agrees to indemnify each other for all losses and damages arising from breaches of their respective representations, warranties and covenants under the Amended and Restated Tower Master Lease, Operation and Management Agreement, subject to customary carve-outs.

Each of the Fund and TUC may transfer or assign its rights and/or obligations under the Amended and Restated Tower Master Lease, Operation and Management Agreement to any third party upon obtaining prior written consent of the other party.

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

- (1) the Minimum Leased Properties to any third party;
- (2) 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
- (3) any slots (in addition to the Minimum Leased Properties) to any third party other than those listed in (2) above whereby the rental rate that TUC pays to the Fund 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 the Fund without the founder tenant discount; provided that the Fund may agree to give additional discounts to TUC in case TUC leases such slots for the purpose of subleasing to other third party.

The Fund may not sell, transfer or otherwise dispose of the Leased Properties without prior written consent from TUC (such consent not to be unreasonably withheld or delayed) and the Fund shall procure that the entity purchasing and/or accepting such transfer shall agree in writing, as a condition precedent to the sale, transfer or disposal, to abide by the terms and conditions of the Amended and Restated Tower Master Lease, Operation and Management Agreement along with any rights, liabilities and obligations arising thereunder.

If any reinforcement or enhancement of any towers that the Fund acquired from TUC or True and/or its subsidiaries which are subject to the lease, operation and management under the Amended and Restated Tower 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 the Fund's cost plus a reasonable margin. If the Fund lacks funding for such reinforcement or enhancement, TUC will advance the costs of such reinforcement or enhancement and the Fund 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, the Fund agrees to pay TUC interest on the outstanding but unpaid amount at the rate of 7.5 percent per annum from the due date until such payment is made in full. If the Fund 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 the Fund.

With respect to the termination of agreement, each party has the right to terminate the lease, operation and management if, among other circumstances, the other party fails to comply with any of its material obligations under the Amended and Restated Tower Master Lease, Operation and Management Agreement, including (on the part of TUC) a failure to pay the rent for a certain period of time, bankruptcy, or if it becomes unlawful for either party to perform its material obligations under the Amended and Restated Tower Master Lease, Operation and Management Agreement. Although, TUC has the right to terminate the Amended and Restated Tower Master Lease, Operation and Management Agreement if, among others, there is no member of True Group that requires, or has the rights under the law to lease the Leased Properties for the purpose of carrying out its business as a result of termination or expiry of its spectrum licences for the operation of telecom business to which telecommunications towers relates.

TUC shall, at all times, be responsible for (a) any value added tax (VAT), sales tax and/or service tax and (b) from the Effective Date for Additional Investment No. 2, any other payments in relation to the taxes referred to in (a) (if any) which are in relation to those taxes incurred from the Effective Date for Additional Investment No. 2 onward, and in relation to each of (a) and (b), that is chargeable in respect of the amount payable by TUC under the Amended and Restated Tower Master Lease, Operation and Management Agreement.

The Amended and Restated Tower Master Lease, Operation and Management Agreement is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Amended and Restated Tower Master Lease, Operation and Management Agreements.

Advance annual rental payment for Properties which are from True Tower Assets as part of the Initial Telecom Infrastructure Assets under the Amended and Restated Tower Master Lease, Operation and Management Agreement

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------|
| Annual advance rental in relation to the first batch of 3000 towers (Baht: million) | 1,006 ¹ | 805 ¹ | 906 ³ | 930 ³ | 964 ³ | 990 ³ | 1,016 ³ | 1,044 ³ | 1,072 ³ | 1,101 ³ | 1,131 ³ | 1,161 ³ | 1,193 ³ | 1,225 ³ | 1,258 ³ | 1,292 ³ | 1,327 ³ | 1,362 ³ | 1,399 ³ | - |
| Annual landlease-rental payment in relation to the first batch of 3,000 towers (Baht million) | (306) | (319) | (332) | (338) | (354) | (362) | (369) | (378) | (386) | (395) | (403) | (412) | (421) | (430) | (440) | (450) | (460) | (470) | (480) | - |
| Annual advance net rental revenue in relation to the first batch of 3,000 towers (Baht million) | 700 ¹ | 486 ¹ | 574 ³ | 592 ³ | 610 ³ | 628 ³ | 647 ³ | 666 ³ | 686 ³ | 706 ³ | 727 ³ | 749 ³ | 771 ³ | 794 ³ | 818 ³ | 842 ³ | 867 ³ | 893 ³ | 919 ³ | - |
| Annual advance rental in relation to the second batch of 3000 towers (Baht: million) | 934 ² | 997 ⁴ | 1,024 ⁴ | 1,052 ⁴ | 1,072 ⁴ | 1,100 ⁴ | 1,130 ⁴ | 1,161 ⁴ | 1,192 ⁴ | 1,224 ⁴ | 1,258 ⁴ | 1,292 ⁴ | 1,326 ⁴ | 1,362 ⁴ | 1,399 ⁴ | 1,437 ⁴ | 1,476 ⁴ | 1,515 ⁴ | - | - |
| Annual land lease rental payment in relation to the second batch of 3,000 towers (Baht million) | (366) | (381) | (388) | (396) | (397) | (405) | (414) | (423) | (432) | (442) | (452) | (462) | (472) | (482) | (493) | (504) | (515) | (526) | - | - |
| Annual advance net rental revenue in relation to the second batch of 3,000 towers (Baht million) | 568 ² | 616 ⁴ | 636 ⁴ | 656 ⁴ | 675 ⁴ | 695 ⁴ | 716 ⁴ | 738 ⁴ | 760 ⁴ | 782 ⁴ | 806 ⁴ | 830 ⁴ | 854 ⁴ | 880 ⁴ | 906 ⁴ | 933 ⁴ | 961 ⁴ | 989 ⁴ | - | - |

Remark: 1. This is calculated based on 3,820 Antenna Slots on ground-based Towers and 2,799 Antenna Slots on rooftop based Towers
2. This is calculated based on 5,568 Antenna Slots on ground-based Towers and 1,806 Antenna Slots on rooftop based Towers
3. This is calculated based on 4,579 Antenna Slots on ground-based Towers and 2,809 Antenna Slots on rooftop based Towers
4. This is calculated based on 6,045 Antenna Slots on ground-based Towers and 1,816 Antenna Slots on rooftop based Towers

(8.3) Master Lease, Operation Maintenance and Management Agreement between TICC as a lessee and the Fund as a lessor ("TICC 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 TICC Master Lease Agreement is to lease, operates, and manages (i) approximately 5,112 km of core FOC grid, whereby TICC will lease, operate and manage, for each year, at least the minimum as shown in the table attached to the summary of the TICC 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 TICC unless agreed otherwise by TICC after the initial 5 years); and (iv) upcountry broadband system which comprises active

telecommunications equipment (for exclusive use by TICC), (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 the Fund 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 TICC 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.

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

- (8.4) Amended and Restated Master Lease, Operation, Maintenance and Management Agreement between TICC, TUC as lessees and the Fund as a lessor (“Amended and Restated FOC Master Lease, Operation and Management Agreement”)

The provisions of the Amended and Restated FOC Master Lease, Operation and Management Agreement become effective upon the completion of sale of FOC for Additional Investment No. 2 ,

which is November 28, 2017 (the “Effective Date for Additional Investment No. 2”) provided that certain provisions in relation to the FOC to be sold by TUC and True Move to the Fund under the Additional Investment No. 3 (the “FOC for Additional Investment No. 3”) will become effective upon the completion of sale of FOC for Additional Investment No. 3 (the “Effective Date for Additional Investment No. 3”).

For the purpose of the summary of the Amended and Restated FOC Master Lease, Operation and Management Agreement, the immediately next sale and lease of the any Additional Assets by any member of True Group to the Fund after the Additional Investment No. 2 shall be referred to as the “Additional Investment No. 3.”

The property that TICC and TUC lease, operate and manage under the Amended and Restated FOC Master Lease, Operation and Management Agreement consists of:

(a) Properties from part of the Initial Telecom Infrastructure Assets

TICC

- (i) 5,112 km of upcountry FOC, whereby TICC leases, operates and manages, for each year, at least the minimum as shown in the table attached to the summary of the Amended and Restated FOC Master Lease, Operation and Management Agreement;
- (ii) transmission equipment related to the FOC;
- (iii) upcountry broadband system which comprises passive telecommunications equipment (for exclusive use by TICC unless agreed otherwise by TICC after year 2018); and
- (iv) upcountry broadband system which comprises active telecommunications equipment (for exclusive use by TICC),

(b) Properties from part of the FOC for Additional Investment No. 2, subject to successful closing of the sale of the relevant FOC for Additional Investment No. 2,

TUC

- (i) 80 percent of TUC FOC for Additional Investment No. 2 being, FOC for provision of mobile services in provincial areas with a length of 1,113 km (or 62,594 core km); and
 - (ii) 80 percent of True Move Core FOC for Additional Investment No. 2 being, FOC for provision of mobile and internet services in BMA with an approximate length of 542 km (or approximately 117,147 core km).
- (c) Properties from part of the FOC for Additional Investment No. 3 - Subject to successful closing of the sale of the relevant FOC for Additional Investment No. 3

TICC

- (i) 80 percent of FOC for FTTx to be sold by True Move to the Fund under the Additional Investment No. 3, being the FOC for FTTx for provision of internet and broadband internet services in provincial areas with an approximate length of 5,933 km (or approximately 220,428 core km) (the “True Move FOC for FTTx for Additional Investment No. 3”).

TUC

- (i) 80 percent of FOC to be sold by TUC to the Fund under the Additional Investment No. 3, being the FOC for provision of mobile services in provincial areas with an approximate length of 8,017 km (or approximately 252,006 core km) (the “TUC FOC for Additional Investment No. 3”); and

- (ii) 80 percent of FOC to be sold by True Move to the Fund under the Additional Investment No. 3, being the FOC for FTTx for provision of mobile and internet services in BMA with an approximate length of 546 km (or approximately 117,871 core km) (the “True Move Core FOC for Additional Investment No. 3”),

(collectively, the “Leased Properties”).

FOC properties acquired by the Fund as part of the Initial Telecom Infrastructure Assets, FOC for Additional Investment No. 2 and FOC for Additional Investment No. 3 which the Fund can lease to TUC, TICC or other founder lessee under the Amended and Restated FOC Master Lease, Operation and Management Agreement is collectively referred to as the “Properties.”

Rental rates of Leased Properties are as follows:

- 1) From December 25, 2013 until the Effective Date for Additional Investment No. 2, the rental rates for the Leased Properties are:

(a) FOC:

- (i) up to 76 percent of the FOC (i.e. 93,370 core km): Baht 350 per month per core km; and
- (ii) in excess of 76 percent to 100 percent of the FOC: Baht 500 per month per core km,

whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 186 million per annum.

(b) Transmission equipment related to the FOC: 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 TICC agrees to release its right to exclusive use after year 2018).

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

- 2) From the Effective Date for Additional Investment No. 2 onward, the rental rates for the Leased Properties are:

(2.1) Properties from part of the Initial Telecom Infrastructure Assets

- (a) FOC: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 186 million per annum.
- (b) Transmission equipment related to the FOC: Baht 38 million per annum. For year 2019 to 2021 (upon the Effective Date for Additional Investment No. 3): Baht 35.34 million per annum (taken into account 7 percent discount).
- (c) Upcountry broadband system which comprises passive telecommunications equipment: (i) For year 2017 - Baht 832.13 million per annum; (ii) For year 2018 onward - the annual rental for the previous year plus annual escalation (based on CPI), (subject to future rate adjustments to be agreed, in case TICC agrees to release its right to exclusive use after year 2018).
- (d) Upcountry broadband system which comprises active telecommunications equipment:

- (i) For year 2017 - Baht 333.48 million per annum;
- (ii) For year 2018 – Baht 333.48 million per annum plus annual escalation (based on CPI);
- (iii) For year 2019 (upon the Effective Date for Additional Investment No. 3) - the annual rental of year 2018 (minus 7 percent discount as a result of the expiry of the lease of Wifi and DSLAM) plus annual escalation (based on CPI); and
- (iv) For year 2020-2021, the annual rental for the previous year plus annual escalation (based on CPI).

(2.2) Properties from part of the FOC for Additional Investment No. 2

- (a) TUC FOC for Additional Investment No. 2: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 12 million per annum.
- (b) True Move Core FOC for Additional Investment No. 2: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 6 million per annum.

(2.3) Properties from part of the FOC for Additional Investment No. 3

- (a) True Move FOC for FTTx for Additional Investment No. 3: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 65 million per annum.
- (b) TUC FOC for Additional Investment No. 3: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 88 million per annum.
- (c) True Move Core FOC for Additional Investment No. 3: Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 6 million per annum.

The following adjustments to the rental rate apply under these conditions: annual escalation for rental rate of upcountry broadband system (both active and passive telecommunications equipment) which are part of the Initial Telecom Infrastructure Assets: (i) at 5 percent in 2015; and (ii) 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 percent and in case the Consumer Price Index (CPI) is a minus figure, there shall be no adjustment to the rental rate. For FOC and transmission equipment, there will be no escalation for rental rate of FOC and transmission equipment.

The term of the lease, operation and management is:

(a) Properties from part of the Initial Telecom Infrastructure Assets:

- (i) for FOC and upcountry broadband system which are passive telecommunications equipment, until December 31, 2026 and upon the occurrence of the Effective Date for Additional Investment No. 3 occurs, the term will be extended to expire on September 15, 2033 (the “Initial Term”); and
- (ii) for transmission equipment that is related to the FOC and upcountry broadband system which are active telecommunications equipment (except for Wifi and DSLAM which shall be leased

until December 31, 2018), until December 31, 2018 and upon the occurrence of the Effective Date for Additional Investment No. 3 occurs, the term will be extended to expire on December 31, 2021.

- (b) Properties from part of the FOC for Additional Investment No. 2 and FOC for Additional Investment No. 3 - Subject to successful closing of the sale of FOC for Additional Investment No. 2 or the sale of FOC for Additional Investment No. 3, as the case may be, from the Effective Date for the Additional Investment No. 2 or the Effective Date for Additional Investment No. 3, as the case may be, until September 15, 2033.

The renewal of the term of the lease, operation and management is as follows: (a) In relation to the FOC and upcountry broadband system which comprises passive telecommunications equipment which are Properties part of the Initial Telecom Infrastructure Assets, at least two years prior to the expiry of its respective current term (initial term or, as the case may be, extended term), TICC and/or other founder tenants shall notify the Fund should it wish to renew and/or extend the term of the lease of the relevant properties for a period as mutually agreed by the parties and at a mutually agreed market rate subject to applicable agreed discounts, however, such discounts shall not be less than that TICC and/or other founder tenants are entitled. (b) In relation to the transmission equipment that is related to the FOC and upcountry broadband system which comprises active telecommunications equipment which are part of the Initial Telecom Infrastructure Assets, at least one years prior to the expiry of its respective current term, TICC and/or other founder tenants shall notify the Fund should it wish to renew and/or extend the term of the lease of the relevant properties for a period as mutually agreed by the parties and at a mutually agreed market rate subject to applicable agreed discounts, however, such discounts shall not be less than that TICC and/or other founder tenants are entitled. (c) In relation to the Properties from part of FOC for Additional Investment No. 2 and the Properties from part of FOC for Additional Investment No. 3, TICC and/or TUC and/or other founder lessee shall extend the lease term (which will expire on September 15, 2033 (the "Initial Term")) for the lease of at least 80 percent of total core km of these properties for another (i) ten years from the Initial Term or (ii) the remaining term of the telecommunications licence held by TICC or any member of True Group, whichever is shorter if upon the expiry of the Initial Term, TICC or any member of True Group has obtained the telecommunications licence required to provide broadband service from the NBTC provided that one of the following condition is met:

- (1) the total annual revenue of True Group from broadband service based on True's annual report for the year 2032 exceed Baht 16,546,000,000; or
- (2) the total market share of True Group in broadband service as of the most recent public data published by a competent authority is more than 33 percent,

on the same terms and conditions except for the applicable monthly rate (which shall be not less than Baht 350 per core km) as mutually agreed between the parties, unless otherwise agreed between the parties.

The Fund has the right to further lease to any third party and allow any third party to operate and manage any available FOC and transmission equipment not subject to the lease, operation and management by TICC and/or TUC under the Amended and Restated FOC Master Lease, Operation and Management Agreement, subject to the rights of TICC and TUC described below.

- (a) If the Fund desires to lease to any third party and allow any third party to operate and manage or otherwise negotiates the lease, operation and management for any available property not subject to the lease, operation and management by TICC and/or TUC under the Amended and Restated FOC Master Lease, Operation and Management Agreement, it must first offer such lease, operation

and management to TICC and TUC, and TICC and/or TUC has the right to accept such lease, operation and management, provided that it be on no less favorable terms than that offered to such third party (and any discounts that would be applicable to such third party lessee would also apply to TICC and/or TUC) and provided that the Fund shall not lease the available FOC to any third party at a rental rate which is lower than Baht 500 per core km per month.

- (b) If the Fund at any time enters into an agreement with a third-party lessee in respect of the same type of property subject to the Amended and Restated FOC Master Lease, Operation and Management Agreement on terms more favorable than as provided to TICC and TUC, TICC and/or TUC has the right to cause the Fund to amend the Amended and Restated FOC Master Lease, Operation and Management Agreement so that TICC and TUC shall also have such more favorable terms.

The Fund shall not be responsible for the operation and management of any network or asset. TICC and/or TUC shall be responsible, by itself or through any person it may appoint, for maintaining, operating and managing the Leased Property and the available FOC in accordance with the service levels set out in the Amended and Restated FOC Master Lease, Operation and Management Agreement and the rules and regulations of the NBTC.

TICC and TUC agree to use, operate and manage the Leased Properties in accordance with the terms and conditions set out in the Amended and Restated FOC Master Lease, Operation and Management Agreement. Such conditions include, among others, to take all reasonable precautions to avoid causing damage to the Leased Properties, not to use the Leased Properties for any purpose other than in relation to the telecommunications activities and/or broadcasting (if legally permitted), to notify the Fund as soon as reasonably practicable after it becomes aware of any case of fire, flood, emergency or accidents affecting the Leased Properties.

The Fund shall not be responsible for the procurement of the rights of way with respect to the Properties. TICC and TUC acknowledge and confirm that the contractual rights of way in relation to the Properties by the Fund are granted in the name of TICC or TUC or in the name of any other founder lessee (if any) throughout the term of the lease under the Amended and Restated FOC Master Lease, Operation and Management Agreement. Upon the expiry of the Amended and Restated FOC Master Lease, Operation and Management Agreement, TICC and TUC shall procure the rights of way with respect to the Properties to the extent that TICC, TUC or any other True Group entity is permitted by law and there is no other lessee in accordance with the terms and conditions of the Amended and Restated FOC Master Lease, Operation and Management Agreement. However, The Fund agrees to be responsible for the fees in relation to the rights of way in the amount and method to be agreed by the Fund and TICC and TUC, provided that the fees in relation to the rights of way may be changed by reference to the fees in relation to rights of way imposed on TICC and TUC with respect to the Properties in accordance with the terms and conditions set out in the Amended and Restated FOC Master Lease, Operation and Management Agreement. Moreover, TUC and TICC agree to be responsible for costs and expenses for moving FOC underground in respect of the FOC from the Initial Telecom Infrastructure Assets, the FOC for Additional Investment No. 2 and the FOC for Additional Investment No. 3 (provided that the Compensation for Relocation is paid by the Fund to TUC in accordance with the terms of the Amended and Restated Tower Master Lease, Operation and Management Agreement) and for the difference between the fees in relation to the rights of way laid on the electricity poles and the fees in relation to the rights of way for underground ducts for parts of FOC that will be moved underground.

In relation to non-compete agreement, TUC and TICC shall not (and shall procure that no member of True Group shall), without the prior written consent of the Fund, build any new FOC on the same routes as those of the FOC which is parts of Initial Telecom Infrastructure Assets, FOC for Additional Investment No. 2, FOC for Additional Investment No. 3 or any other FOC which was sold to the Fund and/or leased by any member of True Group as of November 28, 2017 (and Effective Date for Additional Investment No. 3 upon which the acquisition of the FOC for Additional Investment No. 3 has properly taken place), except in either of the following cases: (a) the available FOC of the Fund to be leased by any member of True Group does not have sufficient capacity in any technical respect to fully meet the requirements of the relevant member(s) of True Group, provided that reasonably sufficient evidence and explanations relating to such technical insufficient capacity are provided to the Fund for information; or (b) the Fund refuses to lease any available capacity of the FOC to any member of True Group; or (c) the Parties cannot agree on the commercially reasonable terms for the lease of the available FOC.

In each of the foregoing cases, it is agreed that any member of True Group may, at its sole discretion, build and roll out a new FOC on the same route(s) as those of the Properties to meet the requirements of the relevant member(s) of True Group, provided however that TUC or TICC shall first notify the Fund of its intention to lease the available capacity of the FOC of the Fund (together with details of the capacity and other relevant technical requirements as required by the relevant member(s) of True Group), and the Fund shall, within 30 days of its receipt of such notice from TUC or TICC, notify TUC or TICC whether it will lease the available capacity of the FOC to the relevant member(s) of True Group in full compliance with the notified requirements as aforesaid, together with commercially reasonable terms applicable to the lease thereof. In the event that the FOC made available by the Fund for such route(s) does not have sufficient capacity or does not fully meet the technical requirements of the relevant member(s) of True Group in any respect, as the case may be, TUC or TICC shall, or shall procure that the relevant member(s) of True Group shall, provided always that it is proved to be technically and operationally feasible for such member(s) of True Group to do so, lease the Fund's available FOC up to 100% (one hundred per cent) of the available capacity first, and TUC or TICC and/or any member of True Group may elect, at its sole discretion, to build and roll out an additional new FOC on the same routes, subject however to certain conditions as follows: if (a) upon the expiry of the 30-day period mentioned above, the Fund does not respond to TUC or TICC's notice; or (b) the Fund notifies TUC or TICC that it refuses to lease the available capacity of its FOC to the relevant member(s) of True Group; or (c) the Fund has offered TUC or TICC the applicable terms for the lease of its available capacity of the FOC, but TUC or TICC and the Fund cannot agree on the commercially reasonable terms for such lease within 30 days of the date on which the applicable lease terms were offered by the Fund to TUC or TICC, then the relevant member(s) of True Group, may elect, at its sole discretion, to build and roll out a new FOC on the same route(s) as those of the Properties. TUC or TICC shall, as soon as practicable after the completion of the new FOC, notify the Fund in writing of the pertinent information relating to such new FOC as built and rolled out by the relevant member(s) of True Group. The provisions of non-compete agreement shall survive the expiry of the term of the lease, operation and management under this Amended and Restated FOC Master Lease, Operation and Management Agreement.

In respect of the Properties from part of the Telecom Infrastructure Assets, TICC has the exclusive right to lease, operate and manage the upcountry broadband system from the Fund. After December 31, 2018, TICC may agree to release the exclusivity right, subject to terms and conditions agreed by TICC.

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

Each of the Fund and TICC and/or TUC agrees to indemnify each other for all losses and damages arising from breaches of their respective representations, warranties and covenants under

the Amended and Restated FOC Master Lease, Operation and Management Agreement, subject to customary carve-outs.

With respect to assignment, each of the Fund and TICC and/or TUC may transfer or assign its rights and/or obligations under the Amended and Restated FOC Master Lease, Operation and Management Agreement to any third party upon obtaining prior written consent of the other party. TICC and TUC may use or further provide services in relation to the Leased Property under the Amended and Restated FOC Master Lease, Operation and Management Agreement to its customers and may sub-lease the Leased Properties to other parties. Moreover, The Fund may not sell, transfer or otherwise dispose of the Leased Properties without prior written consent from TICC and TUC (such consent not to be unreasonably withheld or delayed) and the Fund shall procure that the entity purchasing and/or accepting such transfer shall agree in writing, as a condition precedent to the sale, transfer or disposal, to abide by the terms and conditions of the Amended and Restated FOC Master Lease, Operation and Management Agreement along with any rights, liabilities and obligations arising thereunder.

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

With respect to the termination of agreement, each party has the right to terminate the lease, operation and management if, among other circumstances, the other party fails to comply with any of its material obligations under the Amended and Restated FOC Master Lease, Operation and Management Agreement, including (on the part of TICC and/or TUC) a failure to pay the rent for a certain period of time, bankruptcy or if it becomes unlawful for either party to perform its material obligations under the Amended and Restated FOC Master Lease, Operation and Management Agreement. Although, TUC or TICC has the right to terminate the Amended and Restated FOC Master Lease, Operation and Management Agreement if, among others, there is no member of True Group that requires, or has the rights under the law to lease the Leased Properties for the purpose of carrying out its business as a result of termination or expiry of its telecommunication licence for the operation of telecom business to which the FOC relates.

The Amended and Restated FOC Master Lease, Operation and Management Agreement is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Amended and Restated FOC Master Lease, Operation and Management Agreements.

Minimum FOC which are Properties from part of the Initial Telecom Infrastructure Assets to be leased, operated and managed by TICC each year

| Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 |
|--|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Minimum core FOC grid (% of total core-km) | 60 | 60 | 61 | 62 | 63 | 65 | 66 | 67 | 68 | 69 | 69 | 70 | 71 | 72 | 72 | 72 | 72 | 72 | 72 | 72 | 72 |

(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 the Fund 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 the Fund to lease FOC of 7,981 km. in upcountry regions (“Leased Property”) for the period of 20 years.

AWC acknowledges and consent that the Fund may seek benefits from the Leased Property by sub-leasing such property. The Fund 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 the Fund shall be responsible for the operation, maintenance and management of the Leased Property. The Fund will initially sub-lease part of the Leased Property to TICC, and TICC 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 the Fund and TICC. The Fund 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 TICC and/or any founder sub-lessee which is a True Group entity. AWC agrees that it shall not demand the Fund 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 the Fund, the Fund’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, the Fund and AWC acknowledge that TICC, 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 TICC’s own expenses in accordance with the terms and conditions of the FOC Sub-Lease, Operation and Management Agreement. In case that TICC 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 the Fund’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 the Fund the fair value of such part of the Leased Property that cannot be transferred and delivered to the Fund. 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 the Fund. 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 the Fund.

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

(a) procure (by itself or other person it may appoint) the Fund and sub-lessees of the Leased Property which have been delivered and transferred to the Fund 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 the Fund 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 the Fund, procure that the Fund 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 the Fund 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 the Fund 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 the Fund may seek benefits through out 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 the Fund exercises the option to purchase and AWC has transferred the Leased Property to the Fund, 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 the Fund 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) Long-Term Lease Agreement with TICC as a lessor and the Fund as a lessee ("Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2")

Subject to the satisfaction of all conditions precedent specified in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, TICC shall lease to the Fund, and the Fund accept the long-term lease from TICC of: (1) on the closing date for the delivery of the TICC Leased Property for Additional Investment No. 2 (the "TICC Leased Property Closing Date for Additional Investment No. 2"), 670 km of FOC (or 80,014 core km in capacity) currently used under FTTx system (FOC for FTTx) for provision of internet and broadband internet services located in the BMA (the "TICC Leased Property for Additional Investment No. 2"); and (2) on the closing date for the delivery of the TICC Leased Property for Additional Investment No. 3 (the "TICC Leased Property Closing Date for Additional Investment No. 3"), approximately 12,872 km of FOC (or approximately 619,986 core km in capacity) currently used under FTTx system (FOC for FTTx) for provision of internet and broadband internet services located in the BMA (the "TICC Leased Property for Additional Investment No. 3"); (collectively, the "TICC Leased Property for Additional Investment No. 2 and No. 3").

Condition precedents stated in Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 are the following: (1) Conditions precedent to be satisfied on or before each of the TICC Leased Property Closing Date for Additional Investment No. 2 and the TICC Leased Property Closing Date for Additional Investment No. 3 include, but are not limited to, (a) all relevant corporate approvals, authorisations of TICC required for entering into and performance of its obligations under the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2 having been obtained, (b) the execution and perfection of the Transaction Documents for Additional Investment No. 2, (c) the Fund having obtained the unitholders' resolution to execute the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2 pursuant to TN. 1/2554 Notification, (d) with respect to the TICC Leased Property for Additional Investment No. 2, the execution of credit facility agreement to obtain financing for the Fund's acquisition of the long-term lease of the TICC Leased Property for Additional Investment No. 2, (e) with respect to the TICC Leased Property for Additional Investment No. 3, the execution of credit facility agreement to obtain partial financing for the Fund's acquisition of the long-term lease of the TICC Leased Property for Additional Investment No. 3 (if any) and the Fund's capital increase No. 1 having been duly registered in accordance with the Securities and Exchange Act, and (f) no material adverse effect having occurred from the date of the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2. (2) With respect to the TICC Leased Property for Additional Investment No. 2, if the conditions precedent are not satisfied or waived within 14 Business Days from the signing date of the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2, TICC or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2 and neither TICC nor the Fund shall

have any claim against the other under it, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the transactions pursuant to the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2. (3) With respect to the TICC Leased Property for Additional Investment No. 3, if the conditions precedent are not satisfied or waived within 14 Business Days from the date which is scheduled to be the TICC Leased Property Closing Date for Additional Investment No. 3 pursuant to the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2, TICC or the Fund may (provided that the failure to satisfy the relevant condition has not solely resulted from any breach of the obligations by such party) terminate the long-term lease to the extent in relation to the TICC Leased Property for Additional Investment No. 3 and neither TICC nor the Fund shall have any claim against the other with respect thereto, save for any claim arising from a breach of any obligation to fulfill the relevant conditions and to complete and make effective the long-term lease of the TICC Leased Property for Additional Investment No. 3 pursuant to the TICC Long-term Lease Agreement in Relation to FOC for Additional Investment No. 2.

The lease value of the TICC Leased Property for Additional Investment No. 2 is THB3,410,271,951 (the “TICC Lease Value for Additional Investment No. 2”) and the lease value of the TICC Leased Property for Additional Investment No. 3 (the “TICC Lease Value for Additional Investment No. 3”) shall be in the amounts set out in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 and shall be paid in full by the Fund on the TICC Leased Property Closing Date for Additional Investment No. 2 or the TICC Leased Property Closing Date for Additional Investment No. 3, as the case may be.

The term of the lease for both TICC Leased Property for Additional Investment No. 2 and TICC Leased Property for Additional Investment No. 3 shall be 30 years from the TICC Leased Property Closing Date for Additional Investment No. 2 or TICC Leased Property Closing Date for Additional Investment No. 3, as the case may be.

For a use of Leased Property for Additional Investment No. 2 and No. 3, TICC acknowledges and consents that the Fund may seek benefits from the TICC Leased Property for Additional Investment No. 2 and No. 3 by sub-leasing such property. The Fund shall have no obligation in relation to the operation, maintenance and management of the TICC Leased Property for Additional Investment No. 2 and No. 3. The sub-lessee which sub-leases the TICC Leased Property for Additional Investment No. 2 and No. 3 from the Fund shall be responsible for the operation, maintenance and management of the TICC Leased Property for Additional Investment No. 2 and No. 3. The Fund will initially lease part of the TICC Leased Property for Additional Investment No. 2 and No. 3 back to TICC, and TICC shall have the obligations in relation to the operation, maintenance and management of the TICC Leased Property for Additional Investment No. 2 and No. 3 in accordance with service standards specified in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 and the FOC Sub-Lease, Operation and Management Agreement between the Fund and TICC (as amended) (the “Amended and Restated FOC Sub-Lease, Operation and Management Agreement”). The Fund shall not be responsible to TICC for any damage incurred to the TICC Leased Property for Additional Investment No. 2 and No. 3 as a result of the sub-lease or any fault in the operation, maintenance and management of the TICC Leased Property for Additional Investment No. 2 and No. 3 by TICC as the founder sub-lessee and/or any other sub-lessee which is a True Group entity. TICC agrees that it shall not demand the Fund to be liable for any damage arising out thereof. Other than above, the Fund agrees to use the TICC Leased Property for Additional Investment No. 2 and No. 3 in accordance with the terms and conditions set out in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2. Such conditions include, but are not limited to, TICC’s prompt notification upon being aware of any fire, flood, emergency or accident affecting the TICC Leased Property for Additional Investment No. 2 and No. 3.

Key obligations of TICC are the following:

- (1) From each closing of the relevant TICC Leased Property for Additional Investment No. 2 and No. 3 (the “Relevant Leased Property Closing Date”), TICC shall procure that each of the Fund, the Fund’s sub-lessee of the TICC Leased Property for Additional Investment No. 2 and No. 3, the Telecom Asset Manager and their designated persons has the right to access the TICC Leased Property for Additional Investment No. 2 and No. 3 pursuant to the terms and conditions of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2.
- (2) From the Relevant Leased Property Closing Date, if, as a result of any defect of the TICC Leased Property for Additional Investment No. 2 and No. 3 or any other events that result in the sub-lessee being unable to use such TICC Leased Property for Additional Investment No. 2 and No. 3, the Fund and TICC acknowledge that TICC, as the founder sub-lessee under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, will have the obligations in relation to the operation and maintenance of the TICC Leased Property for Additional Investment No. 2 and No. 3, including rectifying, modifying or relocating the TICC Leased Property for Additional Investment No. 2 and No. 3 to ensure their normal use at TICC’s own expenses in accordance with the terms and conditions of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement.

With respect to rights of way, the Fund shall have no responsibility in relation to the rights of way with respect to the TICC Leased Property for Additional Investment No. 2 and No. 3. The Fund and TICC acknowledge that TICC and/or True Group entity, as the founder sub-lessee under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement shall have the obligations in relation to the rights of way with respect to the TICC Leased Property for Additional Investment No. 2 and No. 3 throughout the term of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. Upon the expiry of the FOC Sub-Lease, Operation and Management Agreement or TICC or other True Group entity no longer being the sub-lessee of the TICC Leased Property for Additional Investment No. 2 and No. 3, TICC shall procure to obtain the rights of way with respect to the TICC Leased Property for Additional Investment No. 2 and No. 3 to the extent that TICC or other True Group entity is permitted by law and no other sub-lessee of the Fund is able to obtain the rights of way with respect to the TICC Leased Property for Additional Investment No. 2 and No. 3 in accordance with the terms and conditions of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement.

TICC irrevocably grants to the Fund the option to purchase the TICC Leased Property for Additional Investment No. 2 at Baht 200 million and the TICC Leased Property for Additional Investment No. 3 at Baht 1,300 million (the “Option Prices”), each exercisable upon the expiry date of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, provided that within 2 years prior to such expiry date the Fund notifies TICC of whether or not it wishes to exercise the options (the “Options”). Upon the Fund exercising the Options and making payment of the Option Prices, if there is any part of the TICC Leased Property for Additional Investment No. 2 and No. 3 that cannot be transferred and delivered to the Fund on the closing date of the transfer of the TICC Leased Property for Additional Investment No. 2 and No. 3 (the “TICC Leased Property Closing Date”), TICC shall pay to the Fund the fair value of such part of the TICC Leased Property for Additional Investment No. 2 and No. 3 that cannot be transferred and delivered to the Fund. 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 the case of the appraisals by the two appraisers, if the average prices obtained from two appraisers are more than 50 percent different from the lower average price, both parties shall mutually agree to the fair value of the TICC Leased Property for Additional Investment No. 2 and No. 3 that cannot be transferred and delivered to the Fund. Upon TICC’s payment of such fair value in full, TICC shall be relieved of its obligation to deliver and transfer such part of the TICC Leased Property for Additional Investment No. 2 and No. 3 to the Fund. Key obligations of TICC after transfer of Leased

Property: From the TICC Leased Property Closing Date, TICC shall, at its own costs: (1) procure the Fund and sub-lessees of the TICC Leased Property for Additional Investment No. 2 and No. 3 which have been delivered and transferred to the Fund on the TICC Leased Property Closing Date (the "TICC 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 TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, provided that if other True Group entity or any other person approved by the Fund is responsible for the rights of way with respect to the TICC Transferred Assets and leases such TICC Leased Property for Additional Investment No. 2 and No. 3, TICC shall no longer have such responsibility; and (2) in relation to any agreements with respect to the TICC Transferred Assets which cannot be assigned and/or novated to the Fund, procure that the Fund can enjoy the rights and benefits of TICC under such agreements.

For a right of first offer of TICC, If the Fund exercises the Options and wishes to sell the TICC Transferred Assets to any third party, the Fund shall issue a written notice to TICC containing, (a) the offer price proposed by the Fund, and (b) all material terms and conditions for the sale of such TICC Transferred Assets proposed by the Fund. Upon receipt of such notice, TICC shall have a right of first offer to purchase such TICC Transferred Assets in accordance with the terms and conditions set out in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2. Although, TICC may assign its right to purchase the TICC Transferred Assets to any other True Group entity without prior consent of the Fund.

Addition to Leased Property: (1) TICC may (by itself or other person it may appoint) change the TICC Leased Property for Additional Investment No. 2 and No. 3 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, TICC shall notify the Fund of such change on an annual basis. (2) If, as a result of TICC'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 Amended and Restated FOC Sub-Lease, Operation and Management Agreement, TICC agrees to grant to the Fund the right to purchase, lease or otherwise invest in such additional FOC at the fair value. 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 party to appraise the property or any other method as agreed by the parties. In the case of the appraisals by the two appraisers, if the average prices obtained from the two appraisers are more than 50 percent different from the lower average price, both parties shall mutually agree to the fair value of such additional FOC. (3) TICC may (by itself or other person it may appoint) change the TICC Leased Property for Additional Investment No. 2 and No. 3 by deployment of new FOC with equal or longer FOC core km 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 Amended and Restated FOC Sub-Lease, Operation and Management Agreement and shall be part of the TICC Leased Property for Additional Investment No. 2 or the TICC Leased Property for Additional Investment No. 3, as the case may be, from which the Fund may seek benefits throughout the term of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, whereby TICC agrees not to charge additional rental in such a case.

In relation to limitation of liability of TICC, during the term of the lease, TICC's aggregate liability in relation to breaches of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 shall not exceed the TICC Lease Value for Additional Investment No. 2 in respect of the TICC Leased Property for Additional Investment No. 2 and the TICC Lease Value for Additional Investment No. 3 in respect of the TICC Leased Property for Additional Investment No. 3. TICC 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 TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2. If the Fund exercises the Options and TICC has transferred the TICC Leased Property for Additional Investment No. 2 and No. 3 to the Fund, TICC shall, as from the TICC Leased Property Closing Date: (a) TICC shall be liable in respect of any claim in relation to the TICC Transferred Assets if a notice of such claim is given by the Fund within two years from the TICC Leased Property Closing Date, except for claims arising out of certain material matters as set out in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 for which there shall be no time limitation for giving notice of claims. Such matters include (other than pursuant to applicable law), among others, TICC's misrepresentation on its authority and capacity, ownership of the Transferred Assets and breach of material undertakings; (b) in respect of (i) any part of the TICC Transferred Assets, the liability of TICC shall not exceed the fair value of such part of the TICC 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; (ii) all other breaches occurring after the TICC Leased Property Closing Date, the aggregate liabilities of TICC shall not exceed 50 percent of the TICC Lease Value for Additional Investment No. 2 and the TICC Lease Value for Additional Investment No. 3, as the case may be, and the Option Price of such assets. Parties agree that both parties shall have no liability for damage caused to the TICC Transferred Assets due to force majeure.

Insurance: From the date of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, TICC undertakes: (1) to procure that all True Group's insurance policies for third-party liability insurance in relation to the TIC Leased Property are maintained in accordance with the terms set out in the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2; (2) to arrange for the relevant insurance policy for the TICC Leased Property under the name of the Fund, provided that the Fund shall be responsible for the insurance premiums with respect to such insurance policy; and (3) not to modify any term of True Group's insurance policies in relation to the TICC Leased Property without the prior written consent of the Fund, which shall not be unreasonably withheld.

Without limiting any other right which the Fund may have under the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 or any applicable law, TICC agrees to indemnify the Fund, the Management Company and their respective representatives against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by TICC pursuant to the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, except in the case of the Fund's, the Management Company's or their respective representatives' own fault, gross negligence or willful misconduct. With respect to indemnities of the Fund without limiting any other right which TICC may have under the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 or any applicable law, the Fund agrees to indemnify TICC and its representatives against any and all actual damages, losses, claims, taxes, stamp duty, liabilities and related costs and expenses, including reasonable attorneys' fees and disbursements awarded against, incurred by any of them arising out of or resulting from a breach of covenant, agreement or warranty or any misrepresentation by the Fund pursuant to the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, except in the case of TICC's or their representatives' own fault, gross negligence or willful misconduct.

Except as permitted under the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, neither TICC nor the Fund may, without the prior written consent of the other, assign, grant any security interest over or otherwise transfer the benefit of the whole or any part of the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2.

TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2 is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the TICC Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2.

- (9.3) FOC Sub-Leased, Operation, Maintenance and Management Agreement between TICC as a sub-lessee and the Fund 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 TICC Sub-Leased, Operation and Management Agreement is for the Fund to sub-lease FOC of 7,981 km. which the Fund obtains the long term lease from AWC and is entitle 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-leasable by the Fund"), whereby TICC 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 the Fund 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.

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

The Fund (by itself or other person it may appoint) shall be responsible for obtaining and maintaining adequate insurance coverage for the Property Sub-leasable by the Fund, including third party liability insurance coverage, and paying for relevant insurance premiums. TICC 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 parity liability insurance.

- (9.4) Amended and Restated FOC Sub-Lease, Operation and Management for Additional Investment No. 1 between TICC as a sub-lessee and the Fund as a sub-lessor ("Amended and Restated FOC Sub- Lease, Operation and Management Agreement")

The provisions of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement become effective upon the completion of sale of FOC for Additional Investment No. 2, which is November 28, 2017 (the "Effective Date for Additional Investment No. 2") provided that certain provisions in relation to the FOC to be leased by TICC to the Fund under the Additional Investment No. 3 (the "FOC for Additional Investment No. 3") will become effective upon the completion of lease of FOC for Additional Investment No. 3 (the "Effective Date for Additional Investment No. 3").

For the purpose of the summary of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, the immediately next sale and lease of the any Additional Assets by any member

of True Group to the Fund after the Additional Investment No. 2 shall be referred to as the “Additional Investment No. 3.”

The property that TICC sub-leases, operates and manages under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement consists of:

- (a) Properties from part of Telecom Infrastructure Assets for Additional Investment No. 1
 - (i) 7,981 km (303,453 core-km) of FOC whereby TICC will sub-lease, operate and manage, for each year, at least the minimum as shown in the table attached to the summary of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement.
 - (b) Properties from TICC FOC for FTTx for Additional Investment No. 2
 - (i) Subject to successful closing of the long-term lease of TICC FOC for FTTx for Additional Investment No. 2, 80 percent of 670 km of FTTx Access BMA (80,014 core-km).
 - (c) Properties which the Fund obtains the long-term lease from TICC of approximately 12,872 km of FTTx Access BMA (619,986 core-km) 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. 3 (the “TICC FOC for FTTx for Additional Investment No. 3”)
 - (i) Subject to successful closing of the long-term lease of TICC FOC for FTTx for Additional Investment No. 3, 80 percent of approximately 12,872 km of FTTx Access BMA (619,986 corekm),
- (collectively, the “Sub-Leased Properties”).

FOC properties acquired by the Fund as part of the Telecom Infrastructure Assets for Additional Investment No. 1, TICC FOC for FTTx for Additional Investment No. 2 and TICC FOC for FTTx for Additional Investment No. 3 which the Fund can sub-lease to TICC, or other sub-lessee under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement is collectively referred to as the “Properties Subleasable by the Fund.”

Rental rates of the Sub-Leased Properties are as follows:

- (1) From March 5, 2015 until the Effective Date for Additional Investment No. 2, the rental rates for the Sub-Leased Properties (i.e. Properties from part of Telecom Infrastructure Assets for Additional Investment No. 1) are:
 - (a) up to 213,818 core km of FOC: Baht 350 per month per core km; and
 - (b) in excess of 213,818 core km to 303,453 core km of FOC: Baht 1,100 per month per core km,

whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 88 million per annum.
- (2) From the Effective Date for Additional Investment No. 2 onward, the rental rates for the Sub-Leased Properties are:
 - (2.1) Properties from part of Telecom Infrastructure for Additional Investment No. 1
 - (a) Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 88 million per annum.
 - (2.2) Properties from TICC FOC for FTTx for Additional Investment No. 2

- (a) Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 7 million per annum.

(2.3) Properties from TICC FOC for FTTx for Additional Investment No. 3

- (a) Baht 350 per month per core km whereby, the annual net rental revenue for the FOC that the Fund will receive will be calculated based on the above rate less a discount at the rate of Baht 142 million per annum.

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

The term of the sub-lease, operation and management is:

- (a) Properties from part of Telecom Infrastructure Assets for Additional Investment No. 1 – until December 7, 2026 and upon the occurrence of the Effective Date for Additional Investment No. 3 occurs, the term will be extended to expire on September 15, 2033.
- (b) Properties from TICC FOC for FTTx for Additional Investment No. 2 and Properties from TICC FOC for FTTx for Additional Investment No. 3 - Subject to successful closing of the lease of TICC FOC for FTTx for Additional Investment No. 2 or the lease of TICC FOC for FTTx for Additional Investment No. 3, as the case may be, from the Effective Date for the Additional Investment No. 2 or the Effective Date for Additional Investment No. 3, as the case may be, until September 15, 2033.

The renewal of the term of the sub-lease, operation and management is as follows:

- (a) TICC and/or other founder sub-lessee shall extend the sub-lease term for the sub-lease of the Sub-Leased Properties for at least 71 percent of total core km of Properties from part of Telecom Infrastructure Assets for Additional Investment No. 1, and for at least 80 percent of total core km of Properties from TICC FOC for FTTx for Additional Investment No. 2 and Properties from TICC FOC for FTTx for Additional Investment No. 3 for another (a) ten years from the Initial Term or (b) the remaining term of the telecommunication licence held by TICC or any member of True Group, whichever is shorter if upon the expiry of the Initial Term, TICC or any member of True Group has obtained the telecommunication licence required to provide broadband service from the NBTC provided that one of the following condition is met:
 - (i) the total annual revenue of True Group from broadband service based on True's annual report for the year 2025 or 2032, as the case may be exceed Baht 16,546,000,000; or
 - (ii) the total market share of True Group in broadband service as of the most recent public data published by a competent authority is more than 33 percent
- (b) At least two years prior to the expiry of its respective current term, TICC and/or other founder sub-lessee shall notify the Fund should it wish to reserve its right to renew the sub-lease, operation and management of all or part of the FOC sub-leased, operated and managed under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement at a mutually agreed market rate subject to an agreed discount, including the founder tenant discount, however, such discounts shall not be less than that TICC and/or other founder sub-lessee are entitled to. The Fund has the right to further sub-lease to any third party and allow any third party to operate and manage any available FOC not subject to the sub-lease, operation and management by TICC and/or other founder sub-lessees under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, subject to the rights of TICC and/or other founder sub-lessees described below.

- (a) If the Fund desires to sub-lease to any third party and allow any third party to operate and manage or otherwise negotiates the sub-lease, operation and management for any available property not subject to the sub-lease, operation and management by TICC and/or other founder sub-lessees under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, it must first offer such sublease, operation and management to TICC and/or other founder sub-lessees, and TICC and/or other founder sub-lessees has the right to accept such sub-lease, operation and management, provided that it be on no less favorable terms than that offered to such third party (and any discounts that would be applicable to such third-party sub-lessee would also apply to TICC and/or other founder sub-lessees).
- (b) If the Fund at any time enters into an agreement with a third-party sub-lessee in respect of the same type of property subject to the Amended and Restated FOC Sub-Lease, Operation and Management Agreement on terms more favorable than as provided to TICC and/or other founder sub-lessees, TICC and/or other founder sub-lessees have the right to cause the Fund to amend the Amended and Restated FOC Sub-Lease, Operation and Management Agreement so that TICC and/or other founder sub-lessees shall also have such more favorable terms.

With respect to maintenance, operation and management, the Fund shall not be responsible for the operation and management of any network or asset. TICC shall be responsible, by itself or through any person it may appoint, for maintaining (repairing any existing damaged FOC or procuring new FOC of at least the same capacity for replacement), operating and managing the Sub-Leased Property and the available FOC in accordance with the service levels set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement and the rules and regulations of the NBTC. If TICC fails to maintain the Network Availability level of the Property Sub-leasable by the Fund as set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement for two consecutive months, TICC agrees to pay a penalty to the Fund at the rate of two percent of the amount of monthly fee payable in such two months. Upon the Fund's request after there is any third party sub-lessee leasing any property from the Fund in accordance with the terms of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, the parties agree to enter into good faith discussion with a view to determine the reasonable and appropriate penalty payable by TICC and/or other founder sub-lessees in case TICC and/or founder sub-lessees cannot meet the required service level as set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement.

TICC agrees to use, operate and manage the Sub-Leased Properties in accordance with the terms and conditions set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. Such conditions include, among others, to take all reasonable precautions to avoid causing damage to the Sub-Leased Properties, not to use the Sub-Leased Properties for any purpose other than in relation to the telecommunications business and/or radio broadcasting or radio and television business, except for any further sub-lease of the Sub-Leased Property under the terms and conditions set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, and to notify the Fund as soon as reasonably practicable after it becomes aware of any case of fire, flood, emergency or accidents affecting the Sub-Leased Properties.

TICC may further sub-lease the Sub-Leased Property. However, TICC shall not further sub-lease any dark fiber capacity which forms part of the Sub-Leased Property to any person at a rate lower than the rate that the Fund charges to its third party sub-lessee, except in the following cases:

- (a) a further sub-lease of any dark fiber to entities already in effect before the date of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement;
- (b) a further sub-lease of any dark fiber to True or any True Group entity;
- (c) a further sub-lease of any dark fiber in accordance with the applicable law and/or the NBTC's order;
- (d) a further sub-lease of any dark fiber other than the cases under (a) to (c) above with the Fund's written consent.

The Fund (by itself or other person it may appoint) shall be responsible for obtaining and maintaining third party liability insurance for the Sub-Leased Property, and paying for relevant insurance premiums.

The Fund shall not be responsible for the procurement of the rights of way with respect to the Property Sub-leaseable by the Fund. TICC acknowledges and confirms that the contractual rights of way in relation to the Property Sub-leaseable by the Fund are granted in the name of TICC or in the name of any other founder sub-lessee (if any) throughout the term of the sublease under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. Upon the expiry of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, TICC shall procure the rights of way with respect to the Property Sub-leaseable by the Fund to the extent that TICC is permitted by law and there is no other sub-lessee in accordance with the terms and conditions of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. However, The Fund agrees to be responsible for the fees in relation to the rights of way with respect to the Property Sub-leaseable by the Fund in the amount and method to be agreed by the Fund and TICC, provided that the fees in relation to the rights of way may be changed by reference to the fees in relation to rights of way imposed on TICC with respect to the Property Sub-leaseable by the Fund in accordance with the terms and conditions set out in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. Moreover, TICC agrees to be responsible for costs and expenses for moving FOC underground in respect of the FOC from Telecom Infrastructure for Additional Investment No. 1, the FOC for Additional Investment No. 2 and the FOC for Additional Investment No. 3 (provided that the Compensation for Relocation is paid by the Fund to TUC in accordance with the terms of the Amended and Restated Tower Master Lease, Operation and Management Agreement) and for the difference between the fees in relation to the rights of way laid on the electricity poles and the fees in relation to the rights of way for underground ducts for parts of FOC that will be moved underground.

In relation to non-compete agreement, TICC shall not (and shall procure that no member of True Group shall), without the prior written consent of the Fund, build any new FOC on the same routes as those of the FOC which is part of the Telecom Infrastructure Assets for Additional Investment No. 1, TICC FOC for FTTx for Additional Investment No. 2, TICC FOC for FTTx for Additional Investment No. 3 or any other FOC which was sold to the Fund and/or leased by any member of True Group as of the Effective Date for Additional Investment No. 2 November 28, 2017 (and Effective Date for Additional Investment No. 3 upon which the acquisition of the FOC for Additional Investment No. 3 has properly taken place), except in either of the following cases: (a) the available FOC of the Fund to be leased by any member of True Group does not have sufficient capacity in any technical respect to fully meet the requirements of the relevant member(s) of True Group, provided that reasonably sufficient evidence and explanations relating to such technical insufficient capacity are provided to the Fund for information; or (b) the Fund refuses to lease any available capacity of the FOC to any member of True Group; or (c) the Parties cannot agree on the commercially reasonable terms for the lease of the available FOC.

In each of the foregoing cases, it is agreed that any member of True Group may, at its sole discretion, build and roll out a new FOC on the same route(s) as those of the Properties Sub-leaseable by the Fund

to meet the requirements of the relevant member(s) of True Group, provided however that TICC shall first notify the Fund of its intention to lease the available capacity of the FOC of the Fund (together with details of the capacity and other relevant technical requirements as required by the relevant member(s) of True Group), and the Fund shall, within 30 days of its receipt of such notice from TICC, notify the TICC whether it will lease the available capacity of the FOC to the relevant member(s) of True Group in full compliance with the notified requirements as aforesaid, together with commercially reasonable terms applicable to the lease thereof. In the event that the FOC made available by the Fund for such route(s) does not have sufficient capacity or does not fully meet the technical requirements of the relevant member(s) of True Group in any respect, as the case may be, TICC shall, or shall procure that the relevant member(s) of True Group shall, provided always that it is proved to be technically and operationally feasible for such member(s) of True Group to do so, lease the Fund's available FOC up to 100% (one hundred per cent) of the available capacity first, and TICC and/or any member of True Group may elect, at its sole discretion, to build and roll out an additional new FOC on the same routes, subject however to certain conditions below.

If: (a) upon the expiry of the 30-day period mentioned above, the Fund does not respond to TICC's notice; or (b) the Fund notifies TICC that it refuses to lease the available capacity of its FOC to the relevant member(s) of True Group; or (c) the Fund has offered TICC the applicable terms for the lease of its available capacity of the FOC, but TICC and the Fund cannot agree on the commercially reasonable terms for such lease within 30 days of the date on which the applicable lease terms were offered by the Fund to TICC shall, then the relevant member(s) of True Group, may elect, at its sole discretion, to build and roll out a new FOC on the same route(s) as those of the Properties Sub-leaseable by the Fund. TICC, as soon as practicable after the completion of the new FOC, notify the Fund in writing of the pertinent information relating to such new FOC as built and rolled out by the relevant member(s) of True Group. The provisions of non-compete agreement shall survive the expiry of the term of the sub-lease, operation and management under this Amended and Restated FOC Sub-Lease, Operation and Management Agreement.

Each of the Fund and TICC agrees to indemnify each other for all losses and damages arising from breaches of their respective representations, warranties and covenants under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, subject to customary carve-outs. The Fund and TICC acknowledge and agree that the Fund obtains the long term lease from AWC with respect to the Property Sub-leaseable by the Fund under the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 and from TICC with respect to the Property Sub-leaseable by the Fund under the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2. In the event that any parts of the Property Sub-leaseable by the Fund have any defects existing prior to the respective Lease Commencement Date(s) under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, TICC in its capacity as the sub-lessee under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement shall not be responsible for fixing such defects and such fixing shall not be TICC's obligations with respect to the maintenance, operation and management. TICC agrees that it shall not have any claim against the Fund as a result of such defects.

If the Property Sub-leaseable by the Fund has any defects or due to any events which require any rectification, replacement or relocation of the Property Sub-leaseable by the Fund, resulting in TICC being unable to use any parts of the Sub-Leased Property, TICC agrees to continue to pay to the Fund the monthly fee applicable to such parts of the Sub-Leased Property under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement in all respects. Provided however that, if the rectification, replacement or relocation of the Property Sub-leaseable by the Fund resulting in TICC being unable to use any parts of the Sub-Leased Property is caused by any third party sub-lessee's

fault, TICC shall not be required to pay the Fund the monthly fee applicable to the relevant parts of the Sub-Leased Property which cannot be used for the period during which TICC cannot sub-lease such relevant parts of the Sub-Leased Property. Upon TICC's request, if TICC incurs any other damage as a result of it being unable to use any parts of the Sub-Leased Property caused by any third party sub-lessee's fault, the parties agree to enter into good faith discussion with a view to determine the reasonable and appropriate damages which the Fund and/or the third party sub-lessee should compensate to TICC.

Each of the Fund and TICC may transfer or assign its rights and/or obligations under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement to any third party upon obtaining prior written consent of the other party. TICC may use or further provide services in relation to the Sub-Leased Property under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement to its customers and may further sub-lease as specified under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement. Moreover, the Fund may not sell, transfer or otherwise dispose of its right to the Sub-Leased Properties without prior written consent from TICC (such consent not to be unreasonably withheld or delayed) and the Fund shall procure that the entity purchasing and/or accepting such transfer shall agree in writing, as a condition precedent to the sale, transfer or disposal, to abide by the terms and conditions of the Amended and Restated FOC Sub-Lease, Operation and Management Agreement along with any rights, liabilities and obligations arising thereunder.

With respect to the termination of agreement, each party has the right to terminate the sub-lease, operation and management in various circumstances as specified in the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, such as the other party fails to comply with any of its material obligations under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, including (on the part of TICC) a failure to pay the rent for a certain period of time, bankruptcy or if it becomes unlawful for either party to perform its material obligations under the Amended and Restated FOC Sub-Lease, Operation and Management Agreement, or termination of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 1 or termination of the Long-Term Lease Agreement in Relation to FOC for Additional Investment No. 2, as the case may be. Although, TICC has the right to terminate the Amended and Restated FOC Sub-Lease, Operation and Management Agreement if, among others, there is no member of True Group that requires, or has the rights under the law to sub-lease the Sub-Leased Properties for the purpose of carrying out its business as a result of termination or expiry of its telecommunication licences for the operation of telecom business to which FOC relates.

The Amended and Restated FOC Sub-Lease, Operation and Management Agreement is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Amended and Restated FOC Sub-Lease, Operation and Management Agreements.

Approximate Minimum FOC which are Properties from part of Telecom Infrastructure for Additional Investment No. 1 to be sub-leased, operated and managed by TICC each year

| YEAR | MINIMUM FOC (APPROXIMATE CORE-KM) |
|--------------------------|-----------------------------------|
| 2015 | 197,240 |
| 2016 | 198,727 |
| 2017 | 200,149 |
| 2018 | 201,783 |
| 2019 | 203,268 |
| 2020 | 204,749 |
| 2021 | 206,224 |
| 2022 | 207,889 |
| 2023 | 209,480 |
| 2024 | 210,950 |
| 2025 | 212,343 |
| 2026 | 213,818 |
| 2027 - 15 September 2033 | 213,818 |

- (10) Letter of Agreement relating to the HSPA Telecom Infrastructure Assets between TUC TICC and the Fund (“Letter of Agreement relating to the HSPA Telecom Infrastructure Assets”)

Subject to the closing of the acquisition of the Telecom Infrastructure Assets for Additional Investment No. 3, TUC and TICC agrees to lease the HSPA Telecom Infrastructure Assets which are currently under the revenue sale scheme. Such assets are the current assets of BFKT and AWC which BFKT and AWC are currently selling revenue from the lease of such assets (AWC sells revenue obtained from BFKT and BFKT sells revenue obtained from CAT) to the Fund and such assets will be acquired by the Fund from AWC and BFKT (subject to the Fund’s exercise its call option) after the expiry of the HSPA Equipment-Leasing Agreement, the AWC Leasing Agreement, the Additional AWC Leasing Agreement No. 1 and the Additional AWC Leasing Agreement No. 2 pursuant to the terms of the relevant Assets and Revenue Sale and Transfer Agreements (including the AWC Asset and Revenue Sale and Transfer Agreement for Additional Investment No. 2). The lease term shall be from after the expiry date of the HSPA Equipment-Leasing Agreement, the AWC Leasing Agreement, the Additional AWC Leasing Agreement No. 1 and the Additional AWC Leasing Agreement No. 2, until September 15, 2033 and the amount of assets to be leased shall be further discussed and agreed by the parties, provided that net cash to be generated from those assets will not be less than the amount the Fund is receiving from BFKT and AWC under the net revenue sale scheme in respect of those assets.

The Letter of Agreement relating to HSPA Telecom Infrastructure Assets is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Letter of Agreement relating to HSPA Telecom Infrastructure Assets.

- (11) Other agreements or letters with the Fund

- (11.1) Master Services Agreement dated December 24, 2013 between the Telecom Asset Management Company Limited (“Telecom Asset Management”) and the Fund (as amended and supplemented including pursuant to a supplement agreement dated March 5, 2015 and a supplement agreement No. 2 between the Telecom Asset Manager and the Fund) (“Master Service Agreement”)

The Fund appoints the Telecom Asset Manager as the provider of the following services:

- (1) administrative services for the relevant telecommunications infrastructure assets owned by the Fund as set out in the Master Services Agreement (the “Managed Assets”). Such services include, among others, arrangements for site access, site agreement management, monitoring and reporting on annual budgets and forecasts, insurance arrangements and monthly fees (under the Amended and Restated Master Lease, Operation and Management Agreements and any other lease agreements) and invoicing arrangements (the “Administrative Services”); and
 - (2) marketing services for the relevant telecommunications infrastructure assets owned by the Fund and allocated to be marketed by the Telecom Asset Manager as set out in the Master Services Agreement (the “Marketing Assets”). Such services include, among others, annual marketing plans to lease out available slots and/or capacities in the relevant Managed Assets and assisting in executions of lease agreements by any new tenant (the “Marketing Services”),
- (collectively, the “Services”).

The provision of the Services is regulated by specific performance indicators (“KPIs”) set out in the Master Services Agreement. The KPIs include, among others, controls on spending and income based on budgetary projections, and renewal of site lease agreements. Failure to meet certain KPIs for a specified period shall result in a reduction in charges. The KPIs are annually reviewed and amended by mutual agreement of the parties in accordance with the terms and conditions of the Master Services Agreement.

Subject to the terms and conditions of the Master Services Agreement, charges for the Services are as per below.

(1) Charges for the Administrative Services consist of:

- an annual fixed charge of THB3 million for year 2013 and THB18.3 million for year 2014, subject to annual escalation at the rate equal to the Consumer Price Index (CPI) announced by the Ministry of Commerce of Thailand for the previous year, subject to a maximum of 3.5 percent commencing in year 2015; and
- monthly charge equal to 0.15 percent of the Fund’s monthly net revenue (after deducting costs associating with rights of way, insurance, and rental payments under land leases) generated from the Managed Assets

(2) Charges for the Marketing Services consist of:

- a monthly charge equal to 2 percent of the Fund’s monthly revenue received from any tenant(s) leasing the Marketing Assets in addition to those leased or committed to lease by the founder tenants on the date of the relevant Amended and Restated Master Lease, Operation and Management Agreements with an additional annual charge equal to 3 percent on any amount in excess of the annual budgeted revenue for the Marketing Assets for such year;
- a charge of THB20 million payable on each January 1, 2015 and January 1, 2016, with respect to the True Tower Assets allocated to be marketed by the Telecom Asset Manager commencing in year 2015 and 2016, respectively;
- subject to a completion of sale and lease of the Telecom Infrastructure Assets for Additional Investment No. 2 and the completion of the immediately next sale and lease of additional telecom infrastructure assets by any member of True Group to the Fund after the Additional

Investment No. 2 (the “Telecom Infrastructure Assets for Additional Investment No. 3”), as the case may be, a charge of THB20 million payable on each January 1, 2018 and January 1, 2019 with respect to the new Marketing Assets that are the Telecom Infrastructure Assets for Additional Investment No. 2 and Telecom Infrastructure Assets for Additional Investment No. 3 allocated to be marketed by the Telecom Asset Manager commencing in year 2018 and 2019, respectively.

An additional charge payable upon (a) a renewal of any lease agreement by a third party tenant in relation to the Marketing Assets, or (b) the additional Marketing Assets allocated to be marketed by the Telecom Asset Manager, each at the rate to be agreed between the Fund and the Telecom Asset Manager.

If, in any year, the Fund’s annual revenue from the Marketing Assets exceeds an amount equal to 110 percent of the annual long term projected revenue for the Marketing Assets for any relevant year, the Telecom Asset Manager shall be entitled to additional compensation in an amount equal to 10 percent of the amount in excess of such 110 percent threshold which is the amount shown in the below table.

| YEAR | THE AMOUNT OF 110 PERCENT OF THE ANNUAL LONG TERM PROJECTED REVENUE FOR THE MARKETING ASSETS (THB/MILLION) |
|------|---|
| 2015 | 171 |
| 2016 | 519 |
| 2017 | 713 |
| 2018 | 861 |
| 2019 | 963 |
| 2020 | 1,010 |
| 2021 | 1,058 |
| 2022 | 1,109 |
| 2023 | 1,160 |
| 2024 | 1,212 |
| 2025 | 1,273 |
| 2026 | 1,340 |
| 2027 | 1,420 |

Note:

- (1) After year 2027, the threshold shall be subject to annual escalation at the rate equal to the Consumer Price Index (CPI) announced by the Ministry of Commerce of Thailand for the previous year, subject to a maximum of 3.5 percent
- (2) The threshold shall be reviewed and amended upon the additional Marketing Assets allocated to be marketed by the Telecom Asset Manager.

Subject to the terms and conditions of the Master Services Agreement, charges for the Services may be adjusted in certain circumstances, including, among others, if the Fund's annual revenue from the Marketing Assets in any year falls below the annual budgeted revenue for the Marketing Assets for such year by 5 percent or more for two consecutive years, the annual fixed charge in relation to the Administrative Services for the following year will be reduced in a percentage equal to an average percentage of the amount the Telecom Asset Manager fails to meet the annual budgeted revenue in such two years. If the Telecom Asset Manager fails to meet the annual budgeted revenue for the Marketing Assets by 5 percent or more for three consecutive years, the Fund shall have the right to terminate the Master Services Agreement.

For the purpose of determining an adjustment to the annual fixed charge in relation to the Administrative Services, the actual annual revenues for the previous two years will be the revenues that the Fund should receive from leasing the Marketing Assets to any tenants before taking into account any promotions or discounts offered by the Fund to the tenants of the Marketing Assets in accordance with the terms and conditions specified in the Master Services Agreement.

The term of the Services commenced on the closing of the sale of the Initial Telecom Infrastructure Assets and continue for an initial term of 15 years which ends on December 25, 2028 (the "Initial Term") and automatically be extended for a period of five years (the "Extended Term") unless otherwise terminated in accordance with the terms of the Master Services Agreement.

The Master Services Agreement can be terminated under certain circumstances, such as, among others, a material default by Telecom Asset Manager or the Fund which remains uncured within a specified remedy period, insolvency proceedings being taken against the Telecom Asset Manager, the Telecom Asset Manager's failure to comply with certain material KPIs for a specified period, including failure to meet the projected revenues, for a certain specified period, and the Fund's failure to pay charges for the Services for certain consecutive payments, subject to the terms and conditions set out in the Master Services Agreement.

Each party shall not assign, novate or otherwise transfer any of its rights or obligations under the Master Services Agreement to any person without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed.

The Master Services Agreement is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Master Services Agreement.

(11.2) Lock-up Agreement dated December 24, 2013 between True and the Fund ("Lock-up Agreement") (as amended including pursuant to an amendment agreement between True and the Fund) ("Lock-up Agreement")

True undertakes that it shall subscribe for and shall hold and maintain, at all times :

- (1) from the Fund Registration Date until the date that is five years from the Fund Registration Date, at least 18 percent of the total Investment Units issued by the Fund under the Initial Public Offering; and
- (2) from the date of the registration of first capital increase of the Fund (the "Fund Capital Increase Date") until the date that is 3 years from the Fund Capital Increase Date, the newly issued Investment Units from the first capital increase subscribed by True in the portion of up to 18 percent of all Investment Units newly issued under the offering for the first capital increase; and

- (3) from the Fund Capital Increase Date until the date that is 1 year from the Fund Capital Increase Date, the newly issued Investment Units from the first capital increase subscribed by True in the portion exceeding 18 percent of all Investment Units newly issued under the offering for the first capital increase.

The Lock-up Agreement is governed by the laws of Thailand. The Courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Lock-up Agreement.

(11.3) Letter of Undertaking dated December 24, 2013 by TUC ("Letter of Undertaking")

TUC undertakes that from the Initial Investment Date until CAT Telecom commences payments to BFKT pursuant to the HSPA Equipment-Leasing Agreement, it shall pay or procure the payments of the monthly sale revenues to the Fund in accordance with the Asset and Revenue Sale and Transfer Agreement between BFKT and the Fund.

The Letter of Undertaking is governed by the laws of Thailand. The courts of Thailand shall have exclusive jurisdiction to hear and determine any suit, action or proceedings and to settle any disputes which may arise out of or in connection with the Letter of Undertaking.

(11.4) Letter of Support dated December 24, 2013 by TUC to BFKT

TUC intends:

- (1) together with its affiliates, to remain the single largest shareholder of BFKT;
- (2) not to take or approve any action that would result in BFKT not remaining commercially and financially viable; and
- (3) to continue to support BFKT, to the extent permitted by applicable law, with commercially reasonable measures to cause a timely fulfilment of BFKT's financial and other obligations.

With respect to the effective period of the Letter of Support, from the commencement of rental payments by CAT Telecom to BFKT pursuant to the HSPA Equipment-Leasing Agreement until BFKT's obligations to transfer the net revenues to the Fund are no longer outstanding under the Asset and Revenue Sale and Transfer Agreement between BFKT and the Fund.

The Letter of Support does not represent a legally binding obligation of TUC or a direct or indirect guarantee by TUC to pay or procure payment of the monthly net revenues due to the Fund from BFKT or ensure the distribution of dividends or other amounts under the Investment Units of the Fund.

SHAREHOLDERS

TRUE CORPORATION PUBLIC COMPANY LIMITED MAJOR SHAREHOLDERS ^{1/} (AS OF 16th MARCH 2017)

| NAME | NO. OF SHARES (MILLION SHARES) | % OF TOTAL ISSUED SHARES |
|--|-----------------------------------|-----------------------------|
| 1. CP Group ^{2/} | 16,755.50 | 50.21 |
| 2. CHINA MOBILE INTERNATIONAL HOLDINGS LIMITED ^{3/} | 6,006.36 | 18.00 |
| 3. THAI NVDR COMPANY LIMITED ^{4/} | 2,083.22 | 6.24 |
| 4. UBS AG HONG KONG BRANCH ^{5/} | 229.44 | 0.69 |
| 5. QS SOFTWARE SYSTEMS COMPANY LIMITED ^{6/} | 190.50 | 0.57 |
| 6. CHASE NOMINEES LIMITED ^{7/} | 186.63 | 0.56 |
| 7. UOB KAY HIAN (HONG KONG) LIMITED - Client Account ^{3/} | 175.86 | 0.53 |
| 8. HSBC (SINGAPORE) NOMINEES PTE LTD ^{8/} | 149.86 | 0.45 |
| 9. STATE STREET BANK EUROPE LIMITED ^{7/} | 122.45 | 0.37 |
| 10. CREDIT SUISSE INTERNATIONAL ^{7/} | 117.15 | 0.35 |

^{1/} There is no cross-shareholding between the Company and its major shareholders.

^{2/} Consisting of

- (1) Charoen Pokphand Group Company Limited ("CPG"), which operates businesses in investment, chemical products import and distribution, and provides technical services, where the top ten shareholders are Mr. Sumet Jiaravanon 12.96%, Mrs. Somurai Jarupanich 8.42%, Mr. Dhanin Chearavanont 6.48%, Mr. Nakul Chearavanont 6.00%, C.P. Holding (Thailand) Company Limited 4.47%, Mr. Phongthep Chiaravanont 4.26%, Mrs. Phatanee Leksisompong 4.22%, Mr. Manas Chiaravanont 4.22%, Mrs. Somsri Lamsam 4.21%, Mr. Noppadol Chearavanont 3.00% and Mrs. Nuchanart Chiaravanont 3.00%), held 19.96% of TRUE's shares
 - (2) Orient Glory Group Limited which operates business in investment (100% held by CPG), held 8.30% of TRUE's shares
 - (3) 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 4.41% of TRUE's shares
 - (4) Glory Summer Enterprises Limited which operates business in investment (100% held by CPG), held 4.38% of TRUE's shares
 - (5) Worth Access Trading Limited which operates business in investment (100% held by CPG Overseas Company Limited), held 3.05% of TRUE's shares.
 - (6) 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 2.87% of TRUE's shares
 - (7) C.P. Interfood (Thailand) Company Limited which operates businesses in production and wholesale of ready-made meat products (99.99% held by CPG), held 2.29% of TRUE's shares
 - (8) C.P.Foods International Limited which operates business in investment (100% held by CPF), held 1.42% of TRUE's shares
 - (9) Charoen Pokphand Holding Company Limited which operates business in investment (100% held by CPG), held 0.80% of TRUE's shares
 - (10) 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 0.80% of TRUE's shares
 - (11) Kasetphand Industry Company Limited which operates businesses in production and distribution of livestock farming equipment products (99.99% held by CPG), held 0.69% of TRUE's shares
 - (12) C.P. Holding (Thailand) Company Limited which operates business in investment (100% held by Charoen Pokphand Holding Company Limited), held 0.63% of TRUE's shares and
 - (13) Creative Light Investments Limited which operates business in investment (100% held by Charoen Pokphand Holding Company Limited), held 0.61% of TRUE's shares
- (All 13 companies do not undertake the same business and compete with TRUE GROUP)

^{3/} 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.

^{4/} 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.

^{5/} 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.

^{6/} The company is registered under the Law of Thailand 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.

^{7/} 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.

^{8/} 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.

DIVIDEND POLICY

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.

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.

HISTORICAL DIVIDEND PAYMENT

In the past, the Company had paid dividend from its Year 2015 net profit at the rate of Baht 0.06667 per share. The payment was made in two forms, i.e. partially in (1) stock dividend at the rate of 200 existing shares per 3 stock dividends, or an equal of Baht 0.06 per share, and partially in (2) cash dividend at the rate of Baht 0.00667 per share.

MANAGEMENT STRUCTURE

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 them shall reside within the Kingdom. The qualifications of the Company's directors shall be as prescribed by law.

As of 31st December 2017, the Company's Board of Directors consisted of 18 directors as follows:

(1) 2 Executive Directors

(2) 16 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.
- 10 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 Shareholders, 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 31st December 2017) was as follows:

| NAME | | POSITION |
|-------------------------------------|-----------------|--|
| 1. Dr. Kosol | Petchsuwan | Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee |
| 2. Mr. Joti | Bhokavanij | Independent Director, Chairman of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee |
| 3. Dr. Harald | Link | Independent Director and Chairman of the Compensation and Nominating Committee |
| 4. Prof. Rawat | Chamchalerm | Independent Director |
| 5. Mr. Xu | Genluo | Independent Director |
| 6. Mrs. Preprame | Seriwongse | Independent Director, Member of the Audit Committee (replacement of Mr. Vitthya Vejajiva who resigned during the Year 2017) |
| 7. Mr. Dhanin | Chearavanont | Chairman of the Board |
| 8. Dr. Ajva | Taulananda | Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee |
| 9. Prof. Athueck | Asvanund | Vice Chairman of the Board |
| 10. Dr. Li | Zhengmao | Vice Chairman of the Board and Member of the Compensation and Nominating Committee |
| 11. Prof. Dr. Warapatr Todhanakasem | | Director, Member of the Finance Committee and Member of the Corporate Governance Committee |
| 12. Mr. Umroong | Sanphasitvong | Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee |
| 13. Mr. Vichaow | Rakphongphairoj | Director |
| 14. Mr. Chatchaval | Jiaravanon | Director |
| 15. Mr. Soopakij | Chearavanont | Director and Member of the Compensation and Nominating Committee |
| 16. Mr. Narong | Chearavanont | Director |
| 17. Dr. Xia | Bing | Director and Member of the Finance Committee |
| 18. Mr. Suphachai | Chearavanont | Director |

All Directors have qualifications as prescribed by law. None is prohibited person under the laws and shall not possess any untrustworthy characteristics under the regulations of the Securities and Exchange Commission (“SEC”).

All Directors perform their duties with dedication 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 the signing of 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 the 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
- oversee the Company's Corporate Governance for long-term sustainability
- annually review and approve visions, strategy, missions, business plans and financial target and monitor the implementation thereof
- evaluate the performance of the Company, Chairman of the Executive Committee and the President (Co)
- 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 standards, risk management, financial and other controls and applicable laws
- provide the process for receiving any complaints and information concerning fraud
- recommend Board nominees to the Shareholders

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 an approval from the Shareholders' meeting as specified by laws. In addition, the Board of Directors may grant its 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 has the duties and responsibilities of the chief of the Board of Directors to supervise, follow up and monitor the due performance of the Board of Directors and other Board-committees to achieve business objectives and plans.
- Preside over the Board of Directors' meeting
- Preside over the Shareholders' meeting and conduct the meeting to be in compliance with the Company's Articles of Association and the Agenda
- Perform any duties specified by laws as the duties to be performed by the Chairman

2. COMMITTEE

2.1 AUDIT COMMITTEE

The Audit Committee of the Company has three years term, as of 31st December 2017, the Audit Committee consisted of 3 Independent Directors as follows:

| NAME | | POSITION |
|------------------|------------|---------------------------------|
| 1. Mr. Joti | Bhokavanij | Chairman of the Audit Committee |
| 2. Dr. Kosol | Petchsuwan | Member of the Audit Committee |
| 3. Mrs. Preprame | Seriwongse | Member of the Audit Committee |

Remark: Mr. Joti Bhokavanij has been appointed as Chairman of the Audit Committee by the Board of Directors Meeting of True Corporation Public Company Limited No.5/2560 held on September 15, 2017.

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 2017 ("Report 56-1").

In the Year 2017, the Audit Committee held 7 meetings, one of which was a meeting with the external auditor without the presence of management.

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 review the Company's compliance with the Anti-Corruption Policy and Measure
5. 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;
6. 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;
7. 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

8. 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 and disclosed the Report of the Audit Committee for the Year 2017 in the annual report and Report 56-1 and on the Company's website.

2.2 COMPENSATION AND NOMINATING COMMITTEE

The Compensation and Nominating Committee is responsible for making recommendations to the Board of Directors regarding the compensation of directors, nomination of directors, members of the Board's Committees and the President (Co) and making evaluation performance of Chairman of the Executive Committee and the President (Co) before proposing to the Board of Directors Meeting. As of 31st December 2017, the Compensation and Nominating Committee consisted of 5 Directors, of which 2 are Independent Directors, 3 are Directors and Chairman of the Compensation and Nominating Committee is an Independent Director. Details are as follows:

| NAME | | POSITION |
|-----------------|---------------|---|
| 1. Dr. Harald | Link | Chairman of the Compensation and Nominating Committee |
| 2. Mr. Joti | Bhokavanij | Member of the Compensation and Nominating Committee |
| 3. Dr. Li | Zhengmao | Member of the Compensation and Nominating Committee |
| 4. Mr. Soopakij | Chearavanont | Member of the Compensation and Nominating Committee |
| 5. Mr. Umroong | Sanphasitvong | Member of the Compensation and Nominating Committee |

In this regards, the Company has disclosed the Charter of the Compensation and Nominating Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Compensation and Nominating Committee for the Year 2017 in the annual report and on the Company's website.

2.3 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. As of 31st December 2017, the Finance Committee consisted of 6 directors of which 1 is Independent Director, 4 are Directors and 1 is finance committee member. Details are as follows:

| NAME | | POSITION |
|------------------------------------|---------------|-----------------------------------|
| 1. Dr. Ajva | Taulananda | Chairman of the Finance Committee |
| 2. Mr. Joti | Bhokavanij | Member of the Finance Committee |
| 3. Dr. Xia | Bing | Member of the Finance Committee |
| 4. Mr. Umroong | Sanphasitvong | Member of the Finance Committee |
| 5. Prof. Dr. Warapatr Todhanakasem | | Member of the Finance Committee |
| 6. Mr. Yuan | Lihua | Member of the Finance Committee |

In this regards, the Company has disclosed the Charter of the Finance Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Finance Committee for the Year 2017 in the annual report and on the Company's website.

2.4 CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee is responsible for assisting the Board of Directors to establish and review the Company's corporate governance policy and Anti-Corruption Policy and Measure as well as making sure that the Company has a sound and appropriate corporate governance practice. As of 31st December 2017, the Corporate Governance Committee consisted of 3 Directors, of which 1 are Independent Directors and 2 are Directors as follows:

| NAME | | POSITION |
|------------------------------------|------------|--|
| 1. Dr. Kosol | Petchsuwan | Chairman of the Corporate Governance Committee |
| 2. Dr. Ajva | Taulananda | Member of the Corporate Governance Committee |
| 3. Prof. Dr. Warapatr Todhanakasem | | Member of the Corporate Governance Committee |

In this regards, the Company has disclosed the Charter of the Corporate Governance Committee on the Company's website www.truecorp.co.th and disclosed the Report of the Corporate Governance Committee for the Year 2017 in the annual report and on the Company's website.

THE DETAILS OF DIRECTORS' ATTENDANCE IN THE YEAR 2017

| NAME | | BOARD OF DIRECTORS | AUDIT COMMITTEE | COMPENSATION AND NOMINATING COMMITTEE | FINANCE COMMITTEE | CORPORATE GOVERNANCE COMMITTEE |
|--|----------------------------|--------------------|-----------------|---------------------------------------|-------------------|--------------------------------|
| 1. Mr. Vitthya | Vejjajiva ^{1/} | 4/4 | 4/4 | | | 2/2 |
| 2. Dr. Kosol | Petchsuwan | 6/6 | 7/7 | | | 4/4 |
| 3. Mr. Joti | Bhokavanij ^{2/} | 6/6 | 7/7 | 3/3 | 4/4 | |
| 4. Mrs. Preprame | Seriwongse ^{3/} | 1/1 | 2/2 | | | |
| 5. Dr. Harald | Link ^{4/} | 5/6 | | 1/1 | | |
| 6. Prof. Rawat | Chamchalerm | 5/6 | | | | |
| 7. Mr. Xu | Genluo | 6/6 | | | | |
| 8. Mr. Dhanin | Chearavanont ^{5/} | 5/6 | | 1/1 | | |
| 9. Dr. Ajva | Taulananda | 5/6 | | | 4/4 | 4/4 |
| 10. Prof. Athueck | Asvanund | 6/6 | | | | |
| 11. Dr. Li | Zhengmao | 1/6 | | 2/3 | | |
| 12. Prof. Dr. Warapatr Todhanakase ^{6/} | | 6/6 | | | 4/4 | 1/1 |
| 13. Mr. Umroong | Sanphasitvong | 6/6 | | 3/3 | 4/4 | |
| 14. Mr. Vichaow | Rakphongphairoj | 5/6 | | | | |
| 15. Mr. Chatchaval | Jiaravanon | 5/6 | | | | |
| 16. Mr. Soopakij | Chearavanont | 3/6 | | 2/3 | | |
| 17. Mr. Narong | Chearavanont | 5/6 | | | | |
| 18. Dr. Xia | Bing | 2/6 | | | 2/4 | |
| 19. Mr. Suphachai | Chearavanont | 6/6 | | | | |

Remark: ^{1/} Resignation as effective on July 1, 2017

^{2/} Appointment as Chairman of the Audit Committee as effective on September 15, 2017

^{3/} Appointment as Independent Director and Member of the Audit Committee as effective on September 15, 2017

^{4/} Appointment as Chairman of the Compensation and Nominating Committee as effective on September 15, 2017

^{5/} Resignation from Chairman of the Compensation and Nominating Committee as effective on September 15, 2017

^{6/} Appointment as Member of the Corporate Governance Committee as effective on September 15, 2017

2.5 EXECUTIVE COMMITTEE

The Executive Committee is responsible for assisting the Board of Directors to formulate business direction, mission, strategies, business plan and financial goals as approved by the Board of Directors. As of 31st December 2017, the Executive Committee consisting of the following members:

| NAME | | POSITION |
|------------------|----------------------|--|
| 1. Mr. Suphachai | Chearavanont | Chairman of the Executive Committee |
| 2. Mr. Noppadol | Dej-udom | Vice Chairman of the Executive Committee |
| 3. Mr. Adhiruth | Thothaveesansuk | Vice Chairman of the Executive Committee |
| 4. Mr. Vichaow | Rakphongphairoj | Member of the Executive Committee |
| 5. Dr. Kittinut | Tikawan | Member of the Executive Committee |
| 6. Mr. William | Harris | Member of the Executive Committee |
| 7. Mr. Kachorn | Chiaravanont | Member of the Executive Committee |
| 8. Mr. Suphakit | Vuntanadit | Member of the Executive Committee |
| 9. Mr. Birathon | Kasemsri Na Ayudhaya | Member of the Executive Committee |
| 10. Miss Yupa | Leewongcharoen | Member of the Executive Committee |
| 11. Miss Sarinra | Wongsuppaluk | Member of the Executive Committee |
| 12. Mr. Chestha | Moo-ming | Secretary of the Executive Committee |

THE SCOPE OF DUTY AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE:

1. Formulate business direction, mission, strategies, business plan and financial goals and submit to the Board of Directors for approval including ensure President and Executives have the effective implementation of the Company's business plan in accordance with relevant laws and regulations;
2. Review and approve matters related to the business such as Investments, Asset Acquisition and Distribution, Contingent Liabilities and Borrowing, Budget and Expenditure, Organization Management and Human Resource Matter etc. that subject to authority delegated from the Board of Directors. In addition, Executive Committee has no authority to approve 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;
3. Scrutinize issues and tasks prior to their submission to the Board of Directors for consideration, except where the tasks are under the responsibility or authority of other sub committees, they will be scrutinized by such related Committees prior to being directly submitted to the Board of Directors;
4. Acknowledge of internal audit reports concerning preventive and audit measures. Damage or possible loss which could severely affect the company must be immediately reported by the Group Internal Audit to the Executive Committee; and
5. Consider or approve any issues which are assigned by the Board of Directors.

3. THE EXECUTIVE OFFICERS

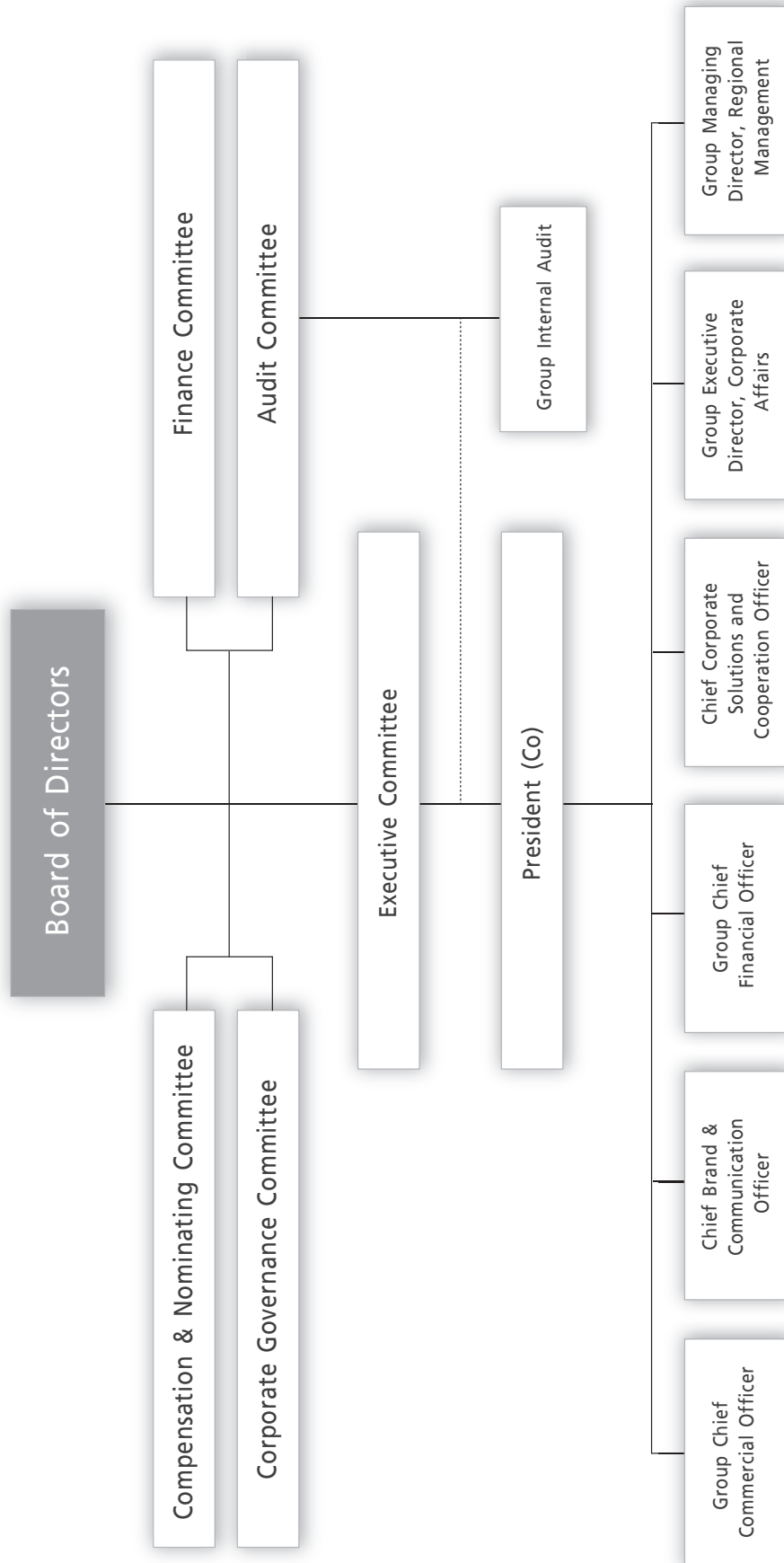
As of 31st December 2017, there were 9 Executive Officers ^{1/}, namely:

| NAME | | POSITION |
|-----------------|-------------------|---|
| 1. Mr. Vichaow | Rakphongphairoj | President (Co)-Operations |
| 2. Dr. Kittinut | Tikawan | President (Co)-Commercial |
| 3. Mr. William | Harris | Group Chief Financial Officer |
| 4. Mr. Charoen | Limkangwanmongkol | Group Chief Commercial Officer |
| 5. Dr. Papon | Ratanachaikanont | Chief Brand & Communication Officer |
| 6. Mr. Songtham | Phianpattanawit | Chief Corporate Solutions and Cooperation Officer |
| 7. Mr. Kachorn | Chiaravanont | Group Executive Director of Corporate Affairs |
| 8. Mr. Siripoj | Kunakornphan | Senior Group Managing Director of Regional Management |
| 9. Mr. Anat | Mekpaiboonvatana | Senior Group Managing Director of Regional Management |

Remark: ^{1/} 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 laws and are not prohibited under the laws and do not possess any untrustworthy characteristics under regulations of the SEC.

Management Structure



AUTHORITIES AND RESPONSIBILITIES OF PRESIDENT (CO)

President (Co) 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 President (Co) 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 Shareholders' resolutions, the Board of Directors' resolutions, the Company's business direction and relevant legislations.

The authorities and responsibilities of the President (Co) are as follows:

- 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 that the Company conducts its business 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 President (Co) will be responsible for executing those comments or suggestions in order to achieve an effective outcome;
- Engage in any contract or agreement and to 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 and
- Execute any other tasks assigned by the Board of Directors.

4. COMPANY SECRETARY

The Board of Directors appointed Mrs. Rangsinnee Sujaritsunchai as a Company Secretary since 27th 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".

5. REMUNERATION OF THE COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS

(1) MONETARY REMUNERATION

(1.1) Remuneration of Directors

During 1st January - 31st December 2017, the 17 directors of the Company were remunerated in the total amount of Baht 28,766,667; 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 | | |
| Dr. Kosol Petchsuwan | 3,600,000 | |
| 1 January 2017 – 30 June 2017 : Mr. Vitthya Vejjajiva | 1,800,000 | |
| 15 September 2017 – 31 December 2017 : Dr. Harald Link and Mr. Joti Bhokavanij | 1,060,000 | |
| Total | | 11,120,000 |
| Group 2 | | |
| - Independent Directors who are Committee members | | |
| 1 January 2017 – 14 September 2017 : Mr. Joti Bhokavanij | 1,693,333 | |
| 15 September 2017 – 31 December 2017 : Mrs. Preprame Seriwongse | 706,667 | |
| 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 | | |
| Professor Rawat Chamchalerm and Mr. Xu Genluo | 1,200,000 | |
| 1 January 2017 – 14 September 2017 : Dr. Harald Link | 846,667 | |
| - Directors | | |
| Mr. Suphachai Chearavanont Mr. Soopakij Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Vichaow Rakphongphairoj, Mr. Umroong Sanphasitvong, Mr. Narong Chearavanont and Prof. Dr. Warapatr Todhanakasem | 1,200,000 | |
| Total | | 11,646,667 |
| Grand Total | | 28,766,667 |

(1.2) Remuneration of Executive Officers

The top 9 executives received remuneration totaling Baht 217.15 million in the Year 2017 (from 1st January 2017 to 31st December 2017) 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 2017, the Company made contributions for 9 Executive Officers in the aggregate amount of Baht 8.44 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 1st January 2014 to 31st 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 Officers 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 2017, 9 Executive Officers joined the program and the Company made contributions in the aggregate amount of Baht 25.42 million.

(2.2.3) Employee Joint Investment Program Year 2017 - 2020 ("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 1st January 2017 to 31st December 2020. 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 Officers who voluntarily joins program in each month till the end of the program period as follows:

- (1) The Company will deduct from payroll of eligible Executive Officers for CEO and MD or equivalent level at the rate of 5% on a monthly basis. The Company will contribute 10% of the Executive Officers' salary.
- (2) The Company will deduct from payroll of eligible Executive Officers for Director or equivalent level at the rate of 3% or 5% on a monthly basis. The Company will contribute in the equivalent rate of the Executive Officers contribution, and
- (3) The Company will deduct from payroll of eligible Executive Officers for Deputy Director or equivalent at the rate of 3% on a monthly basis. The Company will contribute 3% of the Executive Officers' salary.

In 2017, 9 Executive Officers joined the program and the Company made contributions in the aggregate amount of Baht 12.70 million.

6. PERSONNEL

As of 31st December 2017, the total number of employees was as follows:

| Work Group and Classification | Number of Employees |
|----------------------------------|---------------------|
| Management | 449 |
| Service Area & Network Operation | 1,468 |
| Marketing & Sales | 646 |
| Information Technology | 75 |
| Customer Services | 354 |
| Finance & Accounting | 261 |
| Support | 917 |
| Total | 4,170 |

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.
- From 1st January - 31st December 2017, the total remuneration for employees was approximately Baht 3,808.91 million, comprising wages and salaries of Baht 2,605.70 million, bonuses of Baht 483.76 million, social security fund of Baht 37.56 million, provident fund of Baht 229.67 million, and other benefits of Baht 452.22 million.

(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

7. EMPLOYEE TRAINING AND DEVELOPMENTS

The Company places great emphasis on the training and developments of its employees. Therefore, it has established the “Learning & Development Center” 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 Learning & Development 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 Learning & Development Center, beyond being an employee training and development programs provider, are those of change agent and business partner for every department.

The Learning & Development 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. It encourages employee’s readiness for complicate challenges by applying 70:20:10 (Action learning: Self-learning: Class room training) learning model.

Presently, the Learning & Development 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 Learning & Development 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 the Company’s developments and for training registrations. Moreover, a simulator has been installed to aid in job training so that the employees will have the proper skills to succeed in their tasks. The Company has also provided VDO conference long-distance learning platform for employees who work outside Bangkok, a self-E-learning system, for examples, True HR application in Prompt2Learn categories.

In addition, the Company has applied knowledge management, which has been created based on learning culture for all employees to encourage a learning and knowledge-sharing community which will effectively applied with the employees’ jobs by determining systematically standard of development, verification, and knowledge management for every department. It has a People Committee that is responsible for selecting and approving knowledge that is consistent with the Company’s core competency development strategy and business continuity, as well as supports the organization’s operations.

The Company has offered approximately 425 training courses per year. In 2017, the total Training Man-days was 36,593 with an expenditure of THB 90.2 million. There are development courses for employees at all levels; for example, Organization Culture 4Cs, Effective Communications, Planning and Organizing, and Effective Self Development.

In 2017, the Company focused on the followings: 1) action learning development through business projects in order to understand the Company's business together with business professional leaders, 2) Customer Centric Organization., 3) Skills-development courses, which included, among others, Effective Communications, Problem Solving and Decision Making, Negotiations, Project Management, Risk Management, Finance for Non-Finance Manager and Operation Management., 4)The core business, business and product development and new technologies which also answered to the Thailand 4.0 roadmap. Those courses included, for example, 4G Technology, FTTx, Internet Of Thing(IoT), Trend of Technology, Digital TV, Broadband Network, NGN Network & Application. In addition, the Company also provided a safety program for technicians and engineers, and the commercial and customer services development courses for salesman, customer service officers, and technicians, e.g. 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., 5) Training for sustainable development, e.g. courses on sustainability, the Code of Conduct, which is the rule of working to build the good corporate governance, and anti-corruption in workplace.

Furthermore, the Learning & Development Center has cooperated with both public and private academic institutes to provide courses in ICT and related technology, such as Bachelor of Business Administration (Modern Trade Business Management) of Panyapiwat Institute of Management. In addition, the Learning & Development Center has also arranged trainings for undergraduates every year. These are crucial parts of the Company's Corporate Social Responsibility and Social Enterprise activities in order to become a role model for large enterprises in creating value for society and the Country.

INFORMATION OF DIRECTORS, EXECUTIVE OFFICERS, CONTROLLING PARTIES AND COMPANY SECRETARY (AS OF 31st DECEMBER 2017)

Directors

| Name | Mr. Joti Bhokavanij |
|---|---|
| Position | Independent Director, Chairman of the Audit Committee, Member of the Finance Committee and Member of the Compensation and Nominating Committee |
| Age (year) | 75 |
| Date of the First Appointment as a Director | 22 nd December 1999 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u></p> <p>Individual:</p> <ul style="list-style-type: none"> - None - <p>Spouse:</p> <ul style="list-style-type: none"> - None - <p><u>Debenture:</u></p> <p>Individual:</p> <ul style="list-style-type: none"> - None - <p>Spouse:</p> <ul style="list-style-type: none"> - None - |
| Family Relationship | - None - |
| Education | 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 |
| Related training programs held by the Thai Institute of Directors Association (IOD) | <ul style="list-style-type: none"> - Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP) - IOD National Director Conference 2012 - Moving Corporate Governance Forward : Challenge for Thai Directors - Monitoring the Quality of Financial Reporting (MFR) - Successful Formulation & Execution of Strategy (SFE) - How to Measure the Success of Corporate Strategy (HMS) - Monitoring Fraud Risk Management (MFM) - Monitoring the Internal Audit Function (MIA) - Monitoring the System of Internal Control and Risk Management (MIR) - CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control - IOD Seminar: Nomination Committee Best Practice Guideline - IOD Seminar: Audit Committee Forum |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>Sep 2017 - Present Independent Director and Chairman of the Audit Committee, True Corporation Public Company Limited</p> <p>1999 - Sep 2017 Independent Director and Member of the Audit Committee, 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</p> <p>2002 - Oct 2017 Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited</p> |

Major Experience

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

2013 - Present Independent Director and Member of the Audit Committee,
Siam Makro Public Company Limited

2013 - Present Chairman, Bangkok Ranch Public Company Limited

2012 - Present Independent Director and Member of the Audit Committee,
Loxley Public Company Limited

Non - Listed Companies in the Stock Exchange of Thailand

2009 - Present Director, Thai Smart Card Company Limited

1999 - 2017 Director, Kingfisher Holdings Limited

Other Key Positions

2004 - 2006 Chief Executive Officer, ACL Bank Public Company Limited
(Presently known as Industrial and Commercial Bank of China
(Thai) 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

| Name | Dr. Kosol Petchsuwan |
|---|---|
| Position | Independent Director, Member of the Audit Committee and Chairman of the Corporate Governance Committee |
| Age (year) | 78 |
| Date of the First Appointment as a Director | 11 th February 1993 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: - None - Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | Doctor of Philosophy (Engineering), Imperial College London Bachelor of Engineering, Imperial College London |
| Related training programs held by the Thai Institute of Directors Association (IOD) | <ul style="list-style-type: none"> - Director Accreditation Program (DAP) - Director Certification Program (DCP) - Audit Committee Program (ACP) - Role of the Chairman Program (RCP) - Financial Institutions Governance Program (FGP) - Finance for Non-Finance Directors (FND) - Monitoring Fraud Risk Management (MFM) - Monitoring of the Quality of Financial Reporting (MFR) - Monitoring the Internal Audit Function (MIA) - Monitoring the System of Internal Control and Risk Management (MIR) - Chartered Director Class (R-CDC) - Audit Committee Effectiveness Seminar: What Works Best – Global Practices vs. Practices in Thailand - 2012 Theme: Innovative Approaches to Create Value for Business and Society - IOD Director Briefing 1/2013 Thailand's Economic Outlook 2013 - IOD Tea Talk : "Effective Regulation and Corporate Governance in Asia" - The 2nd National Director Conference 2013 "Board Leadership Evolution" - IOD Director Briefing 2/2014 : The Four Pillars of Board Effectiveness - Directors Forum 2014 : Family Business Governance of Sustainability - Improving Corporate Governance Key to Advancing Thailand (the 3rd National Director Conference 2014) - CG Forum 2/2015 : Board's and Management's Responsibilities on Internal Control - Thailand Competitiveness Conference 2015 : Building Competitive Thailand for Sustainability and Inclusiveness - National Director Conference 2017 "Steering Governance in a Changing World" - Updated COSO Enterprise Risk Management : Integrating with Strategy and Performance |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited 2011 - Present Chairman of the Corporate Governance Committee, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand 2014 - Present Member of the National Legislative Assembly</p> <p><u>Other Key Positions</u> 2004 - 2016 Chairman of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited 2001 - 2009 Director, Mahidol Wittayanusorn School (Public Organization) 2001 - 2005 President, The Telecommunications Association of Thailand under Royal Patronage 2000 - 2001 Chairman, The Aeronautical Radio of Thailand Limited 1986 - 1992 Rector, King Mongkut's Institute of Technology Ladkrabang</p> |

| Name | Dr. Harald Link |
|---|---|
| Position | Independent Director and Chairman of the Compensation and Nominating Committee |
| Age (year) | 63 |
| Date of the First Appointment as a Director | 1 st March 2010 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 825,134 shares (0.00%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | MBA, St. Gallen University, Switzerland |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program 03/2016 |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Sep 2017 - Present Independent Director and Chairman of the Compensation and Nominating Committee, True Corporation Public Company Limited Mar 2010 - Sep 2017 Independent Director, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Jul 2017 - Present Chairman, B. Grimm Power Public Company Limited 1998 - Present Independent Director, Siam City Cement Public Company Limited Non - Listed Companies in the Stock Exchange of Thailand 1987 - Present Chairman, B. Grimm Group of Companies Present Director, Carrier Ltd. Director, Siemens Ltd. Director, Merck Ltd.</p> <p><u>Other Key Positions</u> 2016 Honorary Doctor of Business Administration (Management), Rajamangala University of Technology Srivijaya 2000 - Feb 2010 Director, True Corporation Public Company Limited 1981 - 1986 Director, Executive Committee, B. Grimm Group 1979 - 1980 Assistant to Managing Partner, B. Grimm Group</p> |

| Name | Prof. Rawat Chamchalerm |
|---|--|
| Position | Independent Director |
| Age (year) | 73 |
| Date of the First Appointment as a Director | 1 st Mar 2010 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 323,263 shares (0.00%) Spouse: 76,728 shares (0.00%)</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | <p>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)</p> |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program (DAP) |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Mar 2010 - Present Independent Director, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 2013 - Present Chairman of the Board and Independent Director, Sino-Thai Engineering and Construction Public Company Limited 2010 - 2013 Chairman of the Board, Sino-Thai Engineering and Construction Public Company Limited Independent Director, Loxley Public Company Limited Present Independent Director, Serm Suk Public Company Limited Advisor, Bangkok Airways Public Company Limited Non - Listed Companies in the Stock Exchange of Thailand Present Advisor, AP Honda Co., Ltd. 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 Lecturer in Administration Development, the Ministry of Interior of Thailand 2004 - Present Special Lecturer, Office of the Attorney General, Ministry of Interior of Thailand Advisor, Athletic Association of Thailand Patron : His Majesty the King Expert Member in Law, Special Committee in the Council of State 2002 - Present 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 1995 - Present Director, National Olympic Committee of Thailand Legal Adviser, Supreme Commander</p> |

Major Experience

Other Key Positions

| | |
|-------------|--|
| 2007 - 2015 | Vice Chairman, Siam City Leasing Factoring Public Company Limited |
| 2002 - 2014 | Expert Member, Board of Special Case, Department of Special Investigation (DSI) |
| | Director, The Officer of Board of Royal Thai Police |
| 2004 - 2004 | 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 |
| 2003 - 2004 | Vice Chairman, Thai Bar Association |
| | Attorney General, Office of the Attorney General |
| 2001 - 2004 | Director, Government Pension Fund |
| 2002 - 2006 | Chairman and Independent Director, The Mass Communication Organization of Thailand |
| 2000 - 2003 | Deputy Attorney General, Office of the Attorney General |
| 2000 - 2002 | Board of Director, The Mass Communication Organization of Thailand |
| 2000 - 2006 | Director, Provincial Waterworks Authority |
| 1996 - 2000 | Director General, Technical Affairs Department, Office of the Attorney General |
| 1996 | Director General, Training and Development Institute, Office of the Attorney General |
| 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 |
|---|---|
| Position | Independent Director |
| Age (year) | 60 |
| Date of the First Appointment as a Director | 2 nd Sep 2014 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None - |
| Family Relationship | - None - |
| Education | Electronics Major, Hangzhou Institute of Electronic Engineering |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2014 - Present Independent Director, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand Present Director, Thai-Chinese Rayong Industrial Services Co., Ltd. 2014 – Present President, Holley Holding (Thailand) Co., Ltd. 2007 – Present President, Thai - Chinese Rayong Industrial Realty Development Co., Ltd. Vice-Chairman, Chinese-Thai Enterprise Association <u>Other Key Positions</u> 2000 - 2007 General Manager, Holley Group Electric (Thailand) Co., Ltd. 1999 - 2000 President of Production Plan Department of Holley Group 1995 - 1999 General Manager, Holley Meter Factory |

| Name | Mrs. Preeprame Seriwongse |
|---|---|
| Position | Independent Director and Member of the Audit Committee |
| Age (year) | 62 |
| Date of the First Appointment as a Director | 15 th Sep 2017 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: - None - |
| | <u>Debenture:</u> Individual: - None - |
| Family Relationship | - None - |
| Education | Master of Science in Computer Information System (MIS), (Outstanding Performance Certificate) Assumption University (ABAC) Bachelor of Science in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Certification Program (DCP) |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand 2007 - Present Director and Chairman of the Audit Committee, Thai Smart Card Company Limited 2010 - Present Advisor, Gosoft (Thailand) Company Limited <u>Other Key Positions</u> 2010 - 2012 Advisor, Bangkok Broadcasting Television Channel 7 2006 - 2009 Director, National ITMX Co., Ltd. (A Joint Venture of major commercial banks for Electronics Fund Transfer) 2004 - 2007 Board Member, Technology Council, The Asian Banker Summit 2000 - 2010 First Executive Vice President, Information Technology Group/Operations Group, Bank of Ayudhya Public Company Limited 1995 - 1999 Director, Applied Technology Department, Bank of Asia Public Company Limited (Presently known as United Overseas Bank (Thai) Public Company Limited (UOB)) 1977 - 1994 Deputy Director, Computer Department, Kasikornbank Public Company Limited |

| Name | Mr. Dhanin Chearavanont |
|---|--|
| Position | Chairman of the Board |
| Age (year) | 78 |
| Date of the First Appointment as a Director | 11 th Feb 1993 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None - |
| Family Relationship | Mr. Soopakij's, Mr. Narong's and Mr. Suphachai's father |
| Education | Commercial School, Hong Kong Shantou Secondary School, The People's Republic of China The National Defence College of Thailand |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program (DAP) |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Present Chairman of the Board, True Corporation Public Company Limited Director, Telecom Holding Company Limited Nov 2001 - Sep 2017 Chairman of the Compensation and Nominating Committee, True Corporation Public Company Limited 2003 - Oct 2017 Honorary Chairman, True Move Company Limited 2000 - Oct 2017 Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Present Chairman, Charoen Pokphand Foods Public Company Limited Chairman, CP All Public Company Limited Non - Listed Companies in the Stock Exchange of Thailand Present Senior Chairman, Charoen Pokphand Group Company Limited |

| Name | Dr. Ajva Taulananda |
|---|--|
| Position | Vice Chairman of the Board, Chairman of the Finance Committee and Member of the Corporate Governance Committee |
| Age (year) | 79 |
| Date of the First Appointment as a Director | 11 th Feb 1993 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: - None - Spouse: 135,601 Shares (0.00%) <u>Debenture:</u> TUC: Individual: - None - Spouse: 20,000 units |
| Family Relationship | - None - |
| Education | Honorary Doctorate in Management, The University of Thai Chamber of Commerce Honorary Doctorate in Engineering, Ramkhamhaeng University Honorary Doctorate in Engineering, Chulalongkorn University Doctorate in Industrial Engineering and System, Illinois Institute of Technology, USA Master 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 |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP) |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</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 Director, Telecom Holding Company Limited Director, True Information Technology Company Limited 2009 – Jan 2017 Director, True Internet Corporation Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand 1992 - 2017 Vice Chairman, Charoen Pokphand Group Company Limited Present Chairman, Board of Trustee of Thailand Management Association Director, Office of the National Economic and Social Development Board Member of the Board of National Science and Technology Development Agency <u>Other Key Positions</u> 2001 - 2004 Chairman, Thai Chamber of Commerce and Board of Trade of Thailand 1993 - 1999 President, True Corporation Public Company Limited 1991 - 1992 Deputy Minister, Ministry of Agriculture and Cooperatives 1979 Deputy Minister, Ministry of Industry |

| Name | Prof. Athueck Asvanund* | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------|--|-------------|---|----------------|---|----------------|-------------------------------------|--|---|----------------|---|-----------------|--|--|--|----------------|--|--|--|---------|---|--------------------|--|-----------------|---|---------|--|------|--|-------------|--|-------------|------------------|
| Position | Vice Chairman of the Board and Senior Advisor | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age (year) | 66 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Date of the First Appointment as a Director | 22 nd Aug 1997 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 1,765,396 shares (0.01%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Family Relationship | - None - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Education | Master of Laws, specialized in International Legal Studies, New York University, USA Bachelor of Laws (Honours), Thammasat University | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Training | <ul style="list-style-type: none"> - Capital Market Academy Leader Program (Class 3), Capital Market Academy - Program for Senior Executive on Administrative Justice (Class 19), Judicial Training Institute - The Rule of Law for Democracy (Class 4), College of Constitution, The Constitutional Court of Thailand | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program (DAP) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td>2017 - Present</td><td>Vice Chairman of the Board and Senior Advisor, True Corporation Public Company Limited</td></tr> <tr> <td>1997 - 2017</td><td>Vice Chairman of the Board and Group General Counsel, True Corporation Public Company Limited</td></tr> <tr> <td>1997 - Present</td><td>Director, Subsidiaries of True Corporation Public Company Limited</td></tr> <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>2010 - Present</td><td>Director, True Move H Universal Communication Company Limited</td></tr> <tr> <td>2008 - Feb 2009</td><td>Company Secretary, True Corporation Public Company Limited</td></tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <table> <tr> <td colspan="2">Other Listed Companies in the Stock Exchange of Thailand</td></tr> <tr> <td>1997 - Present</td><td>Advisor to the Board of Directors, CP All Public Company Limited</td></tr> <tr> <td colspan="2">Non - Listed Companies in the Stock Exchange of Thailand</td></tr> <tr> <td>Present</td><td>Director, Amata B.Grimm Power Co., Ltd.</td></tr> <tr> <td>Jan 2017 - Present</td><td>Chairman of Legal office, Attaching to Senior Chairman of Charoen Pokphand Group, Charoen Pokphand Group Company Limited</td></tr> <tr> <td>1997 - Jan 2017</td><td>Group General Counsel, Charoen Pokphand Group Company Limited</td></tr> <tr> <td>Present</td><td>Lecturer, Business Law, Faculty of Law, Chulalongkorn University</td></tr> </table> <p><u>Other Key Positions</u></p> <table> <tr> <td>2011</td><td>By Royal Proclamation : Professor of Law, Faculty of Law, Chulalongkorn University</td></tr> <tr> <td>2001 - 2006</td><td>Associate Judge, Central Intellectual Property and International Trade Court</td></tr> <tr> <td>1978 - 1997</td><td>Baker & McKenzie</td></tr> </table> | 2017 - Present | Vice Chairman of the Board and Senior Advisor, True Corporation Public Company Limited | 1997 - 2017 | Vice Chairman of the Board and Group General Counsel, True Corporation Public Company Limited | 1997 - Present | Director, Subsidiaries of True Corporation Public Company Limited | 2002 - Present | Director, True Move Company Limited | | Director, Bangkok Inter Teletech Public Company Limited | 2010 - Present | Director, True Move H Universal Communication Company Limited | 2008 - Feb 2009 | Company Secretary, True Corporation Public Company Limited | Other Listed Companies in the Stock Exchange of Thailand | | 1997 - Present | Advisor to the Board of Directors, CP All Public Company Limited | Non - Listed Companies in the Stock Exchange of Thailand | | Present | Director, Amata B.Grimm Power Co., Ltd. | Jan 2017 - Present | Chairman of Legal office, Attaching to Senior Chairman of Charoen Pokphand Group, Charoen Pokphand Group Company Limited | 1997 - Jan 2017 | Group General Counsel, Charoen Pokphand Group Company Limited | Present | Lecturer, Business Law, Faculty of Law, Chulalongkorn University | 2011 | By Royal Proclamation : Professor of Law, Faculty of Law, Chulalongkorn University | 2001 - 2006 | Associate Judge, Central Intellectual Property and International Trade Court | 1978 - 1997 | Baker & McKenzie |
| 2017 - Present | Vice Chairman of the Board and Senior Advisor, True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 - 2017 | Vice Chairman of the Board and Group General Counsel, True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 - Present | Director, Subsidiaries of True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2002 - Present | Director, True Move Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Director, Bangkok Inter Teletech Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2010 - Present | Director, True Move H Universal Communication Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2008 - Feb 2009 | Company Secretary, True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other Listed Companies in the Stock Exchange of Thailand | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 - Present | Advisor to the Board of Directors, CP All Public Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non - Listed Companies in the Stock Exchange of Thailand | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Present | Director, Amata B.Grimm Power Co., Ltd. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan 2017 - Present | Chairman of Legal office, Attaching to Senior Chairman of Charoen Pokphand Group, Charoen Pokphand Group Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1997 - Jan 2017 | Group General Counsel, Charoen Pokphand Group Company Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Present | Lecturer, Business Law, Faculty of Law, Chulalongkorn University | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2011 | By Royal Proclamation : Professor of Law, Faculty of Law, Chulalongkorn University | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2001 - 2006 | Associate Judge, Central Intellectual Property and International Trade Court | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1978 - 1997 | Baker & McKenzie | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* Authorized Signatory

| Name | Dr. Li Zhengmao |
|---|---|
| Position | Vice Chairman of the Board and Member of the Compensation and Nominating Committee |
| Age (year) | 55 |
| Date of the First Appointment as a Director | 2 nd Sep 2014 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: - None - Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None - |
| Family Relationship | - None - |
| Education | PhD in Radio Engineering Department, Southeast University of China |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2014 - Present Vice Chairman of the Board and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand 2009 - Present Vice President, China Mobile Communications Corporation Present Director & Deputy General Manager, China Mobile Communications Co., Ltd. Non-Executive Director, China Communications Services Corporation Ltd. <u>Other Key Positions</u> 1992 - 1994 Professor of the China Electronic Technology University Deputy Director, Mobile Communications Research Institute Deputy Director, Science and Technology Institute for the University of Electronic Science and Technology of China |

| Name | Prof. Dr. Warapatr Todhanakasem |
|---|---|
| Position | Director, Member of the Finance Committee and Member of the Corporate Governance Committee |
| Age (year) | 68 |
| Date of the First Appointment as a Director | 1 st Mar 2012 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 135,742 shares (0.00%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | <p>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. (1st Class Honor), Thammasat University LL.B., Thammasat University</p> |
| Related training programs held by the Thai Institute of Directors Association (IOD) | <ul style="list-style-type: none"> - Director Certification Program (DCP) - Director Accreditation Program (DAP) - The Role of Chairman (RCM) - Role of the Compensation Committee (RCC) |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Sep 2017 - Present Member of the Corporate Governance Committee, True Corporation Public Company Limited 2012 - Present Director and Member of the Finance Committee, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand 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 Non - Listed Companies in the Stock Exchange of Thailand 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</p> <p><u>Other Key Positions</u> - 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</p> |

| Name | Mr. Umroong Sanphasitvong |
|---|---|
| Position | Director, Member of the Finance Committee and Member of the Compensation and Nominating Committee |
| Age (year) | 65 |
| Date of the First Appointment as a Director | 16 th Nov 2001 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 1,650,226 shares (0.00%) Spouse: 5,271 shares (0.00%)</p> <p><u>Debenture:</u> TUC: Individual: - None - Spouse: 2,000 units</p> |
| Family Relationship | - None - |
| Education | Master of Accounting, Thammasat University Bachelor of Accounting, Thammasat University |
| Related training programs held by the Thai Institute of Directors Association (IOD) | <ul style="list-style-type: none"> - Director Certification Program (DCP) - Company Secretary - Board Performance Evaluation - DCP Refresher - IOD National Director Conference 2012 – Moving Corporate Governance Forward : Challenge for Thai Directors - Role of the Compensation Committee - Ethical Leadership Program - IT Governance |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 2001 - Present Director, True Corporation Public Company Limited Present Member of the Finance Committee and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Present Director, CP All Public Company Limited Director, Siam Makro Public Company Limited</p> <p>Non - Listed Companies in the Stock Exchange of Thailand Present Deputy Group CFO, Charoen Pokphand Group Company Limited Director, CPPC Public Company Limited Director, C.P. Lotus Corporation 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) Director, The Iconsiam Chaopraya River Holdings Company Limited Director, Thai Smart Card Company Limited Director, True Leasing Company Limited Director, Wire & Wireless 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 Director, Asia Freewill Co., Ltd. Director, Suksapiwat Company Limited Director, OHT Company Limited Director, Siam River Holdings Company Limited Director, Siam Makro Holding (Thailand) Ltd.</p> |

| Name | Mr. Vichaow Rakphongphairoj* |
|---|---|
| Position | Director and President (Co) |
| Age (year) | 60 |
| Date of the First Appointment as a Director | 30 th Nov 2000 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 2,078,281 shares (0.01%) Spouse: - None -</p> <p><u>Debenture:</u> TUC: Individual: 11,000 units Spouse: 1,100 units</p> |
| Family Relationship | - None - |
| Education | Master of Business Administration Pepperdine University, USA Master of Electrical Engineering University of Wisconsin, USA Bachelor of Electrical Engineering Arizona State University, USA |
| Training | - Senior Executives on Justice Administration Program (No. 15) - Capital Market Academy Leader Program (No. 14) |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Certification Program (DCP No. 16) |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>Feb 2017 - Present Director and President (Co), True Corporation Public Company Limited</p> <p>May 2016 – Feb 2017 Director and Deputy Chief Executive Officer, True Corporation Public Company Limited</p> <p>Present 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, Cineplex Company Limited Director and President (Co), True Move H Universal Communication Company Limited Director, True Visions Group Company Limited Director, Telecom Asset Management Company Limited Director, True Incube Company Limited Director, True Digital Park Company Limited</p> <p>True Corporation Public Company Limited</p> <p>2014 - May 2016 Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance Broadband, Mobile, CATV</p> <p>2012 - 2013 Director and Group Chief Operating Officer – Network Quality and Operation and Maintenance</p> <p>2000 - 2012 Director, Managing Director and Group Chief Operating Officer - Network Quality and Operation & Maintenance</p> <p>1998 - 2000 E.V.P., Business & Enterprise</p> <p>1997 - 1998 E.V.P., Central Operation & Information Technology</p> <p>1996 - 1997 Region Director, Bangkok-Southeast Region</p> <p>1995 - 1996 Region Director, Bangkok-West Region</p> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand - None -</p> <p>Non - Listed Companies in the Stock Exchange of Thailand Present Chairman of Executive Committee, Pantavanij Company Limited Chairman of Executive Committee, Freewill Solutions Company Limited Director, Thai Smart Card Company Limited</p> |

* Authorized Signatory

| Name | Mr. Chatchaval Jiaravanon* |
|---|---|
| Position | Director |
| Age (year) | 56 |
| Date of the First Appointment as a Director | 11 th Feb 1993 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: 1,163,754 shares (0.00%) Spouse: - None - <u>Debenture:</u> Individual: - None - 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 | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> 1993 - Present Director and Managing Director-Group Investment, True Corporation Public Company Limited 2000 - Present President and CEO, Telecom Holding Company Limited Present Director, Cineplex Company Limited Director, K.I.N. (Thailand) Company Limited Director, Panther Entertainment Company Limited Director, Sattellite Service Company Limited Director, True Information Technology Company Limited Director, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Director, True Touch Company Limited Director, True Visions Group Company Limited 2009 - Feb 2017 Director, True Internet Corporation Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand Nov 2014 - Present Director, WP Energy Public Company Limited Feb 2017 - Present Independent Director and Member of the Audit Committee, SVI Public Company Limited 2013 - Present Director, SVI Public Company Limited 2007 - Present Chairman of the Board, Finansia Syrus Securities Public Company Limited 2001- Present Independent Director and Member of the Audit Committee, Ticon Industrial Connection Public Company Limited 2000 - Present Director, AEON Thana Sinsap (Thailand) Public Company Limited Non - Listed Companies in the Stock Exchange of Thailand Present Chairman, Thai Kodama Company Limited Director, ECHO Autoparts (Thailand) Company Limited Director, CPPC Public Company Limited Director, WP Gas Company Limited Director, WP Solutions Company Limited Director, WP Sollar Company Limited Director, NEC Corporation (Thailand) Company Limited 2006 - Present Chairman, Thai Kodama Company Limited 1990 - Present Director, Metro Machinery Company Limited <u>Other Key Positions</u> 2005 - 2013 Director, Amanah Leasing Public Company Limited 1992 - 2005 Director, Thai Kodama Company Limited |

* Authorized Signatory

| Name | Mr. Soopakij Chearavanont* | | | | | | | | | | | | | | | | | | |
|---|---|---------|--|-----------------|-------------------------------------|-----------------|--|-----------------|---|-----------------|---|--|--|---------|---|--|--|---------|---|
| Position | Director and Member of the Compensation and Nominating Committee | | | | | | | | | | | | | | | | | | |
| Age (year) | 54 | | | | | | | | | | | | | | | | | | |
| Date of the First Appointment as a Director | 11 th Feb 1993 | | | | | | | | | | | | | | | | | | |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 5,628,291 shares (0.02%) Spouse: 3,045 shares (0.00%) - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> | | | | | | | | | | | | | | | | | | |
| Family Relationship | Mr. Dhanin's son, Mr. Narong's and Mr. Suphachai's elder brother | | | | | | | | | | | | | | | | | | |
| Education | Honorary Degree of Doctor of Philosophy in Business Administration, Ramkhamhaeng University, Thailand Bachelor of Science Degree in the College of Business and Public Administration of New York University, USA | | | | | | | | | | | | | | | | | | |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program (DAP) 92/2011 | | | | | | | | | | | | | | | | | | |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td data-bbox="582 1178 651 1200">Present</td><td data-bbox="794 1178 1461 1456"> Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Executive Chairman, True Visions Group Company Limited Executive Chairman, Telecom Holding Company Limited Chairman, SM True Company Limited Chairman, Satellite Service Company Limited Chairman, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Chairman, Panther Entertainment Company Limited Chairman, Cineplex Company Limited Director, True Information Technology Co., Ltd. </td></tr> <tr> <td data-bbox="582 1458 746 1480">2002 - Oct 2017</td><td data-bbox="794 1458 1145 1480">Director, True Move Company Limited</td></tr> <tr> <td data-bbox="582 1482 746 1505">2002 - Oct 2017</td><td data-bbox="794 1482 1321 1505">Director, Bangkok Inter Teletch Public Company Limited</td></tr> <tr> <td data-bbox="582 1507 746 1529">2009 - Feb 2017</td><td data-bbox="794 1507 1273 1529">Director, True Internet Corporation Company Limited</td></tr> <tr> <td data-bbox="582 1532 746 1554">1995 - Jan 2017</td><td data-bbox="794 1532 1161 1554">Director, True Internet Company Limited</td></tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <table> <tr> <td colspan="2" data-bbox="582 1615 1134 1637">Other Listed Companies in the Stock Exchange of Thailand</td></tr> <tr> <td data-bbox="582 1639 651 1662">Present</td><td data-bbox="794 1639 1177 1662">Director, C.P. All Public Company Limited</td></tr> <tr> <td colspan="2" data-bbox="582 1664 1134 1686">Non - Listed Companies in the Stock Exchange of Thailand</td></tr> <tr> <td data-bbox="582 1688 651 1711">Present</td><td data-bbox="794 1688 1493 2065"> Chairman, Charoen Pokphand Group 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 Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall Chief Executive Officer & Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Company Limited Executive Chairman & Chief Executive Officer, C.P. Lotus Corporation </td></tr> </table> | Present | Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Executive Chairman, True Visions Group Company Limited Executive Chairman, Telecom Holding Company Limited Chairman, SM True Company Limited Chairman, Satellite Service Company Limited Chairman, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Chairman, Panther Entertainment Company Limited Chairman, Cineplex Company Limited Director, True Information Technology Co., Ltd. | 2002 - Oct 2017 | Director, True Move Company Limited | 2002 - Oct 2017 | Director, Bangkok Inter Teletch Public Company Limited | 2009 - Feb 2017 | Director, True Internet Corporation Company Limited | 1995 - Jan 2017 | Director, True Internet Company Limited | Other Listed Companies in the Stock Exchange of Thailand | | Present | Director, C.P. All Public Company Limited | Non - Listed Companies in the Stock Exchange of Thailand | | Present | Chairman, Charoen Pokphand Group 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 Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall Chief Executive Officer & Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Company Limited Executive Chairman & Chief Executive Officer, C.P. Lotus Corporation |
| Present | Director and Member of the Compensation and Nominating Committee, True Corporation Public Company Limited Executive Chairman, True Visions Group Company Limited Executive Chairman, Telecom Holding Company Limited Chairman, SM True Company Limited Chairman, Satellite Service Company Limited Chairman, True Media Solutions Company Limited (Formerly True Digital Media Company Limited) Chairman, Panther Entertainment Company Limited Chairman, Cineplex Company Limited Director, True Information Technology Co., Ltd. | | | | | | | | | | | | | | | | | | |
| 2002 - Oct 2017 | Director, True Move Company Limited | | | | | | | | | | | | | | | | | | |
| 2002 - Oct 2017 | Director, Bangkok Inter Teletch Public Company Limited | | | | | | | | | | | | | | | | | | |
| 2009 - Feb 2017 | Director, True Internet Corporation Company Limited | | | | | | | | | | | | | | | | | | |
| 1995 - Jan 2017 | Director, True Internet Company Limited | | | | | | | | | | | | | | | | | | |
| Other Listed Companies in the Stock Exchange of Thailand | | | | | | | | | | | | | | | | | | | |
| Present | Director, C.P. All Public Company Limited | | | | | | | | | | | | | | | | | | |
| Non - Listed Companies in the Stock Exchange of Thailand | | | | | | | | | | | | | | | | | | | |
| Present | Chairman, Charoen Pokphand Group 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 Co-Chairman, Shanghai Kinghill Limited – Super Brand Mall Chief Executive Officer & Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Company Limited Executive Chairman & Chief Executive Officer, C.P. Lotus Corporation | | | | | | | | | | | | | | | | | | |

* Authorized Signatory

Major Experience

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, Fortune Shanghai Limited
 Director, Lotus-CPF (PRC) Investment Company Limited
 Director, Ping An Insurance (Group) Company of China Limited

Other Key Positions

Community Service

| | |
|--------------------------|---|
| 2016 | Honorary Committee of Thailand Cambodia Friendship Association |
| 2014 | Advisor to the Deputy Minister of Defence |
| | Advisor to the Deputy Minister of Education |
| 2013 | Advisor to the Minister of Culture |
| | Advisor to the Deputy Minister of Defence |
| 2012 | Expert to the Committee on Labour and Social Welfare, The Senate |
| 2011 | Vice Chairman of Youth Committee of China Overseas Chinese Investment Enterprises Association |
| 2010 | Chairman of China Thailand Chamber of Commerce |
| 2009 | Committee Member of the Build Foundation |
| | Advisor to the Committee on Education, The House of Representatives |
| | Advisor to the 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 |
| 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 |
| <u>Royal Decorations</u> | |
| 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 |

| Name | Mr. Narong Chearavanont | | | | | | | | | | | | | | | | |
|---|---|---------------------------|--|----------------|--|----------------|---|----------------|---|----------------|---|----------------|---|---------|--|----------------|--|
| Position | Director | | | | | | | | | | | | | | | | |
| Age (year) | 53 | | | | | | | | | | | | | | | | |
| Date of the First Appointment as a Director | 29 th Apr 2008 | | | | | | | | | | | | | | | | |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 304,269 shares (0.00%)</p> <p><u>Debenture:</u> Individual: - None -</p> | | | | | | | | | | | | | | | | |
| Family Relationship | Mr. Dhanin's son, Mr. Soopakij's younger brother and Mr. Suphachai's elder brother | | | | | | | | | | | | | | | | |
| Education | Honorary Doctor of Business Administration, 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 Products, Processes and Services, MIT Sloan Executive Education (2015) | | | | | | | | | | | | | | | | |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Accreditation Program (DAP) (2007) | | | | | | | | | | | | | | | | |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td data-bbox="580 1227 727 1279">2008 - Present Present</td> <td data-bbox="794 1227 1513 1305">Director, True Corporation Public Company Limited Director and Executive Vice Chairman, True Visions Group Company Limited Director, True CJ Creations Company Limited</td> </tr> <tr> <td data-bbox="580 1308 727 1332">2011 - Present</td> <td data-bbox="794 1308 1190 1332">Vice Chairman, SM True Company Limited</td> </tr> <tr> <td data-bbox="580 1335 727 1359">2010 - Present</td> <td data-bbox="794 1335 1251 1359">Director, Panther Entertainment Company Limited</td> </tr> <tr> <td data-bbox="580 1361 727 1413">2009 - Present</td> <td data-bbox="794 1361 1193 1413">Director, Cineplex Company Limited Director, Satellite Service Company Limited</td> </tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <table> <tr> <td data-bbox="580 1496 727 1520">2013 - Present</td> <td data-bbox="794 1496 1222 1520">Director, Siam Makro Public Company Limited</td> </tr> <tr> <td data-bbox="580 1523 727 1547">1999 - Present</td> <td data-bbox="794 1523 1166 1547">Director, CP All Public Company Limited</td> </tr> </table> <p>Non - Listed Companies in the Stock Exchange of Thailand</p> <table> <tr> <td data-bbox="580 1576 655 1601">Present</td> <td data-bbox="794 1576 1513 1973">Senior Vice Chairman, Charoen Pokphand Group Company Limited Director, Siam Makro Holding (Thailand) Limited Director, True Iconsiam Company Limited Director, The Iconsiam Chaopraya River Holdings Company Limited Director, Siam River Holdings Company Limited 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 Director, Lotus Distribution Investment Limited Governance Committee, Leadership Development Institute</td> </tr> <tr> <td data-bbox="580 1975 727 2000">2013 - Present</td> <td data-bbox="794 1975 1315 2024">Director, Shanghai Yilian Supermarket Company Limited Director, Shanghai Ailian Supermarket Company Limited</td> </tr> </table> | 2008 - Present Present | Director, True Corporation Public Company Limited Director and Executive Vice Chairman, True Visions Group Company Limited Director, True CJ Creations Company Limited | 2011 - Present | Vice Chairman, SM True Company Limited | 2010 - Present | Director, Panther Entertainment Company Limited | 2009 - Present | Director, Cineplex Company Limited Director, Satellite Service Company Limited | 2013 - Present | Director, Siam Makro Public Company Limited | 1999 - Present | Director, CP All Public Company Limited | Present | Senior Vice Chairman, Charoen Pokphand Group Company Limited Director, Siam Makro Holding (Thailand) Limited Director, True Iconsiam Company Limited Director, The Iconsiam Chaopraya River Holdings Company Limited Director, Siam River Holdings Company Limited 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 Director, Lotus Distribution Investment Limited Governance Committee, Leadership Development Institute | 2013 - Present | Director, Shanghai Yilian Supermarket Company Limited Director, Shanghai Ailian Supermarket Company Limited |
| 2008 - Present Present | Director, True Corporation Public Company Limited Director and Executive Vice Chairman, True Visions Group Company Limited Director, True CJ Creations Company Limited | | | | | | | | | | | | | | | | |
| 2011 - Present | Vice Chairman, SM True Company Limited | | | | | | | | | | | | | | | | |
| 2010 - Present | Director, Panther Entertainment Company Limited | | | | | | | | | | | | | | | | |
| 2009 - Present | Director, Cineplex Company Limited Director, Satellite Service Company Limited | | | | | | | | | | | | | | | | |
| 2013 - Present | Director, Siam Makro Public Company Limited | | | | | | | | | | | | | | | | |
| 1999 - Present | Director, CP All Public Company Limited | | | | | | | | | | | | | | | | |
| Present | Senior Vice Chairman, Charoen Pokphand Group Company Limited Director, Siam Makro Holding (Thailand) Limited Director, True Iconsiam Company Limited Director, The Iconsiam Chaopraya River Holdings Company Limited Director, Siam River Holdings Company Limited 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 Director, Lotus Distribution Investment Limited Governance Committee, Leadership Development Institute | | | | | | | | | | | | | | | | |
| 2013 - Present | Director, Shanghai Yilian Supermarket Company Limited Director, Shanghai Ailian Supermarket Company Limited | | | | | | | | | | | | | | | | |

Major Experience

| | |
|----------------|---|
| | Director, Shanghai Songlian Supermarket Company Limited |
| | Director, Wenzhou Yichu Ailian Supermarket Company Limited |
| | Director, OHT Company Limited |
| 2012 - Present | Director, Shanghai Caillian Supermarket Company Limited |
| | Director, Nantong Tonglian Supermarket Company Limited |
| | Director, Kunshan Taillian Supermarket Company Limited |
| | Director, C.P. Zonglian (Shanghai) Management Company Limited |
| | Chief Executive Officer, Shanghai Litai Logistics Company Limited |
| | Director, Shantou Lotus Supermarket Chain Store Co., Ltd. |
| 2011 - Present | Director, Guangzhou 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 ICON SIAM Superlux Residences Corporation Limited |
| | (formerly : Grand River Park Corporation Limited) |
| | Executive Director, The ICON SIAM Residences Corporation Limited |
| | (formerly : Grand River Front Corporation Limited) |
| | Executive Director, The ICONSIAM Company Limited |
| | (formerly : Grand River Place Corporation Limited) |
| | Senior Executive Assistant to Chairman, |
| 2010 - Present | Charoen Pokphand Group "Global Talent Recruitment" |
| | 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 |
| | Vice Chairman, CP Lotus Corporate Management Company Limited |

Positions held in Other Organizations in the Last Year

| | |
|----------------|--|
| 2009 - Present | 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. |
| 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, Zhejiang CP Trading Company Limited |
| 2007 - Present | Director, Foshan C.P. Lotus Management Consulting Company Limited |
| | Executive Vice Chairman, CP Lotus Corporation Company Limited |
| | Executive Vice Chairman, Chia Tai (China) Investment 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 CP Lotus Supermarket Chain Store Company Limited |
| | (Formerly 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 |

Other Key Positions

| | |
|-------------|--|
| 2010 - 2013 | President, CP Corporate University |
| 2007 - 2010 | Director, C.P. Pokphand Company Limited |
| 1997 - 2002 | President, Ex-Chor Trading (Shanghai) Co., Ltd. |
| 1995 - 1997 | President, Ex-Chor Distribution (Thailand) Co., Ltd. |

| Name | Dr. Xia Bing |
|---|---|
| Position | Director and Member of the Finance Committee |
| Age (year) | 44 |
| Date of the First Appointment as a Director | 8 th Sep 2016 |
| True Share Ownership 31 st December 2017 | <p data-bbox="582 530 722 555"><u>Ordinary share:</u></p> <p data-bbox="582 557 671 582">Individual:</p> <p data-bbox="582 584 663 609">- None -</p> <p data-bbox="582 611 660 636">Spouse:</p> <p data-bbox="582 638 663 663">- None -</p> <p data-bbox="582 689 684 714"><u>Debenture:</u></p> <p data-bbox="582 716 671 741">Individual:</p> <p data-bbox="582 743 663 768">- None -</p> <p data-bbox="582 770 660 795">Spouse:</p> <p data-bbox="582 797 663 822">- None -</p> |
| Family Relationship | - None - |
| Education | <ul data-bbox="582 904 1474 1061" style="list-style-type: none"> - Doctoral degree in Industrial Economy, Jiangxi University of Finance and Economics - MBA, Jiangxi University of Finance and Economics - Bachelor degree of Communication Management Engineering, Beijing University of Posts and Telecommunications - Bachelor degree of Telecommunication Engineering, Beijing University of Posts and Telecommunications |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <p data-bbox="582 1198 1353 1223"><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p data-bbox="582 1225 1262 1279">Sep 2016 - Present Director and Member of the Finance Committee, True Corporation Public Company Limited</p> <p data-bbox="582 1305 1078 1330"><u>Positions held in Other Organizations in the Last Year</u></p> <p data-bbox="582 1332 1134 1357">Other Listed Companies in the Stock Exchange of Thailand</p> <p data-bbox="582 1359 663 1384">- None -</p> <p data-bbox="582 1386 1134 1411">Non - Listed Companies in the Stock Exchange of Thailand</p> <p data-bbox="582 1413 1211 1467">Jul 2016 - Present General Manager of Marketing Department, China Mobile Communications Corporation</p> <p data-bbox="582 1494 767 1518"><u>Other Key Positions</u></p> <p data-bbox="582 1520 1334 1545">Nov 2014 - Jun 2016 General Manager, China Mobile Group Qinghai Co., Ltd.</p> <p data-bbox="582 1547 1406 1572">Mar 2010 - Oct 2014 Deputy General Manager, China Mobile Group Qinghai Co., Ltd.</p> |

| Name | Mr. Suphachai Chearavanont* |
|---|--|
| Position | Director and Chairman of the Executive Committee |
| Age (year) | 50 |
| Date of the First Appointment as a Director | 11 th Feb 1993 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 6,511,948 shares (0.02%) Spouse: 1,930,255 shares (0.01%)</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| 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>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>True Corporation Public Company Limited</p> <p>Feb 2017 - Present Director and Chairman of the Executive Committee</p> <p>1999 - Feb 2017 Director, 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 & Support</p> <p>1993 Vice President, the Operation Room</p> <p>1992 Senior Officer, the President's Office</p> <p>True's Subsidiaries</p> <p>Present Director and Chief Executive Officer, True Visions Group Company Limited</p> <p>Director, Satellite Service Company Limited</p> <p>Director, Panther Entertainment Company Limited</p> <p>Director, True Music Company Limited</p> <p>Director, Telecom Holding Company Limited</p> <p>Director, TRUE4U Station Company Limited</p> <p>Director, Cineplex Company Limited</p> <p>Director, True Media Solutions Company Limited</p> <p>Director, True Move H Universal Communication Company Limited</p> <p>Director, BEBOYDCG Company Limited</p> <p>Director, True Incube Company Limited</p> <p>Director, True Touch Company Limited</p> <p>2010 - Mar 2017 Chief Executive Officer, True Move H Universal Communication Company Limited</p> <p>2001 - Oct 2017 Chief Executive Officer, True Move Company Limited</p> <p>2001 - Oct 2017 Director, Bangkok Inter Teletech Public Company Limited</p> <p>1995 - Jan 2017 Director, True Internet Company Limited</p> <p>2005 - 2015 Director, K.I.N. (Thailand) Company Limited</p> |

* Authorized Signatory

Major Experience

Positions held in Other Organizations in the Last Year

Other Listed Companies in the Stock Exchange of Thailand

- None -

Non - Listed Companies in the Stock Exchange of Thailand

| | |
|--------------------|---|
| Present | Member in the public and private sectors committee for driving the nation's economy under Public-Private Collaboration Project Team Leader of private sectors working group for basic education and leadership development Director of the Telecommunications Association of Thailand under the Royal Patronage (TCT) |
| Jul 2017 - Present | President, The Thai Federation of ICT Technology Association (TFIT) |
| 2017 - Present | Chief Executive Officer, Charoen Pokphand Group Company Limited |
| 2015 - Present | Vice Chairman, Charoen Pokphand Group Company Limited |
| 2016 - Present | Chairman, Steering Committee, UN Global Compact Local Network in Thailand |
| 2010 - Present | Director and Advisor of Master of Science Program and Doctor of Philosophy Program in Technopreneurship and Innovation Management (TIP), Chulalongkorn University Advisor to Executive Chairman of Rajaprajanugroh Foundation Director of Ramathibodi Foundation The Bangkok Art and Culture Centre Foundation Committee |
| 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 |
| 2000 - Present | Chairman, Freewill Solutions Company Limited |
| 2015 - 2017 | President, The Telecommunications Association of Thailand under the Royal Patronage |
| 2009 - 2017 | Board Member of Board of Trustees, Bangkok University |

Directorships

- Asia Freewill Company Limited
- Pantavanij Company Limited
- Director, CPPC Public Company Limited
- Director, Freewill Solutions Company Limited
- Director, C.P. Lotus Corporation
- Director, C.P. Pokphand Company Limited

Other Key Positions

| | |
|-------------|---|
| 2010 - 2011 | Director of The National Electronics and Computer Technology Center |
| 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 |
| 2005 - 2007 | Member of the Listed Companies Association (LCA) |
| 1999 - 2013 | Chairman, Wire & Wireless Company Limited |
| 2001 - 2010 | Chairman, Pantavanij Company Limited |
| 1999 | Director & Advisor of the Telecommunications Association of Thailand under the Royal Patronage (TCT) |
| 1996 | President, Asia Multimedia Company Limited |
| 1995 | Managing Director, Wire & Wireless Company Limited |
| 1991 | 2 Years with Vinythai Company Limited |
| 1990 | 1 Year with Soltex Federal Credit Union, USA |
| 1989 | 1 Year with Siam Makro Company Limited |

| Name | Dr. Kittinut Tikawan | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--------------------|---|---------------------|--|---------------------|---|---------------------|---|---------------------|------------------------------------|---------------------|---|---------------------|--|---------------------|--|---------------------|--|---------------------|--|---------------------|---|
| Position | President (Co) | | | | | | | | | | | | | | | | | | | | | | |
| Age (year) | 45 | | | | | | | | | | | | | | | | | | | | | | |
| Date of Appointment | 26 th Dec 2017 | | | | | | | | | | | | | | | | | | | | | | |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 2,074,883 shares (0.01%)</p> <p><u>Debenture:</u> TRUE: Individual: 2,000 units TUC: Individual: 2,300 units</p> | | | | | | | | | | | | | | | | | | | | | | |
| Family Relationship | - None - | | | | | | | | | | | | | | | | | | | | | | |
| Education | <ul style="list-style-type: none"> - Doctor of Philosophy (Ph.D.) in Organization Development, Assumption University - Certificate of Berkeley Executive Program, Haas School of Business, University of California – Berkeley - Master of Business Administration, Assumption University - Master of Science in Information Systems, Assumption University - Bachelor of Business Administration in Marketing, Assumption University | | | | | | | | | | | | | | | | | | | | | | |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - | | | | | | | | | | | | | | | | | | | | | | |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td>Dec 2017 - Present</td><td>President (Co), True Corporation Public Company Limited</td></tr> <tr> <td>Aug 2017 - Dec 2017</td><td>Executive Assistant to Chairman of the Executive Committee</td></tr> <tr> <td>May 2016 - Jul 2017</td><td>Group Chief Commercial Officer, True Corporation Public Co., Ltd.</td></tr> <tr> <td>Feb 2015 - May 2016</td><td>Head of Commercial & Business Development, Mobile (True Move)</td></tr> <tr> <td>Jan 2014 - Feb 2015</td><td>Managing Director, Retail Business</td></tr> <tr> <td>Nov 2012 - Jan 2014</td><td>Director, Retail Business - Device Product Management</td></tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand</p> <ul style="list-style-type: none"> - None - <p>Non - Listed Companies in the Stock Exchange of Thailand</p> <ul style="list-style-type: none"> - None - <p><u>Other Key Positions</u></p> <table> <tr> <td>Jan 2011 - Nov 2012</td><td>Deputy Director, Retail Business - Device Product Management</td></tr> <tr> <td>Nov 2009 - Dec 2010</td><td>Deputy Director, Sales & Retail - New Business Development</td></tr> <tr> <td>Oct 2006 - Oct 2009</td><td>General Manager, True Lifestyle Retail</td></tr> <tr> <td>Apr 2004 - Sep 2006</td><td>Vice President, Noble Development Public Company Limited</td></tr> <tr> <td>May 1994 - Jan 2004</td><td>Managing Director, Asia Books Company Limited</td></tr> </table> | Dec 2017 - Present | President (Co), True Corporation Public Company Limited | Aug 2017 - Dec 2017 | Executive Assistant to Chairman of the Executive Committee | May 2016 - Jul 2017 | Group Chief Commercial Officer, True Corporation Public Co., Ltd. | Feb 2015 - May 2016 | Head of Commercial & Business Development, Mobile (True Move) | Jan 2014 - Feb 2015 | Managing Director, Retail Business | Nov 2012 - Jan 2014 | Director, Retail Business - Device Product Management | Jan 2011 - Nov 2012 | Deputy Director, Retail Business - Device Product Management | Nov 2009 - Dec 2010 | Deputy Director, Sales & Retail - New Business Development | Oct 2006 - Oct 2009 | General Manager, True Lifestyle Retail | Apr 2004 - Sep 2006 | Vice President, Noble Development Public Company Limited | May 1994 - Jan 2004 | Managing Director, Asia Books Company Limited |
| Dec 2017 - Present | President (Co), True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | | | |
| Aug 2017 - Dec 2017 | Executive Assistant to Chairman of the Executive Committee | | | | | | | | | | | | | | | | | | | | | | |
| May 2016 - Jul 2017 | Group Chief Commercial Officer, True Corporation Public Co., Ltd. | | | | | | | | | | | | | | | | | | | | | | |
| Feb 2015 - May 2016 | Head of Commercial & Business Development, Mobile (True Move) | | | | | | | | | | | | | | | | | | | | | | |
| Jan 2014 - Feb 2015 | Managing Director, Retail Business | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2012 - Jan 2014 | Director, Retail Business - Device Product Management | | | | | | | | | | | | | | | | | | | | | | |
| Jan 2011 - Nov 2012 | Deputy Director, Retail Business - Device Product Management | | | | | | | | | | | | | | | | | | | | | | |
| Nov 2009 - Dec 2010 | Deputy Director, Sales & Retail - New Business Development | | | | | | | | | | | | | | | | | | | | | | |
| Oct 2006 - Oct 2009 | General Manager, True Lifestyle Retail | | | | | | | | | | | | | | | | | | | | | | |
| Apr 2004 - Sep 2006 | Vice President, Noble Development Public Company Limited | | | | | | | | | | | | | | | | | | | | | | |
| May 1994 - Jan 2004 | Managing Director, Asia Books Company Limited | | | | | | | | | | | | | | | | | | | | | | |

| Name | Mr. William Harris |
|---|--|
| Position | Group Chief Financial Officer |
| Age (year) | 56 |
| Date of Appointment | 7 th Oct 2009 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 2,109,768 shares (0.01%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | <p>Master 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</p> |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>May 2016 - Present Group Chief Financial Officer, True Corporation Public Company Limited 2009 - 2017 Executive Director - International Business Development and Assistant to CEO, True Corporation Public Company Limited</p> <p>2014 - Present Director, True Visions Group Company Limited Director, True Vistas Company Limited</p> <p>2011 - Present Director, Rosy Legend Limited Director, Prospect Gain Limited Director, True Internet Technology (Shanghai) Company Limited</p> <p>2006 - Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited</p> <p>2010 - 2017 Director, True Trademark Holdings Company Limited Director, Gold Palace Investments Limited Director, Golden Light Company Ltd. Director, Gold Palace Logistics Limited</p> <p><u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand - None -</p> <p><u>Other Key Positions</u> 2001 - 2007 Chief Financial Officer, True Corporation Public Company Limited 1999 - 2000 Executive Vice President - Corporate Finance, True Corporation Public Company Limited 1993 - 1999 Director, Credit Policy, Verizon Communications, Philadelphia</p> |

| Name | Mr. Charoen Limkangwanmongkol |
|---|---|
| Position | Group Chief Commercial Officer (appointed as Senior Group Managing Director, effective from 1 st Jan 2018) |
| Age (year) | 54 |
| Date of Appointment | 26 th Oct 2012 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: 989,663 shares (0.00%) Spouse: 282,311 shares (0.00%) <u>Debenture:</u> Individual: - None - Spouse: - None - |
| Family Relationship | - None - |
| Education | Mini MBA, Chulalongkorn University Bachelor Degree Business Administration, Assumption University |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Jan 2018 – Present Senior Group Managing Director, Regional Management BMA I, True Corporation Public Company Limited Aug 2017 – Dec 2017 Group Chief Commercial Officer, True Corporation Public Company Limited Feb 2014 – Jul 2017 Group Managing Director - Regional Management True Corporation Public Company Limited Present Managing Director, True Multimedia Company Limited Director, True Life Plus Company Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand - None - <u>Other Key Positions</u> 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 | Chief Brand & Communication Officer | |
| Age (year) | 51 | |
| Date of Appointment | 21 st Feb 2012 | |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: 1,537,085 shares (0.00%) Spouse: 657,443 shares (0.00%) <u>Debenture:</u> TUC: Individual: 8,000 units Spouse: 10,000 units | |
| Family Relationship | - None - | |
| Education | Doctorate | Doctor of Philosophy in Organization Development (International Program) |
| | Master's Degree | Communication Advertising and Public Relations, Emerson College, Boston, Massachusetts, USA |
| | Bachelor's 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>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> | |
| | 2016 – Present | Chief Brand & Communication Officer, True Corporation Public Company Limited |
| | 2014 - 2016 | Group Executive Director - Strategic Business Development and Executive Assistant to CEO, 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 |
| | Present | Director, Samut Pakan Media Corporation Company Limited Director, True Trademark Holdings Company Limited Director, Hutchison Multimedia Services (Thailand) Limited |
| | <u>Positions held in Other Organizations in the Last Year</u> | |
| | Other Listed Companies in the Stock Exchange of Thailand | |
| | - None - | |
| | Non - Listed Companies in the Stock Exchange of Thailand | |
| | Present | Director, True Lifestyle Retail Company Limited Director, Bake House Company Limited |
| | <u>Other Key Positions</u> | |
| | 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. Songtham Phianpattanawit | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------|---|-------------|--|----------------|--|---------|---|-----------|---|-----------|---|-----------|--|------|---|------|---|------|--|
| Position | Chief Corporate Solutions and Cooperation Officer | | | | | | | | | | | | | | | | | | | | |
| Age (year) | 59 | | | | | | | | | | | | | | | | | | | | |
| Date of Appointment | 1 st Apr 2003 | | | | | | | | | | | | | | | | | | | | |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 1,087,688 shares (0.00%) Spouse: - None -</p> <p><u>Debenture:</u> Individual: - None - Spouse: - None -</p> | | | | | | | | | | | | | | | | | | | | |
| Family Relationship | - None - | | | | | | | | | | | | | | | | | | | | |
| Education | Bachelor of Science (Computer Science), University of South Alabama, USA | | | | | | | | | | | | | | | | | | | | |
| Training | Capital Market Academy Leader Program (CMA 15) | | | | | | | | | | | | | | | | | | | | |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Director Certification Program (DCP no.54) | | | | | | | | | | | | | | | | | | | | |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <table> <tr> <td>2016 - Present</td><td>Chief Corporate Solutions and Cooperation Officer, True Corporation Public Company Limited</td></tr> <tr> <td>2012 - 2016</td><td>Group Executive Director – Enterprise and International Services, True Corporation Public Company Limited</td></tr> <tr> <td>2006 - Present</td><td>President, True International Gateway Company Limited Director, Bangkok Inter Teletech Public Company Limited</td></tr> <tr> <td>Present</td><td>President / Chief Executive Officer, True Touch Company Limited Chief Executive Officer, True Voice Company Limited Managing Director, Telecom Asset Management Company Limited Director, Hutchison Telecommunications (Thailand) Company Limited Director, True Information Technology Company Limited Director, True Move Company Limited Director, Telecom Holding Company Limited</td></tr> </table> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand - None -</p> <p>Non - Listed Companies in the Stock Exchange of Thailand Present Executive Committee, Pantavanij Company Limited Director, Freewill Solutions Company Limited Director, Wire & Wireless Company Limited Director, Supemap (Thailand) Company Limited</p> <p><u>Other Key Positions</u></p> <table> <tr> <td>2003-2008</td><td>Director, True Multimedia Company Limited</td></tr> <tr> <td>2001-2003</td><td>Country General Manager / MD, IBM Thailand Company Limited Chairman, IBM Solution Delivery Company Limited</td></tr> <tr> <td>2001-2002</td><td>Director, IBM Storage Product Thailand Company Limited</td></tr> <tr> <td>2000</td><td>Director, Sales & Marketing, IBM Thailand Company Limited Country Manager System Sales, IBM Thailand Company Limited</td></tr> <tr> <td>1998</td><td>Country Manager Finance & Administration and CFO, IBM Thailand Company Limited</td></tr> <tr> <td>1997</td><td>Service Business Executive, IBM Thailand Company Limited</td></tr> </table> | 2016 - Present | Chief Corporate Solutions and Cooperation Officer, True Corporation Public Company Limited | 2012 - 2016 | Group Executive Director – Enterprise and International Services, True Corporation Public Company Limited | 2006 - Present | President, True International Gateway Company Limited Director, Bangkok Inter Teletech Public Company Limited | Present | President / Chief Executive Officer, True Touch Company Limited Chief Executive Officer, True Voice Company Limited Managing Director, Telecom Asset Management Company Limited Director, Hutchison Telecommunications (Thailand) Company Limited Director, True Information Technology Company Limited Director, True Move Company Limited Director, Telecom Holding Company Limited | 2003-2008 | Director, True Multimedia Company Limited | 2001-2003 | Country General Manager / MD, IBM Thailand Company Limited Chairman, IBM Solution Delivery Company Limited | 2001-2002 | Director, IBM Storage Product Thailand Company Limited | 2000 | Director, Sales & Marketing, IBM Thailand Company Limited Country Manager System Sales, IBM Thailand Company Limited | 1998 | Country Manager Finance & Administration and CFO, IBM Thailand Company Limited | 1997 | Service Business Executive, IBM Thailand Company Limited |
| 2016 - Present | Chief Corporate Solutions and Cooperation Officer, True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2012 - 2016 | Group Executive Director – Enterprise and International Services, True Corporation Public Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2006 - Present | President, True International Gateway Company Limited Director, Bangkok Inter Teletech Public Company Limited | | | | | | | | | | | | | | | | | | | | |
| Present | President / Chief Executive Officer, True Touch Company Limited Chief Executive Officer, True Voice Company Limited Managing Director, Telecom Asset Management Company Limited Director, Hutchison Telecommunications (Thailand) Company Limited Director, True Information Technology Company Limited Director, True Move Company Limited Director, Telecom Holding Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2003-2008 | Director, True Multimedia Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2001-2003 | Country General Manager / MD, IBM Thailand Company Limited Chairman, IBM Solution Delivery Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2001-2002 | Director, IBM Storage Product Thailand Company Limited | | | | | | | | | | | | | | | | | | | | |
| 2000 | Director, Sales & Marketing, IBM Thailand Company Limited Country Manager System Sales, IBM Thailand Company Limited | | | | | | | | | | | | | | | | | | | | |
| 1998 | Country Manager Finance & Administration and CFO, IBM Thailand Company Limited | | | | | | | | | | | | | | | | | | | | |
| 1997 | Service Business Executive, IBM Thailand Company Limited | | | | | | | | | | | | | | | | | | | | |

| Name | Mr. Kachorn Chiaravanont |
|---|---|
| Position | Group Executive Director-Corporate Affairs |
| Age (year) | 51 |
| Date of Appointment | 21 st Feb 2012 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u> Individual: 1,095,299 shares (0.00%) Spouse: - None -</p> <p><u>Debenture:</u> TUC: Individual: 10,000 units Spouse: - None -</p> |
| Family Relationship | - None - |
| Education | Bachelor Degree in Management, Fairleigh Dickinson University in New Jersey, USA |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <p><u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u></p> <p>2017 - Present Member of the Executive Committee, True Corporation Public Company Limited</p> <p>Present Group Executive Director - Corporate Affairs, True Corporation Public Company Limited Group Executive Director - Corporate Affairs, True Move H Universal Communication Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, True Information Technology Company Limited Director, True Move Company Limited Director, True Distribution & Sales Company Limited Director, Song Dao Company Limited Director, Cineplex Company Limited Director, True Media Solutions Company Limited (Formerly named True Digital Media Company Limited) Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, Telecom Holding Company Limited Director, True Visions Group Company Limited Director, True United Football Club Company Limited</p> <p>2009 - Feb 2017 Director, True Internet Corporation Company Limited (Formerly named True Universal Convergence Company Limited)</p> <p><u>Positions held in Other Organizations in the Last Year</u></p> <p>Other Listed Companies in the Stock Exchange of Thailand - None -</p> <p>Non - Listed Companies in the Stock Exchange of Thailand</p> <p>Present Member of the Executive Committee, Charoen Pokphand Group Company Limited Vice Chairman of the Executive Committee, Thana Telecom Company Limited Director, CPPC Public Company Limited Director, Pokphand Enterprise Company Limited Director, True Leasing Company Limited Director, True Properties Company Limited Director, SAIC Motor-CP Company Limited Director, MG Sales (Thailand) Company Limited Director, Echo Autoparts (Thailand) Company Limited Director, Siam Land Flying Company Limited Director, Whizdom Assets Corporation Limited Director, Whizdom Society Development Corporation Company Limited Director, Whizdom Landmark Corporation Limited Director, True Iconsiam Company Limited Director, 84 Company Limited Director, NAVA 84 Company Limited</p> |

| Name | Mr. Anat Mekpaiboonvatana |
|---|--|
| Position | Group Managing Director - Regional Management (appointed as Senior Group Managing Director, effective from 1 st Jan 2018) |
| Age (year) | 57 |
| Date of Appointment | 21 st Feb 2012 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: 1,668,576 shares (0.01%) Spouse: - None - <u>Debenture:</u> Individual: - None - Spouse: - None - |
| Family Relationship | - None - |
| Education | Master Degree of Marketing Management, West Coast University, USA Bachelor of Mechanical Engineering, King Mongkut's University of Technology Thonburi |
| Related training programs held by the Thai Institute of Directors Association (IOD) | - None - |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Jan 2018 – Present Senior Group Managing Director, Regional Management BMA II, True Corporation Public Company Limited 2014 – Dec 2017 Group Managing Director - Regional Management True Corporation Public Company Limited Present Director, True Distribution & 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 Media Solutions Company Limited (Formerly named 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 |
| | <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand - None - |
| | <u>Other Key Positions</u> 2012-2014 Managing Director, True Visions Public Company Limited 2009-2012 Deputy Group Chief Commercial Officer, True Corporation Public Company Limited 2002-2009 Director & General Manager, True Corporation Public Company Limited 1998-2002 President, Wire & Wireless Company Limited 1997-1998 General Manager, Tele Engineering and Services Company Limited 1996-1997 Vice President, Asia Multimedia Company Limited 1995-1996 General Manager, Unet Company Limited 1995 Vice President, UBC Cable TV Network Company Limited 1994 Vice President, Telecom Holding Company Limited |

| Name | Mr. Siripoj Kunakornphan |
|---|---|
| Position | Group Managing Director - Regional Management (appointed as Senior Group Managing Director, effective from 1 st Jan 2018) |
| Age (year) | 54 |
| Date of Appointment | 21 st Jan 2014 |
| True Share Ownership 31 st December 2017 | <u>Ordinary share:</u> Individual: 993,471 shares (0.00%) <u>Debenture:</u> Individual: - None - |
| Family Relationship | - None - |
| Education | Bachelor of Engineering Program in Electronics, King Mongkut's Institute of Technology Ladkrabang |
| Related training programs held by the Thai Institute of Directors Association (IOD) | Corporate Governance for Executives Program (April, 2017) |
| Major Experience | <u>True Corporation Public Company Limited and its Subsidiaries (in the past 5 years)</u> Jan 2018 – Present Senior Group Managing Director, Regional Management UPC, True Corporation Public Company Limited 2014 – Dec 2017 Group Managing Director - Regional Management True Corporation Public Company Limited Present Director, BFKT (Thailand) Limited <u>Positions held in Other Organizations in the Last Year</u> Other Listed Companies in the Stock Exchange of Thailand - None - Non - Listed Companies in the Stock Exchange of Thailand - None - <u>Other Key Position</u> 2008-2014 Chief Operating Officer, True Move Company Limited 2006-2007 Director of Business Customer I True Corporation Public Company Limited |

INFORMATION OF THE COMPANY SECRETARY (AS OF 31st DECEMBER 2017)

| Name | Mrs. Rangsinee Sujaritsunchai |
|---|---|
| Position | Company Secretary |
| Age (year) | 52 |
| Date of Appointment | 27 th Feb 2009 |
| True Share Ownership 31 st December 2017 | <p><u>Ordinary share:</u></p> <p>Individual:</p> <p>- None -</p> <p>Spouse:</p> <p>- None -</p> <p><u>Debenture:</u></p> <p>Individual:</p> <p>- None -</p> <p>Spouse:</p> <p>- None -</p> |
| Family Relationship | - None - |
| Education | <p>Master of Science (Accounting), Thammasat University</p> <p>Bachelor of Accounting, Chulalongkorn University</p> |
| Training | <p>- Listed Company with Thailand 4.0 by The Securities and Exchange Commission, Thailand</p> <p>- Hearing : Investor Alert by The Stock Exchange of Thailand</p> |
| Related training programs held by the Thai Institute of Directors Association (IOD) | <p>- Company Secretary Program 19/2006 (CSP)</p> <p>- Effective Minutes Taking 5/2006 (EMT)</p> <p>- Corporate Governance and Social Responsibilities 1/2007 (CSR)</p> <p>- Anti-Corruption : The Practical Guide (ACPG 5/2013)</p> <p>- Anti-Corruption : The Practical Guide (ACPG 32/2016)</p> |
| Major Experience | <p><u>True Corporation Public Company Limited</u></p> <p>2009-Present Company Secretary</p> <p>2001-Present Secretary to the Audit Committee</p> <p> Secretary to the Compensation and Nominating Committee</p> <p> Secretary to the Corporate Governance Committee</p> <p> Assistant to the Secretary to the Finance Committee</p> <p>2001-2009 Deputy Company Secretary</p> <p>2000-2001 Assistant General Counsel – SEC & SET Compliance</p> |

SECURITIES HOLDING OF THE COMPANY'S DIRECTORS AND EXECUTIVES AS AT 31ST DECEMBER 2017

| Name | Ordinary shares (shares) | | | |
|--|--------------------------|---------------------|---------------------------------------|------|
| | As at 31 Dec 2016 | Changes in 2017 | As at 31 Dec 2017 Number of shares | % |
| 1. Dr. Kosol Petchsuwan | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 2. Mr. Joti Bhokavanij | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 3. Dr. Harald Link | 562,361 | Acquisition 262,773 | 825,134 | 0.00 |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 4. Prof. Rawat Chamchalerm | 225,244 | Acquisition 98,019 | 323,263 | 0.00 |
| Spouse and minor children | 76,728 | Disposition - | 76,728 | 0.00 |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 5. Mr. Xu Genluo | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 6. Mrs. Preeprame Seriwongse ^{1/} | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 7. Mr. Dhanin Chearavanont | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 8. Dr. Ajva Taulananda | - | Acquisition - | - | - |
| Spouse and minor children | 135,601 | Disposition - | 135,601 | 0.00 |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 9. Prof. Athueck Asvanund | 1,707,546 | Acquisition 57,850 | 1,765,396 | 0.01 |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 10. Dr. Li Zhengmao | - | Acquisition - | - | - |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 11. Prof. Dr. Warapatr Todhanakasem | 67,129 | Acquisition 68,613 | 135,742 | 0.00 |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 12. Mr. Umroong Sanphasitvong | 1,552,206 | Acquisition 98,020 | 1,650,226 | 0.00 |
| Spouse and minor children | 5,271 | Disposition - | 5,271 | 0.00 |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 13. Mr. Vichaow Rakphongphairoj | 1,431,076 | Acquisition 647,205 | 2,078,281 | 0.01 |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |
| 14. Mr. Chatchaval Jiaravanon | 810,884 | Acquisition 352,870 | 1,163,754 | 0.00 |
| Spouse and minor children | - | Disposition - | - | - |
| | - | Acquisition - | - | - |
| | - | Disposition - | - | - |

| Name | Ordinary shares (shares) | | | |
|---|-----------------------------|--|---------------------------------------|------|
| | As at 31 Dec 2016 | Changes in 2017 | As at 31 Dec 2017 Number of shares | % |
| 15. Mr. Soopakij Chearavanont | 4,346,491 | Acquisition 1,281,800 Disposition - | 5,628,291 | 0.02 |
| Spouse and minor children | 3,045 | Acquisition - Disposition - | 3,045 | 0.00 |
| 16. Mr. Narong Chearavanont | 304,269 | Acquisition - Disposition - | 304,269 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 17. Dr. Xia Bing | - | Acquisition - Disposition - | - | - |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 18. Mr. Suphachai Chearavanont | 5,382,766 | Acquisition 1,129,182 Disposition - | 6,511,948 | 0.02 |
| Spouse and minor children | 1,930,255 | Acquisition - Disposition - | 1,930,255 | 0.01 |
| 19. Dr. Kittinut Tikawan ^{2/} | 1,679,076 | Acquisition 395,807 Disposition - | 2,074,883 | 0.01 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 20. Mr. William Harris | 1,445,197 | Acquisition 664,571 Disposition - | 2,109,768 | 0.01 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 21. Mr. Charoen Limkangwanmongkol ^{3/} | - | Acquisition - Disposition - | 989,663 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | 282,311 | 0.00 |
| 22. Dr. Papon Ratanachaikanont ^{3/} | - | Acquisition - Disposition - | 1,537,085 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | 657,443 | 0.00 |
| 23. Mr. Songtham Phianpattanawit ^{3/} | - | Acquisition - Disposition - | 1,087,688 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 24. Mr. Kachorn Chiaravanont ^{3/} | - | Acquisition - Disposition - | 1,095,299 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 25. Mr. Anat Mekpaiboonvatana ^{3/} | - | Acquisition - Disposition - | 1,668,576 | 0.01 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |
| 26. Mr. Siripoj Kunakornphan ^{3/} | - | Acquisition - Disposition - | 993,471 | 0.00 |
| Spouse and minor children | - | Acquisition - Disposition - | - | - |

Remark : ^{1/} On 15th September 2017, Mrs. Preeprame Seriwongse was appointed as an Independent Director and a Member of the Audit Committee

^{2/} On 26th December 2017, Dr. Kittinut Tikawan was appointed as “Executives” defined by the Office of Securities and Exchange Commission

^{3/} On 21st February 2017, Mr. Charoen Limkangwanmongkol, Dr. Papon Ratanachaikanont, Mr. Songtham Phianpattanawit, Mr. Kachorn Chiaravanont, Mr. Anat Mekpaiboonvatana and Mr. Siripoj Kunakornphan was appointed as “Executives” defined by the Office of Securities and Exchange Commission

[illegible]

DIRECTORSHIP OF THE COMPANY'S DIRECTORS AND SENIOR EXECUTIVES IN SUBSIDIARIES AND ASSOCIATED COMPANIES (AS OF 31ST DECEMBER 2017)

| Name | | | Subsidiaries/Associated Companies | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------|-------------------|----|-----------------------------------|--------|-----|-------|-----|-----------------------------|-------|------|--------------|---------------|-----|-------------|----|----|-----|-----|-----|-----|------|-----|----|-----|----|-----|-----|------|-----|----|-----|-----|-------------|------------|----------------------|--------|----|-----|------|----|-----|-----|---|---|---|---|---|
| | | | TRUE | Beboyd | BFT | BITCO | CNP | Gold Palace Logistics <BVI> | HMSTL | HTCL | K.I.N. <BVI> | Prospect Gain | PTE | Rosy Legend | SD | SM | SMT | SSV | TAM | TCJ | TDPK | TDS | TE | TGS | TH | TIG | TIT | TITS | TLP | TM | TMD | TMV | True Incube | True Music | True Trademark <BVI> | True4U | TT | TUC | TUFC | TV | TVG | TVT | | | | | |
| 1. Dr. Kosol | Petchsuwan* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Mr. Joti | Bhokavanij* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. Dr. Harald | Link* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. Prof. Rawat | Chamchalerm* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. Mr. Xu | Genluo* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6. Mrs. Preeprame | Seriwongse* | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. Mr. Dhanin | Chearavanont | C | | | | | | | | | | | | | | | | | | | | | | / | | | | | | | | | | | | | | | | | | | | | | | |
| 8. Dr. Ajva | Taulananda | VC | | | | | | | | | | | | | | | | | | | | | / | / | | | | | | | | | | | | | | | | | | | | | | | |
| 9. Prof. Athueck | Asvanund | VC | | / | / | | | | | | / | / | | / | | | / | | | | / | | / | | | | | | | / | / | | / | | / | / | | / | / | | / | | / | | / | | |
| 10. Dr. Li | Zhengmao | VC | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11. Prof. Dr. Warapatr | Todhanakasem | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12. Mr. Umroong | Sanphasitvong | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13. Mr. Vichaow | Rakphongphairoj | / | | / | / | | | | | | | | | | | | | / | | / | | | / | / | | | | | | / | / | | | | / | / | | / | / | | / | | / | | / | | |
| 14. Mr. Chatchaval | Jiaravanon | / | | | / | | | / | / | | | | | | | | / | | | | | | | / | / | | | | / | | | | / | | | | / | | | | / | | / | | / | | |
| 15. Mr. Soopakij | Chearavanont | / | | | / | | | / | / | | | | | | | / | / | | | | | | | / | / | | | | / | | | | | | | | | | | | | / | | / | | / | |
| 16. Mr. Narong | Chearavanont | / | | | / | | | | / | | | | | | | / | / | | / | | | | | | | | | | | | | | | | | | | | | | | | / | | / | | / |
| 17. Dr. Xia | Bing | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18. Mr. Suphachai | Chearavanont | / | / | | / | | | / | / | / | / | / | | | | / | | | | | / | | / | | | | | | | / | | / | / | / | / | / | / | / | / | / | / | / | / | / | / | | |
| 19. Dr. Kittinut | Tikawan | E | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20. Mr. William | Harris | E | | / | / | | | | / | / | | | | | | | | | | | | | | | | / | | | | / | | | | | | | | | | | | / | | / | | / | |
| 21. Mr. Charoen | Limkangwanmongkol | E | | | | | | | | | | | | | | | | | | | | | | | | | / | / | | | | | | | | | | | | | | | | | | | |
| 22. Dr. Papon | Ratanachaikanont | E | | | | / | | | | | | | / | | | | | | | | | | | | | | | | | | | / | | | | | | | | | | | | | | | |
| 23. Mr. Songtham | Phianpattanawit | E | | / | | | / | | | | | | | | | | | | | | | | | / | / | / | | | | / | | | | | | | | | | | | / | | / | | / | |
| 24. Mr. Kachorn | Chiaravanont | E | | / | / | | | | / | / | | | / | | | / | | | | | / | | / | / | | | | / | / | | | | | / | | | / | | / | | / | | / | | / | | |
| 25. Mr. Anat | Mekpaiboonvatana | E | | | / | / | | | / | | | / | | / | | / | | | | | / | / | / | / | | | | / | | | | | | | | | | | | | | / | | / | | / | |
| 26. Mr. Siripoj | Kunakornphan | E | / | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

* Independent Director

C = Chairman

VC = Vice Chairman

/ = Director

E = Executive Director

CORPORATE GOVERNANCE

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.

2. THE BOARD’S COMMITTEES

The Committees of the Board of Directors consists of 5 committees as follows:

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

The details of all Committees are disclosed in topic “Management Structure”.

3. NOMINATION AND APPOINTMENT OF DIRECTORS AND TOP EXECUTIVES

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 shareholder 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.

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 (Co), 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 Chairman of the Executive Committee 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, 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 Company shall inform to the directors, executives and officers who may access into information relating to financial statements including their spouse and minors not to trade the Company’s securities in the period of 1 month prior to the public disclosure of financial statements and 1 business day after such disclosure. Other than Blackout Period, Directors and senior management including their spouses and minor children who wish to buy or sell the securities issued by the Company, shall notify the Company Secretary at least one business day in advance of the date of entering into such transaction.

6. REMUNERATION FOR AUDIT FIRM

1) AUDIT FEE

In 2017, the Company and subsidiaries paid audit fee to the firm, to which the auditors work for, in the total amount of Baht 29.80 million, of which Baht 13.39 million was paid in the 2017 fiscal year and the remaining Baht 16.41 million would be paid in the following year, comprising.

- Audit fee of the Company for 2017 in the amount of Baht 6.20 million, of which Baht 3.99 million was paid in the 2017 fiscal year and Baht 2.21 million would be paid in the following year.
- Audit fee of subsidiaries for 2017 in the amount of Baht 23.60 million, of which Baht 9.40 million was paid in the 2017 fiscal year and Baht 14.20 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 2017, with remuneration of Baht 2.27 million, of which Baht 0.86 million was paid by the Company and subsidiaries during the year, and the remaining Baht 1.41 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, Dr. Ajva Taulananda and Prof. Dr. Warapatr Todhanakasem. Corporate governance at management level is overseen by the President (Co) and other senior executives.

In the Year 2017, the Office of Securities and Exchange Commission has developed Corporate Governance Code for the Listed Company ("CG CODE"), in this regard, the Board of Directors' Meeting No.4/2017 has studied and reviewed CG CODE in order to apply practice principles in CG CODE that suitable for the Company's business and has the opinion that most of the principles are suitable to the Company's business, and only minor parts that are not suitable to the Company's business.

Furthermore, the Company has already complied with the Principles of Good Corporate Governance for Listed Companies 2012 issued by SET, except for some cases that in the Year 2017, the Company still could not complied with as the following information.

1. The Board of Directors comprise of at least 5 members and no more than 12 members.

Explanation: Currently, the Company has 18 directors of which suitable for the size of the Company's business. Since the Company has many types of business which are operated by the Company's subsidiaries, the Company needs to have more than 12 directors in order to direct and supervise the management of each Company's subsidiaries.

2. The Board of Directors shall composed of a majority of Independent Directors (more than 50%)

Explanation: Currently, the Company has Independent Directors in the ratio of one third of the total number of all directors, provided that all directors are professional and independently perform his duties in his roles and responsibilities. Board of Directors is of the opinion that the element of the Board of Directors is suitable and all directors are independent to take their roles, of which no different from the element that the Board of Directors composed of a majority of Independent Directors (more than 50%).

3. The Board of Directors has a term limit of nine years or less for Independent Directors.

Explanation: Since the Company's type of business is unique and complex, the Company requires Independent Directors who have knowledge, expertise, specific experience, and truly understanding in the Company's business, of which shall take time to study and understand. However, even Independent Directors take a position of Independent Directors more than 9 years; but with their professional and dignity, they shall still perform their roles independently.

4. The Chairman of the Board of Directors shall be Independent Director.

Explanation: Since the Company's type of business is unique and complex, the Company requires leader who have ability, experience, and truly understanding in business management. However, even the Chairman of the Board of Directors is not Independent Directors, but the Company has already set the sufficient internal control system and mechanism to balance power and transparency appropriately. In addition, the advantage of having the Chairman of the Board of Directors from major shareholders is that the Chairman will strongly responsible for his role and will not abandon the Company in crisis situation, and also will build credibility to the finance institutions.

5. The Compensation Committee shall composed of a majority of Independent Directors (more than 50%)
6. The Nominating Committee shall composed of a majority of Independent Directors (more than 50%)

Explanation: (Point 5. and 6.) The Compensation and Nominating Committee of the Company consists of 5 members of which two are the Independent Directors. From the past performance of such 5 members, all of them keep one's principle to perform their duties and responsibilities with their free discretion following the Charters of Compensation and Nominating Committee. The Committee also can independently share their approval and objection without intervention from management, the Company has already considered that the element of the Compensation and Nominating Committee is suitable for the Company.

In 2017 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 2017, the Company organized 1 shareholder meetings, i.e. the 2017 Annual General Meeting of the Shareholders (the "AGM") on 28 April 2017. 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 2017 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 representative of Audit Committee and all other Committees including the Chairman of the Executive Committee and President (Co) participated in the 2017 AGM.

- 1.5 In all previous shareholder meetings, including the 2017 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 2017, 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 2016 AGM, which has never been changed since 2002, should be presented to the 2017 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 2017 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 2017 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 2017 AGM. The Company proposed to the shareholders' meeting not to distribute dividends and to appropriate to the reserve fund from the 2016 operation result.
- 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 2017 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 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 2017 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 16 March 2017, which was the shareholder register closing date to determine the rights to attend the 2017 AGM, the Company had minor shareholders' shareholding proportion (free float) of 31.63%, institution investors' shareholding proportion of 9.47% and the shareholding proportion of the Board of Directors including related parties of 0.15%.

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 2017 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 58 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 2017 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 2017 AGM, the Company publicized the letter of invitation to the meeting and relevant documents on the Company's website 34 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 2017 AGM, proposed issues were sent via registered mail to the Company from 1 October 2016 to 31 December 2016. 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 2017, there was no case where Board members or executives take advantages of using inside information for trading securities issued by the Company and violating this practice.

For the Company's supervision concerning the use of inside information regarding the prohibition of insider trading before public disclosure of the Company's financial results, the Company has policy to the directors, executives and officers, who may access into information relating to financial statements including their spouse and minors, not to trade the Company's securities in the period of 1 month prior to the public disclosure of financial statements and 1 business day after such disclosure.

Other than Blackout Period, Directors and senior management including their spouses and minor children who wish to buy or sell the securities issued by the Company, shall notify the Company Secretary at least one business day in advance of the date of entering into such transaction.

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 2016, the number acquired and disposed of during 2017 and the balance as at the end of 2017 were presented in the Report 56-1 and the 2017 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 2017, 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 2017 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 2017 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.

Until now, 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, in the Year 2016, the Company has revised 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 with politeness from the Company's employees including the right to receive accurate and complete information
- The right to receive quality goods and highly efficient service
- The right to protection of privacy and 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 about the duty to operate in line with the Company's cultures and business ethics as well as relevant laws, regulations and policies
- The right to fair competition
- The right to be treated under procedure and practice in selecting suppliers as well as anti-corruption measures. The Company also encourage all employees to follow such rules and regulations.

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 in an equally timely basis
 - 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
 - The right to be informed in an equally timely basis of all accurate, complete and transparent financial and non-financial data as required by the Stock Exchange of Thailand

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, details are as follows:

- 1) Providing management structure of Safety, Occupational Health and Environment working team consist of a) Committee of Safety, Occupational Health and Work Environment, b) Safety, Occupational Health and Work Environment Department, c) Safety officer for all levels consist of Executive Safety Authorities, Chief Technical Staff, Chief High Technical Staff, and Professional Safety Staff which are responsible for safety compliance follow the laws including company's policies and standards.
- 2) 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.
- 3) 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.
- 4) Establishing safety rules and regulations for the Company's employees and contractors.
- 5) 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.
- 6) 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. Employees and/or staffs who pass the safety training courses shall receive individual Safety Passport as confirmation evidence for the passing of safety training courses. Employees and/or staffs can show such Safety Passport with the controller of the Company for the random investigation. The Company also send employees and/or staffs to the training course related to climbing and working on the electric poles arranged by Metropolitan Electricity Authority and Provincial Electricity Authority.

- 7) The Company has initiated the Safety Control Management System to use with contractor and sub-contractor through purchasing contracts (Contractor & Subcontractor Risk Control) provided that the Contractor shall inform its own information of number, name, and division together with such information of Subcontractor. The Contractor shall also specify its safety training, working equipment, and individual safety control equipment involved with construction, installation, servicing, and editing of works such as telephone network and automatic fire protection system work. The Safety Control Management System shall be use to control the safety management for the contractor in order to make sure that the contractor had follow the rules & regulations and the internal conditions stated by the Company. The Company shall be able to make the safety control of the contractor more systematic.
- 8) 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.
- 9) 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.).
- 10) During the outbreak of the Respiratory Tract Infection, the Company arranged to have its establishments fumigated to prevent them from being contagious places, not only provided vaccination against influenza at special price for employees but also hepatitis A-B vaccine, Invasive Pneumococcal Disease vaccine(IPD), Human Papillomavirus vaccine (HPV16-18) by quarterly.
- 11) Doing the random inspection for True shops in Bangkok and upcountry to ensure that the workplace be safe, good hygiene and good working environment.
- 12) Arranging the media relations to communicate with all employees via company internal communication for surveillance campaign when epidemic disease occurrence or the situation of disease outbreak which occur during climate change to alert and to introduce the way of prevention.

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 2015, 2016 and 2017 were as follows.

| YEAR | ACCIDENT STATISTICS | LEAVE STATISTICS | LOSS WORKING DAY STATISTIC | IFR ^{1/} | ISR ^{2/} |
|------|---------------------|------------------|----------------------------|-------------------|-------------------|
| 2015 | 1 | - | 3 | 0.20 | 0.61 |
| 2016 | 1 | - | 5 | 0.21 | 1.03 |
| 2017 | 2 | - | 30 | 0.23 | 3.46 |

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

^{2/}ISR: Injury Severity Rate = $\frac{\text{number of days of treatment} \times 1,000,000 \text{ hours}}{\text{total number of employees} \times \text{number of working hours (whole year)}}$

Total number of employees in 2015, 2016 and 2017 were 2,374, 2,326 and 4,170 respectively.

- 1.3 The Company provides employee remuneration in various items which in compliance with legal requirements, equity and competitive with labor market in order to attract retain and motivate talents employees to bring a sustainable success to the company.

Beside, 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 places great emphasis on the training and developments of its employees. Therefore, it has established the "Learning & Development Center" 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 Learning & Development 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 Learning & Development Center, beyond being an employee training and development programs provider, are those of change agent and business partner for every department.

The Learning & Development 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 a Learning & Development 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 the Company's developments and for training registrations. Moreover, a simulator has been installed to aid in job training so that the employees will have the proper skills to succeed in their tasks.

Presently, the Learning & Development 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, for examples, True HR application in Prompt2Learn categories.

The Company offers approximately 425 training courses per year. In 2017, the total Training Man-days was 36,593 with an expenditure of THB 90.2 million. There were developmental courses for employees of all levels; for example, Organization Culture 4C, Effective Communications, Planning and Organizing, and Effective Self Development.

- 1.7 The Company has a clear policy and procedure for always treating vendors equitably and strengthening our relation with vendors. The Company, therefore, has deployed Procurement Code of Conduct as standard practices and guidelines which both Company and vendors must follow and comply accordingly. This Code of Conduct covers Sustainable Procurement, Procurement Ethics, Vendor Code of Conduct, Procurement Best Practice, Anti-Corruption, Risk Management, Internal-External Communication, and Monitoring.

To be transparent and fair in vendor selection, the Company has applied E-Procurement System throughout the entire processes of vendors sourcing, selecting, evaluating, and awarding so as to show good

governance, transparency and traceability. Moreover, the Company fully realizes the business ethics with our vendors by adhering to honesty, integrity, mutual respect, and fair treatment as well as bearing social and environmental responsibilities.

- 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.

The Company has been certified as member of the Private Sector Collective Action Coalition Against Corruption on 10 November 2017.

- 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 has carried out risk assessment of business transactions that may have processes or procedures which may fall within the scope of corruption. The Risk Management Committee has assessed and reviewed the Company’s risk of corruption involvement annually.
- (2) The Company has implemented 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 has estimated 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.

- 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 has provided 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 has ensured that the assessment by the internal audit team be conducted regularly and annually.
- (3) The Finance Department of the Company is 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 has reviewed the Anti-Corruption Policy and Measure annually and examines the compliance of the policy regularly.
- (2) The Company has ensured 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. In the Year 2017, there were 869 employees participated in such training course and 100% of employees were trained via e-training.

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.

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 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) Chairman of the Executive Committee or President (Co)

By sending a sealed letter addressed to Chairman of the Executive Committee or President (Co) directly at the following address:

Chairman of the Executive Committee

TRUE Corporation Public Company Limited

18 True Tower Building, Ratchadaphisak Road

Huaykwang, Bangkok 10310

or

President (Co)

TRUE Corporation Public Company Limited

18 True Tower Building, Ratchadaphisak Road

Huaykwang, Bangkok 10310

or

(3) Human Resources Department

By sending a sealed letter addressed to Chief Human Resources Officer directly at the following address:

Chief Human Resources Officer

TRUE Corporation Public Company Limited

18 True Tower Building, Ratchadaphisak Road

Huaykwang, Bangkok 10310

By the channels of Human Resources Compliance & Assurance

Tel: 02-858-2023 FAX: 02-858-4906 or

E-mail address: CodeofConduct@truecorp.co.th

or

(4) Fraud & Cyber-Crime Department

E-mail address: 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, 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

- 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 inquiries
- Surveys and other requests for information about the Company
- Offers or advertisements of goods and services
- Requests for donation and sponsorship

1.15 The Company places importance on matters concerning environment conservation and continuously promotes awareness among its employees and extending to the general public. True, in collaboration with the Department of National Parks, Wildlife and Plant Conservation, has for over 20 years organized a national photography focusing on the environment which is open to both its employees and the public to participate by submitting their photographs based on this theme. As part of this campaign, the Company organizes nature photography training sessions for employees and the general public to cultivate their interest in nature and to communicate its wonders through beautiful photography so that everyone will become more aware of the country's rich natural heritage and the importance of its conservation. The photography training sessions are conducted by experts not only on photography but also on various areas of environmental conservation to provide knowledge and know-how on ways to help with preserving Thailand's wildlife and forests. Established in 1995, the national nature conservation photography contest has become widely popular among the public and the number of submissions has increased continuously annually.

Environmental awareness is also part of the Company's training on Sustainable Development which is an online training course where employees are required to complete. The online training course comprises a video tutorial and an end-session exercise/questionnaire to evaluate their understanding.

To complement training on environment conservation, the Company also organizes numerous internal activities for employees including a "Car-Free Day" where the management and staff are encouraged to commute to the office using the public transportation system, car pool, or other means such as bicycles, all to help reduce Greenhouse Gas Emissions. This campaign was supported by employee activities such as in-house troupes, posters, and an information booth to raise awareness and understanding on the impact of Greenhouse Gas Emissions on the environment.

1.16 Rapidly changing technology means businesses have to adapt quickly in order to meet the needs of consumers. Driving the Company forwards with innovation is an important strategy in growing the business in a sustainable manner. In order to create an edge over the competition, the Company focuses on creating an innovative organization with a working environment conducive to learning, encouraging employees to show their capabilities and create innovations to meet the needs of every consumer lifestyle. At the same time, it also strives to create innovation for society and the environment and to bring Thai society fully into the digital age.

5I's Strategy for an Innovative Organization

True's definition of innovation is creating something new that increases the outcome or the value on the basis of imagination, determination, turning ideas into action and creating economic, social and environmental benefits.

Innovating is creating or developing upon an existing idea for the functional, organizational, group, and national level.

Increasing the value means increasing the economic value, revenue generation, cost saving, customer satisfaction, risk mitigation, time reduction, as well as creating value for society, suppliers and the environment.

Process refers to a systematic process for developing innovation, using the business excellence concept of 9Cs.

Economic, Social and Environmental values are the sustainability goals of the organization.

Efficient innovation management is an important factor for developing capabilities and competitiveness. To become an innovation leader involves process innovation, social innovation, and environmental innovation. Innovation can be used to develop the working process in the Company as well as respond to the needs of customers according to the Company's convergence strategy, which is based on product integration, services and networks that deliver the highest value and benefits to the consumer.

The Company uses the **'5I's strategy'** to develop new products and services, with an emphasis on customer satisfaction, corporate social and environmental responsibility, cost reductions and revenue generation, and mitigating potential risks. It is based on the following principles:

Intelligence & Strategy is to understand the needs of the Organization and the consumers through research and surveys.

Impact & Assessment is the measurement of results through analysis of impact of operations and benefits in the economic, social and environmental aspect.

Integration & Open Innovation is the cooperation for innovation within the Organization and with other organizations.

Innovation Culture is to facilitate a culture of creative and innovative thinking.

Innovation Development Process is a step by step process for developing innovation.

To lead the organization to success through the 5I's strategy strategy, the Company must coordinate with internal units and external institutions in the public and private sectors, including educational institutions, affiliated companies, and suppliers. True has an innovation center to drive the strategy, using the New Product Development (NPD) process in accordance with the Company's Innovation Process and Management framework.

Crop Watch Agricultural Analysis System

The Company developed the Crop Watch system to help assess the economic statistics from the country's agricultural production. It uses a satellite and weather stations data to assess suitability of growing crops in each area. It also displays data in real-time from weather stations to track crop growth and crop storage, which helps in forecasting the harvest time for agricultural products. This information is important in agricultural product planning and helps reduce water and lower risks.

True Green Mart Agricultural Trading Application

The Company also developed an online shopping channel 'True Green Mart', an application for buying and trading agricultural products. It cooperates with the CSR team, the Innovation team and the Bank for Agriculture and Cooperatives (BAAC) in selecting farmers that have the capacity to produce clean and safe agricultural products to specified order. This application is a new alternative for Bangkok residents, who at the present time do not have many choices for quality agricultural products. It also helps to support job creation for farmers and cooperative groups. In 2017, the Company had a pilot project with True employees and BAAC employees who had access to smartphones to use the application. In the future, the Company has a plan to expand its product base to other provinces.

Social Innovation for Education

- True Plookpanya Educational App

The Innovation team developed the True Plookpanya app for education by collecting all types of programs and news for education at university level. Users are able to select and view lessons or content as needed, in the form of Self-Learning. It also has a notification system when new content is added, such as the Gat/PAT O-Net knowledge base and 9 common courses, as well as online examinations. The app can help to reduce expenses usually used on personal tutors in private organizations, at an average rate of Baht 10,000-50,000 per person per year. It can also lessen the education gap of Thai children all over the country who can access this knowledge base. To date, 18,000 people have downloaded the app.

- CONNEXT ED leadership project for sustainable education (Education for Sustainable Leadership Program)

CONNEXT ED leadership project for sustainable education (Education for Sustainable Leadership Program) is one of the major mechanisms that drive the project of the Pracharat Committee. Educational foundations and leadership development initiatives and by established by private companies for the country's 12 leading companies with the objective to develop and build the next generation of leaders network. Participate in developing and enhancing sustainable education Thailand.

The role of cooperation among 12 companies

- The strategy Policy and operational framework for project-driven CONNEXT ED.
- Selection of quality personnel within their organizations. "Partner School" (SP) to push the State towards a strategy of the UN school. Been through the down operation (Action Learning) to study the context and school development plan in conjunction with school leaders?
- Top executives from each supporting organization, as a "School Counselor" to provide guidance and promote the development of sustainable schools.

Environmental Innovation for Environmental Awareness

- We Grow App Data Archive on Big Trees

The Company has developed the We Grow application, a platform for supporting environmental conservation and tree planting since 2015 to raise public awareness on environmental and social issues. In 2016, new features were added to save the number of trees planted under certain organizations and incorporate corporate logos onto trees. Activities were organized with the Rak Pong Prai youth camp, and the We Grow application was part of the courses taught as part of the activities. Over 7,000 schools participated in the Rak Pong Prai youth camp project. The Company's aim is to make the We Grow Global application into a world class platform for environmental conservation by the year 2017.

- Building New Innovators Through True Innovation Awards

Focusing on developing employees' knowledge in innovation, True provides training in 'Creative Thinking, Innovation Trends and Technology', as well as Innovation Management to help enable employees further understand innovative thinking and foster an Innovation Culture in the Company. The Company also organizes the True Innovation Awards, a competition to support new innovators in the organization by supporting the application of innovation in various units, while developing them into new products and services and delivering value to customers and society.

- True Lab Supports Students

To Create Innovative Works, the Company continues to work on the True Lab project which was initiated in 2012 to support the development of innovation and research in the education sector, as well as the use of new innovations in the business world. Together with the leading educational institutes in the country, it has established university-based research centers and supported students with grants to enter into the project, as well as established communication technology equipment such as computers, research tools and security systems.

True Lab is a space where the students and staff of the university are able to learn, research, and go through training in order to inspire and spark thinking in the creation of innovation as outlined by the Company.

True Incube Cultivating New Entrepreneurs

True Incube is a technology startup incubator, which provides opportunities in a digital ecosystem. The process starts with inspiring university students and cultivating creative startups to realize their dreams through rigorous training, mentoring and collaborating with various academic institutions.

The Pre-incubation and ScaleUp Programs help startups turn ideas into prototypes within three months. True Incube also opens up partnership opportunities to startups in the Southeast Asian region, whilst providing support and networking in more than 20 countries across 5 continents.

- 1.17 The Company places emphasis on intellectual properties by preparing publications for posting through website 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. Moreover, the Company trained and assisted innovators for registering their rights on Intellectual Property

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 and Asean CG Scorecard which is available on the Company’s website in English and Thai, separately from Annual Report. In addition, the Company operates its business with transparency under the good corporate governance and CSR policy by considering the importance of social and environment. The Company places emphasis on using the Company’s technology and communication innovation to support and develop Thai’s quality of life with equal opportunity both in educational and basic public health together with the reduction of social exceptionally sequins.

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 2017 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 2017 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 2017 at such rates as approved by the 2017 AGM, which were the same rates as approved by the 2016 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 2017, 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 0-2858-2515 or e-mail address: 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 2017, 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 committees, 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 2017 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) 2 Executive Directors and (2) 16 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 10 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.

- 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 Chairman of the Audit Committee 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 has one woman Independent Director.

- 1.5 The Company's Chairman of the Compensation and Nominating Committee is Independent Director.

- 1.6 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 or from the Company website at www.truecorp.co.th.

- 1.7 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.

1.8 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 4 other listed companies. There has been no independent director holding office of director in more than 4 other listed companies.

1.9 The Chairman of the Board is a non-executive director and the President (Co) 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 President (Co) are determined by the Board of Directors and the authority and responsibilities of the Chairman and the President are disclosed under "Management Structure" in the annual report and Report 56-1 which is also posted on the Company's website.

1.10 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.

1.11 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 and internal audit system, reviewing the Company's compliance with the law and regulation on securities and exchange, the laws relating to the Company's business and Anti-Corruption Policy and Measure, determining an internal audit unit's independence, considering and proposing appointment of 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 "Management Structure".

The Compensation and Nominating Committee

is responsible for making recommendations to the Board of Directors regarding the compensation of directors, nomination of directors, members of the Board's Committees and the President (Co) and making evaluation performance of Chairman of the Executive Committee and President (Co).

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 Executive Committee

is responsible for assisting the Board of Directors to formulate business direction, mission, strategies, business plan and financial goals as approved by the Board of Directors.

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 "Management Structure". Shareholders and investors can download the information regarding each committee from the Company's website at 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 2017, 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 so called "Code of 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. In the Year 2016, the Company has also revised the details of the Code of Conduct to comply with the guidelines of Corporate Governance, Corporate Social Responsibility Policy, and Anti-Corruption Policy and Measure and disclosed 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 2017, 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 been 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.

The Corporate Governance Committee have duties and responsibilities to annually review the Anti-Corruption Policy and Measure, in order to make it comply with the business change, regulations, laws, rules and related enforcement and propose to the company's board of directors for consideration and approval.

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 2017, non-executive directors had held such meetings, in an unofficial form, after finishing the Board Meetings.

- 4.3 The Company organized 6 Board of Directors meetings during 2017, 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 82.24% of the total number of meetings of the year.
- 4.4 The Chairman and/or Vice Chairman of the Board and the Chairman of the Executive Committee and President (Co) 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 President (Co) 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 President (Co) 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 self-assessment 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 Criteria

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.

- 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 the President (Co)
- Performance result of the Board's committees
- Adequate and Suitable time to consider various matters in each meeting agenda in the Board of Directors meeting
- Directors express their opinion related to the considered issues
- 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 2017, the Board of Directors did individual performance assessment and conducts 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 the President (Co)
- Performance result of the Board's committees
- Adequate and Suitable time to consider various matters in each meeting agenda 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 2017, 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 Chairman of the Executive Committee and President (Co) 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 Chairman of the Executive Committee and President (Co) annually to set his compensation. The basis of the appraisal is agreed upon by the Chairman of the Executive Committee and President (Co) 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 Chairman of the Executive Committee and President (Co).

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 2017, 3 directors attended training courses arranged by IOD as follows:

- Director Certification Program
- Nomination Committee Best Practice Guideline
- Audit Committee Forum
- National Director Conference 2017 "Steering Governance in a Changing World"
- COSO Enterprise Risk Management: Integrating with Strategy and Performance

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.

CORPORATE SOCIAL RESPONSIBILITY

1. ETHICAL BUSINESS OPERATIONS

True Group 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 and traceability.

2. FRAUD PREVENTION AND ANTI-CORRUPTION

True Group places great importance on its anti-corruption stance as well as intolerance of all forms of bribery as indicated in the Company's "Ethical Principles and Code of Conduct" which strictly prohibit employees from demanding or receiving bribes from business partners for themselves or other parties. They are also prohibited from

making payments, supporting or bestowing benefits, which can be considered as a bribe. True's anti-corruption policies and intention to support government agencies in their anti-corruption campaigns are disclosed publicly.

Moreover, the Company announced its commitment to take part in the public sector's united front in countering corruption with its strong intention to strictly comply with Thailand's anti-corruption legislations. True's anti-corruption measures have been formulated in writing to serve as a clear principle in businesses operations in order to lay ground to sustainable organizational and national development. True creates and maintains a corporate culture that is totally against all forms of corruption. Thus, the Company itself, its subsidiaries and affiliates, directors, management and all employees are prohibited from engaging or being involved in any form of corruption – either directly or indirectly, and are accountable for strictly complying with the Company's anti-corruption principles, which forbid bestowing/receiving bribes in all business operations. Moreover, it is also required that the Company contact and deal with government agencies with transparency and integrity as stipulated by the law.

True Group was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) reflecting its commitment to anti-corruption which is in accordance with its business operations based on corporate governance, transparency, and traceability. This certification is regarded as an indication of best practices for society, and is in line with the Company's corporate sustainable development goals. The certificate issued in 2017 is valid for 3 years.

1) CHANNELS FOR COMPLAINTS AND GRIEVANCES

The Company provides channels for all stakeholder groups 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.

In addition all stakeholder groups can, in confidence, submit complaints or provide information concerning fraud, wrongdoings, or violations of the Company's Code of Conduct to the Company's Board of Directors or to related persons through any one of the following channels:

- 1.1) Audit Committee by email to auditcommittee@truecorp.co.th or by a sealed letter directly addressed to the Chairman of the Audit Committee or to the Audit Committee at the address: True Corporation Plc, 18 True Tower Building, Ratchadaphisek Road, Huaykwang, Bangkok 10310

- 1.2) Chairman of the Executive Committee or Co-Presidents by a sealed letter directly addressed to the Chairman of the Executive Committee or Co-Presidents as per the following:

Chairman of the Executive Committee, True Corporation Plc, 18 True Tower Building, Ratchadaphisek Road, Huaykwang, Bangkok 10310 or

Co-President, True Corporation Plc, 18 True Tower Building, Ratchadaphisek Road, Huaykwang, Bangkok 10310

- 1.3) Human Resources Department by a sealed letter directly addressed to the Chief Human Resources Officer as per the following:

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

Contact the Human Resources Compliance & Assurance Department, Tel: 02-858-2023;
Fax: 02-858-4906; Email: codeofconduct@truecorp.co.th

1.4) Fraud & Cyber Crime Department by email to noppadol_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 investigation and consideration for further action. The Audit Committee will summarize results of the investigations and report to the Board of Directors every quarter.

Conditions for processing complaints and information:

- Anonymous letters are not accepted.
- The person(s) who is submitting complaints or information must provide his/her full name. The Company will keep such personal information confidential, and only company officers or persons authorized by the Audit Committee can access this information.

Irrelevant issues such as the following will 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 donations and sponsorships

2) SUPERVISION OF INSIDER INFORMATION USAGE

True Group is aware of the importance of preventing the use of the Company's insider information for personal benefits. Insider information supervision has been included in the Code of Conduct with regards to the use of insider information by the Company's directors and management in trading securities for the benefit of themselves and other related persons. True's directors and management are not allowed to use insider information to benefit themselves – such an act is considered as a failure to fulfill their responsibilities toward the Company and its shareholders. Insider information is strictly confidential and known only by related directors and top executives.

Moreover, the Company's directors and executives are obligated to report to the Securities and Exchange Commission (SEC) concerning their purchase, sale, transfer or receiving of securities issued by the Company within 3 days from the transaction date. They are also required to submit another copy of the report to the Company as evidence of the transaction to be further reported at the Board of Directors' meetings on a regular basis. This requirement is aimed at ensuring that the Company's directors and executives manage and operate the Company's businesses with integrity and transparency, as well as complying with the Company's corporate governance principles to create confidence and trust among shareholders and investors.

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 10 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 equally entitled to all the rights, freedom, and dignity of human beings. According to the law, everyone is to be treated equally, free from discrimination, and receive support to work according to their capabilities and potential. In this regard, True Group has continuously provided employment opportunities for disabled persons based on their capabilities.

- 1) True Group hires people with disabilities taking into account their skills and capabilities, comprising various positions such as engineers, customer service officers, and technicians. At the end of 2017, True Group had a total of 264 employees with disabilities as part of its workforce.
- 2) The Company creates jobs and income for the disabled through its participation in the Occupational Support for the Disabled project under Article 35 of the Empowerment Of Persons With Disabilities Act, B.E. 2550 (2007). The Company helps the disabled to improve their quality of life and occupational potential by using its communication technology and innovations, which are deployed under the concept of "Creating a Better Life for the Vulnerable Group". As part of this initiative, the Company established the True Autistic Thai Center to provide training for people with autism to be able to earn an income to support themselves and their families through use of the True Autistic Application.

In addition, True collaborated with the Thai Autistic Foundation in providing assistance for the marketing and selling of products made by children with autism. These unique or one-of-a-kind products comprise mugs, bags, t-shirts and note books under the product line "ArtStory By Autistic Thai" which is part of the social enterprise operated by the True Autistic Thai Center. The center helps to sell these products online at one of Thailand's leading online shopping websites www.weloveshopping.com, as well as at True Group offices. The Company also supported the first Annual International Sports Fair 2016 for children with autism, their parents, and caretakers, of which approximately 1,000 people from ASEAN countries and Japan participated in the event.

- 3) True Group provided TrueMove H Deaf SIM cards for persons with hearing-impairments so that they can access news and information easier and more effectively. The True Care Live for Deaf application was developed to enable people with hearing impairments to contact the TrueMove H Call Center for service assistance via video chat using sign language, all free of charge. On the other hand, TrueMove H Prepaid Blind SIM cards are available for visually-impaired persons enabling them to use unlimited data services at a special price. Through this they are able to use popular applications such LINE (chat & call), Whatsapp, TaB2Read, Read for the Blind (RFB) and contact the 1414 Call Center dedicated for persons with visual impairments. True also offered a specially-priced smartphone which comes pre-installed with these applications for the visually-impaired.

4. FAIR TREATMENT OF THE WORK FORCE

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

True Plook Rak Campaigns

- Happiness Temperature (HT): A survey is conducted via the internal HR website on the level of employee happiness and the results are used to make improvements according to employees' needs.
- Wellness Spa: Traditional Thai massage for employees to relieve stress and tension, as well as exercise activities such as yoga, Tai Chi Qigong, free dance, and jazz dance together.
- 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 comprises 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.
- Wealth with Plook Rak: This campaign educates employees on how to carefully spend money by eliminating unnecessary expenses and on how to save for a happy retirement.

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, leading to better product and service quality for customers.
- 2) All electronic devices (mobile phones and tablets covering 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 prepares information and tips in the form of Q&As on utilizing technology and IT devices which are disseminated to the public through various print and broadcast (radio and TV) media.

6. ENVIRONMENTAL CONSERVATION

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

1) Promotion of Nature and Environmental Conservation Activities (Cultivating Love of Nature and the Environment)

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 23rd Annual Nature National Photography Contest 2017 to create awareness of environmental conservation among youths and the public by using photography as a medium under the theme “Nature and Wildlife Photography”. The contest was open for participants to compete for the HRH Princess Maha Chakri Sirindhorn Royal Trophy and HRH Princess Galayani Kromma Luang Naradhiwas Rajanagarindra 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. In 2017 more than 2,000 digital photos were submitted to the photo contest. The award-winning photographs are available for viewing via the “True Photo Contest” application, which showcases all the 408 winning entries in the past 23 years of the photo contest (1995–2017). The application, available on both iOS and Android platforms, can be downloaded free of charge and is searchable by using the key word “True Photo Contest”.

1.2 Cultivating love of nature and the environment through the development of the We Grow Application to boost awareness of nature and environment conservation

True Group’s Innovation team developed the We Grow application as a tool 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 2017 True Group introduced the We Grow application under the following activities:

(1) Promoting the value of and conserving trees featured in Thai literature at King Rama II Memorial Park

True Group helped promote the value of conserving tree species that were featured in Thai literature at the King Rama II Memorial Park covering an area of 30 rai (48,000 square meters) by providing information and QR codes on the tree name tags of 110 species planted in 4 gardens within the park: 1 KhunChang-KhunPhaen Garden; 2. Ramayana Garden; 3. Enao Garden; and 4. Food and Dessert Garden. Visitors can use a smartphone to scan the trees’ QR code to view their images and listen to the related poetry verse of that particular tree as it was depicted in Thai literature. They can also search for more information about the tree through the We Grow application right there in the park.

(2) True Group supported Rak Pong Prai Youth Nature Camp 2017

True Group in collaboration with the Office of the Basic Education Commission; Ministry of Education; the Department of National Parks, Wildlife and Plant Conservation; the Department of Agricultural Extension; the Land Development Department; the Cooperative Auditing Department; the Department

of Mulberry Silk; the Zoological Park Organization under the Royal Patronage of His Majesty the King; and the Bangkok Metropolitan Administration (BMA), to organize an annual 2017 Rak Pong Prai Youth Nature Camp to celebrate HRH Princess Maha Chakri Sirindhorn's 60th Birthday Anniversary. True Group used the We Grow application as a tool to create nature and environment conservation awareness and it was part of the training syllabus. The Rak Pong Prai Youth Nature Camp 2017 was attended by more than 7,000 students from all over the country.

True also organized training courses for teachers and staff at 29 Nature Study Centers of the Department of National Parks, Wildlife and Plant Conservation in order to transfer nature and environment conservation knowledge to youths who joined the activities. True added a new function to the We Grow application which can keep track and record the growth progress of the trees planted across the country by the children who participated in the "Rak Pong Prai Youth Nature Camp" through tree planting competition. In addition, True developed the website www.rakpongprai.com to compile information on youth nature camps held at 29 Nature Study Centers.

1.3 Cultivating love of nature and the environment through the Doo Nok application

True in collaboration with the Department of National Parks, Wildlife and Plant Conservation, the Department of Agricultural Extension, the Zoological Park, the Royal Irrigation Department, and Buriram Province used the Doo Nok application as a tool in a project to conserve and restore Thai cranes and other waterbirds in wet areas as well as in the agricultural area in Buriram. The aim of this initiative is to help attract bird watchers to visit Jorake Mak reservoir to view Thai cranes and about 100 species of birds in the area. In addition, a bike lane was constructed to facilitate visitors for the bird watching activity. Moreover, the Doo Nok application enables farmers and youths in the area to report the location where they saw the Thai crane while visitors could use the application to check the right time and plan their bird watching trip. Free to use, this application also serves as an information hub of many bird species in Thailand.

1.4 Cultivating love of nature and the environment through joining the Earth Day activity

True Group together with the Bangkok Metropolitan Administration (BMA), and other government and business organizations such as the Canadian Embassy, the United Nations Environment Programme and the Charoen Pokphand Group helped to promote Earth Day through several media under the theme "Connecting People to Nature." Participation in this activity was to raise awareness and campaign for understanding of environmental impacts, as well as to encourage cooperation among public and private sectors, and the general public nationwide, expanding to joint responsibilities with other countries around the world.

1.5 Cultivating love of nature and the environment through recycling old mobile phones

True Group launched the "Return Old Mobile Phones, Make Merit, Build a Nation" project in collaboration with the Pollution Control Department. True signed a Memorandum of Understanding to join the "Return Old Mobile Phones, Reduce Global Warming" campaign to help with the proper and systematic recycling of used mobile phones. The Company initiated the project as a channel for customers and the public to bring old mobile phones of all brands and dispose them in collection boxes at 72 True Shop branches nationwide. For more details of the project, please visit <http://bit.ly/TruePhoneRecycle>.

- 1.6 Cultivating love of nature and the environment through the Earth Hour 2017 campaign Turn Off the Lights, Light up the Future

True Group in collaboration with the Foundation for Environmental Education for Sustainable Development (Thailand) invited the public in Bangkok and in the provinces to join the “Turn Lights Off for One Hour, Reduce Global Warming” (60+ Earth Hour 2017) project which was a part of the “Turn Off the Lights, Light up the Future” campaign that True has supported for more than 10 consecutive years.

- 1.7 Cultivating love of nature and the environment through promotion and protection against potential threats to marine and coastal resources

True Group in collaboration with the Ministry of Natural Resources and Environment and partners from the public and private sectors signed a Memorandum of Understanding to help promote the protection of marine and coastal resources from potential threats such as discarded cigarette butts at beaches by sending an SMS from TrueMove H to inform and notify tourists to refrain from smoking at beaches. This public service covered 24 beaches in 15 provinces across the country.

7. PARTICIPATION IN THE DEVELOPMENT OF THE COMMUNITY AND SOCIETY

1) PROMOTING EDUCATIONAL DEVELOPMENT ACTIVITIES (CULTIVATING KNOWLEDGE)

- 1.1) Cultivating Knowledge: Broadening the Learning Experience at Schools Nationwide under the True Plookpanya campaign

True Group’s ongoing commitment is to support education-related activities through its True Plookpanya campaign which utilizes True’s own integrated telecommunications technology and innovations to help improve educational efficiency at underprivileged schools which lack adequate teaching materials and equipment. Currently, 6,000 schools have joined the campaign of which 58 were selected in 2017 as model True Plookpanya schools based on their efficient academic performance. Academic activities under the True Plookpanya campaign included:

- (1) Bringing happiness to children on Children’s Day 2017

True Group’s True Plookpanya team organized an outing for students of Wat Hua Lampong School to visit the “Pokemon Everyday 2017” event in order to broaden their learning experience and to watch the special performance of the popular character Pikachu dance in the Pikachu Stomp Show from Japan. The outing also included other fun-filled educational activities for students under the True Plookpanya campaign.

- 1.2) Cultivating Knowledge: True Group promotes education through its participation in the Pracharat Project, focusing on fundamental education and leadership development

True Group joined 11 other business organizations in supporting the Government’s Pracharat Project “CONNEXT ED” which focuses on fundamental education and leadership development. The project is led by young leaders from these 12 organizations to help students access ICT and online multimedia. In

2017, a total of 39,829 smart classrooms were set up, 749,349 students had access to better educational resources, whereas 36,397 teachers underwent professional skill training and school directors in 3,351 Pracharat schools received capability development coaching. In 2017, about 600 school partners selected from young generation leaders from the 12 organizations were trained. About 100 ICT talents were also trained in educational ICT technology as well as received on-the-job training at Pracharat schools under True Group's responsibilities in order to provide ICT technology and use ICT media and devices effectively for Pracharat schools' teachers and executives and nearby communities.

1.3) Cultivating Knowledge: True Group promotes education for Thai children through online media

True Group's True Plookpanya team helped to promote education for Thai youths and the general public enabling them to easily access online information and True Plookpanya educational content via the website www.trueplookpanya.com and the True Plookpanya mobile application for free on all mobile networks. Users could access for free True Plookpanya media via .@trueWIFI available at more than 100,000 locations nationwide as of the launch date until June 30, 2017. These Wi-Fi hot spots are available for mobiles phones and other devices that can connect to the internet. More information is available at www.trueplookpanya.com/freenet.

1.4) Cultivating Knowledge: True Group organized the Annual 2017 True Young Scientist Competition

True Group organized the Annual 2017 True Young Scientist Competition for primary school students which featured "Science and Technology to Develop the Quality of Thais 4.0" as the year's theme. The project is aimed at helping Thai youths at the primary school level to learn about the scientific process and how to develop their knowledge in order to improve their quality of life. A total of 325 student science projects were submitted from 217 schools in 59 provinces across the country.

1.5) Cultivating Knowledge: True Group organized the Admissions Skill Up by TruePlookpanya activity

True Group's True Plookpanya Media team in collaboration with On-Demand A-Level and ENCONCEPT educational institutions launched the "Admissions Skill Up by TruePlookpanya" activity that provides exam guidelines for national admission exams free of charge to M6 students nationwide. The students were able experience the process of taking the exam in a virtual examination room in order to familiarize themselves. After the exam, students received scores and an evaluation covering areas for improvement so that they could seek tutorial services accordingly.

1.6) Cultivating Knowledge: True Group organized the 15th True Future Journalist 2017 Contest

TrueVisions organized the 15th True Future Journalist 2017 Contest which is open to year 3 and year 4 mass communications university students so that they can learn about and develop news reporting skills with professional and renowned journalists from Thailand and abroad. The winners underwent their training at BBC World News in London and at TNN24 TV news station. For this year, there were 2 special prizes to attend the Future News Worldwide 2017 event held in the United Kingdom. The winners also had a chance to apply for 2 scholarship places to further their education with a master's degree in Mass Communications at the National Institute of Development Administration (NIDA), worth a total of Baht 755,000. A total of 305 students from 20 universities nationwide joined the program.

1.7) Cultivating Knowledge: True Group and the Press Council of Thailand hosted the Annual Pirabnoi Workshop 2017

True Group collaborated with the Press Council of Thailand in hosting the Annual Pirabnoi Workshop 2017 for mass communications university students who underwent extensive training by professional journalists to prepare themselves for careers in the media industry. A total of 112 student projects from 15 educational institutions across the country were submitted.

1.8) Cultivating Knowledge: True Supports IPIT Court Young Ambassador Program

True Group for the 11th consecutive year supported the IPIT Court Young Ambassador Program which is organized by the Central Intellectual Property and International Trade Court (CIPITC) of Thailand, Judge's Club of the Department of Intellectual Property, and Japan External Trade Organization enabling law university students to practice applying laws and use legal language (Thai and English) in a mock trial before a panel of judges in a competition. The winners were awarded the Royal Trophy of HRH Princess Bajrakitiyabha and won a study trip to South Korea and Hong Kong where they received on-the-job training at some of the world's leading law firms.

1.9) Cultivating Knowledge: True Group organized the True Incube Young Tech StartUp 2017 Competition

True Group organized the True Incube Young Tech StartUp 2017 program which provides opportunities for people who would like to run their own business. College and university students aged not over 25 years from any faculty or program were eligible to join the competition by submitting their business proposal plan. All 30 winning start-up teams each received Baht 200,000 in funding for developing their proposed businesses into a real business, as well as additional benefits such as training with experts in business plan development, design thinking, presentation skills, etc.

1.10) Cultivating Knowledge: True Group supports the Media Design Development Program

True Group's True Plookpanya team in collaboration with the School of Fine and Applied Arts, Bangkok University organized the Media Design Development Program for university students to showcase their creative media designs and share to the public via the True Plookpanya TV channel and other True Plookpanya media. Scholarships were awarded to students in order to further develop their projects in a "Creative Advertising and Video Production" course.

2) PROMOTION OF SOCIAL ACTIVITIES AND COMMUNITY DEVELOPMENT (CULTIVATING VIRTUES)

2.1) Cultivating Virtues: True Group supports the Smile Voice project to create audio books for the blind

True Group in collaboration with the Stock Exchange of Thailand (SET), Thailand Association of the Blind, TAB Foundation, the Charoen Pokphand Group, Samsung Galaxy, The Guidelight and Klong Dinsaw to launch the "Smile Voice" project which provides approximately 700,000 visually-impaired persons nationwide access to a variety of audio books and other media. True Group's support comprised the pre-installation of the Read for the Blind application in mobile handsets along with unlimited internet data usage at a special price for users to record and listen to audio books. The Company also helped promote the project through various media and encouraged its employees to volunteer with this project. More than 1,600 True Group employees attended the training courses on how to record audio books.

2.2) Cultivating Virtues: The 6th Little Novices Cultivating Wisdom project under the theme Love Oneself–Love People–Love the World–Love the Universe

True Group has for 6 consecutive years continued to broadcast its “Novice Monks Cultivate Dharma Wisdom” reality TV program that cultivates knowledge with virtues among the children so that they will grow up to be both smart and kind. This year’s theme was “Love Oneself–Love People–Love the World–Love the Universe.” Upon entering the monkhood, the novices practiced Dharma principles, learned the value of love which starts with oneself, then sharing it with others, and learning to treat the surroundings with love based on kindness and compassion principles, seeking for the true meaning of Universal Love. The objective is to showcase good role models and inspire society to lead their daily lives in accordance with Buddhist principles.

2.3) Cultivating Virtues: Petch Naam Neung project for orphans at orphanages

True Group jointly launched the Petch Naam Neung project for orphans at orphanages with the Ministry of Social Development and Human Security to support their education. In 2017, the Company provided digital devices and media to 30 orphanages to help with broadening knowledge of more than 6,000 orphaned youths and support them to further their studies and provide career opportunities to earn income through initiatives such as the Raising Layer Chicken Farming for Student’s Lunch Project.

2.4) Cultivating Virtues: 2017 True Young Producer Awards under the theme Cheating Is No Good

True Group collaborated with the Advertising Association of Thailand in organizing the True Young Producer Award 2017, to compete for the HRH Princess Maha Chakri Sirindhorn Royal Trophy. The contest was open to university students enabling them to showcase their abilities and creative ideas to produce advertisements under the anti-corruption theme of “Cheating Is No Good.” Entries from 703 teams were submitted to the contest.

2.5) Cultivating Virtues: 2017 Chor Sa-ard Song Competition featuring an anti-corruption theme

True Group collaborated with the Anti-corruption Foundation to launch a songwriting competition under the theme of anti-corruption. The songs had to be original (newly composed) and could be in any music genre (country, pop, rock, indie, folk music, etc.) and address anti-corruption themes. A total of 442 songs were submitted to the competition.

2.6) Cultivating Virtues: S2S: Help Flood Victims in the South activity

True Group’s TrueMove H supported the “S2S: Help Flood Victims in the South” activity by donating Baht 1,074,100 to flood victims, especially those with disabilities. This initiative was aimed at helping develop and promote blind singers’ and musicians’ abilities to perform in public under the “From Street to Stars” project that True had supported since 2015.

2.7) Cultivating Virtues: True Group supports the Touch for Life medical equipment fund raising campaign

True Group supported the Touch for Life campaign to raise funds to purchase modern medical equipment and ICT systems for Queen Sirikit Medical Center at Phramongkutklao Hospital. TrueMove H’s customers could donate Baht 100 each until February 2018 by sending an SMS to *948*1411*100#.

2.8) Cultivating Virtues: True supports establishing the first ASEAN Disability Training Center in Thailand

True Group in collaboration with the Charoen Pokhand Group supported the first ASEAN Disability Training Center in Thailand in Muangkaew, Mae Rim in Chiang Mai which provides jobs and careers for disabled persons, training and teaching innovative agricultural know-how as well as 6 other groups of professional skills, creating secure jobs and sustainable income for the disabled in Thailand's 8 northern provinces and in ASEAN countries.

2.9) Cultivating Virtues: True supports setting up of Community Internet Center

True Group contributed Baht 988,700 to the Division 1 Si Suriyawong Camp in Ratchaburi to help set up a Community Internet Center at the Learning Center of the camp in order to provide opportunities for youths and residents in the community to access online information for free.

2.10) Cultivating Virtues: True Group handed over Baht 1 million in donations via SMS from the Let Them See Love project to the Thai Red Cross

True Group handed over Baht 1,427,930 in funds donated via SMS to support activities concerning eye and organ donation under the "Let Them See Love" project, which organizes a campaign to encourage people to see the importance of eye and organ donation for those in need, giving them hope for a new life. TrueMove H's customers could donate either Baht 10 or Baht 100 by sending an SMS to 91255 throughout the year.

2.11) Cultivating Virtues: True Group is the Official Telecommunications Service Provider for Thai Athletes at the ASEAN Para Games 2017

True Group was the Official Telecommunications Service Provider for Thai athletes competing in the ASEAN Para Games 2017. Each Thai athlete, coach, officer, and accompanying media received a TrueMove H SIM card which included non-stop data international roaming service with voice calls so that they are able to keep in contact with their family and friends while in Malaysia.

2.12) Cultivating Virtues: True Group supports The Story of Mom & Me campaign

True Group organized a special campaign titled "The Story of Mom & Me" in August to help promote the relationship between mothers and their children under the theme "A Giving of Love." TrueMove H customers were invited to join the program by expressing their love and happiness especially for their mothers on National Mother's Day through various activities such as "Give More, Get More, Get More Food from Doing Good" by sending an SMS to *948*1415*100# and donating Baht 100 to buy medical equipment for Queen Sirikit's 80th Birthday Anniversary Building at the Children's Hospital Foundation.

2.13) Cultivating Virtues: TrueOnline and TrueVisions care for flood victims

True Group's TrueOnline and TrueVisions extended the service payment period by another 30 days for customers affected by floods. Technicians were also sent to check internet and cable TV connections at customers' homes for free to ensure that services run smoothly. This special service covered flood victims in 12 provinces in the South including Nakorn Sithamarat, Pattalung, Sonkhla, Narathivat, Prachuab Kirikhan, Chumporn, Ranong, Surat Thani, Krabi, Trang, Pattanee and Yala. Moreover, a special team was set up to closely monitor the situation 24 hours a day in order to boost customers' confidence and trust in the quality of True Group's services.

2.14) Cultivating Virtues: Fundraising for the Children's Hospital Foundation

True Group collaborated with the Office of The National Broadcasting and Telecommunications Commission (NBTC), and Queen Sirikit National Institute of Child Health to raise funds for the Children's Hospital Foundation. Customers were able to donate Baht 100 to the "Give Love a Chance, Give Life a Chance" project via SMS by calling *948*1415*100# or transfer money via the PromptPay service to Krung Thai Bank - Children's Health Institution branch account No. 095-5-58141-5.

2.15) Cultivating Virtues: TrueMove H invited Thais to join the Step by Step for 11 Hospitals across the Country charity run

True Group's TrueMove H invited Thai people to join the "Step by Step for 11 Hospitals across the Country" charity run to raise funds for the development of medical treatment facilities at those hospitals in need in several provinces. TrueMove H customers could donate funds for medical equipment via TrueMoney, TrueYou or SMS during December 12–25, 2017 and in turn TrueMove H donated equal the amount of money to the campaign.

2.16) Cultivating Virtues: True supports SMS Alert project for assistance to Thai people overseas

True Group supported the Social Assistance Center Hotline project to receive calls and SMS from Thai people overseas concerning various types of problems including human trafficking. Easy to remember, the toll free number is +66 99 130 1300 and calls would be transferred to the Social Assistance Center Hotline 1300 of the Ministry of Social Development and Human Security for further handling and assistance.

2.17) Cultivating Virtues: TrueMove H supports flood victims in Sakol Nakhon and Kalasin

True Group's TrueMove H helped to provide relief assistance to customers who were severely impacted by floods in Sakol Nakhon and Kalasin provinces by extending the payment period for post-paid customers and extending another 30 days validity for pre-paid customers. In addition, all customers could make free calls on TrueMove H's network for 30 days.

2.18) Cultivating Virtues: TrueMove H supports Continue the Project of King Bhumibol Adulyadej of Thailand

True Group supported "Continue the Project of King Bhumibol Adulyadej, Help Thais away from Cancer" campaign to commemorate Her Royal Highness Princess Chulabhorn Walailuk's 60th Birthday Anniversary. The Company supported fund raising activities and helped promote the campaign through various media. In addition, TrueMoe H customers could donate Baht 100 for the purchase of medical treatment to treat poor patients suffering from cancer by sending an SMS to *948*9060*100# until December 1, 2018.

2.19) Cultivating Virtues: TrueMove H supports Step by Step project

True Group supported the "Step by Step" project to help raise funds for the purchase of medical equipment for the Special Medical Care Center at the Navamindrapobitr 84th Anniversary Building of Siriraj Hospital. TrueMove H customers could donate Baht 100 via SMS by calling 91219. The Company also helped promote the fund raising activity through various media such as TrueVisions TV channels, True ID mobile application and SMS broadcast.

2.20) Cultivating Virtues: True Group provides scholarship support to the Faculty of Engineering, Chulalongkorn University

True Group's True Branding Shop donated Baht 600,000 as scholarships to the Faculty of Engineering, Chulalongkorn University. The True Brand Shop has been open as a learning community for teachers, students, and staff of the Faculty of Engineering of Chulalongkorn University for more than 9 years.

3) TRUE GROUP'S SUSTAINABLE DEVELOPMENT

True Group places great importance on sustainable development and is committed to disclose corporate progress and corporate social responsibility according to its annual materiality analysis. The materiality analysis involves the process of identifying sustainability topics viewed as important by both internal and external stakeholders, communicating the management approach to each material issue and disclosing related operations through the Company's Sustainability Report. The process of sustainable 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 taking into consideration 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 Report.

Step 4: Review – Past material aspects that impacted True Group's business growth are continually reviewed and are reported in subsequent Sustainability Reports.

In 2017, True Group published the Sustainability Report to communicate stakeholders' interests and its impact on True in terms of economy, society and the environment throughout 2017. The report was based on the Global Reporting Initiatives Standards (GRI Standards) sustainability guidelines. GRI is one of internationally recognized standards for sustainability reporting.

Based upon analysis of the significance level of aspects that affect sustainable development of True Group in 2017, there are 18 significant topics as follows:

1. Corporate Governance and Business Ethics; 2. Service Quality and Customer Relationship Management; 3. Data Security; 4. Generation of Economic Value and Business Expansion; 5. Innovation Management; 6. Network Reliability; 7. Supply Chain Management; 8. Protection of Customers' Information; 9. Climate Change; 10. Energy and Carbon; 11. E-Waste Management; 12. Human Capital Development; 13. Talent Attraction and Retentions; 14. Health, Safety, and Wellness; 15. Corporate Citizenship and Philanthropy and Social Impacts; 16. Human Rights; 17. Cyber Wellness and Online Safety; and 18. Digital and Social Inclusion.

8. INNOVATION AND SHARING OF INNOVATION FROM BUSINESS OPERATIONS WITH RESPONSIBILITY FOR SOCIETY, ENVIRONMENT, AND STAKEHOLDERS

1) Promotion of Innovation through True Innovation Awards

True Group supports creation of innovations to increase work efficiency and maximize use of resources by organizing the annual True Innovation Awards to encourage employees at all levels to take part in developing innovations that benefit the organization and society. Employees are strongly encouraged to recognize the importance and benefits of innovation as well as to implement innovation in their work, solve problems for customers, develop products and services, improve work process that benefit the company, customers and society as a whole, raise customer satisfaction levels, increase revenue, improve work processes, including the addition of more value and creativity.

2) True Group supports the CU TOYOTA Ha:mo project, showcasing Electric Vehicle (EV) Innovation to drive the Smart City concept in Thailand

True Group supported the CU TOYOTA Ha:mo project to offer an alternative form of short distance commuting in addition to public transportation through electric vehicle innovation to drive the smart city concept in Thailand. This was initiated from a car sharing perspective using EV compact cars that are flexible and did not consume much electricity. For the project, True Group provide beneficial telecommunications business knowledge and suggestions together with its expertise and leadership in IoT, telemetric, telecommunications technology, and digital innovation. All were related to the car and transportation industries, especially electric vehicles and telemetric system in cars in order to propel the smart city concept in Thailand which is in line with True Group's commitment to operate its business towards sustainable development goals.

3) True Group collaborates with Ofo, the world's No.1 bike-sharing service provider

True Group's TrueMove H along with TrueMoney collaborated with Ofo which is the world's No. 1 bike-sharing service provider in order to spearhead smart bike-sharing services in Thailand. True Group offered its True Smart IoT platform and Technology NB IoT designed to connect with TrueMove H's devices and IoT as well as TrueMoney's Digital Payment for Ofo bike-sharing services in Thailand on TrueMove H 4G+ network. Ofo provided a pilot launch with more than 30,000 new bikes with Smart Lock innovation at Thammasat University to make short trips within the university campus more convenient than before. The objectives of this collaboration are to utilize technology in providing convenient transportation, creating good health, and be environment-friendly. This initiative also supports the implementation of the Smart Campus as well as Smart City concepts for the future.

4) True Group develops True Genius School application all school-related matters

True Group's True Click Life developed the True Genius School application that handles all school related issues which includes communication between schools, teachers, parents, and students. This application can also help students learn more efficiently and can be used on tablets and smart phones. Major features include: News Feed - information in both video and image formats from teachers and the school to parents and students; Student Profile - information which parents and teachers can access; Homework - teachers can post homework assignments to students, upload photos, and send by separate subject and class, while parents and students can exchange ideas and make enquiries in real time; Media - educational videos for lesson reviews; and Database - academic statistics in every aspect of the student from past to present which can replace the student report and can be used to correctly analyze and assess the student's development path and areas for improvement.

5) True Group establishes the Rubber Information Center to support farmers to access digital information

True Group in collaboration with the Rubber Authority of Thailand and Platt Nera Co., Ltd. set up a Thai rubber information center to make it easy for rubber farmers to access real-time, up-to-date, accurate, and trustworthy information on rubber via an application on smart phones. This information center compiles and makes available data covering both local and international information sources, as well as provides analyses of the rubber market by experts in order to help the farmers plan properly and effectively right from planting rubber trees to the distribution of rubber.

6) True Group supports the implementation of the first True-Huawei IoT Open Lab in Thailand and South East Asia

True Group and Huawei established the first “True-Huawei IoT Open Lab” in Thailand and South East Asia in Thanyaburi to focus on research and development of IoT solutions and innovation that are practical and meet with consumers’ and business’ needs. This open lab works on smart solutions that must pass an initial test and new IoT technologies such as NB-IoT, and the IoT telecommunications of low data speed and low energy consumption such as Smart Parking or Smart Metering. CAT-M1 technology is another choice for other IoT solutions that requires higher speeds but low energy consumption such as Smart Transportation or Asset Tracking.

INTERNAL CONTROLS AND RISK MANAGEMENT

THE BOARD OF DIRECTORS' OPINION ON THE COMPANY'S INTERNAL CONTROL SYSTEM

True Corporation Public Company Limited places great importance on the Internal Control System which is a mechanism to protect and manage risks or other exposures that may occur. The Company developed the Internal Control System in accordance with the International Standard of COSO Internal Control Framework (The Committee of Sponsoring Organizations of the Treadway Commission) and adapted as practice guidelines to achieve the objectives of effectiveness and efficiency of operations, the reliability and integrity of reporting and the compliance with laws, regulations and policy of the Company's operations.

After an assessment of the Company's internal control system with the Audit Committee in the Board of Director Meeting No.1/2018 held on 28 February 2018 with the presence of all three members of the Audit Committee, the Board of Directors has an opinion that the Company's internal control system is adequate and suitable. The Company has sufficient personnels to operate in accordance with the mentioned internal control system since all personnels are held accountable for the internal control. Moreover, the external auditor did not identify any findings in respect to the Company's internal control 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 control system within the Company on a continuing basis.

The Company's internal control system can be summarized in 5 components of the COSO Internal Control framework as follows:

1. Control Environment

The Board of Directors strives to promote the organization culture by focusing on operating the business with integrity and ethical values, and overseeing the conduct of the Company's business to ensure the compliance with laws and the organization's objectives and goals, including adequate and suitable control environment as follows:

- The Board of Directors has established in writing the Corporate Governance Policy, the Code of Conduct and Anti-Corruption Policy and Measure as guideline practices for the Board, management and employees to carry out duties and responsibilities with integrity and ethical values. The Board of Directors delegates to management to regularly communicate the mentioned policies and code to management and all employees through internal training and various activities.
- The Board of Directors is independent from management and is responsible to oversee the overall business performance, and there are clear and measurable business goals and strategies as direction for the business plan executions and operations, and regularly follow up the Company's performance.

- The Company has established the organization structure in business lines and functions to efficiently support the business operations in order to align with True Group's direction. Efficient internal controls have been established such as segregations of duties for check and balance, all employees are held accountable for internal control. The Company has established clear line of reporting for the organization structure, accountabilities are clearly assigned and levels of authorities are appropriately delegated in line with the organization structure.
- The Company defines personnel qualifications for each job position as guidelines to recruit, select personnel from internal and external sources. The Company also has plan for individual personnel development through the Company's Learning and Development Center and also external training. There are succession plan and process to select successors for critical job positions. The performance evaluation system and process are standardized to consider fair reward and recognition, and offer incentives to employees in an efficient manner. Every year, the Company selects the top qualified employees to participate in True Star program.

2. Risk Assessment

Risk assessment is part of risk management which is central to a sustainable business operation. The Company takes into consideration not only business risks, but also social and environmental risks, how to reduce risk impacts, and business opportunities all under the topic of risk management. The Company continuously develops an efficient risk management system in order to provide long term value to stakeholders.

- The Company follows the Enterprise Risk Management (ERM) policy in accordance with international standards of the Committee of Sponsoring Organizations of Treadway Commission (COSO), and annually assesses a variety of risks like actual risks, past risks, and long-term risks. The Risk Management Policy & Framework is reviewed and approved annually by the President (Co).
- There is joint working between Risk Management Committee, the Management, Internal Audit and the business units (Risk Owners). In this regards, the Company sets the Risk Management Department to coordinate and facilitate the discussion with the business units (Risk Owners), the Risk Management Committee and relevant units to assess and prioritize risk and find measures to address them including to report the High Level Risks to the Executive Committee for acknowledgement and approval and report to Audit Committee for acknowledgement and advisory
- Additionally, the Company operates risk-based audits and develops the quality of internal audits in both personnel and work operation systems, in order to manage risks effectively. This helps to increase business opportunity and competitiveness for the Company by managing risks under the current rapidly changing circumstances. This meets the goal of multidimensional risk identification and assessment, which includes operational, financial, marketing, regulatory, legal, Technology & IT, people and sustainability.

3. Control Activities

The Company has established the control activities that help mitigate risks which may prevent the achievement of objectives to acceptable levels:

- The Company has designed appropriate types of control activities to address risks and entity-specific factors. The segregation of duties has been clearly established such as authorizing and approving transactions, recording financial transactions and data information, and handling the assets. The Company

has appropriately established the written policies, procedures and work instructions covering finance, purchasing and other processes, and periodically reviews to determine their continued relevance. The Company has clearly defined the approval authorization for each management level. The information of major shareholders, directors and management has been regularly updated. The Rules of Entering into Related Party Transactions have been established to prevent conflict of interest and consider the Company's best interest.

- The Company has implemented the automated controls of key operating systems and established Corporate Information Security Policies to ensure the appropriateness of controls over information and technology in accordance with the ISO/IEC 27001.
- The Company has periodically monitored the operations of its subsidiaries or associates to ensure their operations aligned with the Company's policy.

4. Information and Communication

The Company recognizes the importance of the quality of information and communication which is a significant part in supporting effective Internal Control System and has implemented and managed the information and communication as detailed below:

- The Company has set up an Intelligent Center Department to collect information, considering the relevant factors such as the sources, accuracy, reliability, cost, as well as the appropriate level of information and communicate the information to management to ensure they receive accurate and quality information.
- The Company prepares the significant information and regularly reports to the Board of Directors every quarter. The Board of Directors can access necessary information or request the additional information from the Company Secretary, which acts as a contact center to help coordinate the Board's request for information, organizes the meetings, or meetings between the Board and management. The Board of Directors meeting information and documents will be provided in advance to all Board members prior the meeting date.
- The Company has established process and efficient internal communication and information channels through Intra-net communication technology that can communicate necessary information to all employees throughout the organization at the same time. The Company can also specify the position level of employees for communicating classified or sensitive information.
- The Company provides a separate communication channel to report any clues or complaints, offenses or suspicious behavior that may imply fraud or corruption or misconduct of any persons in the organization for employees and other stakeholders to the Board of Directors through the Audit Committee channel, the Chairman of the Executive Committee, or the President (Co), the Human Resources Department, Fraud & Cyber Crime Department (information reported to be kept confidential). This channel is publicized on the Company's website www.truecorp.co.th. In addition, the Company also has appropriate and efficient communication channels with external stakeholders such as Call Center for customers' inquiries or complaints about products and services of the Company, and Investor Relations channel for shareholders and investors.
- The Company recognizes great importance of Internal Control System which is established as one of 9C policy and communicates to employees at all levels. The Internal Audit Department is assigned to

provide training courses every quarter on Internal Control for the Company's employees. Moreover, the Internal Audit Department also provides internal control advisory service to the various business units of the Company upon request.

5. Monitoring Activities

The Company establishes process to monitor and evaluate the adequacy of its internal control system to ensure the efficiency and effectiveness of the internal control.

- The Company establishes process to oversee the business operations to comply with the business code of conduct and the conflict of interest code. The Control Self-Assessment (CSA) has been implemented to evaluate the internal control at the organization and the process levels on a regular basis. Moreover, the Company establishes the channel to communicate or report to the Audit Committee in case there are suspicious or fraudulent activities, including reporting the progress of the resolution of significant deficiencies to the Audit Committee .
- The Internal Audit Department, which is an independent function and a direct report to the Audit Committee, is responsible to evaluate the efficiency and effectiveness of the internal control in conformity with the International Standard for the Professional Practice of Internal Auditing (IIA). The internal audit plan is a risk-based audit and prepared on a yearly basis to align with the True Group's strategies and the enterprise risks which may have impact on the business operations and objectives. The recommendations to improve the business process, the efficiency and effectiveness of the internal control are provided to management to implement corrective action plans. The deficiencies and recommendation are reported to the Audit Committee including the follow-up of the implementation of the corrective action plans.

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 1st 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 GROUP INTERNAL AUDIT (AS OF 31st DECEMBER 2017)

| Name | Mrs. Daopakay Luksanakulbutr |
|-------------------|--|
| Position | Head of Group Internal Audit |
| Age (year) | 60 |
| Education | <p>Master of Science in Taxation, Golden Gate University, USA Bachelor of Business Administration (Accounting), George Washington University, USA Certified Public Accountant (USA) Certified Internal Auditor</p> <p><u>Outside Training Programs</u></p> <ul style="list-style-type: none"> - Anti-Corruption: Synergy to Success IA Day - Working Paper for Anti- corruption - Internal Control-Thailand 4.0 - IA Forum: Staying the course towards True North-Navigating disruption - Sustainability Strategy: Key Blueprint for Business Growth - Career Counseling & Mentoring to unleash Talent - 2016 IA Day-Leading Your Professional Way - 2016 IIA Annual Seminar: The Professional of Sustainable Development - 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) <p><u>In-House Training Programs</u></p> <ul style="list-style-type: none"> - Chairman Vision 2017 - Supply Chain Sustainability workshop - Internal Control for Procurement - True Sustainability Development Workshop - IFRS Update - Technology Trend 4 Digital Inclusion - Chairman Vision 2016 - CEO Vision and True LDL Workshop - Boost Human Productivity - True Copper & Fiber Network - Data Network Fundamental - Broadband Access Technology - The 4 disciplines of execution - Seminar: Sustainability and Alignment- CP Group - The Leader's Daily Role in Engaging People & Talents - Chairman Vision 2015 - Director Freshen up - Grow Together With A Winning Culture - CEO Vision and True LDL workshop - TFRS - True Leadership and Innovation Forum #54 - Telecom Policy Workshop - Situational Leadership - LDL Follow up Workshop 2015 |

- Chairman Vision 2015 Follow up
- Transfer Pricing
- 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 |

CONNECTED TRANSACTIONS

- i. For the year ended 31 December 2017, the Group carried out the transaction with subsidiaries, associate, joint ventures and related companies as disclosed in note to the Financial statements for the year ended 31 December 2017 (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 | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|--|--|--|---|--|
| 1. The Company | | | | |
| 1.1 Charoen Pokphand Group of companies (CPG)* | CPG is a major shareholder of the Company. | <p>Sale :</p> <ul style="list-style-type: none"> Collection agent fee <p>Purchase :</p> <ul style="list-style-type: none"> Office rental and related services Management fee Vehicle rental and related services Repair and maintenance Collection agent fee Other services | <p>24,065</p> <p>206,989</p> <p>73,010</p> <p>100,008</p> <p>149,592</p> <p>8,838</p> <p>40,442</p> | <ul style="list-style-type: none"> The transactions arose in ordinary course of business that the Company proposed to the third party. The transactions arose in ordinary course 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 Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|---|---|-----------------|--|
| 2. Bangkok Inter Teletech Group of companies (BITCO) (The Company indirectly holds 99.74%) | | | | |
| 2.1 Charoen Pokphand Group of Companies (CPG)* | CPG is a major shareholder of the Company. The Company indirectly holds 99.74% in BITCO's equity interest. | Sale : | | |
| | | • Sales of mobile handset and accessories | 663,920 | • The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. |
| | | • Commission and other services | 491,711 | • The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. |
| | | Purchase : | | |
| | | • Office rental and related services | 321,668 | • 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. |
| | | • Commission from refill card and other service | 157,391 | • The transactions arose in ordinary course of business. |
| | | • Vehicle rental and related services | 142,187 | • 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. |
| | | • Repair and maintenance network | 314,187 | • The transactions arose in ordinary course of business. |
| | | • Advertising and other services | 235,335 | • The transactions arose in ordinary course of business. |
| | | • Handset and refill card | 1,904,083 | • The transactions arose in ordinary course of business. |
| | | | | |
| 2.2 China Mobile Group of companies (CMG) | CMG is a major shareholder of the Company. The Company indirectly holds 99.74% in BITCO's equity interest. | Sale : | | |
| | | • Mobile services | 16,700 | • The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. |
| | | Purchase : | | |
| | | • Roaming | 17,814 | • The transactions arose in ordinary course of business. |
| 2.3 Digital Telecommunications Infrastructure Fund (DIF) | The Company indirectly holds 99.74% in BITCO's equity interest. and directly holds 28.11% in DIF's equity interest. | Sale : | | |
| | | • Fiber optic cables | 3,818,874 | • The transactions arose in ordinary course of business that BITCO's proposed to the third party. |

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|---|---|-----------------|---|
| 2.4 True Voice Co., Ltd. (TV) | The Company indirectly holds 99.74% in BITCO's equity interest and indirectly holds 55.00% in TV's equity interest. | Purchase : <ul style="list-style-type: none">• Other services | 992 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| 2.5 NEC Corporation (Thailand) Co., Ltd. | The Company indirectly holds 99.74% in BITCO's equity interest and indirectly holds 9.42% in NEC's equity interest. | Purchase : <ul style="list-style-type: none">• Other services | 259 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| 3. True Multimedia Co., Ltd. (TM) (The Company indirectly holds 91.08%) | | | | |
| 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 : <ul style="list-style-type: none">• Office rental and related services | 9,106 | <ul style="list-style-type: none">• 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. |
| | | <ul style="list-style-type: none">• Other services | 1,544 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| 4. True Internet Co., Ltd. (TI) (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 TI's equity interest. | Sale: <ul style="list-style-type: none">• Internet services | 7,035 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business that TI proposed to the third party. |
| | | Purchase : <ul style="list-style-type: none">• Purchase of goods | 33,727 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| | | <ul style="list-style-type: none">• Office rental and related services | 17,293 | <ul style="list-style-type: none">• 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. |
| | | <ul style="list-style-type: none">• Internet server rental | 32,028 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| | | <ul style="list-style-type: none">• Service charge | 7,609 | <ul style="list-style-type: none">• The transactions arose in ordinary course of business. |
| | | <ul style="list-style-type: none">• Collection agent fee | 21,088 | <ul style="list-style-type: none">• 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 Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|--|---|---|----------------------------|--|
| | | • Other services | 890 | • The transactions arose in ordinary course of business. |
| 5. True Life Plus Co., Ltd. (TLP) (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 TLP's equity interest. | Purchase : • Collection agent fee • Office rental and other services | 3,793 20 | • 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. |
| 6. Asia Wireless Communication Co., Ltd. (AWC) (The Company indirectly holds 100.00%) | | | | |
| 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 • Network construction | 802 75,384 | • 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 | 442,703 1,215,005 | • The transactions arose in ordinary course of business that AWC proposed to the third party. • The transactions arose in ordinary course of business. |
| 7. True Visions Group of companies (TVG) (The Company indirectly holds 100.00%) | | | | |
| 7.1 True GS Co., Ltd. (TGS) | The Company indirectly holds 100.00% in TVG's equity interest and indirectly holds 46.80% in TGS's equity interest. These companies are related through directorships, i.e. Mr. Ongard Prakamol, Mr. Anat Mekpaiboonvatana and Ms. Yupa Leewongcharoen. | Sale : • Sale of equipment • Advertising Purchase : • Other service | 772 61,820 9 | • 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. • 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 Shareholders

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|--|---|-------------------------|---|
| 8. True Touch Co., Ltd. (TT) (The Company indirectly holds 100.00%) | | | | |
| 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 | 9,830 12,593 | • 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 46.80% in TGS's equity interest. | Sale : • Call center | 8,394 | • 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 Purchase : • Other services | 1,827 941 | • The transactions arose in ordinary course of business that TT proposed to the third party. • The transactions arose in ordinary course of business. |
| 9. True International Gateway Co., Ltd. (TIG) (The Company directly holds 100.00%) | | | | |
| 9.1 Charoen Pokphand Group of Companies (CPG)* | CPG is a major shareholder of the Company. The Company directly holds 100.00% in TIG's equity interest. | Sale : • Internet services Purchase : • Office rental and other services | 4,669 38,573 | • 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 shareholder of the Company. The Company directly holds 100.00% in TIG's equity interest. | Sale : • Internet services Purchase : • Roaming | 4,285 2,188 | • The transactions arose in ordinary course of business that TIG 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 Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|--|--|---|---|---|
| 10. Real Move Co., Ltd. (RMV) (The Company indirectly holds 99.74%) | | | | |
| 10.1 True GS Co., Ltd. (TGS) | The Company indirectly holds 99.74% in RMV's equity interest and indirectly holds 46.80% in TGS's equity interest. | Sale : • Mobile services | 166 | • The transactions arose in ordinary course of business that RMV proposed to the third party. |
| 10.2 True Voice Co., Ltd. (TV) | The Company indirectly holds 99.74% in RMV's equity interest and indirectly holds 55.00% in TV's equity interest. | Purchase : • Other services | 1,347 | • The transactions arose in ordinary course of business. |
| 10.3 Charoen Pokphand Group of Companies (CPG)* | CPG is a major shareholder of the Company. The Company indirectly holds 99.74% in RMV's equity interest. | Sale : • Mobile services Purchase : • Purchase of goods • Office rental and related services • Content • Commission and marketing • Collection agent fee and cost of card • Other service | 30,031 109,064 107,728 52,076 1,530,185 642,632 276,796 | • 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. |

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|---|---|---|--|
| 11. True Internet Corporation Co., Ltd. (TICC) (The Company directly and indirectly holds 100.00%) | | | | |
| 11.1 True GS Co., Ltd. (TGS) | The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest, and indirectly holds 46.80% in TGS's equity interest. These companies are related through directorships, i.e. Ms. Yupa Lee-wongcharoen. | Sale : • Digital Data Network services | 910 | • The transactions arose in ordinary course of business that TICC proposed to the third party. |
| 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 TICC's equity interest. | Sale : • Digital Data Network services • Network equipment Purchase : • Office rental and related services • Vehicle rental and related services • Repair and maintenance network • Internet server rental • Collection agent fee • Other services • Network construction | 290,234 20,952 218,643 207,005 360,077 153,019 169,308 46,081 102,593 | • The transactions arose in ordinary course of business that TICC proposed to the third party. • The transactions arose in ordinary course of business that TICC 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. |

*Remark: Charoen Pokphand Group of companies where the Chearavanont Family is a major shareholder. Please see detail in Topic Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|---|---|-----------------|--|
| 11.3 Digital Telecommunications Infrastructure Fund (DIF) | The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest and directly holds 28.11% in DIF's equity interest respectively. | Sale : • Fiber optic cables | 2,451,645 | • The transactions arose in ordinary course of business that TICC proposed to the third party. |
| | | Purchase : • Rental of fiber link | 1,944,615 | • The transactions arose in ordinary course of business. |
| 11.4 China Mobile Group of companies (CMG) | CMG is a major shareholder of the Company. The Company directly holds 0.01% and indirectly holds 99.99% in TICC's equity interest | Sale : • Digital Data Network services | 729 | • The transactions arose in ordinary course of business that TUC proposed to the third party. |
| 12. KSC Commercial Internet Co., Ltd. (KSC) (The Company indirectly holds 56.83%) | | | | |
| 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 | 568 | • The transactions arose in ordinary course of business that KSC proposed to the third party. |
| | | Purchase: • Internet services and other services | 23,977 | • The transactions arose in ordinary course of business. |
| 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 | 20,569 | • The transactions arose in ordinary course of business that TIT proposed to the third party. |
| | | Purchase : • Office rental and other services | 41,796 | • 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 | 35,139 | • 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 Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|---|--|---|-----------------|--|
| 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 | 3,752 | • 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 | 6,295 | • 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 | 15,569 | • The transactions arose in ordinary course of business. |
| | | • Other service | 7,355 | • The transactions arose in ordinary course of business. |
| | | • Purchase of network equipment | 39,877 | • The transactions arose in ordinary course of business. |
| 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 | 1,221,223 | • The transactions arose in ordinary course of business. |
| 15. True Move H Universal Communication Co., Ltd. (TUC) (The Company directly holds 100.00%) | | | | |
| 15.1 Charoen Pokphand Group of Companies (CPG)* | CPG is a major shareholder of the Company. The Company directly holds 100.00% in TUC's equity interest. | Sale : • Mobile services | 12,689 | • The transactions arose in ordinary course of business that TUC proposed to the third party. |
| | | Purchase : • Office rental and related services | 4,903 | • 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. |
| | | • Commission | 60,642 | • The transactions arose in ordinary course of business. |
| | | • Collection agent fee | 23,187 | • The transactions arose in ordinary course of business. |
| | | • Network service | 71,536 | • The transactions arose in ordinary course of business. |
| | | • Other service | 51,243 | • 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 Shareholders

| COMPANY NAME | RELATIONSHIP | DETAILS OF TRANSACTIONS | 2017 (BAHT'000) | RATIONALE AND NECESSITY |
|--|--|--|--------------------------------|--|
| 15.2 China Mobile Group of companies (CMG) | CMG is a major shareholder of the Company. The Company directly holds 100.00% in TUC's equity interest. | Sale : • Mobile services Purchase : • Roaming | 158,077 68,686 | • The transactions arose in ordinary course of business that TUC proposed to the third party. • The transactions arose in ordinary course of business. |
| 15.3 True GS Co., Ltd. (TGS) | The Company directly holds 100.00% in TUC's equity interest and indirectly holds 46.80% in TGS's equity interest. | Sale : • Mobile services | 972 | • The transactions arose in ordinary course of business that TUC proposed to the third party. |
| 15.4 Digital Telecommunications Infrastructure Fund (DIF) | The Company directly 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 | 9,945 1,170,678 | • The transactions arose in ordinary course of business that TUC proposed to the third party. • The transactions arose in ordinary course of business. |
| 16. Telecom Asset Management Co., Ltd. (TAM) (The Company indirectly holds 100.00%) | | | | |
| 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 | 32,722 | • The transactions arose in ordinary course of business that TAM proposed to the third party. |
| 17. True Digital & Media Platform Co., Ltd. (TDMP) (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 : • Other services Purchase : • Royalty program • Purchase of goods | 316 67,080 5,560 | • The transactions arose in ordinary course of business that TDMP proposed to the third party. • 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 Shareholders

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 2016 | INCREASE (DECREASE) | 31 DECEMBER 2017 |
|---|---------------------|------------------------|---------------------|
| BEC-TERO True Visions Co., Ltd. | 43 | 155 | 198 |
| True Voice Co., Ltd. | 106 | 790 | 896 |
| True CJ Creation Co., Ltd. | - | 992 | 992 |
| Transformation Films Co., Ltd. | - | 1,070 | 1,070 |
| True GS Co., Ltd. | 45,969 | 38,298 | 84,267 |
| Digital Telecommunications Infrastructure Fund | 40,623 | 597,832 | 638,455 |
| China Mobile Group of companies | 157,246 | (63,482) | 93,764 |
| CP Group of companies | 7,629,139 | 2,289,347 | 9,918,486 |
| Total | 7,873,126 | 2,865,002 | 10,738,128 |

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 2016 | INCREASE (DECREASE) | 31 DECEMBER 2017 |
|---|---------------------|------------------------|---------------------|
| Digital Telecommunications Infrastructure Fund | 315,079 | (5,928) | 309,151 |
| True Voice Co., Ltd. | 3,488 | 366 | 3,854 |
| True CJ Creations Co., Ltd. | - | 62,616 | 62,616 |
| True GS Co., Ltd. | 776 | (2) | 774 |
| CP Group of companies | 3,419,114 | 1,545,469 | 4,964,583 |
| China Mobile Group of companies | 21,159 | 7,161 | 28,320 |
| Total | 3,759,616 | 1,609,682 | 5,369,298 |

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 2016 | INCREASE (DECREASE) | 31 DECEMBER 2017 |
|-----------------------|---------------------|------------------------|---------------------|
| CP Group of companies | 147,000 | - | 147,000 |
| True GS Co., Ltd. | - | 50,000 | 50,000 |
| Total | 147,000 | 50,000 | 197,000 |

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.

2.2 A 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. Any connected transaction need to be approved by the Board of Directors will be proposed to the Audit Committee for consideration and review before being proposed to the Board of Directors for approval.

SIGNIFICANT FINANCIAL INFORMATION

SUMMARY OF FINANCIAL STATEMENTS

True Corporation Public Company Limited Consolidated Statement of Financial Position As at 31 December 2017, 2016, 2015 and 2014

| | | | | | (Restated) | | (Restated) | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | 31 December | Common | 31 December | Common | 31 December | Common | 31 December | Common |
| | 2017 | Size (%) | 2016 | Size (%) | 2015 | Size (%) | 2014 | Size (%) |
| (Unit: Thousand Baht) | | | | | | | | |
| Assets | | | | | | | | |
| Current assets | | | | | | | | |
| Cash and cash equivalents | 18,226,744 | 3.92 | 50,183,813 | 11.18 | 10,590,382 | 3.73 | 6,611,594 | 2.82 |
| Restricted cash at bank | 69,316 | 0.01 | 42,360 | 0.01 | 558,973 | 0.20 | 1,139,791 | 0.49 |
| Short-term investments | 2,910 | 0.00 | 502,312 | 0.11 | 2,837 | 0.01 | 1,039 | 0.00 |
| Trade and other receivables | 53,832,189 | 11.57 | 36,810,522 | 8.20 | 38,575,205 | 13.60 | 62,203,154 | 26.58 |
| Short-term loans to related parties | 197,000 | 0.04 | 147,000 | 0.03 | 147,000 | 0.05 | 147,000 | 0.06 |
| Inventories | 16,849,082 | 3.62 | 11,251,975 | 2.51 | 8,294,579 | 2.93 | 4,294,126 | 1.83 |
| Income tax deducted at source | 9,638,664 | 2.07 | 8,141,389 | 1.81 | 5,593,775 | 1.97 | 4,078,066 | 1.74 |
| Claimable value added tax | 8,653,539 | 1.86 | 5,509,182 | 1.23 | 7,001,952 | 2.47 | 4,694,752 | 2.01 |
| Other current assets | 10,342,092 | 2.23 | 10,089,763 | 2.25 | 7,042,763 | 2.48 | 4,273,796 | 1.83 |
| Total current assets | 117,811,536 | 25.32 | 122,678,316 | 27.33 | 77,807,466 | 27.44 | 87,443,318 | 37.36 |
| Non-current assets | | | | | | | | |
| Restricted cash at bank | 26,763 | 0.01 | 27,696 | 0.01 | 47,962 | 0.02 | 50,690 | 0.02 |
| Investment in available for sale securities | 411,992.00 | 0.09 | - | - | - | - | - | - |
| Investments in associates and interests in joint ventures | 16,539,115 | 3.55 | 18,174,762 | 4.05 | 14,994,504 | 5.29 | 16,428,665 | 7.02 |
| General investments | 543,848 | 0.12 | 325,211 | 0.07 | 325,211 | 0.11 | 322,772 | 0.14 |
| Investment property | 733,627 | 0.16 | 760,473 | 0.17 | 796,254 | 0.28 | 5,528 | 0.00 |
| Property, plant and equipment | 175,462,313 | 37.71 | 143,688,352 | 32.00 | 97,666,203 | 34.45 | 75,084,946 | 32.07 |
| Goodwill | 11,403,094 | 2.45 | 11,403,094 | 2.54 | 11,403,094 | 4.02 | 11,403,094 | 4.87 |
| Intangible assets | 129,377,058 | 27.80 | 139,745,965 | 31.12 | 70,030,982 | 24.70 | 34,164,079 | 14.59 |
| Deferred income tax assets | 5,396,614 | 1.16 | 5,375,822 | 1.20 | 5,663,351 | 2.00 | 5,820,859 | 2.49 |
| Other non-current assets | 7,604,976 | 1.63 | 6,780,769 | 1.51 | 4,789,501 | 1.69 | 3,378,962 | 1.44 |
| Total non-current assets | 347,499,400 | 74.68 | 326,282,144 | 72.67 | 205,717,062 | 72.56 | 146,659,595 | 62.64 |
| Total assets | 465,310,936 | 100.00 | 448,960,460 | 100.00 | 283,524,528 | 100.00 | 234,102,913 | 100.00 |
| Liabilities and equity | | | | | | | | |
| Current liabilities | | | | | | | | |
| Short-term borrowings | 46,752,379 | 10.05 | 37,571,675 | 8.37 | 29,927,210 | 10.55 | 2,977,088 | 1.27 |
| Trade and other payables | 115,494,627 | 24.82 | 98,514,397 | 21.95 | 66,291,665 | 23.38 | 101,227,357 | 43.24 |
| Current portion of long-term borrowings | 30,777,810 | 6.61 | 20,653,960 | 4.60 | 12,602,574 | 4.44 | 8,872,851 | 3.79 |
| Income tax payable | 5,338 | 0.00 | 5,629 | 0.00 | 29,099 | 0.01 | 270,764 | 0.12 |
| Other current liabilities | 4,883,041 | 1.05 | 4,098,147 | 0.91 | 3,375,821 | 1.20 | 4,158,955 | 1.78 |
| Total current liabilities | 197,913,195 | 42.53 | 160,843,808 | 35.83 | 112,226,369 | 39.58 | 117,507,015 | 50.20 |
| Non-current liabilities | | | | | | | | |
| Long-term borrowings | 49,924,210 | 10.73 | 60,490,046 | 13.47 | 55,522,317 | 19.58 | 33,136,810 | 14.16 |
| Deferred income tax liabilities | 3,196,865 | 0.69 | 1,995,052 | 0.44 | 2,074,718 | 0.73 | 2,454,385 | 1.05 |
| Liabilities under agreements and licences for operation | 64,633,973 | 13.89 | 77,652,487 | 17.29 | 20,902,258 | 7.37 | 104,088 | 0.04 |
| Employee benefits obligations | 2,154,845 | 0.46 | 1,982,115 | 0.44 | 1,368,617 | 0.48 | 1,232,105 | 0.53 |
| Other non-current liabilities | 13,285,093 | 2.86 | 14,269,013 | 3.19 | 16,223,716 | 5.73 | 8,942,136 | 3.82 |
| Total non-current liabilities | 133,194,986 | 28.63 | 156,388,713 | 34.83 | 96,091,626 | 33.89 | 45,869,524 | 19.60 |
| Total liabilities | 331,108,181 | 71.16 | 317,232,521 | 70.66 | 208,317,995 | 73.47 | 163,376,539 | 69.80 |
| Equity | | | | | | | | |
| Share capital | | | | | | | | |
| Authorised share capital | | | | | | | | |
| Common shares | 133,474,622 | | 133,474,622 | | 98,431,713 | | 246,079,282 | |
| Issued and fully paid-up share capital | | | | | | | | |
| Common shares | 133,472,781 | 28.68 | 133,472,781 | 29.73 | 98,431,713 | 34.72 | 246,079,282 | 105.08 |
| Premium on share capital | 26,384,073 | 5.67 | 26,384,073 | 5.88 | - | - | 11,432,046 | 4.88 |
| Discount on share capital | - | - | - | - | - | - | (121,995,650) | (52.09) |
| Retained earnings (deficits) | | | | | | | | |
| Appropriated-legal reserve | 389,994 | 0.08 | 282,498 | 0.06 | 275,914 | 0.10 | 34,881 | 0.01 |
| Retained earnings (deficits) | (25,072,523) | (5.38) | (27,287,553) | (6.08) | (22,362,876) | (7.89) | (63,639,150) | (27.17) |
| Other components of equity | (1,641,124) | (0.35) | (1,799,588) | (0.40) | (1,797,302) | (0.63) | (1,776,122) | (0.76) |
| Equity attributable to owners of the parent | 133,533,201 | 28.70 | 131,052,211 | 29.19 | 74,547,449 | 26.30 | 70,135,287 | 29.95 |
| Non-controlling interests | 669,554 | 0.14 | 675,728 | 0.15 | 659,084 | 0.23 | 591,087 | 0.25 |
| Total Equity | 134,202,755 | 28.84 | 131,727,939 | 29.34 | 75,206,533 | 26.53 | 70,726,374 | 30.20 |
| Total liabilities and equity | 465,310,936 | 100.00 | 448,960,460 | 100.00 | 283,524,528 | 100.00 | 234,102,913 | 100.00 |

True Corporation Public Company Limited
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2017, 2016, 2015 and 2014

| | | | | | | | (Unit: Thousand Baht) | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|-----------------------|---------------|
| | 31 December | Common | 31 December | Common | 31 December | Common | (Restated) | Common |
| | 2017 | Size (%) | 2016 | Size (%) | 2015 | Size (%) | 31 December | Common |
| | | | | | | | 2014 | Size (%) |
| Revenues | | | | | | | | |
| Revenues from telephone and other services | 117,624,253 | 83.25 | 107,892,009 | 86.51 | 95,941,928 | 80.77 | 86,985,629 | 79.65 |
| Revenues from product sales | 23,666,212 | 16.75 | 16,827,189 | 13.49 | 22,838,754 | 19.23 | 22,230,410 | 20.35 |
| Total revenues | 141,290,465 | 100.00 | 124,719,198 | 100.00 | 118,780,682 | 100.00 | 109,216,039 | 100.00 |
| Costs | | | | | | | | |
| Cost of providing services | 84,287,978 | 59.66 | 78,276,315 | 62.76 | 71,046,486 | 59.81 | 66,068,220 | 60.49 |
| Cost of sales | 17,808,045 | 12.60 | 17,323,335 | 13.89 | 19,530,915 | 16.44 | 18,413,252 | 16.86 |
| Total costs | 102,096,023 | 72.26 | 95,599,650 | 76.65 | 90,577,401 | 76.25 | 84,481,472 | 77.35 |
| Gross profit | 39,194,442 | 27.74 | 29,119,548 | 23.35 | 28,203,281 | 23.75 | 24,734,567 | 22.65 |
| Other income | 5,468,563 | 3.87 | 1,830,084 | 1.47 | 2,754,733 | 2.32 | 2,223,482 | 2.04 |
| Selling expenses | (19,372,507) | (13.71) | (17,213,181) | (13.80) | (13,161,603) | (11.08) | (10,119,226) | (9.27) |
| Administrative expenses | (13,933,160) | (9.86) | (12,397,980) | (9.94) | (10,434,045) | (8.78) | (11,692,962) | (10.71) |
| Other expenses | (2,585,287) | (1.83) | (2,098,095) | (1.68) | (595,980) | (0.50) | (5,573,728) | (5.10) |
| Share of results | 3,153,802 | 2.23 | 4,608,618 | 3.70 | 1,413,979 | 1.19 | 6,220,469 | 5.70 |
| Finance costs | (8,293,982) | (5.87) | (6,166,384) | (4.94) | (3,528,841) | (2.97) | (6,645,283) | (6.08) |
| Profit (loss) before income tax | 3,631,871 | 2.57 | (2,317,390) | (1.84) | 4,651,524 | 3.93 | (852,681) | (0.77) |
| Income tax (expense) revenue | (1,315,519) | (0.93) | (489,639) | (0.39) | (251,349) | (0.21) | 2,095,810 | 1.92 |
| Profit (loss) for the year | 2,316,352 | 1.64 | (2,807,029) | (2.23) | 4,400,175 | 3.72 | 1,243,129 | 1.15 |
| Other comprehensive income (expense): | | | | | | | | |
| Item that will not be reclassified subsequently to profit or loss: | | | | | | | | |
| Remeasurements of post-employment benefit obligations, net of tax | - | - | (463,317) | (0.37) | - | - | - | - |
| Item that will be reclassified subsequently to profit or loss: | | | | | | | | |
| Unrealised gain on changes in fair value of available-for-sale securities, net of tax | 159,180 | 0.11 | - | - | - | - | - | - |
| Exchange differences on translation | (706) | 0.00 | 660 | 0.00 | 651 | 0.00 | (2,599) | 0.00 |
| Total comprehensive income (expense) for the year | 2,474,826 | 1.75 | (3,269,686) | (2.60) | 4,400,826 | 3.72 | 1,240,530 | 1.15 |
| Profit (loss) for the year attributable to: | | | | | | | | |
| Owners of the parent | 2,322,526 | 100.27 | (2,814,348) | 100.26 | 4,411,522 | 100.26 | 1,293,937 | 104.09 |
| Non-controlling interests | (6,174) | (0.27) | 7,319 | (0.26) | (11,347) | (0.26) | (50,808) | (4.09) |
| Profit (loss) for the year | 2,316,352 | 100.00 | (2,807,029) | 100.00 | 4,400,175 | 100.00 | 1,243,129 | 100.00 |
| Total comprehensive income (expense) for the year attributable to: | | | | | | | | |
| Owners of the parent | 2,481,000 | 100.25 | (3,276,901) | 100.22 | 4,412,173 | 100.26 | 1,291,338 | 104.10 |
| Non-controlling interests | (6,174) | (0.25) | 7,215 | (0.22) | (11,347) | (0.26) | (50,808) | (4.10) |
| Total comprehensive income (expense) for the year | 2,474,826 | 100.00 | (3,269,686) | 100.00 | 4,400,826 | 100.00 | 1,240,530 | 100.00 |
| Basic earnings per share | | | | | | | | |
| attributable to owners of the parent | | | | | | | | |
| -Basic (Baht per share) | 0.07 | | (0.09) | | 0.18 | | 0.07 | |

True Corporation Public Company Limited
Consolidated Statement of Cash Flows
For the year ended 31 December 2017, 2016, 2015 and 2014

(Unit: Thousand Baht)

| | 31 December 2017 | 31 December 2016 | 31 December 2015 | (Restated) 31 December 2014 |
|---|---------------------|---------------------|---------------------|-----------------------------------|
| Cash flows from operating activities | | | | |
| Profit (loss) before income tax | 3,631,871 | (2,317,390) | 4,651,523 | (852,681) |
| Adjustments for: | | | | |
| Depreciation and amortisation | 36,266,559 | 28,079,759 | 19,944,998 | 25,335,263 |
| Interest income | (532,984) | (442,214) | (142,442) | (175,981) |
| Interest expense | 5,916,685 | 4,671,533 | 2,897,206 | 5,101,284 |
| Finance costs related to licences | 2,392,920 | 1,422,346 | 194,121 | 220,371 |
| Dividends received | - | - | (40,811) | (10,000) |
| Loss on disposals of property, plant and equipment | 119,853 | 233,665 | 81,816 | 274,327 |
| Doubtful accounts | 1,830,629 | 1,795,453 | 1,523,409 | 1,243,536 |
| Write off network equipment | - | 14 | 80,628 | 410,184 |
| Impairment charge of investment in joint venture and associate | - | 946 | - | - |
| Gain from disposal of infrastructure assets | (2,429,887) | - | (360,597) | - |
| Other operating assets and liabilities written-off | 28 | - | - | - |
| Loss on sale investment in subsidiaries, joint venture and associate | - | - | - | 15,806 |
| Loss from liquidation of associate | - | - | - | 6,073 |
| (Gain) loss from liquidation of investment in subsidiaries | (5,279) | 24,881 | - | - |
| Reversal of provision for CAT's call option | (2,285,897) | (1,186,705) | (1,176,194) | (1,162,471) |
| Increase in retirement benefits obligations | 221,116 | 196,041 | 144,709 | 95,020 |
| Unrealised (gain) loss on foreign exchange | (416,747) | 388,807 | (189,877) | (223,001) |
| Realised (gain) loss on foreign exchange related to repayment of borrowings | (3,306) | 17,853 | 3,818 | 6,162 |
| Gain on settlement of DPN obligation | - | - | - | (350,932) |
| Share of results | (3,192,590) | (4,645,726) | (1,443,439) | (6,220,469) |
| Changes in operating assets and liabilities | | | | |
| - Trade and other receivables | (18,893,422) | 36,155 | 21,920,565 | (25,726,991) |
| - Short-term investments | (22) | (23) | (1,777) | 100,317 |
| - Inventories | (5,607,118) | (2,957,396) | (4,004,044) | 764,512 |
| - Other current assets | (12,393,558) | (10,994,902) | (7,566,225) | (5,346,556) |
| - Film and program rights | (1,930,185) | (2,081,748) | (2,670,241) | (2,390,759) |
| - Other non-current assets | (899,925) | (256,476) | (205,090) | 35,381 |
| - Trade and other payables | 8,620,181 | 642,065 | (36,216,030) | 13,203,277 |
| - Other current liabilities | 106,393 | 726,524 | (784,308) | (719,383) |
| - Other non-current liabilities | (317,333) | (230,120) | 10,726,056 | (167,599) |
| Cash generated from operations | 10,197,982 | 13,123,342 | 7,367,774 | 3,464,690 |
| Add : Interest received | 546,631 | 406,116 | 143,673 | 158,082 |
| Income tax received | 1,820,073 | 1,750,800 | 712,333 | 115,596 |
| Less: Interest paid | (4,079,412) | (4,026,291) | (1,947,511) | (5,103,260) |
| Income tax paid | (3,491,932) | (3,157,837) | (2,943,219) | (2,278,912) |
| Net cash received from (used in) operating activities | 4,993,342 | 8,096,130 | 3,333,050 | (3,643,804) |
| Cash flows from investing activities | | | | |
| Withdrawal (deposit) in restricted cash | (26,021) | 536,878 | 583,546 | 1,256,009 |
| Disposal (acquisition) of short-term investments | 500,000 | (499,452) | (20) | 476 |
| Loans made to related parties | (50,000) | (300) | - | - |
| Acquisition of investment in associates | (35,600) | (51,111) | - | (11,192) |
| Acquisition of interest in joint venture | - | (41,234) | (25,000) | (25,000) |
| Proceeds from sale of investment in associate, net of cash and cash equivalent | - | - | - | 3,193,423 |
| Acquisition of investment in other companies | (218,637) | - | (2,439) | (8,974) |
| Acquisition of property, plant and equipment | (34,083,088) | (33,259,990) | (27,942,984) | (22,519,912) |
| Acquisition of intangible assets | (13,497,899) | (13,725,453) | (24,714,729) | (4,940,550) |
| Repayment received from loan to related parties | - | 300 | - | - |
| Reclassification of investment | - | - | (46,862) | - |
| Proceeds from liquidation of associate | - | - | - | 7,230 |
| Acquisition of available for sale securities | (213,010) | - | - | - |
| Proceeds from disposals of property, plant and equipment and intangible assets | 3,990,679 | 71,519 | 838,037 | 256,333 |
| Dividends received | 1,583,807 | 1,556,866 | 1,556,857 | 1,355,746 |
| Net cash used in investing activities | (42,049,769) | (45,411,977) | (49,753,594) | (21,436,411) |
| Cash flows from financing activities | | | | |
| Issues of common shares | - | 59,948,800 | - | 64,852,120 |
| Subscription of newly issued shares in subsidiary by non-controlling interests | - | 14,154 | 90,000 | 15,989 |
| Addition investment in subsidiary by purchasing shares from non-controlling interests | (10) | (7,671) | (12) | (31,392) |
| Proceeds from short-term borrowings, net of cash paid for debt issuance cost | 67,206,682 | 77,191,638 | 57,338,838 | 11,210,303 |
| Proceeds from borrowings, net of cash paid for debt issuance cost | 17,665,491 | 22,950,216 | 33,134,012 | 14,242,603 |
| Repayments to short-term borrowings | (58,444,000) | (69,789,700) | (30,510,000) | (12,003,840) |
| Repayments to borrowings | (21,313,690) | (13,177,486) | (9,699,070) | (61,307,112) |
| Dividends paid | - | (164,190) | - | - |
| Net cash received from financing activities | 5,114,473 | 76,965,761 | 50,353,768 | 16,978,671 |
| Net (decrease) increase in cash and cash equivalents | (31,941,954) | 39,649,914 | 3,933,224 | (8,101,544) |
| Opening balance | 50,183,813 | 10,590,382 | 6,611,594 | 14,726,283 |
| Effects of exchange rate changes | (15,115) | (56,483) | 45,564 | (13,145) |
| Closing balance | 18,226,744 | 50,183,813 | 10,590,382 | 6,611,594 |

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 2017 | PricewaterhouseCoopers ABAS Limited | Mr. Prasit Yuengsrikul | 4174 |
| 31 December 2016 | PricewaterhouseCoopers ABAS Limited | Mr. Kajornkiet Aroonpirodkul | 3445 |
| 31 December 2015 | PricewaterhouseCoopers ABAS Limited | Mr. Kajornkiet Aroonpirodkul | 3445 |

According to the three (3) years' Reports of Certified Public Accountant (2015-2017), 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 HIGHLIGHTS AND RATIOS

| | | 2017 | 2016 | 2015 |
|---|----------------|---------|---------|---------|
| Consolidated Financial Results | | | | |
| Service revenues ^{1/} | Million Baht | 97,025 | 88,058 | 74,803 |
| Total revenues | Million Baht | 141,290 | 124,719 | 118,781 |
| EBITDA | Million Baht | 39,912 | 25,071 | 22,109 |
| Operating profit | Million Baht | 6,440 | (492) | 4,608 |
| Net profit (loss) to shareholder | Million Baht | 2,323 | (2,814) | 4,412 |
| Consolidated Balance Sheets | | | | |
| Total assets | Million Baht | 465,311 | 448,960 | 283,525 |
| Total liabilities | Million Baht | 331,108 | 317,233 | 208,318 |
| Total shareholders' equity | Million Baht | 134,203 | 131,728 | 75,207 |
| Liquidity Ratios | | | | |
| Current Ratio | Times | 0.60 | 0.76 | 0.69 |
| Quick Ratio-Accrual Basis | Times | 0.34 | 0.52 | 0.39 |
| Activity Ratios ^{2/} | | | | |
| Receivable Turnover Ratio | Times | 3.67 | 3.80 | 3.44 |
| Average Collection Period | Days | 98 | 95 | 105 |
| Inventory Turnover Ratio | Times | 2.23 | 2.97 | 3.50 |
| Average Inventory Turnover Period | Days | 162 | 121 | 103 |
| Payable Turnover Ratio | Times | 1.54 | 1.82 | 2.26 |
| Average Payment Period | Days | 234 | 198 | 160 |
| Cash Cycle | Days | 26 | 18 | 48 |
| Leverage Ratios | | | | |
| Net Debt to EBITDA ^{3/} | Times | 2.54 | 2.45 | 3.67 |
| Net Debt to Equity ^{3/} | Times | 0.75 | 0.47 | 1.08 |
| Total Liabilities to Total Equity Ratio | Times | 2.47 | 2.41 | 2.77 |
| Interest coverage ratio ^{4/} | Times | 6.61 | 5.25 | 7.27 |
| Profitability Ratios | | | | |
| Gross Profit Margin | % | 27.90% | 23.35% | 23.74% |
| Net Profit Margin | % | 1.64% | -2.26% | 3.71% |
| Return on Equity ^{5/} | % | 1.76% | -2.74% | 6.10% |
| Growth Ratios | | | | |
| Total Assets | % | 3.64% | 58.35% | 21.11% |
| Total Liabilities | % | 4.37% | 52.28% | 27.51% |
| Total Revenues | % | 13.29% | 5.00% | 8.76% |
| Total Operating Expenses ^{6/} | % | 7.70% | 9.67% | 7.41% |
| Per Share Data and Others | | | | |
| Profit (loss) per share | Baht | 0.07 | (0.10) | 0.18 |
| Book value per share | Baht | 4.02 | 3.95 | 3.06 |
| Share price at the end of period | Baht | 6.20 | 7.15 | 6.70 |
| No. of outstanding shares at year end | Million Shares | 33,368 | 33,368 | 24,608 |
| Market capitalization | Million Baht | 206,883 | 238,583 | 164,873 |

Note :

^{1/} Revenues from telephone and other services excluding interconnection (IC) revenue and network rental revenue

^{2/} Activity ratios exclude contribution from asset sale to DIF to reflect cash cycle of the Company

^{3/} Debt comprises short-term and long-term borrowings excluding liabilities under finance leases

^{4/} Interest coverage ratio is derived from EBITDA/ (interest expenses and other financial fee) during the period

By calculating Interest coverage ratio using information from cash flows statement (Net cash flows generated from operating activities + interest paid + income tax paid)/ interest paid, this ratio was 3.1 times in 2017, 3.8 times in 2016 and 4.2 times in 2015

^{5/} Return on Equity = Net profit to shareholders of the parent company /Average total parent's shareholders' equity

^{6/} Total Operating Expenses include Costs of Providing Services, Cost of Sales and Selling and Administrative Expenses

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

True Group reported a net profit of Baht 5.4 billion in the fourth quarter and Baht 2.3 billion in 2017 driven by record-high revenue and EBITDA, corporate-wide cost and productivity initiatives, and the successful asset divestment to the Digital Telecommunications Infrastructure Fund (DIF) paving the way for True to achieve sustainable profitability and dividend payments. On 28 February 2018, True's board of directors approved dividend payments from True's full-year 2017 financial performance totaling approximately Baht 1 billion (Baht 0.031 per share).

The Group's ongoing commitment to provide consumers with superior telecommunications networks, value-driven convergence and digital offerings, and improving service experience were key contributors for its solid revenue and subscriber growth. At the same time, True Group focused heavily on cost and productivity initiatives throughout the year. These, combined with the gain from asset divestment to DIF drove its EBITDA up 59.2% YoY to Baht 39.9 billion. Excluding the effect of the asset divestment to DIF, EBITDA grew 36% YoY to Baht 34 billion with EBITDA margin on service revenue expanding by more than 600 basis points from 29.0% in a year earlier to 35.2% in 2017.

In 2017, the Thai mobile industry was competitive but remained rational with operators focusing on 4G network expansion, attractive data price plans highlighting speeds and 4G services, and content bundling. A variety of device-bundled campaigns was also introduced particularly to encourage prepaid users to upgrade to postpaid packages while the overall prepaid subsidies were scaled down. TrueMove H significantly outgrew the industry throughout 2017 and was the only operator recording positive net adds of 2.7 million while the other two major players reported combined net subscriber loss of 2.8 million. This was driven by TrueMove H's 4.5G/4G superiority and overwhelming response to its bundled propositions from both postpaid and prepaid segments. TrueMove H expanded its subscriber base to 27.2 million, of which 20.3 million were prepaid and 6.9 million were postpaid users. This drove its service revenue up 17.3% YoY in 2017, contrasting with only 2.1% YoY growth of its major competitors combined, and acted as a catalyst to push the overall industry's service revenue to grow 5.7% YoY, the highest yearly growth rate since 2014. The positive growth trend will continue as data consumption keeps rising.

Thailand's broadband internet market grew healthily in 2017 as operators continued to expand their fiber networks and emphasized on quality subscription with convergence propositions while discount campaigns were tapered off. TrueOnline accelerated expansion of its fiber footprint both in the Bangkok Metropolitan Area (BMA) and upcountry while adding more value for consumers with speed and technology upgrades to meet their rapidly growing demand for faster online transmission. The Group continues to support the national broadband rollout initiative and bridge the digital divide within the country by increasing its broadband network to reach over 13 million homes passed nationwide. These resulted in solid double-digit consumer broadband revenue and subscriber growth and sealed its leadership in the broadband internet market. TrueOnline recorded 385k net adds in 2017 and expanded its broadband subscriber base to 3.2 million, all of which were on FTTx network.

TrueVisions remains committed to enhancing its offerings through a comprehensive range of high-quality content, live broadcasting and HD viewing experience while developing its own-produced channels to match Thai consumers' preferences. This strength and the Group's competitive bundled packages boosted TrueVisions' subscription

revenue and paying subscriber base. TrueVisions ended 2017 with a total customer base of 4.0 million households. By sharing its unrivaled content across True Group's multiple platforms including wired and wireless broadband, television and digital media platforms, the Group ideally fulfills today's consumer demand to access content anytime, anywhere, and on any devices.

In addition to strengthening core businesses, True Group has placed importance on disruptive and digital-related businesses aiming to provide the best possible digital and content platforms that fulfill consumers' demands and lifestyles. These include Internet of Things and other innovative offerings as well as the development of TrueID, a one-stop innovative application for a variety of content, lifestyles and special privileges. The Group also focuses on Big Data and Artificial Intelligence technologies, which provide data-driven business intelligence to be analyzed for competitive advantages and better responding to consumers' needs. These well position True Group to amplify growth and stay at the top of consumers' mind.

2017 Financial Summary

True Group reported a consolidated net profit to shareholders of the parent company of Baht 2,322.5 million in 2017, representing a change of greater than 20% YoY, which is summarized as below:

True Group's consolidated service revenue grew 10.2% YoY to Baht 97.0 billion due to significant revenue and subscriber growth of both the cellular and broadband businesses while EBITDA surged 59% YoY to reach Baht 39.9 billion in 2017. Excluding the effect of the asset divestment to DIF, EBITDA grew 36% YoY to Baht 34.0 billion. This, combined with corporate-wide cost and productivity initiatives as well as the successful asset divestment to the Digital Telecommunications Infrastructure Fund (DIF), resulted in a net profit of the parent company totaling Baht 2.3 billion in 2017.

Looking forward to 2018

Competitive intensity in the Thai Telecommunications sector as well as changes in technology and consumers' behavior might affect True Group's future financial health and operations. However, the Group's commitment to network and service excellence, disruptive and digital businesses while cultivating a digital mindset and creativity within the company will enable it to always keep pace with changes in consumers' preferences and advancements in technology. These developments and consumers' constantly-growing demands for telecommunications and digital services in the Thailand 4.0 era are expected to drive solid growth of True Group. The Group targets a low double-digit growth for consolidated service revenue in 2018. This incremental scale, combined with continued focus on cost and productivity initiatives, should turn its net profits positive excluding the one-time impacts of the planned sale of additional assets to DIF. The 2018 cash CAPEX excluding license fee payment is expected to be around the same level as 2017.

CONSOLIDATED RESULTS OF OPERATIONS - NORMALIZED BASIS

| (Baht in millions unless otherwise indicated) | 4Q17 | 3Q17 | 4Q16 | % Change | | 2017 | 2016 | % Change |
|---|---------------|---------------|----------------|-------------|--------------|----------------|----------------|-------------|
| | | | | Q-o-Q | Y-o-Y | | | Y-o-Y |
| Revenues from providing services | 29,492 | 29,400 | 28,120 | 0.3 | 4.9 | 117,624 | 107,892 | 9.0 |
| Interconnection revenue | 1,269 | 1,275 | 1,382 | (0.4) | (8.1) | 4,896 | 5,306 | (7.7) |
| Network rental revenue | 3,418 | 3,592 | 3,939 | (4.8) | (13.2) | 15,703 | 14,527 | 8.1 |
| Service revenue | 24,805 | 24,533 | 22,800 | 1.1 | 8.8 | 97,025 | 88,058 | 10.2 |
| Revenues from product sales | 11,259 | 3,740 | 6,039 | 201.0 | 86.4 | 23,666 | 16,827 | 40.6 |
| Total revenues | 40,751 | 33,141 | 34,159 | 23.0 | 19.3 | 141,290 | 124,719 | 13.3 |
| Total cost of providing services | 20,620 | 20,987 | 19,495 | (1.7) | 5.8 | 84,058 | 78,276 | 7.4 |
| Regulatory costs | 338 | 870 | 273 | (61.2) | 23.8 | 3,289 | 3,422 | (3.9) |
| Interconnection cost | 1,374 | 1,402 | 1,454 | (2.0) | (5.5) | 5,267 | 5,802 | (9.2) |
| Cost of providing services exclude IC | 13,152 | 12,991 | 13,725 | 1.2 | (4.2) | 52,656 | 51,443 | 2.4 |
| Depreciation and amortization | 5,756 | 5,723 | 4,043 | 0.6 | 42.4 | 22,846 | 17,609 | 29.7 |
| Cost of sales | 5,283 | 3,738 | 5,870 | 41.3 | (10.0) | 17,808 | 17,323 | 2.8 |
| Selling and administrative expenses | 8,758 | 7,833 | 8,548 | 11.8 | 2.5 | 32,985 | 29,611 | 11.4 |
| Depreciation and amortization | 3,086 | 2,642 | 2,367 | 16.8 | 30.4 | 10,626 | 7,954 | 33.6 |
| Others | 5,672 | 5,191 | 6,180 | 9.3 | (8.2) | 22,359 | 21,657 | 3.2 |
| Total operating expenses | 34,661 | 32,558 | 33,912 | 6.5 | 2.2 | 134,851 | 125,211 | 7.7 |
| EBITDA | 14,933 | 8,949 | 6,657 | 66.9 | 124.3 | 39,912 | 25,071 | 59.2 |
| Depreciation and amortization | (8,843) | (8,366) | (6,410) | 5.7 | 38.0 | (33,472) | (25,563) | 30.9 |
| Operating profit | 6,090 | 583 | 247 | NM | NM | 6,440 | (492) | NM |
| Interest expense (net) | (1,261) | (1,400) | (1,141) | (9.9) | 10.5 | (5,384) | (4,229) | 27.3 |
| Interest income | 113 | 92 | 145 | 22.7 | (22.1) | 533 | 442 | 20.5 |
| Interest expense | (1,375) | (1,493) | (1,287) | (7.9) | 6.8 | (5,917) | (4,672) | 26.7 |
| Other financial fees | (29) | (28) | (39) | 3.0 | (24.5) | (119) | (107) | 11.4 |
| Financial cost related to license | (600) | (597) | (598) | 0.3 | 0.3 | (2,393) | (1,422) | 68.2 |
| Income tax (expense) revenue | (1,621) | 749 | (390) | NM | 315.9 | (1,316) | (490) | 168.7 |
| Current tax | (62) | (59) | 124 | 4.0 | NM | (174) | (260) | (32.9) |
| Deferred income tax | (1,560) | 809 | (514) | NM | 203.5 | (1,141) | (230) | 396.0 |
| Share of results in subsidiaries and associates | 499 | 427 | 479 | 17.1 | 4.3 | 3,154 | 4,609 | (31.6) |
| (Income) loss attributable to non-controlling interests | 20 | (11) | 11 | NM | 87.8 | 6 | (7) | NM |
| Foreign exchange gain (loss) | (62) | (340) | 354 | 81.7 | NM | (849) | (156) | (445.4) |
| Other (expense) income | 2,375 | (74) | (1,276) | NM | NM | 2,783 | (520) | NM |
| Net profit (loss) to equity holders of the Company | 5,411 | (691) | (2,353) | NM | NM | 2,323 | (2,814) | NM |
| Non-controlling interests | (20) | 11 | (11) | NM | (87.8) | (6) | 7 | NM |
| Net profit (loss) for the year | 5,391 | (681) | (2,364) | NM | NM | 2,316 | (2,807) | NM |

| Impact of DIF Transactions (Baht in millions unless otherwise indicated) | 4Q17 | 3Q17 | 4Q16 | % Change | | 2017 | 2016 | % Change |
|--|---------|-------|---------|----------|-------|---------|---------|----------|
| | | | | Q-o-Q | Y-o-Y | | | Y-o-Y |
| EBITDA | 14,933 | 8,949 | 6,657 | 66.9 | 124.3 | 39,912 | 25,071 | 59.2 |
| EBITDA excl. DIF impact | 9,060 | 8,949 | 6,657 | 1.2 | 36.1 | 34,039 | 25,071 | 35.8 |
| Net profit (loss) to equity holders of the Company | 5,411 | (691) | (2,353) | NM | NM | 2,323 | (2,814) | NM |
| Net profit (loss) to equity holders of the Company excl. DIF impact | (1,122) | (691) | (2,353) | (62.3) | 52.3 | (4,211) | (2,814) | (49.6) |

Remark: Net impact from asset divestment to DIF in 4Q17 and 2017 was approximately Baht 6.5 billion; a part of this gain was recorded under other income totaling Baht 2.4 billion while the rest was recorded under net product sales, rental expense and deferred tax.

Referring to the auditor's opinion regarding uncertainties on the outstanding litigations and commercial agreements of which details are not finalized (see more detail in the note to financial statements sections 38.3, 39 and 40.2), the ultimate outcomes cannot be determined at present and management believes that they will not have a material impact upon the Group's financial performance or operations.

CONSOLIDATED RESULTS OF OPERATIONS

- True Group's consolidated service revenue increased 10.2% YoY, in line with the low double-digit growth guidance, to Baht 97.0 billion due to significant growth of both the cellular and consumer broadband businesses whose revenue and subscriber base increasing in a solid double-digit rate. This strong performance was achieved despite impact from the fixed-line voice concession ending in October 2017 as the Group's network strength and expanded footprint continued to meet customers' growing consumption of data and digital content.

TrueMove H significantly outgrew the industry throughout 2017 and was the only operator reporting positive net adds. Its expanding subscriber base and data revenue for both postpaid and prepaid segments drove its service revenue up 17.3% YoY to Baht 67.9 billion.

- Non-voice revenue grew 24.7% YoY to Baht 42.4 billion, representing 62% of TrueMove H's service revenue compared to 59% in the previous year, following continued success of its 4G, data-driven and device-bundling campaigns.
- Voice revenue increased 1.9% YoY to Baht 21.2 billion as TrueMove H's subscriber growth and its stronger presence in the mass segment outpaced consumers' rising trend towards data and online communications.
- Revenue from international roaming and other services was Baht 4.3 billion, increasing YoY partly due to higher inbound roaming revenue given more tourist arrivals.

TrueOnline's service revenue was Baht 32.2 billion, increasing 16.6% YoY on strong broadband internet growth and intercompany revenues related to O&M services which were reported under other service revenue; excluding this and impact from the 2G transmission network shutdown since 3Q16, TrueOnline's service revenue grew 3.4% YoY in 2017.

- Fixed-line voice revenue declined to Baht 2.5 billion, compared to Baht 4.7 billion in a year earlier, following consumers' behavior shift towards mobile and online communications as well as fixed-line concession ending in October which resulted in lower revenue and costs related to the traditional voice services.
- Revenues from Broadband, Internet and Business Data Service increased 9.8% YoY to Baht 23.1 billion due to strong growth in both consumer and corporate segments as the Group continued to expand its FTTH footprint while adding value through convergence and comprehensive solutions.
- During the first nine months of 2017, the Group focused heavily on upgrading broadband copper customers to the licensed fiber network. With that behind us, TrueOnline's revenues from broadband, internet and data services grew 16.7% YoY and 5.4% QoQ in 4Q17 with strong quarterly net adds of 112,781. Its broadband subscriber base increased to 3.2 million, all of which were on FTTx network.

TrueVisions' service revenue was Baht 12.2 billion, flat (+0.1%) YoY as subscription and advertising growth offset lower music entertainment and other revenues.

- Subscription and installation revenue increased 2.2% YoY to Baht 8.2 billion, representing 67% of TrueVisions' service revenue compared to 65% a year earlier, on positive response to the Group's convergence and mass-tier packages. This drove TrueVisions' paying subscriber base up to 2.2 million with yearly net adds of 176k.

- Advertising revenue increased 2.1% YoY to Baht 1.8 billion contrasting with industry's declining trend.
- Music entertainment and other revenues decreased 8.4% YoY to Baht 2.3 billion following the Group's strategy to tone down low-margin events.
- Product sales surged 40.6% YoY to Baht 23.7 billion on asset sale to DIF and continued strong response to the Group's device-bundling campaigns. Excluding DIF transactions, product sales grew 3.4% from the previous year to Baht 17.4 billion.
- Regulatory costs decreased 3.9% YoY to Baht 3.3 billion due to lower revenue sharing related to the traditional fixed-line phone service, whose concession ended in October, and positive impact from the new rates of USO and license fee announced in May and December 2017 respectively. The full-year positive impact from the new progressive rate of license fee was booked in 4Q17.
- Core operating expense (comprising cost of providing services excluding IC and other S&A) increased 2.6% YoY to Baht 75.0 billion due to higher expenses related to network and personnel. The Group's ongoing focus on cost savings and productivity measures resulted in 8.2% YoY drop of SG&A excluding depreciation and amortization in 4Q17.
- EBITDA surged 59.2% YoY to Baht 39.9 billion. Excluding the impact from asset divestment to DIF, EBITDA expanded 36% YoY to Baht 34.0 billion as revenue continued to grow while costs were well contained.
- Continued network and service expansion as well as full-year impact of the 900MHz license amortization drove depreciation and amortization expenses to Baht 33.5 billion.
- Interest expense (net) increased 27% YoY to Baht 5.4 billion due to additional borrowings for business expansion and working capital requirements. Debt repayment in 4Q17 resulted in 10.5% decline of net interest expense compared to the previous quarter.
- Income tax expense increased from Baht 490 million in the previous year to Baht 1.3 billion in 2017 mainly due to deferred tax expenses related to asset transactions with DIF.
- The first tranche of asset divestment to DIF was completed in 4Q17. Impact to the Group's net income was approximately Baht 6.5 billion; a part of this gain was recorded under other income totaling Baht 2.4 billion while the rest was recorded under net product sales, rental expense and deferred tax.
- These resulted in consolidated net profit to shareholders of the parent company totaling Baht 2.3 billion in 2017.

NORMALIZED REVENUE PROFILE (YTD)

| (Baht in millions unless otherwise indicated) | Consolidated Revenues (Before Intersegment Eliminations) | | | | |
|---|--|---------------------------------|----------------|---------------------------------|--------------|
| | 2017 | | 2016 | | % Change |
| | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | YoY |
| TrueMove H | 111,311 | | 93,876 | | 18.6 |
| Service revenue | 67,885 | | 57,856 | | 17.3 |
| - Voice | 21,185 | | 20,797 | | 1.9 |
| - Non-Voice | 42,416 | | 34,002 | | 24.7 |
| - IR and others | 4,283 | | 3,057 | | 40.1 |
| Interconnection revenue | 4,900 | | 5,311 | | (7.7) |
| Network rental revenue | 15,871 | | 14,086 | | 12.7 |
| Product sales | 22,656 | | 16,623 | | 36.3 |
| Intersegment elimination | (5,336) | | (1,891) | | 182.2 |
| TrueMove H after elimination | 105,975 | 75% | 91,986 | 74% | 15.2 |
| TrueOnline | 36,149 | | 28,300 | | 27.7 |
| Service revenue | 32,186 | | 27,596 | | 16.6 |
| - Fixed-line voice | 2,488 | | 4,696 | | (47.0) |
| - Broadband, Internet and Business Data Service | 23,138 | | 21,068 | | 9.8 |
| - Others | 6,560 | | 1,833 | | 258.0 |
| Network rental revenue (FOC) | 442 | | 442 | | 0.0 |
| Product sales | 3,521 | | 262 | | NM |
| Intersegment elimination | (10,367) | | (5,264) | | 96.9 |
| TrueOnline after elimination | 25,782 | 18% | 23,036 | 18% | 11.9 |
| TrueVisions | 12,236 | | 12,406 | | (1.4) |
| Service revenue | 12,205 | | 12,197 | | 0.1 |
| - Subscription and installation | 8,159 | | 7,981 | | 2.2 |
| - Music entertainment & others | 2,265 | | 2,473 | | (8.4) |
| - Advertising | 1,781 | | 1,744 | | 2.1 |
| Product sales | 30 | | 209 | | (85.4) |
| Intersegment elimination | (2,702) | | (2,708) | | (0.2) |
| TrueVisions after elimination | 9,533 | 7% | 9,698 | 8% | (1.7) |
| Normalized consolidated revenues | 159,696 | | 134,582 | | 18.7 |
| Total intersegment elimination | (18,405) | | (9,863) | | 86.6 |
| Normalized consolidated revenues - net | 141,290 | 100% | 124,719 | 100% | 13.3 |

Remark: TrueOnline's other revenues include revenues related to privilege programs, outsourcing call center and network O&M.

NORMALIZED REVENUE PROFILE (QUARTER)

| (Baht in millions unless otherwise indicated) | Consolidated Revenues (Before Intersegment Eliminations) | | | | | | | |
|---|--|---------------------------------|---------------|---------------------------------|---------------|---------------------------------|--------------|--------------|
| | 4Q17 | | 3Q17 | | 4Q16 | | % Change | |
| | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | Revenue | % of revenue after eliminations | QoQ | YoY |
| TrueMove H | 32,841 | | 25,919 | | 26,777 | | 26.7 | 22.6 |
| Service revenue | 17,657 | | 17,136 | | 15,565 | | 3.0 | 13.4 |
| - Voice | 5,254 | | 5,304 | | 5,386 | | (0.9) | (2.5) |
| - Non-Voice | 11,200 | | 10,754 | | 9,374 | | 4.1 | 19.5 |
| - IR and others | 1,203 | | 1,078 | | 804 | | 11.6 | 49.6 |
| Interconnection revenue | 1,270 | | 1,275 | | 1,383 | | (0.4) | (8.2) |
| Network rental revenue | 3,614 | | 3,785 | | 3,829 | | (4.5) | (5.6) |
| Product sales | 10,300 | | 3,723 | | 6,000 | | 176.6 | 71.7 |
| Intersegment elimination | (2,653) | | (1,046) | | (786) | | 153.6 | 237.6 |
| TrueMove H after elimination | 30,188 | 74% | 24,873 | 75% | 25,991 | 76% | 21.4 | 16.2 |
| TrueOnline | 12,899 | | 8,897 | | 6,963 | | 45.0 | 85.2 |
| Service revenue | 9,357 | | 8,759 | | 6,815 | | 6.8 | 37.3 |
| - Fixed-line voice | 195 | | 677 | | 1,064 | | (71.2) | (81.7) |
| - Broadband, Internet and Business Data Service | 6,171 | | 5,856 | | 5,290 | | 5.4 | 16.7 |
| - Others | 2,991 | | 2,227 | | 461 | | 34.3 | 548.8 |
| Network rental revenue (FOC) | 110 | | 110 | | 110 | | 0.0 | 0.0 |
| Product sales | 3,431 | | 27 | | 38 | | NM | NM |
| Intersegment elimination | (4,681) | | (2,992) | | (1,196) | | 56.5 | 291.4 |
| TrueOnline after elimination | 8,218 | 20% | 5,905 | 18% | 5,767 | 17% | 39.2 | 42.5 |
| TrueVisions | 2,983 | | 3,034 | | 3,003 | | (1.7) | (0.7) |
| Service revenue | 2,975 | | 3,020 | | 3,002 | | (1.5) | (0.9) |
| - Subscription and installation | 2,025 | | 2,045 | | 2,105 | | (1.0) | (3.8) |
| - Music entertainment & others | 545 | | 514 | | 580 | | 6.1 | (6.0) |
| - Advertising | 404 | | 461 | | 317 | | (12.3) | 27.6 |
| Product sales | 8 | | 13 | | 2 | | (37.6) | 429.2 |
| Intersegment elimination | (638) | | (671) | | (602) | | (5.0) | 6.0 |
| TrueVisions after elimination | 2,345 | 6% | 2,362 | 7% | 2,401 | 7% | (0.7) | (2.4) |
| Normalized consolidated revenues | 48,723 | | 37,850 | | 36,743 | | 28.7 | 32.6 |
| Total intersegment elimination | (7,972) | | (4,709) | | (2,584) | | 69.3 | 208.6 |
| Normalized consolidated revenues - net | 40,751 | 100% | 33,141 | 100.0% | 34,159 | 100% | 23.0 | 19.3 |

Remark: TrueOnline's other revenues include revenues related to privilege programs, outsourcing call center and network O&M.

CONSOLIDATED BALANCE SHEET AND CASH FLOWS

| | 31-Dec-17 | 31-Dec-16 | % Change |
|--|----------------|----------------|---------------|
| (Baht in millions unless otherwise indicated) | | | |
| Balance Sheet | | | |
| Cash and cash equivalents | 18,227 | 50,184 | (63.7) |
| Trade accounts receivable, net | 49,439 | 32,749 | 51.0 |
| Other receivables | 4,393 | 4,061 | 8.2 |
| Other current assets | 45,753 | 35,684 | 28.2 |
| <i>Total current assets</i> | <i>117,812</i> | <i>122,678</i> | <i>(4.0)</i> |
| Property, plant and equipment, net | 175,462 | 143,688 | 22.1 |
| Goodwill, net | 11,403 | 11,403 | 0.0 |
| Intangible assets, net | 129,377 | 139,746 | (7.4) |
| Deferred income tax assets | 5,397 | 5,376 | 0.4 |
| Other non-current assets | 25,860 | 26,069 | (0.8) |
| <i>Total non-current assets</i> | <i>347,499</i> | <i>326,282</i> | <i>6.5</i> |
| Total assets | 465,311 | 448,960 | 3.6 |
| Short-term borrowings | 46,752 | 37,572 | 24.4 |
| Trade accounts payable | 67,540 | 64,422 | 4.8 |
| Other payables | 47,954 | 34,093 | 40.7 |
| Current portion of long-term borrowings | 30,778 | 20,654 | 49.0 |
| Other current liabilities | 4,888 | 4,104 | 19.1 |
| <i>Total current liabilities</i> | <i>197,913</i> | <i>160,844</i> | <i>23.0</i> |
| Long-term borrowings | 49,924 | 60,490 | (17.5) |
| Deferred income tax liabilities | 3,197 | 1,995 | 60.2 |
| Liabilities under agreements and licenses for operations | 64,634 | 77,652 | (16.8) |
| Employee benefit obligations | 2,155 | 1,982 | 8.7 |
| Other non-current liabilities | 13,285 | 14,269 | (6.9) |
| <i>Total non-current liabilities</i> | <i>133,195</i> | <i>156,389</i> | <i>(14.8)</i> |
| Total liabilities | 331,108 | 317,233 | 4.4 |
| Total shareholder's equity | 134,203 | 131,728 | 1.9 |
| Total liabilities and shareholder's equity | 465,311 | 448,960 | 3.6 |

| | 31-Dec-17 | 31-Dec-16 | % Change |
|--|-----------------|---------------|---------------|
| Cash Flows | | | |
| Cash flows from operating activities before interest and tax | 10,198 | 13,123 | (22.3) |
| Net interest and tax paid | (5,205) | (5,027) | 3.5 |
| Cash flows from operating activities (net) | 4,993 | 8,096 | (38.3) |
| Cash flows (used in) from investing activities | (42,050) | (45,412) | (7.4) |
| Cash flows (used in) from financing activities | 5,114 | 76,966 | (93.4) |
| Net (decrease) increase in cash and cash equivalents | (31,942) | 39,650 | NM |
| Beginning cash balance and effects of exchange rate changes | 50,169 | 10,534 | 376.3 |
| Ending cash balance | 18,227 | 50,184 | (63.7) |

FINANCIAL POSITION

True Group's financial position strengthened while achieving a net profit of Baht 2.3 billion in 2017. Its profitability ratios improved with net profit margin and ROE increasing to 1.6% and 1.8% in 2017, up from minus 2.3% and minus 2.7% in the previous year respectively. The Group's gross profit margin grew from 23.3% in 2016 to 27.9% in 2017; excluding the effect of asset transactions with DIF, its gross profit margin increased YoY to 24.8% as revenue continued solid growth while costs were well contained.

True Group's capital structure remains healthy and the Group is in compliance with and meets all of its debt obligations. In addition, True has various funding sources to support future expansion including cash flow from operations, vendor financing, as well as asset divestment to DIF and its unit holding in the fund. At the end of 2017, the net debt to equity ratio was 0.8 times while the net debt to EBITDA ratio was 2.5 times, flat from a year earlier but decreasing from 3.0 times in the previous quarter driven by strong EBITDA growth. Its interest coverage ratio further improved to 6.6 times in 2017 compared to 5.2 times in 2016.

True Group's current ratio declined to 0.6 times while its cash cycle increased to 26 days in 2017 following higher inventory turnover days. The average payment period increased to 234 days in 2017 compared to 198 days in 2016 given the Group's attractive vendor financing while average collection period increased slightly to 98 days from 95 days a year earlier.

| Financial Ratios | | 2017 | 2016 |
|-----------------------------------|-------|------|------|
| Current Ratio | Times | 0.6 | 0.8 |
| Average Payment Period | Days | 234 | 198 |
| Average Collection Period | Days | 98 | 95 |
| Average Inventory Turnover Period | Days | 162 | 121 |
| Interest Coverage Ratio | Times | 6.6 | 5.2 |
| Net Debt to EBITDA | Times | 2.5 | 2.5 |
| Net Debt to Equity | Times | 0.8 | 0.5 |
| Gross Profit Margin | % | 27.9 | 23.3 |
| Net Profit Margin | % | 1.6 | -2.3 |
| Return on Equity | % | 1.8 | -2.7 |

Remark: Non-recurring items in 2017 include impact of asset divestment to DIF totaling Baht 6.5 billion, foreign exchange loss totaling Baht 0.8 billion and other income totaling Baht 0.4 billion.

Non-recurring items in 2016 include foreign exchange loss totaling Baht 0.2 billion and other expense totaling Baht 0.5 billion.

Excluding these non-recurring items, net profit margin was minus 2.8% in 2017 compared to minus 1.7% in 2016 while ROE was minus 2.8% in 2017 compared to minus 2.1% in 2016 given continued network and service expansion and the full-year impact of the spectrum license amortization.

ASSETS

- True Group's assets increased 3.6% from the end of 2016 to Baht 465.3 billion mainly due to higher property, plant and equipment.
- Cash and cash equivalents declined from a high base of Baht 50.2 billion at the end of 2016 with capital increase during the year to Baht 18.2 billion.
- Property, plant and equipment (net) increased 22.1% from the end of 2016 to Baht 175.5 billion as True Group continued to expand its cellular and broadband footprint.
- Intangible assets (net) decreased 7.4% from the end of 2016 to Baht 129.4 billion primarily due to amortization of the mobile spectrum licenses during the period.
- Investment in associates and interests in joint ventures (net) declined from Baht 18.2 billion at the end of 2016 to Baht 16.5 billion driven partly by dividend received from DIF (see more detail in the note to financial statements section 20.2).
- Goodwill (net) remained unchanged YoY at Baht 11.4 billion (see more detail in the note to financial statements section 23).
- Trade account receivables (net) increased to Baht 49.4 billion driven by the Group's continued business expansion and domestic roaming receivable.

| AT 31 DECEMBER | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 BAHT MILLION | 2016 BAHT MILLION | 2017 BAHT MILLION | 2016 BAHT MILLION |
| Receivable from TOT | 664.54 | 685.29 | 664.54 | 685.29 |
| Billed customers | 21,655.59 | 20,293.14 | 1,532.84 | 1,994.15 |
| Receivables and accrued income from related parties (Note 42) | 10,738.13 | 7,873.13 | 7,914.79 | 6,176.90 |
| Trade accounts receivable | 33,058.26 | 28,851.56 | 10,112.17 | 8,856.34 |
| Accrued income | 14,725.88 | 11,025.30 | 2,390.96 | 2,220.65 |
| Domestic roaming receivable | 8,706.58 | - | - | - |
| Total trade accounts receivable | 56,490.72 | 39,876.86 | 12,503.13 | 11,076.99 |
| <u>Less</u> Allowance for doubtful Accounts | (7,051.59) | (7,127.71) | (3,178.92) | (3,113.67) |
| Trade accounts receivable, net | 49,439.13 | 32,749.15 | 9,324.21 | 7,963.32 |

Outstanding trade accounts receivable as at 31 December can be analyzed as follows:

| AT 31 DECEMBER | CONSOLIDATED FINANCIAL STATEMENTS | | SEPARATE FINANCIAL STATEMENTS | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 BAHT MILLION | 2016 BAHT MILLION | 2017 BAHT MILLION | 2016 BAHT MILLION |
| Current | 14,458.65 | 14,473.16 | 1,601.27 | 1,132.24 |
| Less than 3 months | 8,168.83 | 5,524.89 | 2,057.18 | 1,205.03 |
| 3 - 6 months | 1,922.53 | 871.59 | 1,757.41 | 269.97 |
| 6 - 12 months | 3,245.37 | 3,137.17 | 982.45 | 4,147.20 |
| More than 12 months | 5,262.88 | 4,844.75 | 3,713.86 | 2,101.90 |
| Trade accounts receivable | 33,058.26 | 28,851.56 | 10,112.17 | 8,856.34 |
| Accrued income | 14,725.88 | 11,025.30 | 2,390.96 | 2,220.65 |
| Domestic roaming receivable | 8,706.58 | - | - | - |
| Total trade accounts receivable | 56,490.72 | 39,876.86 | 12,503.13 | 11,076.99 |
| <u>Less</u> Allowance for doubtful Accounts | (7,051.59) | (7,127.71) | (3,178.92) | (3,113.67) |
| Trade accounts receivable, net | 49,439.13 | 32,749.15 | 9,324.21 | 7,963.32 |

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 7,052 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.

LIABILITIES

- True Group's total liabilities increased 4.4% from the end of 2016 to Baht 331.1 billion mainly due to higher interest bearing debt (short-term and long-term borrowings excluding finance leases) which reached Baht 119.5 billion in order to support the Group's business expansion including working capital requirements. Debt repayment during Q4 resulted in 6% QoQ drop of interest bearing debt.
- Trade accounts payable rose from the end of 2016 to Baht 67.5 billion driven by the Group's business expansion with attractive vendor financing terms.

SHAREHOLDERS' EQUITY

- Shareholders' equity grew from Baht 131.7 billion at the end of 2016 to Baht 134.2 billion due to net profit achieved in 2017.

CASH FLOW

- True Group's primary capital resources for the year 2017 were cash flows from financing activities totaling Baht 5.1 billion, declining from the previous year's high base with the capital increase.
- Cash flows from operating activities (net) in 2017 was Baht 5.0 billion (Baht 10.2 billion before interest and tax payments), decreasing from the previous year due to working capital requirements and certain settlements related to the HSPA agreement with CAT.
- Cash flows used in investing activities in 2017 was Baht 42.1 billion, decreasing mainly on proceeds from asset divestment to DIF in the fourth quarter of 2017. Cash CAPEX in 2017 was Baht 47.6 billion and mainly used for the Group's wired and wireless broadband networks; excluding license fee payments, cash CAPEX was approximately Baht 37 billion, below the Baht 47 billion guidance.

CHANGE IN ACCOUNTING ESTIMATE

During September 2017, the management conducted an annual review of economic useful lives of assets. The key factors taking into accounts of the review included benchmarking with international telecommunication industry, technology development, environmental factors, well-maintenance standard and usage conditions. The recommendations from manufacturers and opinion from expert engineer have been obtained during the review process as well. Estimated useful lives of certain classes of assets as follows were concluded to be extended commencing 1 January 2017.

| | PREVIOUS USEFUL LIVES YEARS | NEW USEFUL LIVES YEARS |
|---------------------------|--------------------------------|---------------------------|
| Passive network equipment | 20-25 | 25-30 |

Effect of the change to the consolidated statement of comprehensive income for the year ended 31 December 2017 can be summarized as follows:

| | CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | |
|----------------------|---|-----------------------------------|
| | PREVIOUS USEFUL LIVES YEARS | NEW USEFUL LIVES YEARS |
| Depreciation charges | 1,048.67 | 755.95 |

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.

On 29 October 2017, the said agreement expired. There are no further obligation for the Company.

A subsidiary has agreement with state enterprises, MCOT to provide Pay TV service.

Under the terms of the agreement, the subsidiary has certain commitments to acquire, install, manage and maintain all equipment. The subsidiary is also committed to transfer to MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreement, the subsidiary is entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreement.

In addition, the subsidiary is contingently liable to certain local banks for letters of guarantee Baht 31.20 million issued by the said banks in favour of MCOT. The letters of guarantee cover the guarantee for the subsidiary in compliance with the provisions of the agreement referred to above.

Under the term of the agreement, the subsidiary is obliged to pay minimum fee as follows:

| PERIOD DUE | MINIMUM FEE BAHT MILLION |
|---------------------|-------------------------------------|
| Within 1 year | 35.00 |
| Between 1 - 2 years | 35.00 |

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 expire on 15 December 2020.

There have been disagreements between the Group and CAT regarding the interpretation of the agreements and details of computations of related revenues and costs. However, since 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, and have agreed in several matters with an objective to extinguish the outstanding disputes between the two parties, including the unsettled balances.

There are still pending issues and outstanding balances required further discussion. The management believes that there will be no significant impact to the Group as a result of the conclusion.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 200.00 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.

On 14 March 2016, a subsidiary, TUC was granted with the 900MHz Bandwidth licence issued by NBTC. The licence authorised TUC to provide mobile service for 15 year. The maturity will be on 30 June 2031. 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 provided in favour of certain government agencies, certain state enterprises and other companies amounting to Baht 3,799.65 million and Baht 1,191.35 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 | |
| | 2017 BAHT MILLION | 2016 BAHT MILLION | 2017 BAHT MILLION | 2016 BAHT MILLION |
| Fixed and saving deposits | 96.08 | 70.06 | 43.99 | 42.36 |
| Investments in shares of associate | 699.90 | 770.00 | 694.56 | 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 2017 were Baht 25,866.98 million and Baht 15.91million, respectively (2016: Baht 27,772.53 million and Baht 25.46 million, respectively).

The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 16 years.

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

| | CONSOLIDATED FINANCIAL STATEMENTS | |
|--|--------------------------------------|----------------------|
| | 2017 BAHT MILLION | 2016 BAHT MILLION |
| Not later than 1 year | 4,263.58 | 3,313.62 |
| Later than 1 year but not later than 5 years | 16,099.78 | 12,646.89 |
| Later than 5 years | 22,520.80 | 15,594.68 |
| | 42,884.16 | 31,555.19 |

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2017

The Audit Committee comprising three Independent Directors, Mr. Joti Bhokavanij, Dr. Kosol Petchsuwan and Mrs. Preeprame Seriwongse, was re-appointed by the Board of Directors Meeting No. 5/2560 on 15th September 2017 to perform duties and discharge responsibilities under the Charter for the Audit Committee. During the Year 2017, the Audit Committee proceeded as follows:

1. Held seven meetings in 2017 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 2017 * |
|-------------------|------------|---------------------------------|---|
| 1. Mr. Joti | Bhokavanij | Chairman of the Audit Committee | 7/7 |
| 2. Dr. Kosol | Petchsuwan | Member of the Audit Committee | 7/7 |
| 3. Mrs. Preeprame | Seriwongse | Member of the Audit Committee | 2/2** |

Remark * In the Year 2017, the Audit Committee held one meeting with the auditor without the presence of Management.

** Mrs. Preeprame Seriwongse was appointed to be member of the Audit Committee on 15th September 2017. Prior to the appointment, 5 meetings of the Audit Committee meetings had been already held.

2. Reviewed the independence and performance of the auditor including the auditing fee. The Audit Committee deemed that the auditor performed independently and provided useful opinions and recommendations regarding financial reporting and internal controls. Therefore, the Audit Committee recommended the appointment of auditors from PricewaterhouseCoopers ABAS Limited as the Company's auditor and the auditing fee for the Year 2017 to the Board of Directors for approval by the Annual General Meeting of the Shareholders;
3. Discussed with the auditor the scope of their audits before they commenced and followed up their audits;
4. Acknowledged the auditor's audit plan and findings and provided recommendations;
5. Reviewed the annual and quarterly financial reports of the Company which included performance of its subsidiaries. The Audit Committee agreed with the 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;
6. 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 and were reasonable and beneficial to the Company and its subsidiaries because such transactions were entered into at reasonable prices and under general business terms that were also applied with the third party. Moreover, the Company and its subsidiaries, as a buyer, can rely on quality of products and services received from related persons, meanwhile, the Company and its subsidiaries, as a seller, can also increase revenue and market share from selling products and services to the related persons which are major consumers as well.

7. 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 the auditor, internal audit and Management, the Audit Committee deemed that the Company had complied with all related laws and regulations;
8. 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 2017, 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;

9. 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;

10. 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 2017, the Audit Committee received 11 complaints: 1 complaint regarding violation of the Company's Code of Conduct and 10 complaints regarding providing services of the Company. The Audit Committee passed on the matters to the relevant Departments and followed up on complaints management that it was fair and appropriate; and

11. 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 the 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. JOTI BHOKAVANIJ
CHAIRMAN OF THE AUDIT COMMITTEE

REPORT OF THE COMPENSATION AND NOMINATING COMMITTEE FOR THE YEAR 2017

By virtue of the resolution of the Board of Directors of the Company passed at its meeting No. 8/2544 held on 16th 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 2017, the Committee held three meetings in order to discharge its functions as assigned by the Board of Directors which can be summarized as follows:

1. Considered the establishment of the Executive Committee and proposed to the Board of Directors for appointment;
2. Considered nomination of Chairman of the Executive Committee and proposed to the Board of Directors for appointment;
3. Considered nomination of new Presidents (Co) and proposed to the Board of Directors for appointment;
4. Considered nomination of a new Chairman of the Audit Committee and a new Chairman of the Compensation and Nominating Committee to replace the resigned Chairmen and proposed to the Board of Directors Meeting for appointment;
5. Considered nomination of a new Director and new members of the Audit Committee, the Compensation and Nominating Committee, and the Corporate Governance Committee to replace the resigned Directors and proposed to the Board of Directors for appointment ;
6. Considered the proposal of revising the list of members of the Executive Committee and proposed to the Board of Directors for approval;
7. Considered and proposed recommendation to the Board of Directors regarding the election of Directors to replace the Directors retiring by rotation;
8. Considered and proposed recommendation to the Board of Directors regarding the Directors’ remuneration;
9. Considered and approved the variable payout to the CEO/President for the Year 2016 (payout in 2017); and
10. Considered and approved the variable pay plan for Chairman of the Executive Committee and Presidents (Co) for the Year 2017 (payout in 2018).



DR. HARALD LINK
CHAIRMAN OF THE COMPENSATION AND
NOMINATING COMMITTEE

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE FOR THE YEAR 2017

By virtue of a resolution of the Board of Directors of the Company passed at its meeting No. 3/2549 held on 24th March 2006, the Corporate Governance Committee was appointed to perform and discharge responsibilities under the Charter for the Corporate Governance Committee. During the Year 2017, the Corporate Governance Committee proceeded as follows:

1. Held 4 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 2017 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 2017 Annual General Meeting of the Shareholders and reported to the Board of Directors for acknowledgement;
4. Considered the results of self-assessment of the Board of Directors for the previous year as well as recommendations from certain Directors and proposed to the Board of Directors for acknowledgement;
5. Reviewed the Thai Institute of Directors Association's Corporate Governance Assessment Report for the Year 2016 and proposed to the Board of Directors with recommendations for further improving the Corporate Governance of the Company;
6. Considered Corporate Governance Code for Listed Companies 2017 ("CG Code 2017") issued by the Securities and Exchange Commission and proposed recommendation to the Board of Directors regarding the suitability of applying the CG Code 2017 to the Company's business context;
7. Considered the Company's activities in relation to corporate governance, sustainability, and corporate social responsibility to ensure that they were properly in practice and in compliance with the Company's policies;
8. Reviewed the Company's Policy on Corporate Governance and proposed some revisions to the Board of Directors for approval;
9. Considered Advisor Engagement Policy, which was included as a part of the Anti-corruption Measure, with the objective to prevent corruption caused by conflict of interest and proposed to the Board of Directors for approval;
10. Reviewed the Anti-corruption Policy and Measure and proposed some revisions to the Board of Directors for approval;
11. Acknowledged that the Company had been certified by Thailand's Private Sector Collective Action Coalition Against Corruption ("CAC") and reported to the Board of Directors for information; and
12. Acknowledged report on the employees engagement and practice of the Company's Code of Conduct.



DR. KOSOL PETCHSUWAN

CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE

REPORT OF THE FINANCE COMMITTEE FOR THE YEAR 2017

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 16th November 2001, the Finance Committee was appointed to perform and discharge certain responsibilities under the Charter for the Finance Committee. During the Year 2017, the Finance Committee has carried out the following tasks:

1. Held 4 meetings in order to discharge its functions as assigned by the Board of Directors;
2. Considered financial targets, provided recommendation to Management and proposed to the Board of Directors for approval;
3. 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;
4. Considered the quarterly and annual financial results of the Company and its subsidiaries as well as provided recommendations to Management;
5. Considered proposal of an additional member of the Finance Committee, Mr. Yuan Lihua, and proposed to the Board of Directors for appointment;
6. Considered investment in various projects as well as provided advices to Management and proposed recommendation to the Board of Directors for approval;
7. Considered the entering into the transactions with Digital Telecommunications Infrastructure Fund (“DIF”) by the Company and its subsidiaries and proposed to the Board of Directors for approval;
8. Considered closing inactive bank accounts of the Company and proposed to the Board of Directors for approval;
9. Considered revision of the authorized bank signatories and proposed to the Board of Directors for approval; and
10. Considered the increase of the debenture issuance limit of a subsidiary and proposed to the subsidiary’s 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 2017

The Board of Director 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 31st December 2017 are true and fair.



MR. DHANIN CHEARAVANONT
CHAIRMAN OF THE BOARD



FINANCIAL STATEMENTS



TRUE CORPORATION PUBLIC COMPANY LIMITED

**CONSOLIDATED AND SEPARATE
FINANCIAL STATEMENTS**

31 DECEMBER 2017

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List of abbreviations

Subsidiaries, associates, and joint ventures

Abbreviation

| | |
|---|--------------|
| AP&J Production Co., Ltd. | AP&J |
| 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 |
| 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 |
| SamutPakan 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 Digital & Media Platform Co., Ltd. | TDMP |
| True Digital Park Co., Ltd. | TDPK |
| True Distribution and Sales Co., Ltd. | TDS |
| True4U Station Co., Ltd. | True4U |
| True Icontent Co., Ltd. | TICT |
| True Incube 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 Internet Corporation Co., Ltd. | TICC |
| True Life Plus Co., Ltd. | TLP |
| True Media Solutions Co., Ltd. | TSC |
| True Move Co., Ltd. | TMV |
| True Move H Universal Communication 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 Visions Cable Public Company Limited | True Cable |
| True Visions Group Co., Ltd. | TVG |
| True Visions Public Company Limited | True Visions |
| 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 Investments Limited | GPI |
| Golden Light Co., Ltd. | GDL |
| Goldsky Co., Ltd. | GSK |
| Golden Pearl Global Limited | GDP |
| Rosy Legend Limited | RL |
| Prospect Gain Limited | PG |
| True Internet Technology (Shanghai) Company Limited | TIS |
| True Trademark Holdings Company 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 |
| True CJ Creation Co., Ltd. | TRUECJ |
| True Axion Interactive Ltd. | TrueAxion |

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 |



Independent Auditor's Report

To the shareholders of True Corporation Public Company Limited

My opinion

In my opinion, the consolidated financial statements of True Corporation Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and the consolidated and separate financial performance and the consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter paragraph

I draw attention to Notes 38.3, 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.



Key audit matters

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

| Key audit matter | How my audit addressed the key audit matter |
|---|--|
| <p>Valuation of goodwill</p> <p>Refer to Notes 6.1 and 23 to the consolidated and separate financial statements on critical accounting estimates and judgements and goodwill.</p> <p>The Group's goodwill is attributable to online and pay TV cash generating units (CGU) totalling Baht 360.62 million and Baht 11,042.47 million, respectively. Under the Financial Reporting Standards, the Group is required to test goodwill for impairment at least annually.</p> <p>I focussed on the valuation of goodwill because the goodwill balance is material to the financial statements. Goodwill recoverable amounts are based on management judgements of variables such as revenue, revenue growth, profit margin and discount rates.</p> <p>For the year ended 31 December 2017, the management performed an impairment test on goodwill by:</p> <ol style="list-style-type: none"> determining the recoverable amount of goodwill from the values-in-use of each CGU using the discounted cash flow (DCF) model. This model is based on forecasted cash flows (revenue, expenses and capital expenditure) generated from each CGU for the next five years, with a terminal zero growth rate applied to the fifth year cash flows. These cash flows were then discounted to the net present value using the weighted average cost of capital (WACC), and comparing the resulting values-in-use for each CGU to their respective book values and determining whether to record an impairment provision if the DCF values in use are less than the book values. <p>Based on the annual impairment test for goodwill, management concluded that no impairment provision was required. The key assumptions are disclosed in Notes 6.1 and 23 to the consolidated and separate financial statements.</p> | <p>My key procedures included the following:</p> <ul style="list-style-type: none"> obtaining, understanding and evaluating management's cash flow forecasts and the process by which the forecasts were developed, agreeing the cash flow forecasts with the approved budgets set by the Group Chief Financial Officer, challenging management's key assumptions, such as sources of revenue, revenue growth, profit margin and discount rates, by comparing them against the economic and industry outlook and against the assumptions made in the prior year, taking into account the sensitivity of the goodwill balance changes in the respective assumptions, and using my firm's valuation experts to evaluate the discount rate applied in the DCF model. <p>Based on my procedures, I noted the key assumptions used by management were supportable and appropriate in light of the current environment and circumstance.</p> |



| Key audit matter | How my audit addressed the key audit matter |
|------------------|---|
|------------------|---|

Revenue recognition - Accuracy and cut-off of recorded revenue

Recording revenue is an inherent risk for the telecommunications industry and is considered significant because of the complexity of the billing systems, multiple element sales arrangements, such as product and service bundled package and the impact on revenue recognition of changing price plans (tariff, structures, and discount). These complexities may give rise to the risk that revenue may not be accurately recognised.

Revenue cut-off is considered a key audit matter due to complex multiple monthly billing cycles for which closing billing periods may not necessarily close concurrently with the month-end close. This triggers a concern about whether revenue is recorded in the correct period.

I focussed on this area because the balance and transaction volume of revenue are materially high, and involve management estimations.

My key procedures included the following:

- evaluating and testing IT general controls in which billing and other relevant support systems reside, including the change control procedures in place around systems,
- evaluating the internal control in place over the authorisation of price rate changes, the implementation of new sales campaigns and input of the information into billing systems,
- testing allocation of fair value between products sales and services revenue bundled in sales campaigns launched during the year,
- testing end-to-end reconciliations from the billing systems to the general ledger. This includes validating material journals processed between the billing system and general ledger,
- testing samples of individual and corporate customer bills and checking them against cash receipts,
- testing revenue estimations for month-end close by subsequently checking actual revenue based on customers' usage data against estimated revenue for incomplete billing cycles recorded in the accounts,
- performing a revenue trend analysis by estimating expected revenue based on usage data and number of subscribers, and
- meeting with management members to corroborate the key revenue movements and trends during the year.

Based on my work, I noted no significant issues.



| Key audit matter | How my audit addressed the key audit matter |
|--|--|
| <p><i>Sale of assets and right in revenue to the Digital Telecommunication Infrastructure Fund (DIF) - Accuracy and classification</i></p> <p>Refer to Note 41, to the consolidated and separate financial statements in 2017 the Group entered into agreements with DIF to sell certain telecommunication assets, transfer right in net revenue and lease certain assets. The Group also leased back from DIF some of these assets.</p> <p>The Group recognised profit of Baht 8,388 million relating to the transactions and applied lease accounting for the lease and leaseback transactions.</p> <p>I focussed on these transactions because the amount involved was materially high and required interpretation of the terms of the agreements and significant management judgement in determining the appropriate accounting treatment. The accounting treatment has a significant impact on the Group's financial position and its operating results.</p> | <p>My procedures included the following:</p> <ul style="list-style-type: none"> • understanding the transactions and key terms and conditions of the related agreements, • evaluating the accounting treatment decided by management whether it conformed with the accounting standards, • evaluating management judgment and the accuracy of the amount recorded by challenging key assumptions such as discount rates and the related expenses, and performing the computation of certain significant amounts, • examining the cash receipt transaction received from DIF and tracing to the bank statement, and • reviewing the accuracy, completeness and classification of the accounting entries. <p>Based on my audit procedures, I noted no significant issues.</p> |

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Prasit Yuengsrikul'.

Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
Bangkok
28 February 2018

True Corporation Public Company Limited
Statements of Financial Position
As at 31 December 2017

| | Notes | Consolidated | | Separate | |
|--|-------|----------------------|--------------------|----------------------|--------------------|
| | | financial statements | | financial statements | |
| | | 31 December | 31 December | 31 December | 31 December |
| | | 2017 | 2016 | 2017 | 2016 |
| | | Baht Thousand | Baht Thousand | Baht Thousand | Baht Thousand |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 14 | 18,226,744 | 50,183,813 | 3,037,381 | 5,463,811 |
| Restricted cash at bank | 15 | 69,316 | 42,360 | 43,992 | 42,360 |
| Short-term investments | 16 | 2,910 | 502,312 | 1,817 | 501,234 |
| Trade and other receivables | 17 | 53,832,189 | 36,810,522 | 9,451,587 | 8,110,689 |
| Short-term loans to related parties | 42 | 197,000 | 147,000 | 9,573,440 | 3,000,000 |
| Inventories | 18 | 16,849,082 | 11,251,975 | 11,261 | 20,426 |
| Income tax deducted at source | | 9,638,664 | 8,141,389 | 461,943 | 169,232 |
| Claimable value added tax | | 8,653,539 | 5,509,182 | - | - |
| Other current assets | 19 | 10,342,092 | 10,089,763 | 62,206 | 66,536 |
| Total current assets | | 117,811,536 | 122,678,316 | 22,643,627 | 17,374,288 |
| Non-current assets | | | | | |
| Restricted cash at bank | 15 | 26,763 | 27,696 | - | - |
| Investment in available for sale securities | 16 | 411,992 | - | - | - |
| Investment in subsidiaries | 20 | - | - | 181,028,382 | 178,678,264 |
| Investment in associates and interests in joint ventures | 20 | 16,539,115 | 18,174,762 | 16,327,908 | 16,327,908 |
| General investments | 16 | 543,848 | 325,211 | 241,741 | 240,741 |
| Investment property | 21 | 733,627 | 760,473 | - | - |
| Property, plant and equipment | 22 | 175,462,313 | 143,688,352 | 1,488,317 | 1,708,040 |
| Goodwill | 23 | 11,403,094 | 11,403,094 | - | - |
| Intangible assets | 24 | 129,377,058 | 139,745,965 | 147,206 | 1,224,493 |
| Deferred income tax assets | 25 | 5,396,614 | 5,375,822 | - | 99,126 |
| Other non-current assets | 26 | 7,604,976 | 6,780,769 | 146,299 | 149,864 |
| Total non-current assets | | 347,499,400 | 326,282,144 | 199,379,853 | 198,428,436 |
| Total assets | | 465,310,936 | 448,960,460 | 222,023,480 | 215,802,724 |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2017

| | | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | | 31 December 2017 | 31 December 2016 | 31 December 2017 | 31 December 2016 |
| | Notes | Baht Thousand | Baht Thousand | Baht Thousand | Baht Thousand |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Short-term borrowings | 27 | 46,752,379 | 37,571,675 | 39,253,825 | 16,980,391 |
| Trade and other payables | 28 | 115,494,627 | 98,514,397 | 3,151,289 | 2,814,034 |
| Current portion of long-term borrowings | 27 | 30,777,810 | 20,653,960 | 3,961,911 | 19,165,857 |
| Short-term loans from related parties | 42 | - | - | 5,021 | - |
| Income tax payable | | 5,338 | 5,629 | - | - |
| Other current liabilities | 29 | 4,883,041 | 4,098,147 | 538,308 | 509,323 |
| Total current liabilities | | 197,913,195 | 160,843,808 | 46,910,354 | 39,469,605 |
| Non-current liabilities | | | | | |
| Long-term borrowings | 27 | 49,924,210 | 60,490,046 | 8,190,495 | 12,119,200 |
| Deferred income tax liabilities | 25 | 3,196,865 | 1,995,052 | 207,577 | - |
| Liabilities under agreements and licences for operation | 30 | 64,633,973 | 77,652,487 | - | - |
| Employee benefits obligations | 31 | 2,154,845 | 1,982,115 | 906,249 | 555,044 |
| Other non-current liabilities | 32 | 13,285,093 | 14,269,013 | - | - |
| Total non-current liabilities | | 133,194,986 | 156,388,713 | 9,304,321 | 12,674,244 |
| Total liabilities | | 331,108,181 | 317,232,521 | 56,214,675 | 52,143,849 |
| Equity | | | | | |
| Share capital | 33 | | | | |
| Authorised share capital | | | | | |
| Common shares, 33,368,655,464 shares of par Baht 4 each | | 133,474,622 | 133,474,622 | 133,474,622 | 133,474,622 |
| Issued and fully paid-up share capital | | | | | |
| Common shares, 33,368,195,301 shares of paid-up Baht 4 each | | 133,472,781 | 133,472,781 | 133,472,781 | 133,472,781 |
| Premium on share capital | | 26,384,073 | 26,384,073 | 26,384,073 | 26,384,073 |
| Retained earnings | | | | | |
| Appropriated - legal reserve | 34 | 389,994 | 282,498 | 389,994 | 282,498 |
| Retained earnings (deficits) | | (25,072,523) | (27,287,553) | 5,561,957 | 3,519,523 |
| Other components of equity | | (1,641,124) | (1,799,588) | - | - |
| Equity attributable to owners of the parent | | 133,533,201 | 131,052,211 | 165,808,805 | 163,658,875 |
| Non-controlling interests | 35 | 669,554 | 675,728 | - | - |
| Total equity | | 134,202,755 | 131,727,939 | 165,808,805 | 163,658,875 |
| Total liabilities and equity | | 465,310,936 | 448,960,460 | 222,023,480 | 215,802,724 |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2017

| | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|---------------------|----------------------------------|---------------------|
| | | 31 December 2017 | 31 December 2016 | 31 December 2017 | 31 December 2016 |
| | | Baht Thousand | Baht Thousand | Baht Thousand | Baht Thousand |
| Revenues | 8 | | | | |
| Revenues from telephone and other services | | 117,624,253 | 107,892,009 | 11,682,109 | 9,205,238 |
| Revenues from product sales | | 23,666,212 | 16,827,189 | - | - |
| Total revenues | | <u>141,290,465</u> | <u>124,719,198</u> | <u>11,682,109</u> | <u>9,205,238</u> |
| Costs | | | | | |
| Cost of providing services | | 84,287,978 | 78,276,315 | 4,411,548 | 4,806,669 |
| Cost of sales | | 17,808,045 | 17,323,335 | - | - |
| Total costs | | <u>102,096,023</u> | <u>95,599,650</u> | <u>4,411,548</u> | <u>4,806,669</u> |
| Gross profit | | 39,194,442 | 29,119,548 | 7,270,561 | 4,398,569 |
| Other income | 41 | 5,468,563 | 1,830,084 | 1,865,234 | 2,475,003 |
| Selling expenses | | (19,372,507) | (17,213,181) | (1,052,899) | (921,121) |
| Administrative expenses | | (13,933,160) | (12,397,980) | (3,340,597) | (2,730,667) |
| Other expenses | | (2,585,287) | (2,098,095) | (256,785) | (279,429) |
| Share of results | 20 | 3,153,802 | 4,608,618 | - | - |
| Finance costs | 11 | (8,293,982) | (6,166,384) | (2,028,881) | (2,411,951) |
| Profit (loss) before income tax | | 3,631,871 | (2,317,390) | 2,456,633 | 530,404 |
| Income tax | 12 | (1,315,519) | (489,639) | (306,703) | (398,730) |
| Profit (loss) for the year | | <u>2,316,352</u> | <u>(2,807,029)</u> | <u>2,149,930</u> | <u>131,674</u> |
| Other comprehensive income : | | | | | |
| Item that will not be reclassified subsequently to profit or loss: | | | | | |
| Remeasurements of post-employment benefit obligations, net of tax | | - | (463,317) | - | (173,988) |
| Item that will be reclassified subsequently to profit or loss: | | | | | |
| Unrealised gain on changes in fair value of available-for-sale securities, net of tax | | 159,180 | - | - | - |
| Exchange differences on translation | | (706) | 660 | - | - |
| Total comprehensive income for the year | | <u>2,474,826</u> | <u>(3,269,686)</u> | <u>2,149,930</u> | <u>(42,314)</u> |
| Profit (loss) for the year attributable to: | | | | | |
| Owners of the parent | | 2,322,526 | (2,814,348) | 2,149,930 | 131,674 |
| Non-controlling interests | | (6,174) | 7,319 | - | - |
| Profit (loss) for the year | | <u>2,316,352</u> | <u>(2,807,029)</u> | <u>2,149,930</u> | <u>131,674</u> |
| Total comprehensive income for the year attributable to: | | | | | |
| Owners of the parent | | 2,481,000 | (3,276,901) | 2,149,930 | (42,314) |
| Non-controlling interests | | (6,174) | 7,215 | - | - |
| Total comprehensive income for the year | | <u>2,474,826</u> | <u>(3,269,686)</u> | <u>2,149,930</u> | <u>(42,314)</u> |
| Basic earnings per share | | | | | |
| attributable to owners of the parent | 13 | | | | |
| - Basic (Baht per share) | | 0.0696 | (0.0962) | 0.0644 | 0.0045 |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Changes in Equity
For the year ended 31 December 2017

| Consolidated financial statements | | | | | | | | | | | Baht Thousand |
|--|---|----------------------|------------------|--------------|---|---|--|--|----------------------------------|----------------------------------|---------------|
| Attributable to owners of the parent | | | | | | | | | | | |
| Other components of equity | | | | | | | | | | | |
| | Issued and fully paid-up Common shares | Premium on shares | Legal reserve | Deficits | Unrealised gain on revaluation of securities available for sale | Change in non-controlling interests | Translating financial statements | Total other components of equity | Total owners of the parent | Non- Controlling Interests | Total |
| Opening balance as at 1 January 2016 | | | | | | | | | | | |
| 33 | 98,431,713 | - | 275,914 | (22,362,876) | - | (1,806,543) | 9,241 | (1,797,302) | 74,547,449 | 659,084 | 75,206,533 |
| 20 | 35,041,068 | 26,384,073 | - | - | - | - | - | - | 61,425,141 | - | 61,425,141 |
| | - | - | - | - | - | - | - | - | - | 14,154 | 14,154 |
| Addition investment in subsidiary by purchasing shares | | | | | | | | | | | |
| 20 | - | - | - | - | - | - | - | - | - | (7,671) | (7,671) |
| | - | - | - | - | - | (2,946) | - | (2,946) | (2,946) | 2,946 | - |
| | - | - | - | (1,640,532) | - | - | - | - | (1,640,532) | - | (1,640,532) |
| 34 | - | - | 6,584 | (6,584) | - | - | - | - | - | - | - |
| | - | - | - | (3,277,561) | - | - | 660 | 660 | (3,276,901) | 7,215 | (3,269,686) |
| Closing balance as at 31 December 2016 | | | | | | | | | | | |
| | 133,472,781 | 26,384,073 | 282,498 | (27,287,553) | - | (1,809,489) | 9,901 | (1,799,588) | 131,052,211 | 675,728 | 131,727,939 |
| Opening balance as at 1 January 2017 | | | | | | | | | | | |
| | 133,472,781 | 26,384,073 | 282,498 | (27,287,553) | - | (1,809,489) | 9,901 | (1,799,588) | 131,052,211 | 675,728 | 131,727,939 |
| 20 | - | - | - | - | - | - | - | - | - | (10) | (10) |
| | - | - | - | - | - | (10) | - | (10) | (10) | 10 | - |
| 34 | - | - | 107,496 | (107,496) | - | - | - | - | - | - | - |
| | - | - | - | 2,322,526 | 159,180 | - | (706) | 158,474 | 2,481,000 | (6,174) | 2,474,826 |
| Closing balance as at 31 December 2017 | | | | | | | | | | | |
| | 133,472,781 | 26,384,073 | 389,994 | (25,072,523) | 159,180 | (1,809,499) | 9,195 | (1,641,124) | 133,533,201 | 669,554 | 134,202,755 |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2017

| | Notes | Separate financial statements | | | | Baht Thousand |
|---|-------|---|----------------------|------------------|-------------------|--------------------|
| | | Issued and fully paid-up common shares | Premium on shares | Legal reserve | Retained earnings | Total |
| Opening balance as at 1 January 2016 | | | | | | |
| Issue of shares | 33 | 98,431,713 | - | 275,914 | 5,208,953 | 103,916,580 |
| Dividends paid | | 35,041,068 | 26,384,073 | - | - | 61,425,141 |
| Appropriation of legal reserve | 34 | - | - | - | (1,640,532) | (1,640,532) |
| Total comprehensive income for the year | | - | - | 6,584 | (6,584) | - |
| | | - | - | - | (42,314) | (42,314) |
| Closing balance as at 31 December 2016 | | <u>133,472,781</u> | <u>26,384,073</u> | <u>282,498</u> | <u>3,519,523</u> | <u>163,658,875</u> |
| Opening balance as at 1 January 2017 | | | | | | |
| Appropriation of legal reserve | 34 | 133,472,781 | 26,384,073 | 282,498 | 3,519,523 | 163,658,875 |
| Total comprehensive income for the year | | - | - | 107,496 | (107,496) | - |
| | | - | - | - | 2,149,930 | 2,149,930 |
| Closing balance as at 31 December 2017 | | <u>133,472,781</u> | <u>26,384,073</u> | <u>389,994</u> | <u>5,561,957</u> | <u>165,808,805</u> |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Statements of Cash Flows
For the year ended 31 December 2017

| | Notes | Consolidated financial statements | | Separate financial statements | |
|---|-------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | | 31 December 2017 Baht Thousand | 31 December 2016 Baht Thousand | 31 December 2017 Baht Thousand | 31 December 2016 Baht Thousand |
| Cash flows from operating activities | 36 | 4,993,342 | 8,096,130 | 1,727,838 | (2,046,871) |
| Cash flows from investing activities | | | | | |
| (Deposit) withdrawal of restricted cash | | (26,021) | 536,878 | (1,632) | 516,613 |
| Disposal (acquisition) of short-term investments | 16 | 500,000 | (499,452) | 500,000 | (499,459) |
| Loans made to related parties | 42 | (50,000) | (300) | (28,952,622) | (27,920,000) |
| Acquisition of property, plant and equipment | | (34,083,088) | (33,259,990) | (98,856) | (26,899) |
| Acquisition of intangible assets | | (13,497,899) | (13,725,453) | (105,616) | (16,523) |
| Repayment received from loan to related parties | 42 | - | 300 | 22,379,182 | 44,735,000 |
| Acquisition of investment in subsidiaries | 20.1 | - | - | (4,500,000) | (67,250,930) |
| Acquisition of investment in associate | 20.2 | (35,600) | (51,111) | - | - |
| Acquisition of interest in joint venture | | - | (41,234) | - | - |
| Acquisition of investment in other companies | 16 | (218,637) | - | (1,000) | - |
| Acquisition of available for sale securities | 16 | (213,010) | - | - | - |
| Proceeds from liquidation of subsidiary | 20.1 | - | - | 2,134,454 | - |
| Proceeds from disposals of property, plant and equipment and intangible assets | | 3,990,679 | 71,519 | 17,337 | 11,972 |
| Dividends received | 42 | 1,583,807 | 1,556,866 | 1,583,807 | 1,957,495 |
| Net cash used in investing activities | | (42,049,769) | (45,411,977) | (7,044,946) | (48,492,731) |
| Cash flows from financing activities | | | | | |
| Issue of common shares | 33 | - | 59,948,800 | - | 59,948,800 |
| Subscription of newly issued shares in subsidiary by non-controlling interests | 20.1 | - | 14,154 | - | - |
| Addition investment in subsidiary by purchasing shares from non-controlling interests | | (10) | (7,671) | - | - |
| Proceeds from loans from subsidiaries | 42 | - | - | 2,083,562 | 3,960,000 |
| Proceeds from short-term borrowings, net of cash paid for debt issuance cost | | 67,206,682 | 77,191,638 | 50,267,788 | 26,110,738 |
| Proceeds from borrowings, net of cash paid for debt issuance cost | 27 | 17,665,491 | 22,950,216 | - | - |
| Repayments to short-term borrowings | | (58,444,000) | (69,789,700) | (28,208,000) | (25,325,000) |
| Repayments to loans from subsidiaries | 42 | - | - | (2,078,541) | (4,535,000) |
| Repayments to borrowings | 27 | (21,313,690) | (13,177,486) | (19,174,131) | (6,205,835) |
| Dividends paid | | - | (164,190) | - | (164,190) |
| Net cash received from financing activities | | 5,114,473 | 76,965,761 | 2,890,678 | 53,809,513 |
| Net (decrease) increase in cash and cash equivalents | | (31,941,954) | 39,649,914 | (2,426,430) | 3,269,911 |
| Opening balance | | 50,183,813 | 10,590,382 | 5,463,811 | 2,193,900 |
| Effects of exchange rate changes | | (15,115) | (56,483) | - | - |
| Closing balance | | 18,226,744 | 50,183,813 | 3,037,381 | 5,463,811 |

Non-cash transactions

Significant non-cash transactions are as follows:

| | Consolidated financial statements | |
|--|--------------------------------------|-------------------------------------|
| | 31 December 2017 Baht Million | 31 December 2016 Baht Million |
| Acquisition of property, plant and equipment using finance leases | 2,939.61 | 2,878.97 |
| Acquisition of property, plant and equipment and intangible assets, not yet paid | 132,762.96 | 135,606.03 |

The accompanying notes on pages 13 to 91 are an integral part of these financial statements.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

1. General information

True Corporation Public Company Limited ("the Company") is a public limited company which is incorporated and resident in Thailand. The address of its registered office is 18 True Tower, Ratchadaphisek Road, HuaiKhwang, 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 and licences for operation, as set out in Note 2.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 February 2018.

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation

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 29 October 2017, the agreement with TOT expired. There is no further obligation for the Company. The Company and TOT are discussing for settlement of all outstanding balances. The expiry of the agreement does not have material impact affecting the Group.

On 8 December 2006, a subsidiary, TICC was granted a Type III licence by NTC for fixed line services. TICC 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.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation (Cont'd)

Telephone services (Cont'd)

On 11 October 2014, a subsidiary, TICC (formerly "TI") was granted a Type I, renewal licence by NBTC for International Calling Cards (ICC). TICC 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. TM is being to withdraw the letter of guarantee placed with TOT.

On 20 October 2017, the NON-POTS agreement expired. There are no further obligation for TM.

Internet services

On 19 May 2016, a subsidiary, TIG was granted a Type II, renewal license 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 2021.

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.

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 200.00 million to guarantee the Group's compliance with the terms of the agreements.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

2. Joint Operation, Joint Investment Agreement and Agreements and licences for operation (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 authorized TUC to provide mobile service under those spectrums bandwidth for 15 years. The expiry date of licence is on 6 December 2027. TUC must comply with the terms and conditions stipulated in the licence.

On 4 December 2015, a subsidiary, TUC was granted the 1800 MHz 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 expiry date of licence is 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 Bath 10,644.36 million (including value added tax) for the unpaid licence fee.

On 14 March 2016, a subsidiary, TUC was granted with the 900 MHz Bandwidth licence by NBTC. The licence authorised TUC to provide mobile service for 15 year. The expiry date of licence is on 30 June 2031. 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 Bath 73,036.06 million (including value added tax) for the unpaid licence fee.

Pay-TV services

The Group has invested in True Cable. True Cable is engaged in the operation of pay television networks (Cable Television) under the agreement granted by MCOT on 6 June 1994 an amendment thereto on 9 November 1994 which will be expired on 31 December 2019. Under the aforementioned agreement, True Cable is 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 the agreement, whichever is higher (Note 38.2). In addition, True Cable must transfer the ownership of certain equipment procured for the operations of television networks to MCOT within the periods specified in the agreement.

True Cable has placed letters of guarantee issued by certain local banks in favour of MCOT totalling Baht 36.20 million to guarantee the Group's compliance with the terms of the agreement.

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 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 placed letter of guarantee issued by the local banks in favour of NBTC totaling Baht 1,297.27 million (including value added tax) for the unpaid licence fee.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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3. Accounting policies

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below.

3.1 Basis of preparation

The consolidated and separate 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 Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate 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 separate 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 Revised accounting standards and related interpretations

Revised financial reporting standards and interpretations are effective for accounting periods beginning on or after 1 January 2017 and 2018.

The Group's management assessed and considered that the revised standards will not have a material impact on the Group.

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.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

3. Accounting policies (Cont'd)

3.3 Foreign currency translation

(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 in other comprehensive income.

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 separate 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 separate statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

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.
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
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 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.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.5 Investments (Cont'd)

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.

3.7 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 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.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and impairment loss.

Depreciation on investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|-------------------|----------|
| Fiber optic cable | 30 years |
|-------------------|----------|

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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3. Accounting policies (Cont'd)

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, except business combination under common control. 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-measurements are recognised in profit or loss.

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 in profit or loss. 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 recognised 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 on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

(c) Disposal of subsidiaries

When the Group ceases to have control it shall cease to consolidate its subsidiaries. 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 that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

3. Accounting policies (Cont'd)

3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(d) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed.

(e) 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.

A list of the Group's principal associates are set out in Note 20.

(f) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor, rather than the legal structure of the joint arrangements.

Joint operations

A joint operation is a joint arrangement whereby the Group has rights to the assets, and obligations for the liabilities relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint venture

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

The details of the Group's principal joint ventures are set out in Note 20.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

3. Accounting policies (Cont'd)

3.9 Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

(g) Accounting under equity method

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 associates and joint ventures 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. Profit or loss from reduction of the ownership interest in an associate and joint ventures is recognised in profit or loss.

The Group's share of its associates and joint ventures' post-acquisition profits or losses 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 losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, together with any long-term interests that, in substance, form part of the entity's net investment in the associates or joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investments in the associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investments and its carrying value and recognises the amount adjacent to share of profit (loss) of associates and joint ventures in profit or loss.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(h) Separate financial statement

In the separate financial statements, investments in subsidiaries, associates and joint ventures 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.

3.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to acquisition of the items.

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:

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.10 Property, plant and equipment (Cont'd)

Details of useful lives are as follows:

| | Years |
|---|--------------|
| Land improvement | 20 |
| Buildings and improvements | 10 - 40 |
| Telephone network equipment | |
| - Switching equipment | 15 |
| - Transmission | 15 - 35 |
| - Outside plant | 15 - 35 |
| - Mobile phone network equipment | 8 - 30 |
| - Wifi equipment | 5 - 25 |
| Public phone | 8 - 15 |
| Power supply and computer | 5 - 15 |
| Network management systems | 15 |
| Pay TV | 3 - 20 |
| Multimedia network equipment | 5 - 35 |
| Vehicle | 5 - 7 |
| Leasehold building improvements | Lease period |
| Furniture, fixtures, tools and office equipment | 5 - 10 |

The assets' residual values and useful lives are annually 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 the Group 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 the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

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.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

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.

3.13 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".

True Corporation Public Company Limited
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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, television broadcasting and other directly attributable cost of licence acquisition. 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.

(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 hang dropwire. The intangible assets are amortised using the straight-line method over their estimated useful lives of 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.

3.15 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.

True Corporation Public Company Limited
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For the year ended 31 December 2017

3. Accounting policies (Cont'd)

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.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.18 Provisions

Provisions 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 as been reliably estimated. 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 profit or loss 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.

Remeasurement gains and losses 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. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

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.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.21 Revenue recognition

TrueOnline

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 is recognised on completion of installation 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.

TrueMove H

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 recognised when services are rendered.

Sales of mobile phone are recognised upon delivery of equipment, handsets or customer acceptance.

TrueVisions

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.

True Corporation Public Company Limited
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3. Accounting policies (Cont'd)

3.21 Revenue recognition (Cont'd)

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 basis:

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.

3.22 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 estimate

During September 2017, the management conducted an annual review of economic useful lives of assets. The key factors taking into accounts of the review included benchmarking with international telecommunication industry, technology development, environmental factors, well-maintenance standard and usage conditions. The recommendations from manufacturers and opinion from expert engineer have been obtained during the review process as well. Estimated useful lives of certain classes of assets as follows were concluded to be extended commencing 1 January 2017.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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4. Change in accounting estimate (Cont'd)

| | Previous useful lives Years | New useful lives Years |
|---------------------------|-----------------------------------|---------------------------|
| Passive network equipment | 20 - 25 | 25 - 30 |

Effect of the change to the consolidated statement of comprehensive income for the year ended 31 December 2017 can be summarised as follows:

| | Consolidated statement of comprehensive income | |
|----------------------|---|-------------------------------------|
| | Previous useful lives Baht Million | New useful lives Baht Million |
| Depreciation charges | 1,048.67 | 755.95 |

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 Group income and operating cash flow are not substantially dependent of changes in market interest rates. In addition, the Group 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.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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5. Financial risk management (Cont'd)

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. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined below.

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 3.14. 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, 11.33% instead of 10.30%), 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.

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6. Critical accounting estimates and judgements (Cont'd)

6.1 Critical accounting estimates and assumptions (Cont'd)

(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 minimise 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.

(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 lower by Baht 218.37 million and higher by Baht 258.61 million.

(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.

6.2 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 TKSC 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 DIF, TrueAxion and TG and determined that it has significant influence even though the shareholding are 28.11%, 40.00% and 46.80%, respectively. Consequently, these investments have been classified as associates.

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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6. Critical accounting estimates and judgements (Cont'd)

6.2 Critical judgements in applying the entity's accounting policies (Cont'd)

(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 ("CODM"). The Group Management has determined the operating segment based on the information internally reviewed on quarterly basis. During 2017, the Group Management has changed the measurements for the Group's operating performance reviews, resulting in the changes of the Group's reportable information. The following are the Group's reportable segments.

1. TrueMove H
2. TrueOnline
3. TrueVisions

The Group Management considers that the Group operates in a single geographic area, namely in Thailand, and has, therefore, only one major geographic segment. The operating performances are measured based on profit before tax which is more relevant and comparable with other entities in the relevant industries.

No single customer represents a major customer because the Group has large number of customers, who are end users covering business and individuals.

Consolidated reportable segments:

External revenue:

For the years ended 31 December

| | 2017 | 2016 |
|--------------|---------------------|---------------------|
| | Baht Million | Baht Million |
| TrueMove H | 105,974.62 | 91,985.51 |
| TrueOnline | 25,782.49 | 23,036.08 |
| TrueVisions | 9,533.36 | 9,697.61 |
| Total | 141,290.47 | 124,719.20 |

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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8. Consolidated segment information (Cont'd)

Segment profit (loss) before tax:

For the years ended 31 December

| | 2017 Baht Million | 2016 Baht Million |
|--------------|------------------------------|------------------------------|
| TrueMove H | 5,182.54 | 231.44 |
| TrueOnline | 1,479.69 | 653.46 |
| TrueVisions | (3,030.36) | (3,202.29) |
| Total | 3,631.87 | (2,317.39) |

Segment assets:

At 31 December

| | 2017 Baht Million | 2016 Baht Million |
|--------------|------------------------------|------------------------------|
| TrueMove H | 337,319.04 | 330,609.02 |
| TrueOnline | 102,717.17 | 90,175.52 |
| TrueVisions | 25,274.73 | 28,175.92 |
| Total | 465,310.94 | 448,960.46 |

Segment liabilities:

At 31 December

| | 2017 Baht Million | 2016 Baht Million |
|--------------|------------------------------|------------------------------|
| TrueMove H | 234,729.62 | 225,977.87 |
| TrueOnline | 87,724.90 | 80,988.09 |
| TrueVisions | 8,653.66 | 10,266.56 |
| Total | 331,108.18 | 317,232.52 |

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:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2017.

| | Consolidated financial statements | | | |
|-------------------------------------|--|---------------------------------|---------------------------------|---------------------------------|
| | 31 December 2017 | | 31 December 2016 | |
| | Level 1 Baht Million | Level 2 Baht Million | Level 1 Baht Million | Level 2 Baht Million |
| Assets | | | | |
| Trading financial assets | | | | |
| • Mutual fund | - | 1.93 | - | 1.91 |
| Available-for-sale financial assets | | | | |
| • Equity securities | 411.99 | - | - | - |
| Derivative receivables | - | 6.18 | - | 514.42 |
| Liabilities | | | | |
| Derivative payables | - | 2,889.21 | - | 23.50 |

True Corporation Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2017

9. Fair value (Cont'd)

9.1 Fair value estimation (Cont'd)

| | Separate financial statements | | | |
|--------------------------|-------------------------------|--------------|------------------|--------------|
| | 31 December 2017 | | 31 December 2016 | |
| | Level 1 | Level 2 | Level 1 | Level 2 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Asset | | | | |
| Trading financial assets | | | | |
| • Mutual fund | - | 1.82 | - | 1.80 |
| Liabilities | | | | |
| Derivative payables | - | - | - | 21.55 |

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 financial statements | | Separate financial statements | |
|--------------------------------------|-----------------------------------|--------------|-------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Direct costs related to revenues | 41,470.27 | 40,653.39 | 459.52 | 782.11 |
| Network operating and maintenance | 12,695.75 | 11,855.41 | 877.66 | 877.99 |
| Staff costs | 13,417.06 | 12,898.49 | 3,808.91 | 2,672.94 |
| Selling, advertising and publicity | 5,287.89 | 5,540.48 | 787.24 | 796.32 |
| Doubtful accounts | 1,830.63 | 1,795.45 | 140.19 | 222.03 |
| Depreciation | | | | |
| - owned assets | 11,933.21 | 9,224.39 | 309.68 | 327.46 |
| - leased assets under finance leases | 1,533.00 | 1,190.47 | - | - |
| Amortisation | | | | |
| - Intangible assets (Note 24) | 14,257.41 | 11,927.37 | 1,178.59 | 1,412.10 |
| - Others | 8,382.35 | 5,612.09 | - | - |

True Corporation Public Company Limited
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11. Finance costs

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Interest expense | 5,916.68 | 4,671.53 | 1,953.06 | 2,331.64 |
| Foreign exchange (gain) loss | (134.56) | (34.30) | 1.02 | 8.15 |
| Finance cost related to licences | 2,392.92 | 1,422.35 | - | - |
| Other financial fees | 118.94 | 106.80 | 74.80 | 72.16 |
| Total finance costs | 8,293.98 | 6,166.38 | 2,028.88 | 2,411.95 |

12. Income tax

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Current tax | (174.30) | (259.58) | - | - |
| Deferred income tax: | | | | |
| Origination and reversal of temporary differences (Note 25) | (1,141.22) | (230.06) | (306.71) | (398.73) |
| Income tax | (1,315.52) | (489.64) | (306.71) | (398.73) |

The tax on the Group's profit (loss) before tax differs from the tax amount for filing purposes as follows:

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Profit (loss) before income tax | 3,631.87 | (2,317.39) | 2,456.63 | 530.40 |
| Tax calculated at the tax rate of 20% | (726.37) | 463.48 | (491.33) | (106.08) |
| Income not subject to tax | 30.90 | - | 355.06 | 391.50 |
| Expenses not deductible for tax purposes | (1,240.37) | 422.09 | (185.59) | (44.32) |
| Current year tax loss for which no deferred tax asset was recognised | (1,986.95) | (4,477.07) | 15.16 | (639.83) |
| Utilisation of previously unrecognised deferred tax asset from tax loss | 1,976.51 | 2,180.15 | - | - |
| Associates results reported, net of tax | 630.76 | 921.71 | - | - |
| Income tax | (1,315.52) | (489.64) | (306.70) | (398.73) |

Further information about deferred income tax is presented in Note 25.

True Corporation Public Company Limited
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13. Basic earnings per share

Basic earnings per share is calculated by dividing the profit (loss) attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during 2017. The calculation are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------|--|-------------|
| | 2017 | 2016 | 2017 | 2016 |
| Profit (loss) attributable to owners of the parent (Baht Million) | 2,322.53 | (2,814.35) | 2,149.93 | 131.67 |
| Weighted average number of common shares in issue (million shares) | 33,368.20 | 29,263.11 | 33,368.20 | 29,263.11 |
| Basic earnings (loss) per share (Baht) | 0.0696 | (0.0962) | 0.0644 | 0.0045 |

14. Cash and cash equivalents

| | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--|---------------------|--|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| At 31 December | Baht Million | Baht Million | Baht Million | Baht Million |
| Cash on hand | 2,136.77 | 1,138.51 | 9.00 | 57.98 |
| Deposits held at call with banks | 16,089.97 | 49,045.30 | 3,028.38 | 5,405.83 |
| | <u>18,226.74</u> | <u>50,183.81</u> | <u>3,037.38</u> | <u>5,463.81</u> |

15. Restricted cash at bank

Restricted cash consist of:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|---------------------|--|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| At 31 December | Baht Million | Baht Million | Baht Million | Baht Million |
| Current | 69.32 | 42.36 | 43.99 | 42.36 |
| Non-current | 26.76 | 27.70 | - | - |
| | <u>96.08</u> | <u>70.06</u> | <u>43.99</u> | <u>42.36</u> |

Current:

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|---------------------|--|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| At 31 December | Baht Million | Baht Million | Baht Million | Baht Million |
| Saving deposits | 69.32 | 42.36 | 43.99 | 42.36 |

True Corporation Public Company Limited
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15. Restricted cash at bank (Cont'd)

Non-current:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|-----------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Saving deposits | 0.08 | 0.82 | - | - |
| Time deposits | 26.68 | 26.88 | - | - |
| | 26.76 | 27.70 | - | - |

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 financial statements | | Separate financial statements | |
|--|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Current | 2.91 | 502.31 | 1.82 | 501.23 |
| Non-current | 955.84 | 325.21 | 241.74 | 240.74 |
| Total | 958.75 | 827.52 | 243.56 | 741.97 |
| Current: | | | | |
| Time deposits | 0.98 | 0.97 | - | - |
| Trading securities - debt securities | - | 499.43 | - | 499.43 |
| Trading securities - equity securities | 1.93 | 1.91 | 1.82 | 1.80 |
| Total current investments | 2.91 | 502.31 | 1.82 | 501.23 |

Movement of short-term investments can be summarised as follows:

| | Consolidated financial statements Baht Million | Separate financial statements Baht Million |
|--|---|---|
| For the year ended 31 December 2017 | | |
| Opening net book value | 502.31 | 501.23 |
| Disposal | (500.00) | (500.00) |
| Interest received | 0.58 | 0.57 |
| Fair value adjustment | 0.02 | 0.02 |
| Closing net book value | 2.91 | 1.82 |

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Non-current: | | | | |
| Available for sale | | | | |
| - equity securities | 411.99 | - | - | - |
| General investments | | | | |
| - Non-marketable equity securities | 543.85 | 325.21 | 241.74 | 240.74 |
| Total | 955.84 | 325.21 | 241.74 | 240.74 |

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16. Investments (Cont'd)

The analysis of the available for sale securities is as follows:

| | Consolidated financial statements | |
|-------------------------------------|--|------------------------------------|
| | 31 December 2017 | |
| | Cost Baht Million | Fair value Baht Million |
| Available for sale securities | 213.01 | 213.01 |
| Add Fair value adjustment | - | 198.98 |
| Total available for sale securities | 213.01 | 411.99 |

Movement of investments in available for sale securities are as follows:

| | Consolidated financial statements Baht Million |
|--|---|
| For the year ended 31 December 2017 | |
| Opening net book value | - |
| Addition | 213.01 |
| Fair value adjustment | 198.98 |
| Closing net book value | 411.99 |

On 3 March 2017, a subsidiary invested in Capstream Ventures Inc., a publicly traded corporation listed on the TSX Venture Exchange amounting to Baht 213.01 million, representing 8.84% of its equity.

The available for sale securities are restricted to sell for 3 years from the first quarter of 2017. Consequently, the securities are presented as non-current portion.

Movement of general investments are as follows:

| | Consolidated financial statements Baht Million | Separate financial statements Baht Million |
|--|---|---|
| For the year ended 31 December 2017 | | |
| Opening net book value | 325.21 | 240.74 |
| Additions | 218.64 | 1.00 |
| Closing net book value | 543.85 | 241.74 |

On 16 June 2017, a subsidiary invested in Integrated Insights Company Limited amounting to Baht 6.14 million representing 7.00% of its equity.

On 25 December 2017, a subsidiary invested in Supernap (Thailand) Company Limited, amounting to Baht 211.50 million representing 15.00% of its equity.

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17. Trade and other receivables

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Receivable from TOT | 664.54 | 685.29 | 664.54 | 685.29 |
| Billed customers | 21,655.59 | 20,293.14 | 1,532.84 | 1,994.15 |
| Receivables and accrued income from related parties (Note 42) | 10,738.13 | 7,873.13 | 7,914.79 | 6,176.90 |
| Trade accounts receivable | 33,058.26 | 28,851.56 | 10,112.17 | 8,856.34 |
| Accrued income | 14,725.88 | 11,025.30 | 2,390.96 | 2,220.65 |
| Domestic roaming receivable | 8,706.58 | - | - | - |
| Total trade accounts receivable | 56,490.72 | 39,876.86 | 12,503.13 | 11,076.99 |
| Less Allowance for doubtful accounts | (7,051.59) | (7,127.71) | (3,178.92) | (3,113.67) |
| Trade accounts receivable, net | 49,439.13 | 32,749.15 | 9,324.21 | 7,963.32 |
| Prepaid expenses | 2,844.09 | 2,420.07 | 43.08 | 80.46 |
| Other receivable | 1,495.08 | 1,573.90 | 57.23 | 57.54 |
| Interest receivable | 53.89 | 67.40 | 27.07 | 9.37 |
| Trade account and other receivables | 53,832.19 | 36,810.52 | 9,451.59 | 8,110.69 |

Outstanding trade accounts receivable as at 31 December can be analysed as follows:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Current | 14,458.65 | 14,473.16 | 1,601.27 | 1,132.24 |
| Less than 3 months | 8,168.83 | 5,524.89 | 2,057.18 | 1,205.03 |
| 3 - 6 months | 1,922.53 | 871.59 | 1,757.41 | 269.97 |
| 6 - 12 months | 3,245.37 | 3,137.17 | 982.45 | 4,147.20 |
| More than 12 months | 5,262.88 | 4,844.75 | 3,713.86 | 2,101.90 |
| Trade accounts receivable | 33,058.26 | 28,851.56 | 10,112.17 | 8,856.34 |
| Accrued income | 14,725.88 | 11,025.30 | 2,390.96 | 2,220.65 |
| Domestic roaming receivable | 8,706.58 | - | - | - |
| Total trade accounts receivable | 56,490.72 | 39,876.86 | 12,503.13 | 11,076.99 |
| Less Allowance for doubtful accounts | (7,051.59) | (7,127.71) | (3,178.92) | (3,113.67) |
| Trade accounts receivable, net | 49,439.13 | 32,749.15 | 9,324.21 | 7,963.32 |

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17. Trade and other receivables (Cont'd)

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 2017, trade accounts receivable, in the consolidated and separate statements of financial position included accrued income from TOT amount of Baht 256.98 million (2016: Baht 252.96 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

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Inventories related to networks | | | | |
| Spareparts for networks (at cost) | 195.98 | 214.13 | 146.64 | 155.81 |
| <u>Less</u> Allowance for decline in value | (137.21) | (137.21) | (137.21) | (137.21) |
| Spareparts for networks, net | 58.77 | 76.92 | 9.43 | 18.60 |
| Work in process (at cost) | 6,196.09 | 5,101.38 | - | - |
| Total inventories related to networks, net | 6,254.86 | 5,178.30 | 9.43 | 18.60 |
| Merchandise | | | | |
| Merchandise (at cost) | 10,968.01 | 6,479.67 | 3.03 | 3.03 |
| <u>Less</u> Allowance for decline in value | (373.79) | (405.99) | (1.20) | (1.20) |
| Total merchandise, net | 10,594.22 | 6,073.68 | 1.83 | 1.83 |
| Inventories, net | 16,849.08 | 11,251.98 | 11.26 | 20.43 |

During 2017, the reversal of damage and obsolete inventories were credited to the consolidated profit or loss for Baht 32.20 million (2016: the damage and obsolete were charged to the consolidated profit or loss for Baht 122.49 million).

19. Other current assets

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Value added tax pending receipt of tax invoices | 2,966.45 | 3,075.23 | 62.21 | 66.54 |
| Film and program right (Note 24) | 415.35 | 555.70 | - | - |
| Subscriber acquisition cost, net | 6,954.17 | 6,062.72 | - | - |
| Derivative receivables | 6.12 | 396.11 | - | - |
| | 10,342.09 | 10,089.76 | 62.21 | 66.54 |

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 charged in the consolidated financial statements was Baht 8,382.35 million (2016: Baht 5,559.31 million).

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20. Investments in subsidiaries, associates and interests in joint ventures

20.1 Investment in subsidiaries

Movements of investments in subsidiaries are as follows:

| For the years ended 31 December | Separate financial statements | |
|---------------------------------|----------------------------------|----------------------|
| | 2017 Baht million | 2016 Baht million |
| Opening net book value | 178,678.26 | 111,484.96 |
| Additional investments | 4,500.00 | 67,250.93 |
| Impairment of investments | - | (57.63) |
| Liquidation of subsidiary | (2,149.88) | - |
| Closing net book value | <u>181,028.38</u> | <u>178,678.26</u> |

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

| At 31 December 2017 | | | | | | | |
|----------------------------------|---|--------------|---------------------------------|----------------------|--------------------------------------|--|--------------------------------|
| Separate financial statements | | | | | | | |
| | 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. | Shareholder | 46,019.04 | 100.00 | 46,019.04 | 10,271.43 | 35,747.61 |
| | True Move H Universal Communication Co., Ltd. | Shareholder | 144,843.77 | 100.00 | 144,843.77 | - | 144,843.77 |
| | K.I.N. (Thailand) Limited | Shareholder | 192.70 | 93.62 | 180.40 | 180.40 | - |
| | True International Gateway Co., Ltd. | Shareholder | 436.00 | 100.00 | 436.00 | - | 436.00 |
| | True Public Communication Co., Ltd. | Shareholder | 97.00 | 100.00 | 97.00 | 97.00 | - |
| | True Vistas Co., Ltd. | Shareholder | 46.63 | 100.00 | 46.63 | 46.63 | - |
| | True Internet Corporation Co., Ltd. | Shareholder | 10,000.00 | 0.01 | 1.00 | - | 1.00 |
| | Total investment in subsidiaries | | | | 191,623.84 | 10,595.46 | 181,028.38 |
| At 31 December 2016 | | | | | | | |
| Separate financial statements | | | | | | | |
| | 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. | Shareholder | 41,519.04 | 100.00 | 41,519.04 | 10,271.43 | 31,247.61 |
| | True Move H Universal Communication Co., Ltd. | Shareholder | 144,843.77 | 100.00 | 144,843.77 | - | 144,843.77 |
| | True Internet Co., Ltd. | Shareholder | 2,149.88 | 100.00 | 2,149.88 | - | 2,149.88 |
| | K.I.N. (Thailand) Limited | Shareholder | 192.70 | 93.62 | 180.40 | 180.40 | - |
| | True International Gateway Co., Ltd. | Shareholder | 436.00 | 100.00 | 436.00 | - | 436.00 |
| | True Public Communication Co., Ltd. | Shareholder | 97.00 | 100.00 | 97.00 | 97.00 | - |
| | True Vistas Co., Ltd. | Shareholder | 46.63 | 100.00 | 46.63 | 46.63 | - |
| | True Internet Corporation Co., Ltd. | Shareholder | 10,000.00 | 0.01 | 1.00 | - | 1.00 |
| Total investment in subsidiaries | | | | 189,273.72 | 10,595.46 | 178,678.26 | |

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20. Investments in subsidiaries, associates and interests in joint ventures (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 | Mobile equipment Lessor | Thailand |
| Bangkok Inter Teletech Public Company Limited | 99.74 | Holding company | Thailand |
| BeboydCG Company Limited | 84.67 | 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 | 68.20 | 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 | 92.26 | 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. | 99.99 | Artist management and related business | Thailand |
| Real Move Co., Ltd. | 99.74 | Reseller of mobile phone service | Thailand |
| Samut Pakan Media Corporation Co., Ltd. | 99.69 | 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. | 99.67 | 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 Digital & Media Platform Co., Ltd. | 100.00 | Trading and internet provider including online digital media services on website and telecommunication devices | Thailand |
| True Digital Park Co., Ltd. | 100.00 | Business solution provider | Thailand |
| True Distribution and Sales Co., Ltd. | 99.70 | 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. | 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 Corporation Co., Ltd. | 100.00 | Telecommunication services and internet solution provider | Thailand |
| True Life Plus Co., Ltd. | 100.00 | Telecommunication services reseller | Thailand |
| True Media Solutions Co., Ltd. | 100.00 | Advertising sale and agency | Thailand |
| True Move Co., Ltd. | 99.70 | Telecommunication management service | Thailand |
| True Move H Universal Communication Co., Ltd. | 100.00 | Wireless Telecommunication services | Thailand |
| True Multimedia Co., Ltd. | 91.08 | Multimedia services | Thailand |
| True Music Co., Ltd. | 99.67 | Content provider | 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 Visions Cable Public Company Limited | 99.10 | Pay Television via cable system | Thailand |
| True Visions Group Co., Ltd. | 100.00 | Pay Television | Thailand |
| True Visions Public Company Limited | 99.53 | Pay Television | Thailand |
| True Vistas Co., Ltd. | 100.00 | Production and distribution of movie films | Thailand |

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Subsidiary undertakings (Cont'd)

| Name of subsidiaries | % Ownership | Business | Country of incorporation |
|---|--------------------|--|---------------------------------|
| K.I.N. (Thailand) Co., Ltd. | 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 |
| Golsky Co., Ltd. | 100.00 | Holding company | Republic of Mauritius |
| Rosy Legend Limited | 99.74 | 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 | 100.00 | Holding company | British Virgin Island |

Even though the Group has investment in TKSC only at 34.39%, the Group has control and power to govern the financial and operating policies of TKSC. Therefore, TKSC is classified as subsidiary of the Group.

Transactions incurred during 2017:

On 3 January 2017, the Company additionally invested in the wholly owned subsidiary, TH, amounting to Baht 4,500.00 million.

On 6 January 2017, a subsidiary invested in TDMP, a newly established company amounting to Baht 1.00 million. TDMP engages in online digital media services on website and telecommunication devices.

On 17 February 2017, TMR, a 69.94% owned subsidiary, completed the liquidation process. The Group recognised gain from liquidation amounting to Baht 5.28 million in the consolidated financial statements for the year ended 31 December 2017.

On 28 February 2017, a wholly owned subsidiary, TI has entered into the Business transfer agreement to transfer entire business to TICC, a subsidiary of the Group. Later, on 13 June 2017, TI registered for liquidation with the Ministry of Commerce. The Company received proceeds amounting to Baht 2,134.45 million in return of invested capital and recognised loss from liquidation of Baht 15.43 million under "Other expense" in the separate financial statements for the year ended 31 December 2017.

On 11 August 2017, a subsidiary invested in TDPK, a newly established company amounting to Baht 1.00 million. TDPK engages in one-stop services and business solutions provider.

Transactions incurred during 2016:

The Company additionally invested in the wholly owned subsidiaries, TUC, TH, TVT and TPC amounting to Baht 60,000.00 million, Baht 7,228.80 million, Baht 11.13 million, and Baht 11.00 million, respectively.

The Company assessed the impairment of investment in TPC and TVT amounting to Baht 11.00 million and Baht 46.63 million, respectively. A impairment loss of Baht 57.63 million was recognised under "Other expense" in the separate statement of comprehensive income for the year ended 31 December 2016.

A subsidiary, Bboyd issued new shares amounting to Baht 108.15 million. Bboyd received subscription from non-controlling interest amounting to Baht 14.15 million.

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

Subsidiary undertakings (Cont'd)

Transactions incurred during 2016: (Cont'd)

A subsidiary, GDP, a wholly owned subsidiary, was liquidated and the Group recognised loss from liquidation amounting to Baht 24.88 million under "Other expenses" in the consolidated financial statements.

A subsidiary, BITCO purchased TMV shares amounting to Baht 7.67 million from non-controlling interest. Consequently, the Group's shareholding interest in TMV increased to 99.70%. Loss from change in interest holding in TMV amounting to Baht 7.23 million was recognised directly in equity attributed to the owners of parent in the consolidated financial statements.

A subsidiary, TUC, a wholly owned subsidiary, additionally invested in newly issued shares of BITCO amounting to Baht 8,020.00 million. The Group's shareholding interest in BITCO increase to 99.74%. Loss from change in holding interest amounting to Baht 9.73 million was recognised directly in equity attributed to the owners of parent in the consolidated financial statements.

Non-controlling interests

The total non-controlling interest as of 31 December 2017 is Baht 669.55 million (2016: Baht 675.73 million), of which Baht 497.88 million (2016: Baht 486.33 million) belongs to 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.

Investments in associates and interests in joint ventures

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|---------------------|--|---------------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| At 31 December | | | | |
| Associates | 16,482.63 | 18,101.48 | 16,327.91 | 16,327.91 |
| Joint ventures | 56.49 | 73.28 | - | - |
| | <u>16,539.12</u> | <u>18,174.76</u> | <u>16,327.91</u> | <u>16,327.91</u> |

The amounts recognised in the statement of comprehensive income are as follows:

| | Consolidated financial statements | |
|--|--|---------------------|
| | 2017 | 2016 |
| | Baht Million | Baht Million |
| For the years ended 31 December | | |
| Share of result | | |
| - Associates | 3,209.39 | 4,659.58 |
| - joint ventures | (16.79) | (13.85) |
| | <u>3,192.60</u> | <u>4,645.73</u> |
| Elimination | (38.80) | (37.11) |
| | <u>3,153.80</u> | <u>4,608.62</u> |

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

20.2 Investment in associates

| At 31 December 2017 | | Consolidated financial statements | | | | |
|--|--|-----------------------------------|---------------------------------------|----------------------------|--|--|
| | | | Paid-up capital Baht Million | % Ownership interest | Investment - at cost Baht Million | Investment - at equity Baht Million |
| | Business | Relationship | | | | |
| Associates | | | | | | |
| Digital Telecommunications Infrastructure Fund | Invest in telecommunication infrastructure | Shareholder | 58,080.00 | 28.11 | 16,327.91 | 16,453.68 |
| True GS Co., Ltd. | Home shopping | Shareholder | 340.00 | 46.80 | 159.11 | - |
| TrueAxion Interactive Ltd. | Game and application development | Shareholder | 89.00 | 40.00 | 35.60 | 28.95 |
| Total investment in associates | | | | | <u>16,522.62</u> | <u>16,482.63</u> |
| At 31 December 2016 | | Consolidated financial statements | | | | |
| | | | Paid-up capital Baht Million | % Ownership interest | Investment - at cost Baht Million | Investment - at equity Baht Million |
| | Business | Relationship | | | | |
| Associates | | | | | | |
| Digital Telecommunications Infrastructure Fund | Invest in telecommunication infrastructure | Shareholder | 58,080.00 | 28.11 | 16,327.91 | 18,101.48 |
| True GS Co., Ltd. | Home shopping | Shareholder | 340.00 | 46.80 | 159.11 | - |
| Total investment in associates | | | | | <u>16,487.02</u> | <u>18,101.48</u> |

All associates are incorporated in Thailand.

Movement of interest in associates are as follows:

| | Consolidated financial statements Baht Million |
|--|---|
| For the year ended 31 December 2017 | |
| Opening net book value | 18,101.48 |
| Additions | 35.60 |
| Unrealised gain from assets sale (Note 41) | (3,280.03) |
| Share of results | 3,209.39 |
| Dividends received (Note 42) | (1,583.81) |
| Closing net book value | <u>16,482.63</u> |

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

20.2 Investment in associates (Cont'd)

Transaction incurred during 2017

During 2017, the Group invested in TrueAxion amounting to Baht 35.60 million representing 40.00% of its equity. TrueAxion engages in the business of video game and application development and training academy.

Transaction incurred during 2016

A subsidiary, TVG made addition investment in TG amounting to Baht 51.11 million. Accordingly, the Group's shareholding interest in TG increased to 46.80% (2015: 45.00%).

Summarised statement of financial position:

| At 31 December | DIF | | TG | | TrueAxion | Total | |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Current assets | | | | | | | |
| Cash and cash equivalents | 1,024.05 | 856.89 | 72.38 | 67.73 | 45.13 | 1,141.56 | 924.62 |
| Other current assets | 2,237.33 | 1,468.23 | 61.25 | 55.31 | 1.76 | 2,300.34 | 1,523.54 |
| Total current assets | 3,261.38 | 2,325.12 | 133.63 | 123.04 | 46.89 | 3,441.90 | 2,448.16 |
| Non-current assets | 116,544.51 | 98,135.87 | 80.85 | 89.22 | 33.34 | 116,658.70 | 98,255.09 |
| Total assets | 119,805.89 | 100,460.99 | 214.48 | 212.26 | 80.23 | 120,100.60 | 100,673.25 |
| Current liabilities | | | | | | | |
| Other current liabilities | (3,661.25) | (2,577.85) | (248.47) | (218.27) | (7.86) | (3,917.58) | (2,796.12) |
| Total current liabilities | (3,661.25) | (2,577.85) | (248.47) | (218.27) | (7.86) | (3,917.58) | (2,796.12) |
| Non-current liabilities | | | | | | | |
| Financial liabilities | (25,754.21) | (12,975.20) | (50.00) | - | - | (25,804.21) | (12,975.20) |
| Other non-current liabilities | - | - | (7.93) | (6.94) | - | (7.93) | (6.94) |
| Total non-current liabilities | (25,754.21) | (12,975.20) | (57.93) | (6.94) | - | (25,812.14) | (12,982.14) |
| Total Liabilities | (29,415.46) | (15,553.05) | (306.40) | (225.21) | (7.86) | (29,729.72) | (15,778.26) |
| Net assets | 90,390.43 | 84,907.94 | (91.92) | (12.95) | 72.37 | 90,370.88 | 84,894.99 |

Summarised statement of comprehensive income:

| For the years ended 31 December | DIF | | TG | | TrueAxion | Total | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Revenue | 6,741.37 | 6,380.97 | 974.66 | 929.24 | 0.40 | 7,716.43 | 7,310.21 |
| Depreciation and amortisation | - | - | (16.76) | (26.47) | (1.20) | (17.96) | (26.47) |
| Interest income | 3.66 | 10.00 | 0.07 | 1.00 | 0.23 | 3.96 | 11.00 |
| Interest expense | - | - | (0.65) | - | - | (0.65) | - |
| Profit (loss) from continuing operation | 11,115.91 | 18,867.07 | (78.97) | (107.32) | (16.63) | 11,020.31 | 18,759.75 |
| Post-tax profit (loss) from continuing operation | 11,115.91 | 18,867.07 | (78.97) | (107.32) | (16.63) | 11,020.31 | 18,759.75 |
| Total comprehensive income | 11,115.91 | 18,867.07 | (78.97) | (107.32) | (16.63) | 11,020.31 | 18,759.75 |
| Dividends received from associate | 1,583.81 | 1,556.87 | - | - | - | 1,583.81 | 1,556.87 |

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20. Investments in subsidiaries, associates and interests in joint ventures (Cont'd)

20.2 Investment in associates (Cont'd)

Reconciliation of the summarised financial statements presented to the carrying amount of its interest in associates:

| At 31 December | DIF | | TG | | True Axion | Total | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million | Baht Million |
| Opening net assets | | | | | | | |
| 1 January | 84,907.94 | 71,578.71 | (12.95) | (5.63) | - | 84,894.99 | 71,573.08 |
| Common shares call up | - | - | - | 100.00 | 89.00 | 89.00 | 100.00 |
| Profit (loss) for the year | 11,115.91 | 18,867.07 | (78.97) | (107.32) | (16.63) | 11,020.31 | 18,759.75 |
| Dividends paid | (5,633.42) | (5,537.84) | - | - | - | (5,633.42) | (5,537.84) |
| Closing net assets | 90,390.43 | 84,907.94 | (91.92) | (12.95) | 72.37 | 96,004.30 | 84,894.99 |
| Interest in associates | 28.11% | 28.11% | 46.80% | 46.80% | 40.00% | - | - |
| Unrealised gain from assets sold | 25,411.27 | 23,869.99 | - | - | 28.95 | 25,411.27 | 23,869.99 |
| | (8,957.59) | (5,768.51) | - | - | - | (8,957.59) | (5,768.51) |
| Carrying value | 16,453.68 | 18,101.48 | - | - | 28.95 | 16,482.63 | 18,101.48 |

20.3 Interests in joint ventures

| Name of joint ventures | % Ownership | Business | Country of incorporation |
|---------------------------------|-------------|--|--------------------------|
| Asia Infonet Co., Ltd. | 65.00 | Dormant | Thailand |
| BEC-TERO True Visions Co., Ltd. | 50.00 | Sport and Entertainment | Thailand |
| Transformation Films Co., Ltd. | 28.57 | Manufacturing and filmmaker | Thailand |
| True CJ Creations Co., Ltd. | 51.00 | Production house | Thailand |
| True Voice Co., Ltd. | 55.00 | Voice recognised service and related software and hardware | Thailand |

Movement of interests in joint ventures are as follows:

| | Consolidated financial statements Baht Million |
|--|---|
| For the year ended 31 December 2017 | |
| Opening net book value | 73.28 |
| Share of result | (16.79) |
| Closing net book value | 56.49 |

Transaction incurred during 2017

On 20 July 2017, a joint venture BEC registered for liquidation with the Ministry of Commerce and is under the liquidation process. The management believed that there will be no material impact from this liquidation.

Transaction incurred during 2016

On 28 October 2016, two subsidiaries invested in TRUE CJ amounting to Baht 41.24 million represented 51.00% of its equity interest. TRUE CJ is engaged in production of TV programs and game shows.

The Group has interests in number of individually immaterial joint ventures. The total interests in joint ventures as of 31 December 2017 is Baht 56.49 million (2016: Baht 73.28 million) which is considered immaterial to the Group's equity.

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21. Investment property

| | Consolidated financial statements Fiber optic cable Baht Million |
|--------------------------------------|---|
| At 1 January 2016 | |
| Cost | 5.53 |
| <u>Less</u> Accumulated depreciation | 823.37 |
| Provision for impairment | (32.65) |
| Net book value | <u>796.25</u> |
| Year ended 31 December 2016 | |
| Opening net book value | 796.25 |
| Depreciation | (35.78) |
| Closing net book value | <u>760.47</u> |
| At 31 December 2016 | |
| Cost | 838.39 |
| <u>Less</u> Accumulated depreciation | (68.43) |
| Provision for impairment | (9.49) |
| Net book value | <u>760.47</u> |
| | - |
| Year ended 31 December 2017 | |
| Opening net book value | 760.47 |
| Depreciation | (26.84) |
| Closing net book value | <u>733.63</u> |
| | - |
| At 31 December 2017 | |
| Cost | 838.39 |
| <u>Less</u> Accumulated depreciation | (95.27) |
| Provision for impairment | (9.49) |
| Net book value | <u>733.63</u> |

Valuation of fair value of investment property is determined based on recent market transactions on arm's length terms and the fair value of investment property is higher than book value.

Amounts recognized in profit and loss that are related to investment property are as follows:

| | Consolidated financial statements | |
|---------------|--|---------------------|
| | 2017 | 2016 |
| | Baht Million | Baht Million |
| Rental income | 441.98 | 441.98 |

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22. Property, plant and equipment

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|------------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Network equipment | | | | |
| Opening net book value | 138,641.30 | 93,206.46 | 1,577.62 | 1,855.02 |
| Additions | 43,550.72 | 54,734.10 | 2.07 | 0.28 |
| Disposals, net | (687.50) | (241.77) | (5.72) | (6.92) |
| Reclassifications | (25.19) | 37.97 | - | - |
| Depreciation charge | (12,060.94) | (9,095.46) | (252.29) | (270.76) |
| Closing net book value | 169,418.39 | 138,641.30 | 1,321.68 | 1,577.62 |
| Non-network equipment | | | | |
| Opening net book value | 5,047.05 | 4,459.75 | 130.42 | 162.36 |
| Additions | 2,579.28 | 2,323.53 | 96.79 | 26.62 |
| Disposals, net | (40.30) | (60.58) | (3.18) | (1.85) |
| Reclassifications | (163.68) | (392.04) | - | - |
| Depreciation charge | (1,378.43) | (1,283.61) | (57.39) | (56.71) |
| Closing net book value | 6,043.92 | 5,047.05 | 166.64 | 130.42 |
| Total | 175,462.31 | 143,688.35 | 1,488.32 | 1,708.04 |

22.1 Network equipment

Leased assets are finance leases of network assets, details are as follows:

| | Consolidated financial statements | |
|--------------------------------------|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Cost - capitalised finance leases | 12,123.89 | 10,276.13 |
| <u>Less</u> Accumulated depreciation | <u>(4,595.56)</u> | <u>(3,610.92)</u> |
| Net book value | <u>7,528.33</u> | <u>6,665.21</u> |

Additions in network equipment included Baht 2,917.34 million (2016: Baht 2,872.63 million) of assets leased under finance leases (where the Group is the lessee).

Borrowing costs of Baht 74.37 million were capitalised during the year and included in "addition".

An average capitalisation rate of 3.33% was used representing the actual borrowing cost of the loan used to finance the project.

22.2 Non-network equipment

Leased assets are finance leases of computers and equipments, details are as follows:

| | Consolidated financial statements | |
|--------------------------------------|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Cost - capitalised finance leases | 26.75 | 22.56 |
| <u>Less</u> Accumulated depreciation | <u>(1.31)</u> | <u>(13.63)</u> |
| Net book value | <u>25.44</u> | <u>8.93</u> |

Additions in non-network equipment included Baht 22.28 million (2016: Baht 6.35 million) of assets leased under finance leases (where the Group is the lessee).

True Corporation Public Company Limited
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22. Property, plant and equipment (Cont'd)

| | Network equipment | Consolidated financial statements | | | | | | | | | |
|-------------------------------|-------------------|---|--|---|--|-------------------------------|--------------------------------------|--|--------------------------|----------------------------------|-----------------------|
| | | 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 equipment Baht Million | Power supply and computers Baht Million | Pay - TV Baht Million | Work in progress Baht Million | Total Baht Million |
| At 1 January 2016 | | | | | | | | | | | |
| Cost | 793.33 | 763.80 | 5,492.47 | 128,521.35 | 2,006.64 | 35,821.35 | 454.09 | 15,120.13 | 21,525.63 | 210,498.79 | |
| Less Accumulated depreciation | - | (69.85) | (3,749.95) | (78,398.24) | (1,963.84) | (14,779.93) | (362.36) | (9,459.34) | - | (108,783.51) | |
| 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 | 20,886.72 | 91.73 | 5,367.72 | 21,525.63 | 93,206.46 | |
| Year ended 31 December 2016 | | | | | | | | | | | |
| Opening net book value | 793.33 | 693.95 | 1,742.52 | 42,097.90 | 6.96 | 20,886.72 | 91.73 | 5,367.72 | 21,525.63 | 93,206.46 | |
| Additions | - | 284.72 | 0.28 | 2,818.06 | - | 5,230.29 | - | 1,522.10 | 44,878.65 | 54,734.10 | |
| Disposals, net | - | (173.83) | - | (21.78) | (6.92) | (21.78) | - | (13.16) | (26.08) | (241.77) | |
| Adjustments/reclassifications | (259.96) | 272.35 | - | 24,427.32 | 13.46 | 4,286.93 | - | 25.33 | (28,727.46) | 37.97 | |
| Depreciation charge | - | (23.91) | (248.60) | (4,235.34) | (3.66) | (3,117.46) | (29.35) | (1,437.14) | - | (9,095.46) | |
| Closing net book value | 533.37 | 1,227.11 | 1,494.20 | 64,934.11 | 9.84 | 27,264.70 | 62.38 | 5,464.85 | 37,650.74 | 138,641.30 | |
| At 31 December 2016 | | | | | | | | | | | |
| Cost | 533.37 | 1,320.79 | 5,492.65 | 152,596.07 | 1,729.43 | 45,239.33 | 454.09 | 15,874.87 | 37,650.74 | 260,891.34 | |
| Less Accumulated depreciation | - | (93.68) | (3,998.45) | (79,848.62) | (1,690.35) | (17,823.61) | (391.71) | (10,290.59) | - | (114,137.01) | |
| Allowance for impairment | - | - | - | (7,813.34) | (29.24) | (151.02) | - | (119.43) | - | (8,113.03) | |
| Net book value | 533.37 | 1,227.11 | 1,494.20 | 64,934.11 | 9.84 | 27,264.70 | 62.38 | 5,464.85 | 37,650.74 | 138,641.30 | |
| Year ended 31 December 2017 | | | | | | | | | | | |
| Opening net book value | 533.37 | 1,227.11 | 1,494.20 | 64,934.11 | 9.84 | 27,264.70 | 62.38 | 5,464.85 | 37,650.74 | 138,641.30 | |
| Additions | - | 165.74 | 2.07 | 2,324.80 | - | 7,351.34 | - | 1,136.56 | 32,570.21 | 43,550.72 | |
| Disposals, net | - | - | (0.62) | (528.62) | (4.36) | (79.74) | - | (32.75) | (41.41) | (687.50) | |
| Adjustments/reclassifications | - | - | - | 432.72 | - | 9,190.27 | - | - | (9,648.18) | (25.19) | |
| Depreciation charge | - | (70.48) | (232.60) | (5,153.66) | (2.72) | (5,028.99) | (26.21) | (1,546.28) | - | (12,060.94) | |
| Closing net book value | 533.37 | 1,322.37 | 1,263.05 | 62,009.35 | 2.76 | 38,697.58 | 36.17 | 5,022.38 | 60,531.36 | 169,418.39 | |
| At 31 December 2017 | | | | | | | | | | | |
| Cost | 533.37 | 1,486.53 | 5,488.87 | 95,897.16 | 1,450.22 | 63,685.31 | 453.96 | 15,901.60 | 60,531.36 | 245,428.38 | |
| Less Accumulated depreciation | - | (164.16) | (4,225.82) | (33,887.81) | (1,419.42) | (24,840.60) | (417.79) | (10,761.62) | - | (75,717.22) | |
| Allowance for impairment | - | - | - | - | (28.04) | (147.13) | - | (117.60) | - | (292.77) | |
| Net book value | 533.37 | 1,322.37 | 1,263.05 | 62,009.35 | 2.76 | 38,697.58 | 36.17 | 5,022.38 | 60,531.36 | 169,418.39 | |

22. **Property, plant and equipment (Cont'd)**

| | Consolidated financial statements | | | | | | |
|-------------------------------|---|--|---|--|--------------------------|----------------------------------|-----------------------|
| | 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 |
| Non - network equipment | | | | | | | |
| At 1 January 2016 | | | | | | | |
| Cost | 148.86 | 2,015.31 | 4,056.62 | 5,660.97 | 51.60 | 504.92 | 12,438.28 |
| <u>Less</u> | - | (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 |
| Year ended 31 December 2016 | | | | | | | |
| Opening net book value | 148.86 | 791.66 | 1,254.00 | 1,736.23 | 24.08 | 504.92 | 4,459.75 |
| Additions | - | 30.60 | 708.35 | 80.30 | - | 1,504.28 | 2,323.53 |
| Disposals, net | - | (46.51) | (13.10) | (0.97) | - | - | (60.58) |
| Adjustments/reclassifications | - | 206.60 | 28.91 | 191.61 | - | (819.16) | (392.04) |
| Depreciation charge | - | (243.17) | (661.29) | (374.64) | (4.51) | - | (1,283.61) |
| Closing net book value | 148.86 | 739.18 | 1,316.87 | 1,632.53 | 19.57 | 1,190.04 | 5,047.05 |
| At 31 December 2016 | | | | | | | |
| Cost | 148.86 | 2,161.66 | 4,398.82 | 5,800.33 | 50.46 | 1,190.04 | 13,750.17 |
| <u>Less</u> | - | (1,415.03) | (3,008.56) | (4,167.80) | (29.86) | - | (8,621.25) |
| Allowance for impairment | - | (7.45) | (73.39) | - | (1.03) | - | (81.87) |
| Net book value | 148.86 | 739.18 | 1,316.87 | 1,632.53 | 19.57 | 1,190.04 | 5,047.05 |
| Year ended 31 December 2017 | | | | | | | |
| Opening net book value | 148.86 | 739.18 | 1,316.87 | 1,632.53 | 19.57 | 1,190.04 | 5,047.05 |
| Additions | - | 26.08 | 991.67 | 257.61 | - | 1,303.92 | 2,579.28 |
| Disposals, net | - | (27.90) | (11.25) | (0.60) | (0.55) | - | (40.30) |
| Adjustments/reclassifications | 24.86 | 375.37 | 1,310.23 | 123.38 | - | (1,997.52) | (163.68) |
| Depreciation charge | - | (305.59) | (716.02) | (352.37) | (4.46) | - | (1,378.43) |
| Closing net book value | 173.72 | 807.15 | 2,891.50 | 1,660.55 | 14.56 | 496.44 | 6,043.92 |
| At 31 December 2017 | | | | | | | |
| Cost | 173.72 | 2,454.33 | 6,155.66 | 5,936.35 | 49.47 | 496.44 | 15,265.97 |
| <u>Less</u> | - | (1,639.73) | (3,190.77) | (4,275.80) | (33.88) | - | (9,140.18) |
| Allowance for impairment | - | (7.45) | (73.39) | - | (1.03) | - | (81.87) |
| Net book value | 173.72 | 807.15 | 2,891.50 | 1,660.55 | 14.56 | 496.44 | 6,043.92 |

22. **Property, plant and equipment (Cont'd)**

| | Non - network equipment | Separate financial statements | | | | | |
|------------------------------------|-------------------------|--|---|--|--------------------------|-------------------------------------|-----------------------|
| | | 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 |
| At 1 January 2016 | | | | | | | |
| 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 |
| Year ended 31 December 2016 | | | | | | | |
| Opening net book value | | 20.02 | 55.26 | 41.25 | 0.84 | 44.99 | 162.36 |
| Additions | | 0.11 | 5.71 | 3.52 | - | 17.28 | 26.62 |
| Disposals, net | | - | (1.49) | (0.36) | - | - | (1.85) |
| Adjustments/ reclassifications | | 32.22 | 3.03 | 8.77 | - | (44.02) | - |
| Depreciation charge | | (22.09) | (13.78) | (20.54) | (0.30) | - | (56.71) |
| Closing net book value | | 30.26 | 48.73 | 32.64 | 0.54 | 18.25 | 130.42 |
| At 31 December 2016 | | | | | | | |
| Cost | | 403.24 | 528.87 | 1,031.50 | 3.23 | 18.25 | 1,985.09 |
| Less Accumulated depreciation | | (372.98) | (480.14) | (998.86) | (2.69) | - | (1,854.67) |
| Net book value | | 30.26 | 48.73 | 32.64 | 0.54 | 18.25 | 130.42 |
| Year ended 31 December 2017 | | | | | | | |
| Opening net book value | | 30.26 | 48.73 | 32.64 | 0.54 | 18.25 | 130.42 |
| Additions | | 2.33 | 25.21 | 25.36 | - | 43.89 | 96.79 |
| Disposals, net | | (0.68) | (1.96) | (0.54) | - | - | (3.18) |
| Adjustments/ reclassifications | | 61.03 | 0.20 | 0.01 | - | (61.24) | - |
| Depreciation charge | | (31.03) | (12.30) | (13.77) | (0.29) | - | (57.39) |
| Closing net book value | | 61.91 | 59.88 | 43.70 | 0.25 | 0.90 | 166.64 |
| At 31 December 2017 | | | | | | | |
| Cost | | 437.84 | 542.44 | 1,008.68 | 3.21 | 0.90 | 1,993.07 |
| Less Accumulated depreciation | | (375.93) | (482.56) | (964.98) | (2.96) | - | (1,826.43) |
| Net book value | | 61.91 | 59.88 | 43.70 | 0.25 | 0.90 | 166.64 |

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23. Goodwill

There is no movement in goodwill during 2017 and 2016.

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.

| | Baht Million | | |
|---------------------------------------|-----------------------------------|-----------|-----------|
| | Consolidated financial statements | | |
| | Online | Pay-TV | Total |
| Goodwill allocation by segment | | | |
| 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 ¹ | 28.66 | 6.78 |
| Growth rate ² | 0.00 | 0.00 |
| Discount rate ³ | 10.30 | 10.30 |

¹ Budgeted gross margin.

² Weighted average growth rate used to extrapolate cash flows beyond the budget period.

³ 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

| At 31 December | Consolidated financial statement | | Separate financial statements | |
|--|-------------------------------------|-------------------|----------------------------------|-----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Current (included in "Other current assets" (Note 19)) | 415.35 | 555.70 | - | - |
| Non-current | 129,377.06 | 139,745.97 | 147.21 | 1,224.49 |
| Total | 129,792.41 | 140,301.67 | 147.21 | 1,224.49 |

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24. Intangible assets (Cont'd)

| | Consolidated financial statements | | | | | | | |
|-------------------------------|---|--------------------------------------|--------------------------------------|---|-------------------------------------|--|-------------------------------------|-----------------------|
| | 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 |
| At 1 January 2016 | | | | | | | | |
| Cost | 56,030.44 | 14,483.26 | 73,577.14 | 3,589.59 | 10,755.00 | 3,493.58 | 280.27 | 162,189.28 |
| Less | (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 | 52,701.93 | 3,552.81 | 3,566.86 | 1,083.00 | 7,105.76 | 2,331.81 | 239.59 | 70,561.76 |
| Year ended 31 December 2016 | | | | | | | | |
| Opening net book value | 52,701.93 | 3,552.81 | 3,566.86 | 1,083.00 | 7,105.76 | 2,331.81 | 239.59 | 70,561.76 |
| Additions | 78,513.52 | 432.81 | - | 2,081.74 | - | - | 288.00 | 81,316.07 |
| Disposals, net | - | (1.12) | - | (1.73) | - | - | - | (2.85) |
| Adjustments/reclassifications | 9.90 | 748.12 | - | 12.85 | - | - | (416.81) | 354.06 |
| Amortisation charge | (6,049.73) | (712.17) | (1,515.20) | (2,391.54) | (740.39) | (518.34) | - | (11,927.37) |
| Closing net book value | 125,175.62 | 4,020.45 | 2,051.66 | 764.32 | 6,365.37 | 1,813.47 | 110.78 | 140,301.67 |
| At 31 December 2016 | | | | | | | | |
| Cost | 134,553.87 | 15,662.71 | 73,459.98 | 2,190.56 | 10,755.00 | 3,493.58 | 151.46 | 240,267.16 |
| Less | (9,378.25) | (10,948.11) | (71,408.32) | (1,426.24) | (4,389.63) | (1,680.11) | - | (99,230.66) |
| Allowance for impairment | - | (694.15) | - | - | - | - | (40.68) | (734.83) |
| Net book value | 125,175.62 | 4,020.45 | 2,051.66 | 764.32 | 6,365.37 | 1,813.47 | 110.78 | 140,301.67 |
| Year ended 31 December 2017 | | | | | | | | |
| Opening net book value | 125,175.62 | 4,020.45 | 2,051.66 | 764.32 | 6,365.37 | 1,813.47 | 110.78 | 140,301.67 |
| Additions | 134.75 | 1,011.07 | - | 1,930.18 | - | - | 476.09 | 3,552.09 |
| Disposals, net | (2.39) | (0.36) | - | - | - | - | - | (2.75) |
| Adjustments/reclassifications | 72.23 | 221.23 | - | - | - | - | (94.65) | 198.81 |
| Amortisation charge | (8,837.26) | (754.38) | (1,280.16) | (2,124.85) | (742.42) | (518.34) | - | (14,257.41) |
| Closing net book value | 116,542.95 | 4,498.01 | 771.50 | 569.65 | 5,622.95 | 1,295.13 | 492.22 | 129,792.41 |
| At 31 December 2017 | | | | | | | | |
| Cost | 134,758.21 | 16,890.60 | 2,128.61 | 1,807.33 | 10,755.00 | 3,493.58 | 532.90 | 170,366.23 |
| Less | (18,215.26) | (11,698.44) | (1,357.11) | (1,237.68) | (5,132.05) | (2,198.45) | - | (39,838.99) |
| Allowance for impairment | - | (694.15) | - | - | - | - | (40.68) | (734.83) |
| Net book value | 116,542.95 | 4,489.01 | 771.50 | 569.65 | 5,622.95 | 1,295.13 | 492.22 | 129,792.41 |

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24. Intangible assets (Cont'd)

Trademark, Right and Licence

Consists the followings:

1. IMT 2.1GHz bandwidth licence which was awarded by NBTC for a period of 15 years. Net carrying is amount to Baht 8,671.16 million (net of accumulated amortisation of Baht 4,425.23 million).
2. 1800MHz bandwidth licence which was awarded by NBTC for a period of 18 years. Net carrying amount is Baht 34,092.01 million (net of accumulated amortisation of Baht 4,510.34 million). The unpaid balance of Baht 9,948.00 million will be due on 4 December 2018 and presented under "Trade and other payables" in the consolidated financial statements.
3. 900MHZ bandwidth licence which was awarded by NBTC for a period of 15 years. Net carrying amount is Baht 63,123.05 million (net of accumulated amortisation of Baht 7,030.75 million). As at 31 December 2017, the unpaid balance of Baht 64,938.41 million (present value) will be due in three installments during 2018 to 2020. The unpaid amount was recognised under "Trade and other payables" (current portion) and "Liabilities under agreements and licences for operations" in the consolidated financial statements.
4. Licence for the spectrum of television broadcasting service using digital system awarded by NBTC for a period of 15 years. Net carrying amount is Baht 2,576.56 million (net of accumulated amortisation of Baht 835.57 million). The unpaid amount of Baht 1,212.40 million will be due in two installments during 2018 to 2019. The unpaid amount was recognised under "Trade and other payables" (current portion) and "Liabilities under agreements and licences for operations" in the consolidated financial statements.

Right to operate

The right to operate represent the discounted cash flow of minimum fees payable to MCOT as described in Note 38.2, and right to operate derived from a business acquisition.

Service contract

Service contract represents the fair value of identifiable intangible asset derived from a business acquisition.

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24. Intangible assets (Cont'd)

Movement of the Company's intangible assets are as follows:

| | Separate financial statements | | |
|--------------------------------------|---|---|-------------------------------|
| | Computer software Baht Million | Rights to operate Baht Million | Total Baht Million |
| At 1 January 2016 | | | |
| 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 | <u>78.77</u> | <u>2,541.30</u> | <u>2,620.07</u> |
| Year ended 31 December 2016 | | | |
| Opening net book value | 78.77 | 2,541.30 | 2,620.07 |
| Additions | 16.52 | - | 16.52 |
| Amortisation charge | (25.71) | (1,386.39) | (1,412.10) |
| Closing net book value | <u>69.58</u> | <u>1,154.91</u> | <u>1,224.49</u> |
| At 31 December 2016 | | | |
| Cost | 2,365.88 | 71,331.36 | 73,697.24 |
| <u>Less</u> Accumulated amortisation | (2,296.30) | (70,176.45) | (72,472.75) |
| Net book value | <u>69.58</u> | <u>1,154.91</u> | <u>1,224.49</u> |
| Year ended 31 December 2017 | | | |
| Opening net book value | 69.58 | 1,154.91 | 1,224.49 |
| Additions | 105.62 | - | 105.62 |
| Disposals, net | (4.31) | - | (4.31) |
| Amortisation charge | (23.68) | (1,154.91) | (1,178.59) |
| Closing net book value | <u>147.21</u> | <u>-</u> | <u>147.21</u> |
| At 31 December 2017 | | | |
| Cost | 2,465.70 | - | 2,465.70 |
| <u>Less</u> Accumulated amortisation | (2,318.49) | - | (2,318.49) |
| Net book value | <u>147.21</u> | <u>-</u> | <u>147.21</u> |

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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 financial statements | | | 2017 Baht Million |
|--|-----------------------------------|--|--|----------------------|
| | 2016 Baht Million | Credited (charged) to profit or loss Baht Million | (Charged) to other comprehensive income Baht Million | |
| Deferred income tax assets | | | | |
| Depreciation and amortisation | 1,134.56 | (180.02) | - | 954.54 |
| Allowances | 2,594.00 | (167.28) | - | 2,426.72 |
| Borrowings | 77.65 | (77.65) | - | - |
| Unearned income | 193.20 | 32.36 | - | 225.56 |
| Accrued expenses | 33.12 | (3.82) | - | 29.30 |
| Tax loss carried forward | 5,532.97 | (8.35) | - | 5,524.62 |
| Film and program right | 20.75 | (1.59) | - | 19.16 |
| Employee benefits obligations | 89.26 | 24.40 | - | 113.66 |
| Provisions | 457.18 | (457.18) | - | - |
| Derivative payables | 4.31 | 572.29 | - | 576.60 |
| | <u>10,137.00</u> | <u>(266.84)</u> | <u>-</u> | <u>9,870.16</u> |
| Deferred income tax liabilities | | | | |
| Accounts receivable | | | | |
| - billed customers | (270.46) | 65.03 | - | (205.43) |
| Debt issuance cost | (54.56) | 8.49 | - | (46.07) |
| Leased assets | (91.64) | 71.15 | - | (20.49) |
| Depreciation and amortisation | (2,177.47) | (706.45) | - | (2,883.92) |
| Borrowings | (2,308.33) | 139.67 | - | (2,168.66) |
| Other current assets | (1,751.28) | (554.76) | - | (2,306.04) |
| Available for sale securities | - | - | (39.80) | (39.80) |
| Derivative receivables | (102.49) | 102.49 | - | - |
| | <u>(6,756.23)</u> | <u>(874.38)</u> | <u>(39.80)</u> | <u>(7,670.41)</u> |
| Deferred income tax, net | <u>3,380.77</u> | <u>(1,141.22)</u> | <u>(39.80)</u> | <u>2,199.75</u> |

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25. Deferred income taxes (Cont'd)

| As at 31 December | Separate financial statements | | |
|--|-------------------------------|--|----------------------|
| | 2016 Baht Million | Credited (charged) to profit or loss Baht Million | 2017 Baht Million |
| Deferred income tax assets | | | |
| Depreciation | 321.86 | (320.86) | 1.00 |
| Allowances | 27.68 | - | 27.68 |
| Borrowings | 57.37 | (57.37) | - |
| Derivative payables | 4.31 | (4.31) | - |
| | <u>411.22</u> | <u>(382.54)</u> | <u>28.68</u> |
| Deferred income tax liabilities | | | |
| Accounts receivable - billed customers | (270.45) | 65.02 | (205.43) |
| Depreciation | (3.81) | 2.55 | (1.26) |
| Debt issuance cost | (37.83) | 8.26 | (29.57) |
| | <u>(312.09)</u> | <u>75.83</u> | <u>(236.26)</u> |
| Deferred income tax, net | <u>99.13</u> | <u>(306.71)</u> | <u>(207.58)</u> |

The analysis of deferred tax assets and deferred tax liabilities are as follows:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Deferred tax assets: | | | | |
| Deferred tax assets to be recovered within 12 months | 2,676.81 | 848.53 | 0.31 | 320.35 |
| Deferred tax assets to be recovered after 12 months | 7,193.35 | 9,288.47 | 28.37 | 90.88 |
| | <u>9,870.16</u> | <u>10,137.00</u> | <u>28.68</u> | <u>411.23</u> |
| Deferred tax liabilities: | | | | |
| Deferred tax liabilities to be settled within 12 months | (2,092.02) | (1,714.44) | (135.96) | (197.64) |
| Deferred tax liabilities to be settled after 12 months | (5,578.39) | (5,041.79) | (100.30) | (114.46) |
| | <u>(7,670.41)</u> | <u>(6,756.23)</u> | <u>(236.26)</u> | <u>(312.10)</u> |
| Deferred income tax, net | <u>2,199.75</u> | <u>3,380.77</u> | <u>(207.58)</u> | <u>99.13</u> |

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25. Deferred income taxes (Cont'd)

Presentation in the statements of financial position are as follows:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Deferred income tax assets | 5,396.61 | 5,375.82 | - | 99.13 |
| Deferred income tax liabilities | (3,196.86) | (1,995.05) | (207.58) | - |
| Deferred income tax, net | 2,199.75 | 3,380.77 | (207.58) | 99.13 |

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 are as follows:

| For the year ended 31 December | Consolidated financial statements | | Separate financial statements | |
|------------------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Opening net book amount | 3,380.77 | 3,588.64 | 99.13 | 497.86 |
| Charge to profit or loss (Note 12) | (1,141.22) | (230.06) | (306.71) | (398.73) |
| Other comprehensive income | (39.80) | 22.19 | - | - |
| Closing net book value | 2,199.75 | 3,380.77 | (207.58) | 99.13 |

Deferred income tax assets are recognised for tax loss carried forward 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 8,675.11 million in respect of tax loss carried forward approximately Baht 43,375.56 million. A summary of the tax loss carried forward and the expiry dates are set out below:

| Expiry year | Consolidated financial statements Baht Million | Separate financial statements Baht Million |
|-------------|---|---|
| 2018 | 4,549.89 | 1,705.50 |
| 2019 | 6,528.37 | - |
| 2020 | 4,555.17 | - |
| 2021 | 19,039.52 | 3,281.70 |
| 2022 | 8,702.61 | - |
| | 43,375.56 | 4,987.20 |

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26. Other non-current assets

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|----------------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Deposits | 1,376.35 | 1,184.95 | 114.15 | 98.50 |
| Subscriber acquisition cost, net | 4,686.53 | 4,644.01 | - | - |
| Prepaid rental | 1,005.79 | 694.43 | - | - |
| Forward contract receivable | 0.06 | 118.30 | - | - |
| Others | 536.25 | 139.08 | 32.15 | 51.36 |
| Total | 7,604.98 | 6,780.77 | 146.30 | 149.86 |

27. Borrowings

Short-term borrowings

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Loans from banks | 3,969.36 | 16,578.39 | 3,969.36 | 6,984.64 |
| Debentures | 42,783.02 | 20,993.29 | 35,284.47 | 9,995.75 |
| Total | 46,752.38 | 37,571.68 | 39,253.83 | 16,980.39 |

The loans from banks are unsecured and bearing interest rate at MLR and will be due during the next five months.

Long-term borrowings

Borrowings are denominated in Thai Baht, United States Dollars and Japanese Yen.

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|--------------------------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Current | | | | |
| - Finance leases | 2,129.22 | 1,488.10 | - | - |
| - Debentures | 28,648.59 | 18,899.57 | 3,961.91 | 18,899.57 |
| - Suppliers credit | - | 266.29 | - | 266.29 |
| Total Current | 30,777.81 | 20,653.96 | 3,961.91 | 19,165.86 |
| Non-current | | | | |
| - Finance leases | 5,801.47 | 5,451.99 | - | - |
| - Debentures | 44,122.74 | 55,038.06 | 8,190.50 | 12,119.20 |
| Total Non-current | 49,924.21 | 60,490.05 | 8,190.50 | 12,119.20 |
| Total | 80,702.02 | 81,144.01 | 12,152.41 | 31,285.06 |

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27. Borrowings (Cont'd)

Movement of borrowings can be analysed as follows:

| | Consolidated financial statements | Separate financial statements |
|--|--|--|
| | Baht Million | Baht Million |
| For the year ended 31 December 2017 | | |
| Opening net book value | 81,144.01 | 31,285.06 |
| Additional borrowings: | | |
| - principal (net of debt issuance cost) | 17,665.49 | - |
| - non-cash finance leases | 2,939.61 | - |
| - interest | 371.27 | 0.16 |
| Repayment of borrowings | | |
| - cash item | (21,313.69) | (19,174.13) |
| - realised gain on foreign exchange | (3.31) | (3.31) |
| Amortisation of debt issuance costs | 79.21 | 44.63 |
| Currencies translations | (180.57) | - |
| Closing net book value | <u>80,702.02</u> | <u>12,152.41</u> |

Borrowings are presented netting-off unamortised debt issuance costs of Baht 221.38 million and Baht 140.29 million for the consolidated and the separate financial statements, respectively (2016: Baht 266.07 million for the consolidated and Baht 184.92 million for the separate financial statements, respectively).

Maturity of non-current borrowings (excluding finance lease liabilities and unamortised debt issuance cost):

| | Consolidated financial statements | | Separate financial statements | |
|-----------------------|--|---------------------|--|---------------------|
| At 31 December | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Between 1 and 2 years | - | 23,962.70 | - | 3,962.70 |
| Between 2 and 5 years | 30,108.10 | 10,974.70 | 8,330.00 | - |
| Over 5 years | 14,221.90 | 20,355.30 | - | 8,330.00 |
| | <u>44,330.00</u> | <u>55,292.70</u> | <u>8,330.00</u> | <u>12,292.70</u> |

The carrying amounts and fair values of certain non-current borrowings (excluding finance lease liabilities) are as follows:

| | Consolidated financial statements | | | |
|------------|--|---------------------|---------------------|---------------------|
| | Carrying amounts | | Fair values | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 44,122.74 | 55,038.06 | 42,533.83 | 53,427.55 |

| | Separate financial statements | | | |
|------------|--------------------------------------|---------------------|---------------------|---------------------|
| | Carrying amounts | | Fair values | |
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Debentures | 8,190.50 | 12,119.20 | 7,929.43 | 11,783.28 |

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 4.77% and 4.50%, respectively (2016: 4.92% and 4.92% for the Group's and the Company's, respectively) which is within level 2 of the fair value hierarchy.

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27. Borrowings (Cont'd)

Interest rate

The interest rates of debentures are fixed.

The weighted average effective interest rates are as follows:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|------|----------------------------------|------|
| | 2017 | 2016 | 2017 | 2016 |
| | % | % | % | % |
| Weighted average effective interest rates | | | | |
| - finance lease | 3.97 | 4.31 | - | - |
| - debentures | 4.77 | 4.92 | 4.50 | 4.92 |

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 financial statements | |
|--|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Not later than 1 year | 2,449.91 | 1,799.35 |
| Later than 1 year and not later than 5 years | 6,263.74 | 5,876.10 |
| | 8,713.65 | 7,675.45 |
| Future finance charges on finance leases | (782.96) | (735.36) |
| Present value of finance lease liabilities | 7,930.69 | 6,940.09 |

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27. Borrowings (Cont'd)

Finance lease liabilities (Cont'd)

The present value of finance lease liabilities is due as follows:

| At 31 December | Consolidated financial statements | |
|--|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Not later than 1 year | 2,129.22 | 1,488.10 |
| Later than 1 year and not later than 5 years | 5,801.47 | 5,451.99 |
| | <u>7,930.69</u> | <u>6,940.09</u> |

Debentures

Debentures are unsecured and will be mature between 2018 and 2029. Debentures are denominated in Thai Baht and carry average interest of 4.77% per annum.

Transactions in 2017

The Company redeemed Baht 18.91 billion of unsecured debenture on the maturity date.

TUC, a subsidiary, issued the following debentures and bills of exchange for its ongoing operations:

1. Issuing 4.70 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 4.69 billion. The debentures carry interest at the rate of 3.10% per annum and paid at maturity date on 28 May 2018.
2. Issuing 6.26 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 6.24 billion. The debentures carry interest at the rate of 4.50% per annum payable on quarterly basis, starting from 4 August 2017. The maturity date will be on 4 May 2022.
3. Issuing 2.79 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 2.78 billion. The debentures carry interest at the rate of 5.00% per annum, payable on quarterly basis, starting from 4 August 2017. The maturity date will be on 4 May 2024.
4. Issuing 1.38 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 1.37 billion. The debentures carry interest at the rate of 5.50% per annum, payable on quarterly basis, starting from 4 August 2017. The maturity date will be on 4 May 2027.
5. Issuing 2.58 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 2.57 billion. The debentures carry interest at the rate of 5.75% per annum, payable on quarterly basis, starting from 4 August 2017. The maturity date will be on 4 May 2029.

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27. Borrowings (Cont'd)

Debentures (Cont'd)

Transactions in 2016

The Company redeemed Baht 5.92 billion of unsecured debenture on the maturity date.

TUC, a subsidiary, issued the following debentures for its ongoing operations:

1. Issuing 10.97 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 10.95 billion. The debentures carry interest at the rate of 4.50% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2021.
2. Issuing 4.55 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 4.54 billion. The debentures carry interest at the rate of 5.00% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2023.
3. Issuing 7.48 million units of unsecured debentures at par value of Baht 1,000 per unit with the net proceed of Baht 7.46 billion. The debentures carry interest at the rate of 5.50% per annum payable on quarterly basis starting from 2 March 2017. The maturity date will be on 2 December 2026.

TUC redeemed Baht 5.00 billion of unsecured debenture on the maturity date.

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")

On 15 July 2017, the Company settled all of the obligation under the Deferred Payment Notes.

28. Trade and other payables

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|--------------------------|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Trade accounts payable | 67,540.23 | 64,421.77 | 1,514.43 | 988.32 |
| Other payables | 133.82 | 165.42 | 89.89 | 103.13 |
| Unearned income | 2,918.37 | 2,800.50 | 12.68 | 184.64 |
| Domestic roaming payable | 8,706.58 | - | - | - |
| Accrued expenses | 36,195.63 | 31,126.71 | 1,534.29 | 1,537.94 |
| Trade and other payables | 115,494.63 | 98,514.40 | 3,151.29 | 2,814.03 |

Accrued expenses can be analysed as follows:

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--------------------------------------|--------------|----------------------------------|--------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Regulatory cost | 7,945.26 | 7,379.07 | 201.08 | 296.36 |
| Current portion of liabilities under agreements and licences for operation (Note 30) | 15,401.85 | 11,795.29 | - | - |
| Network facility expenses | 1,570.45 | 1,067.07 | 10.50 | 134.36 |
| Performance pay | 1,067.96 | 1,183.89 | 358.72 | 243.43 |
| Interest expenses | 1,359.47 | 707.62 | 706.76 | 380.93 |
| Others | 8,850.64 | 8,993.77 | 257.23 | 482.86 |
| Total accrued expenses | 36,195.63 | 31,126.71 | 1,534.29 | 1,537.94 |

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29. Other current liabilities

| At 31 December | Consolidated financial statements | | Separate financial statements | |
|--------------------------------|--------------------------------------|-----------------|----------------------------------|---------------|
| | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Output VAT pending tax invoice | 2,890.60 | 3,113.03 | 413.91 | 429.91 |
| Derivative payables | 704.52 | 22.79 | - | 21.55 |
| Others | 1,287.92 | 962.33 | 124.40 | 57.86 |
| Total | 4,883.04 | 4,098.15 | 538.31 | 509.32 |

30. Liabilities under agreements and licences for operation

Detail of liabilities under agreements and licences for operation can be summarised as follows:

| At 31 December | Consolidated financial statements | |
|--|-----------------------------------|------------------|
| | 2017 | 2016 |
| | Baht Million | Baht Million |
| Current (included in "Accrued expenses") (Note 28) | 15,401.85 | 11,795.29 |
| Non-current | 64,633.97 | 77,652.49 |
| | 80,035.82 | 89,447.78 |

Movement of liabilities under agreements for operation can be analysed as follow:

| For the year ended 31 December 2017 | Consolidated financial statements |
|-------------------------------------|---|
| | Baht Million |
| Opening net book value | 89,447.78 |
| Payments | (11,804.88) |
| Finance costs (Note 11) | 2,392.92 |
| Closing net book value | 80,035.82 |

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 financial statements | | Separate financial statements | |
|--|--------------------------------------|---------------------|----------------------------------|---------------------|
| | 31 December 2017 | 31 December 2016 | 31 December 2017 | 31 December 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Liabilities in the statement of financial position | | | | |
| Retirement benefit obligations | 2,154.85 | 1,982.12 | 906.25 | 555.04 |
| Expense in the statements of comprehensive income | | | | |
| Retirement benefits | 221.12 | 196.05 | 358.68 | 41.30 |
| Remeasurement loss recognised in other comprehensive income | - | 485.52 | - | 173.99 |
| | 221.12 | 681.57 | 358.68 | 215.29 |

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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 financial statements | Separate financial statements |
|--|--|--|
| | Baht Million | Baht Million |
| For the year ended 31 December 2017 | | |
| Opening net book value | 1,982.12 | 555.04 |
| Current service cost | 159.62 | 35.01 |
| Interest cost | 61.50 | 16.29 |
| Transfer in | - | 307.38 |
| Benefit paid | (48.39) | (7.47) |
| Closing net book value | <u>2,154.85</u> | <u>906.25</u> |

The amounts recognised in the profit or loss are as follows:

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------|--|---------------------|
| For the years ended 31 December | 2017 | 2016 | 2017 | 2016 |
| | Baht Million | Baht Million | Baht Million | Baht Million |
| Current service cost | 159.62 | 136.59 | 35.01 | 27.09 |
| Interest cost | 61.50 | 59.46 | 16.29 | 16.16 |
| Transfer in/(out) | - | - | 307.38 | (1.95) |
| Total (included in staff costs) | <u>221.12</u> | <u>196.05</u> | <u>358.68</u> | <u>41.30</u> |
| Classified as: | | | | |
| Cost of providing services | 79.61 | 90.97 | 125.48 | 3.61 |
| Selling expenses | 2.51 | 26.79 | 20.26 | 2.47 |
| Administrative expenses | 139.00 | 78.29 | 212.94 | 35.22 |
| | <u>221.12</u> | <u>196.05</u> | <u>358.68</u> | <u>41.30</u> |

The principal actuarial assumptions used were as follows:

| | Consolidated and separate financial statement | |
|-------------------------|--|-------------|
| | 2017 | 2016 |
| | % | % |
| Discount rate | 3.30 | 3.30 |
| 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 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.

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31. Employee benefits obligations (Cont'd)

Retirement benefit obligations (Cont'd)

Sensitivity of key assumptions:

| | Impact on defined benefit obligation | | |
|-------------------------|--------------------------------------|------------------------|------------------------|
| | Change in assumption | Increase in assumption | Decrease in assumption |
| | % | % | % |
| Discount rate | 1.00 | Decrease by 10.13 | Increase by 12.00 |
| Future salary increases | 1.00 | Increase by 11.73 | Decrease by 10.12 |

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 19 years.

Expected maturity analysis of undiscounted retirement during the year 2018 - 2026 as follow:

| | Consolidated financial statements | | | |
|---------------------------------|-----------------------------------|-------------------------------------|------------------------------|-----------------------|
| | Less than a year Baht Million | Between 1 - 2 years Baht Million | Over 3 years Baht Million | Total Baht Million |
| At 31 December 2017 | | | | |
| Retirement benefits obligations | 61.91 | 152.90 | 948.06 | 1,162.87 |
| Total | 61.91 | 152.90 | 948.06 | 1,162.87 |
| | Separate financial statements | | | |
| | Less than a year Baht Million | Between 1 - 2 years Baht Million | Over 3 years Baht Million | Total Baht Million |
| At 31 December 2017 | | | | |
| Retirement benefits obligations | 33.00 | 55.99 | 271.86 | 360.85 |
| Total | 33.00 | 55.99 | 271.86 | 360.85 |

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32. Other non-current liabilities

| At 31 December | Consolidated financial statements | |
|--|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Advance received for long-term operating lease | 9,936.92 | 10,551.58 |
| Deposit received from customers | 1,096.16 | 1,360.05 |
| Provision | - | 2,285.89 |
| Derivative payables | 2,184.69 | 0.70 |
| Others | 67.32 | 70.79 |
| Total | 13,285.09 | 14,269.01 |

During 2017, CAT's call option provision of Baht 2,285.89 million (2016: Baht 1,186.71 million) was recognised as other income in the consolidated financial statements because the counter party indicated its intention not to exercise the option.

Refer to Long-Term lease Agreement with call option between AWC, a wholly owned subsidiary, and DIF dated on 5 March 2015, DIF made a prepayment amounting to Baht 12,293.12 million (VAT excluded) for rental of fiber optic cable with lease term of 20 years to AWC. As at 31 December, 2017, balances of current and non-current unearned income amounting to Baht 614.66 million and Baht 9,936.92 million were presented under "Trade and other payables" and "Other non-current liabilities", respectively. The Group recognised Baht 441.86 million of rental revenue for the year ended 31 December 2017.

33. Share capital and premium on share capital

The total authorised number of shares is 33,368.66 million shares (2016: 33,368.66 million shares) with a par value of Baht 4 per share (2016: Baht 4 per share).

| | Number of shares Million | Common shares Baht Million | Share premium Baht Million | Total Baht Million |
|--|--------------------------------|----------------------------------|----------------------------------|-----------------------|
| Authorised share capital | | | | |
| At 1 January 2016 | 24,607.93 | 98,431.71 | - | 98,431.71 |
| Increase in registered ordinary shares | 8,760.73 | 35,042.91 | - | 35,042.91 |
| At 31 December 2016 | 33,368.66 | 133,474.62 | - | 133,474.62 |
| At 31 December 2017 | 33,368.66 | 133,474.62 | - | 133,474.62 |
| Issued and fully paid share capital | | | | |
| At 1 January 2016 | 24,607.93 | 98,431.71 | - | 98,431.71 |
| New common shares | 8,760.27 | 35,041.07 | 26,384.07 | 61,425.14 |
| At 31 December 2016 | 33,368.20 | 133,472.78 | 26,384.07 | 159,856.85 |
| At 31 December 2017 | 33,368.20 | 133,472.78 | 26,384.07 | 159,856.85 |

In May and June 2016, the Company received Baht 59,948.80 million (net of issuance costs) from an issuance of new 8,391.18 million shares by right offering at the exercise price of Baht 7.15 per share. In addition, there was an issuance of new 369.09 million shares as share dividends. The Company completed the process of issuance of new shares and registered the issued and paid-up capital with the Ministry of Commerce on 29 June 2016. All issued shares are fully paid.

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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 2017, the Company set aside legal reserve amounting to Baht 107.50 million (2016: Baht 6.58 million).

35. Non-controlling interests

| At 31 December | Consolidated financial statements | |
|--|-----------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Opening net book value | 675.73 | 659.08 |
| Addition investment in subsidiary by non-controlling interests | - | 14.15 |
| Purchase shares from non-controlling interests | 0.01 | (7.67) |
| Increase in non-controlling interests | (0.01) | 2.95 |
| Remeasurement loss | - | (0.10) |
| Share of results of subsidiaries | (6.18) | 7.32 |
| Closing net book value | 669.55 | 675.73 |

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36. Cash flows from operating activities

Reconciliation of profit (loss) to cash flows from operating activities:

| For the years ended 31 December | Notes | Consolidated financial statements | | Separate financial statements | |
|--|-------|--------------------------------------|----------------------|----------------------------------|----------------------|
| | | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Profit (loss) before income tax | | 3,631.87 | (2,317.39) | 2,456.63 | 530.40 |
| Adjustments for: | | | | | |
| Depreciation and amortisation | | 36,266.56 | 28,079.76 | 1,563.07 | 1,811.72 |
| Interest income | | (532.98) | (442.21) | (253.98) | (498.10) |
| Interest expense | 11 | 5,916.68 | 4,671.53 | 1,953.06 | 2,331.64 |
| Finance costs related to licences | 11 | 2,392.92 | 1,422.35 | - | - |
| Dividends received | 42 | - | - | (1,583.81) | (1,957.50) |
| Loss (gain) on disposals of property, plant and equipment | | 119.86 | 233.66 | (4.12) | (3.20) |
| Gain from disposal of infrastructure assets | 41 | (2,429.88) | - | - | - |
| Doubtful accounts | 10 | 1,830.63 | 1,795.45 | 140.19 | 222.03 |
| Impairment charge of investment in subsidiaries | | - | - | - | 57.63 |
| Impairment charge of interest in joint venture | | - | 0.95 | - | - |
| Reversal of provision for CAT's call option | 32 | (2,285.89) | (1,186.71) | - | - |
| Increase in retirement benefits obligations | 31 | 221.12 | 196.05 | 358.67 | 41.30 |
| Unrealised (gain) loss on foreign exchange | | (416.75) | 388.81 | (21.55) | 40.95 |
| (Gain) loss from liquidation of investment in subsidiaries | 20.1 | (5.28) | 24.88 | 15.43 | - |
| Realised (gain) loss on foreign exchange related to repayment of borrowings | 27 | (3.31) | 17.85 | (3.31) | 17.85 |
| Share of results | 20 | (3,192.60) | (4,645.73) | - | - |
| Changes in operating assets and liabilities | | | | | |
| - Trade and other receivables | | (18,893.40) | 36.16 | (1,508.35) | (3,744.27) |
| - Short-term investments | | (0.02) | (0.02) | - | - |
| - Inventories | | (5,607.12) | (2,957.40) | 9.17 | 7.75 |
| - Other current assets | | (12,393.56) | (10,994.89) | 25.84 | (13.99) |
| - Film and program rights | | (1,930.19) | (2,081.75) | - | - |
| - Other non-current assets | | (899.92) | (256.48) | 3.56 | 30.82 |
| - Trade and other payables | | 8,620.18 | 642.04 | 12.18 | (342.42) |
| - Other current liabilities | | 106.39 | 726.55 | 72.65 | 382.73 |
| - Other non-current liabilities | | (317.33) | (230.12) | (7.47) | (54.59) |
| Cash generated from (used in) operations | | 10,197.98 | 13,123.34 | 3,227.86 | (1,139.25) |
| Add Interest received | | 546.63 | 406.12 | 236.28 | 493.40 |
| Income tax received | | 1,820.07 | 1,750.80 | - | 921.92 |
| Less Interest paid | | (4,079.41) | (4,026.29) | (1,443.59) | (2,153.71) |
| Income tax paid | | (3,491.93) | (3,157.84) | (292.71) | (169.23) |
| Net cash received from (used in) operating activities | | 4,993.34 | 8,096.13 | 1,727.84 | (2,046.87) |

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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 2017 and 2016, the outstanding foreign currency assets and liabilities as follows:

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|--------------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | 2017 Currency Million | 2016 Currency Million | 2017 Currency Million | 2016 Currency Million |
| Assets | | | | |
| US Dollar | 31.50 | 22.86 | - | - |
| Euro | 0.81 | 12.37 | - | - |
| Japanese Yen | 0.10 | 0.10 | - | - |
| Liabilities | | | | |
| US Dollar | 1,602.09 | 1,460.59 | - | 0.04 |
| Japanese Yen | 0.04 | 855.35 | - | 855.32 |
| Great British Pound Sterling | 0.03 | 0.03 | - | - |
| Euro | 0.89 | 0.94 | - | - |
| HKD | 0.02 | - | - | - |
| SGD | 0.01 | - | - | - |

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.

On 29 October 2017, the said agreement expired. There are no further obligation for the Company.

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38. Contracts and commitments (Cont'd)

38.2 A subsidiary has agreement with state enterprises, MCOT to provide Pay TV service.

Under the terms of the agreement, the subsidiary has certain commitments to acquire, install, manage and maintain all equipment. The subsidiary is also committed to transfer to MCOT all equipment pertaining to such systems as the installations are completed. During the term of the agreement, the subsidiary is entitled to collect deposits, membership fees and other service fees from customers as stipulated in the agreement.

In addition, the subsidiary is contingently liable to certain local banks for letters of guarantee Baht 31.20 million issued by the said banks in favour of MCOT. The letters of guarantee cover the guarantee for the subsidiary in compliance with the provisions of the agreement referred to above.

Under the term of the agreement, the subsidiary is obliged to pay minimum fee as follows:

| Period due | Minimum fee Baht Million |
|---------------------|-------------------------------------|
| Within 1 year | 35.00 |
| Between 1 - 2 years | 35.00 |

38.3 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 expire on 15 December 2020.

There have been disagreements between the Group and CAT regarding the interpretation of the agreements and details of computations of related revenues and costs. However, since 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, and have agreed in several matters with an objective to extinguish the outstanding disputes between the two parties, including the unsettled balances.

There are still pending issues and outstanding balances required further discussion. The management believes that there will be no significant impact to the Group as a result of the conclusion.

To comply with the abovementioned agreements, the Group has provided letters of guarantee issued by certain local banks in favour of CAT totaling Baht 200.00 million.

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38. Contracts and commitments (Cont'd)

- 38.4 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.
- 38.5 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.
- 38.6 On 14 March 2016, a subsidiary, TUC was granted with the 900MHz Bandwidth licence issued by NBTC. The licence authorised TUC to provide mobile service for 15 year. The maturity will be on 30 June 2031. 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 provided in favour of certain government agencies, certain state enterprises and other companies amounting to Baht 3,799.65 million and Baht 1,191.35 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 financial statements | | Separate financial statements | |
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Fixed and saving deposits | 96.08 | 70.06 | 43.99 | 42.36 |
| Investments in shares of associate | 699.90 | 770.00 | 694.56 | 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 2017 were Baht 25,866.98 million and Baht 15.91million, respectively (2016: Baht 27,772.53 million and Baht 25.46 million, respectively).
- 38.10 The Group leases various telecommunication infrastructures under non-cancellable operating lease agreements and the lease term is ranged between 5 years and 16 years.

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

| | Consolidated financial statements | |
|--|--------------------------------------|----------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Not later than 1 year | 4,263.58 | 3,313.62 |
| Later than 1 year but not later than 5 years | 16,099.78 | 12,646.89 |
| Later than 5 years | 22,520.80 | 15,594.68 |
| | <u>42,884.16</u> | <u>31,555.19</u> |

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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 the joint agreement between the Company and TOT for the public payphone booth service. TOT claimed damages for the use of the Company's logo on the public payphone booths for the amount of Baht 433.85 million. On 12 July 2006, the Arbitral Tribunal rendered the award in favour of TOT. The Company filed a lawsuit in order to withdraw the arbitral award with the Central Administrative Court. TOT filed a motion with the same court to enforce the award with a claim for payment of Baht 150.00 million and damages of Baht 90.00 in monthly basis per payphone booth from the filing date until the Company stop using the logo on public payphone booths. The Central Administrative court ordered to combine the cases. On 24 February 2009, the Court ruled in favour of TOT and enforced the arbitral award by ordering the Company to pay Baht 150.00 million within 60 days from the case final date and court fees in the amount of Baht 80,000 to TOT. The Company and TOT filed each appeal with the Supreme Administrative Court. On 15 February 2017, the Supreme Administrative Court has upheld the judgement of the Central Administrative Court and the Arbitration Award. The Company recognised Baht 192.69 million as other expenses in the separate financial statements for the period ended 31 December 2017 to comply with the judgement.

39.1.2 Dispute in relation to interconnection charges

On 4 February 2011, Total Access Communication Public Company Limited filed a lawsuit with the Central Administrative Court against the Company and TOT to jointly pay interconnection charges (IC) according to the Plaintiff's RIO for the amount of Baht 3.94 billion. Currently, the case is under the judicial process of the Central Administrative Court.

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, TOT filed an arbitration claim against the Company, claiming for advertising compensation regarding 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 Baht 1,848.95. On 20 September 2013, the Arbitral Tribunal ruled in favour of TOT and instructed the Company to pay Baht 98.59 million. On 27 December 2013, the Company filed a petition to revoke the Arbitral Award with the Central Administrative Court. On 14 October 2015, TOT filed a petition to enforce the Arbitral Award with the same court. Currently, the case is under the consideration of the Central Administrative Court.

39.1.4 Disputes in relation to the Agreement Article 38

On 15 May 2006, the Company filed a non-monetary arbitration claim against TOT asking TOT to discontinue using its authority over the Agreement as well as to discontinue using its authority under the agreement from the date on which TOT status was changed and the regulator authority shall be transferred to the Ministry of Transporter the Ministry of Information and Communication Technology. On 8 November 2006, the Company filed the other arbitration claim regarding the authorisation limits of TOT on the Agreement Article 38. The two disputes were arbitrated and ruled on 4 September 2014 that TOT rightfully used its power under the agreement. Later on 26 November 2014 the Company filed a request to cancel the award to the Central Administrative Court. Later, on 2 May 2016, TOT filed a motion to enforce the arbitral award with the Central Administrative Court and the Court ordered to combine the cases. Currently, the case is under the consideration of the Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.1 Litigations outstanding at the Administrative Court (Cont'd)

39.1.5 Dispute in relation to revenue sharing under the Agreement

On 22 January 2008, TOT filed an arbitration claim against the Company for overpayment of revenue sharing in the amount of Baht 1,479.62 million plus interest. The Company filed an objection on 18 April 2008. Later, on 26 June 2014, the Arbitral Tribunal, by majority, ruled that the Company is liable to pay Baht 1,217.50 million together with interest at 7.5% per annum from 22 January 2008 until full payment is made to TOT. However, on 7 October 2014, the Company filed a petition to revoke the Award. On 31 March 2016, TOT filed a petition with the Central Administrative Court to enforce the arbitration award. Currently, the case is under consideration of the Central Administrative Court.

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.

39.2 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 with interest for TOT's failure to separately calculate the actual amount from international incoming calls, and damages of Baht 3,407.68 million with interest for the incorrect calculation. Later, the Company filed an amendment of claim for additional damages making the claim to the total of Baht 8,699.00 million. On 22 November 2017, The Tribunal have rendered the award by dismissing the Company's claim. The Company is preparing to submit petition to revoke the Arbitral Award with the Central Administrative Court.

Dispute in relation to revenue sharing collected from international call

On 25 December 2007, the Company filed an arbitration claim against TOT for damages 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 of the payment and agreed not to claim for the period received. However, the Company does not waive the right to defend or resolving the dispute.

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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

Dispute in relation to the lease of telephone conduits

On 31 May 2005, TOT filed an arbitration claim against the Company seeking a payment for a rental fee of the lease of wiring conduits at Muang Thong Thani from May 2004 to April 2005 in the amount of Baht 6.72 million plus interest and onwads. The Company submitted a statement of objection on 19 September 2005. The case is currently under the arbitration process.

On 17 February 2014, TOT filed the arbitration claim against the Company claiming for rental fee of lease of wiring 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 the conduits are not TOT's asset therefore the Company is not liable to pay a rental fee. Currently, the case is under the arbitration process.

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 30 June 2005 for Baht 16,865 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 23 September 2016, the Arbitral Tribunal decided that the Company is liable to pay TOT Baht 1,703.10 million with interest at the rate of 6.69 per annum from 29 May 2005 until full payment is made and to pay TOT a shortage of telephone service revenue of Baht 27.17 million per month with interest at the same rate from the date of filing until the "TA 1234" campaign is cancelled. On 6 January 2017, the Company filed a petition with the Central Administrative Court to revoke the Arbitral Award. Later, on 26 July 2017 TOT filed an application for enforcement of the award with the same court. Currently, the cases are under the Central Administrative Court consideration.

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 Joint Operation and Joint Investment 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 damages ongoing 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. Later, on 6 November 2015, TOT filed the amended claim to increase amount of the damages for the lack of revenue from broadband ADSL services from September 2001 to August 2015 in the amount of Baht 63,457.92 million with interest of Baht 22,748.37 million, totalling Baht 86,206.29 million. On 29 January 2016, the Company filed an objections to such amendment. The case is currently within the arbitration process.

Dispute in relation to the numbering fees

On 21 June 2013, TOT filed an arbitration claim against the Company, seeking for a numbering fee together with VAT of specific period of time in a total claim of Baht 539.02 million. On 11 December 2013, the Company filed the objection to TOT's claim for arbitration. The dispute is currently in the process of arbitration.

Dispute in relation to public telephone booth service

On 15 May 2017, TOT filed an arbitration claim against the Company for Baht 1,052.65 million for an unauthorised advertising on TOT's public telephone booths and allowing the Company's subsidiary to provide cash top-up service through TOT's public telephone booths. Currently, the case is under the arbitration process.

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.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.3 Tax disputes

On 3 December 2015, a subsidiary filed a lawsuit against the Revenue Department with Central Tax Court for revocation of the tax assessment by the Tax Assessment Officer and to revoke the decision of the Appeals Committee as 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 with the reason that the subsidiary has paid withholding tax incorrectly. On 23 December 2016, the Central Tax Court ordered to dismiss the subsidiary's lawsuit request. The subsidiary has filed an appeal. On 26 September 2017 the Supreme Court has verdicted to dismiss the lawsuit and thus the case is final.

39.4 Litigations and arbitration disputes of subsidiaries

39.4.1 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 a motion with the Central Administrative Court until on 23 February 2011, the Central Administrative Court has decided that the Arbitral Award is not lawful. Thus, the Court ordered to repeal the said award. On 22 March 2011, CAT filed an appeal with the Supreme Administrative Court. Subsequently, on 16 June 2011, CAT filed a petition to the Central Administrative Court to enforce the award and asked for payment from the subsidiary. The subsidiary opposed that the award has been revoked by the Court and thus CAT is not entitled to file such petition. On 1 June 2017, the Central Administrative Court ruled to revoke CAT's petition.

39.4.2 On 9 January 2008, CAT filed for arbitration against the subsidiary claiming for incomplete 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 dismiss 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.

39.4.3 On 19 February 2008, CAT filed an arbitral dispute against a subsidiary claiming for additional revenue sharing for the amount of Baht 45.95 million. On 6 March 2012, the Arbitrator awarded in favour of CAT by ordering the subsidiary to pay CAT Baht 7.00 million (excluded interest). On 29 June 2012, the subsidiary brought the case to Central Administrative Court. CAT also filed a motion for revocation of the arbitral award. On 26 December 2017, the Central Administrative Court has dismissed the subsidiary's and CAT's motions. As such, the parties have the right to appeal with the Supreme Administrative Court within 30 days from the judgement date.

39.4.4 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, and in the same dispute, the subsidiary filed a counter-claim for Baht 2,544.72 million. Later, 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 25 December 2015, CAT filed a lawsuit to revoke the award with the Central Administrative Court. The case is under considered by the Central Administrative Court.

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 penalty 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 and CAT filed each petition with the Central Administrative Court to revoke the Arbitral award. The Court has ordered to combine the two cases in a single case. The case is currently under the Central Administrative Court's process.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.5 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. On 7 September 2016, the Arbitral Tribunal decided in favour of subsidiary by dismissing CAT's claims. On 29 December 2016, CAT filed a motion to revoke the award with the Central Administrative Court. Currently, the case is under the Court proceedings.
- 39.4.6 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. Finally, the plaintiff brought the case to the Supreme Court. Currently, the case is under the consideration of the Supreme Court.
- 39.4.7 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 14th - 15th year of operation. On 7 October 2011, the subsidiary has made a counterclaim against CAT requesting for returning a minimum bank guarantee for 11th to 13th year and claim the amount of Baht 56.19 million. On 30 August 2013, CAT filed an arbitration request for bank guarantee for 16th - 17th year of operation. On 18 June 2013, a subsidiary made a statement of objection. On 24 September 2015, the majority of Arbitrators ruled to dismiss CAT's claims and ordered CAT to pay an amount of Baht 60.46 million plus interest at 7.50% per annum of the subsidiary's damages, and ordered CAT to compensate the subsidiary for the bank guarantee fee during the year of operation 11th - 13th 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 filed a motion with the Central Administrative Court to revoke the Arbitral award. On 1 November 2016, the subsidiary submitted the request with the same court to enforce CAT according to the Arbitral award. Currently, the cases are under the consideration of the Central Administrative Court.
- 39.4.8 On 8 September 2011, CAT filed an arbitration claim against the subsidiary regarding revenue sharing of 10th - 14th years of Baht 11,946.15 million. The case is currently in the arbitration process.
- 39.4.9 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. 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 from NBTC. On 12 May 2016, the Central Administrative Court ruled in favour of subsidiary. Later, on 6 January 2017 the subsidiary received a copy of NBTC's appeal. Currently, the case is pending at the Supreme Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.10 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. Meanwhile, 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. However, subsidiary submitted appealing to retain from the administrative fine of the Secretary of NBTC. The result was that the subsidiary still have to pay the penalty. The amount of penalty from 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 ceased 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. On 27 October 2016, the Central Administrative Court decided to dismiss the lawsuit. Later on 24 November 2016, the subsidiary filed an appeal with the Supreme Administrative Court. Currently, the case is under the consideration of Supreme Administrative Court.
- 39.4.11 On 28 February 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 15th year of operation for the amount of Baht 1,571.60 million due to the inappropriate calculation. On 1 September 2015, the majority of Arbitrators ruled in CAT's favour and ordered 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. On 4 December 2015, the subsidiary filed a petition to revoke the Arbitrators' ruling with the Central Administrative Court. Currently, the case is under the Central Administrative Court's process.
- 39.4.12 On 22 April 2013, CAT filed for arbitration against the subsidiary and requested the subsidiary to transfer the passive type of telecommunication infrastructure or to pay a compensation amounting to Baht 821.14 million in case of failure to transfer. The subsidiary filed an objection on 28 August 2013. Currently, the case is under the arbitration process.
- 39.4.13 On 30 August 2013, CAT filed for arbitration against the subsidiary claiming for additional revenue sharing for the 16th 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.
- 39.4.14 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.
- 39.4.15 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 and CAT shall pay the damages amounting of Baht 63.02 million to HCAT. 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 claims by CAT and the subsidiary. Currently, the case is under the consideration of Central Administrative Court.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

39.4.16 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 23,016.51 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.

On 27 May 2016, CAT filed a lawsuit with the Central Administrative Court against a subsidiary and others claiming of Baht 2,206.04 million for ineligible uses of telecommunication equipment that were transferred to CAT after an expiration of concession. The claimed period from 18 July 2015 to 3 December 2015 was the period that NBTC required the subsidiary to act as a caretaker to continue providing mobile service and extended period announced by National Council for Peace and Order ("NCPO"). The case is currently under the Central Administrative Court.

39.4.17 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 to operate the radio service cellular DIGITAL PCN 1800 amounting to Baht 190.97 million. On 13 May 2016 the NBTC filed a petition with the Central Administrative Court requested to temporarily dismiss the case for reviewing. On 15 June 2016, the subsidiary filed a statement of objection to such petition with the Central Administrative Court. Currently, the case is under the Central Administrative Court's process.

On 2 November 2016, the subsidiary filed another lawsuit with the Central Administrative Court against NBTC, the office and NBTC Secretary General. The subsidiary claimed for reimbursement of expenses incurred from providing mobile service during the caretaking period from 1 November 2015 to 3 December 2015 amounting to Baht 709.65 million. The case is currently under the consideration of Central Administrative Court.

39.4.18 On 29 December 2015, CAT filed a lawsuit with the Central Administrative Court against a subsidiary claiming for Baht 83.94 million, including interest at 7.5% calculated from the date of filing until the payment is made, accusing the subsidiary illegally install its telecommunication equipment connected to CAT's premises. Currently, the case is under consideration of Central Administrative Court.

39.4.19 On 18 January 2016, a subsidiary filed an arbitral dispute against CAT claiming of Baht 11,827.67 million for the 11th - 17th of operation year of the concession agreement, with interest at the rate 15% per annum from the date of submission of the dispute until the payment has been made. The charge was based on an over payment of revenue sharing due to the interconnection charge revenues (IC) were incorporated in revenue sharing calculation. The interconnection charge revenues are not subjected to be shared with CAT according to the relevant agreement. The case is currently under the Arbitration process.

39.4.20 On 15 March 2016, CAT filed an arbitral dispute against a subsidiary claiming for Baht 2,596.51 million for additional revenue sharing for the 17th year of operation from an inappropriate calculation of revenue sharing. The case is currently under the Arbitration process.

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39. Litigations and Arbitration disputes and contingent liabilities (Cont'd)

39.4 Litigations and arbitration disputes of subsidiaries (Cont'd)

- 39.4.21 On 31 March 2016, NBTC filed a lawsuit against a subsidiary claiming for Baht 878.38 million for mobile numbering fees and additional numbering fees for the service period from March 2014 to December 2015, the period in which a resolution of the NBTC regarding to i) protect the consumers in the event of termination of concession for contract cell phone provider in 2013, and ii) protect the consumer in the event of termination of concession for contract cell phone provider while the orders of the National Council for Peace and Order (NCPO) No. 94/2557 was in effect. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.22 On 7 April 2016, CAT filed a lawsuit against a subsidiary claiming for Baht 22,972.07 million for domestic roaming used by the subsidiary during 27 April 2011 to 15 November 2015. On 29 May 2017, CAT filed additional claimed for the period during 16 November 2015 to 3 December 2015 for Baht 376.86 million. Total amount claimed became Baht 23,348.93 million. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.23 On 28 April 2016, CAT filed a lawsuit against a subsidiary claiming for Universal Service Obligation fees ("USO") that CAT had prepaid to the NBTC under the Universal Service Obligation regulation announced by NTC. The claimed amount of USO fee for the period from 3 August 2005 to 30 June 2013 is amounting to Baht 501.34 million (value added tax and interest at 7.5% per annum from the default date, 16 August 2014, to the filing date are included). In addition, CAT also claimed for CDMA service charges amounting to Baht 509.38 million (value added tax and interest at 7.5% per annum from the default date to the filing date are included) for the period from January 2012 to 26 April 2013, and the marketing fee amounting to Baht 2.66 million (value added tax and interest are included). Total claim amount is Baht 1,013.38 million. Currently, the case is under the consideration of Central Administrative Court.
- 39.4.24 On 21 July 2016, CAT filed a lawsuit with Central Administrative Court against a subsidiary claiming for Baht 19,500.17 million (included interest) for the wholesale fees under HSPA agreement. The case is under consideration of the Central Administrative Court.
- 39.4.25 On 5 August 2016, NBTC filed a lawsuit with the Central Administrative Court against a subsidiary claiming for Baht 1,150.66 million regarding the revenue earned from 1800MHz. mobile service during the caretaking period from 16 September 2013 to 17 July 2014. Currently, the case is under consideration of the Central Administrative Court.
- 39.4.26 On 11 August 2016, CAT filed an arbitration claim against a subsidiary demanding the subsidiary to remove the third party's telecommunications equipment installed or connected to the assets under the agreement for operation between CAT and the subsidiary. Otherwise, the subsidiary has to compensate for the use of those assets amounting to Baht 417.66 million. The case is currently under the arbitration process.
- 39.4.27 On 17 August 2016, two subsidiaries filed lawsuits with the Central Administrative Court against the NBTC and others for the delay of duty or ignoring to perform a duty including with intention or reckless in providing an incorrect information or impractical information considering as a wrongful act causing the subsidiary believed and by misunderstanding of fact, bid for the digital TV license. The two subsidiaries claimed for damages of Baht 6,737.80 million. The case is in proceedings of the Central Administrative Court.
- 39.4.28 On 4 November 2016, the subsidiary filed a lawsuit with the Civil Court against CAT claiming of Baht 30,680.24 million damages caused by the fact that CAT could not provide mobile numbering according to the conditions stipulated in the HSPA wholesale agreement. Currently, the case is transferred to the Civil Court.
- 39.4.29 On 5 April 2017, a subsidiary filed a lawsuit with the Central Intellectual Property and International Trade Court against a Public Company, a contractual party on a licence of broadcasting football program claiming for reimbursement of Baht 390.75 million which the subsidiary paid because the said Public Company could not deliver such broadcasting. Subsequently, on 27 June 2017, the said Public Company filed a lawsuit with the Central Intellectual Property and International Trade Court against the broadcasting right owner and the said subsidiary together with other 18 defendants claiming for Baht 1,401.22 million regarding the termination of the agreement. Currently, the cases are under the proceedings of the Central Intellectual Property and International Trade Court.

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 except indicated thereon.

True Corporation Public Company Limited
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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 Joint Operation and Joint Investment Agreement between the Company and TOT. The terms of the 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 wire-line 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.

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.

On 19 August 2016, the Supreme Administrative Court ruled by confirming the judgment of the Central Administrative Court to revoke the Arbitral award.

On 26 October 2016, the Company submitted the petition requesting a re-trial to the Central Administrative Court. On 18 January 2017, the Central Administrative Court dismissed the aforementioned petition. Later, on 15 February 2017 the Company submitted an appeal to the Supreme Administrative Court for this petition. Currently, the case is under consideration by the Supreme Administrative Court regarding the petition for re-trial.

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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.

True Corporation Public Company Limited
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41. Infrastructure fund transaction

During 2017, the subsidiaries have entered into the following transactions with DIF:

1. **Asset and Revenue Sale and Transfer Transaction:** The subsidiary, AWC entered into an Additional Asset and Revenue Sales and Transfer Agreement ("Agreement") dated 24 November 2017, to transfer the right of net revenues of 149 telecommunication towers (including all claim, awards, judgment, suits and any other right 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 Agreement (24 November 2017) until the expiration of the Agreement (3 August 2025). Under the term of the Agreement, AWC will transfer the ownership of telecommunication towers to DIF at the expiry date of the Agreement.
2. **The Assets sale and Lease back Transaction:** On 24 November 2017, the subsidiaries, TUC, TMV and TICC entered into an Asset Sale and Transfer Agreement ("Agreement") and Amendment and Restatement Agreement to FOC Sub-Lease Agreement and Master Lease Agreement dated 24 December 2013 and 5 March 2015, respectively, with DIF. The subsidiaries to sell and transfer 2,939 telecommunication towers and 29,693 kilometers of the fiber optic cable and leased back these assets from DIF with the lease term of 16 years. The expiration of the Agreement will be on 15 September 2033. Under the terms and conditions of the Agreement, the subsidiaries must pay monthly rental as stipulated in the Agreement.
3. **Long-term Lease and Lease back Transaction:** TICC entered into a Long-term Lease agreement ("Lease agreement") with DIF to lease 13,542 Kilometer of fiber optic for a period of 30 years with the call option on expiry date of the lease agreement (31 December 2047) at the exercise price of Baht 1,500.00 million. DIF paid lease rental in advance according to the purchase price. TICC also leased back the assets from DIF with the lease term of 16 years. TICC must comply with the terms and conditions as stipulated in the Lease agreement.

The Group prudently and thoroughly reviewed the accounting treatments for the transactions by considering the substance of the transactions and concluded as follows:

- AWC transfers its right of net revenue over the lease period to DIF for 149 telecommunication towers and will transfer the legal ownership of assets sale upon the expiration date of lease agreement on 3 August 2025. Even though the transfer of net revenue does not involve the legal ownership transfer of the asset prior to the expiration of lease agreement, the significant risks and rewards of the assets have been transferred to DIF and the Group neither has continuing managerial involvement to the degree usually associated with ownership nor has effective control over the assets sale. Therefore, the transaction is considered as a sale of assets to DIF on the initial data.
- TMV and TUC sell and transfer legal ownership of their assets. The lease back transaction have been tested with criterion set out in TAS 17 "Lease" and is considered operating lease.
- TICC long-term lease and lease back transaction: with criterion set out in TAS 17 "Lease", the long-term lease for a period of 30 years with the call option on expiry date of agreement has been tested and considered a financial lease. The lease back transaction for a period of 16 years has been tested and is considered operating lease.
- In addition, the following facts are taking into consideration that risks and rewards pertaining in the assets sale have been transferred.
 - DIF is an entity to bear risk of loss on the physical damage on the assets and exposed to the risk relating to fluctuations in future revenues.
 - The Group does not share any future new revenues to be generated by DIF.
 - After transaction, AWC have only duty to pass the net revenue to DIF, acting as a middleman.
 - Unit holders of DIF exercise decision-making authority as the owner of the assets.

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41. Infrastructure fund transaction (Cont'd)

On 27 November 2017, the Group and DIF executed and completed the of transactions. The transactions can be summarised as follows:

The Group recognised gain on sales of telecommunication towers of AWC and TUC of Baht 2,429.88 million under "Other income", recognised revenue on sales of fiber optic cables of TICC and TMV of Baht 6,270.52 million under "Revenue from product sales" and derecognised the related inventory amounting to Baht 311.88 million under "Cost of sales" in the consolidated statement of comprehensive income for the year ended 31 December 2017.

| | Consolidated Financial statements 2017 Baht Million |
|--|--|
| Amount proceed | 12,898.00 |
| <u>Less</u> Cost of assets sale and relevant costs | (930.85) |
| <u>Less</u> Related expenses | (298.60) |
| Total gain from assets sale | 11,668.55 |
| <u>Less</u> Unrealised gain from assets sale | (3,280.03) |
| Gain recognised in 2017 | <u>8,388.52</u> |

Unrealised gain represented 28.11% of gain from the aforementioned transactions that is not recognised because the Group holds 28.11% interest in DIF.

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.

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42. Related party transactions (Cont'd)

The following transactions were carried out with related parties:

i) Sales of goods and services

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Sales of goods: | | | | |
| Associates | 6,271.29 | 1.37 | - | - |
| Related company | | | | |
| CP Group of companies | 684.87 | 1,725.69 | - | - |
| | <u>6,956.16</u> | <u>1,727.06</u> | <u>-</u> | <u>-</u> |
| Sales of services: | | | | |
| Subsidiaries | - | - | 9,085.96 | 5,093.92 |
| Joint ventures | 3.92 | 1.23 | - | - |
| Associates | 557.86 | 743.53 | - | - |
| Related companies | | | | |
| CP Group of companies | 1,109.91 | 1,086.80 | 24.06 | 32.95 |
| China Mobile Group of companies | 179.79 | 141.81 | - | - |
| | <u>1,851.48</u> | <u>1,973.37</u> | <u>9,110.02</u> | <u>5,126.87</u> |

As at 31 December 2017, the Group holds a 9.42% (2016: 9.42%) equity interest in NEC Corporation (Thailand) Co., Ltd.

ii) Purchases of goods and services

| For the years ended 31 December | Consolidated financial statements | | Separate financial statements | |
|--------------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Purchases of goods: | | | | |
| Subsidiaries | - | - | 0.30 | - |
| Related company | | | | |
| CP Group of companies | 2,310.92 | 4,793.26 | - | - |
| | <u>2,310.92</u> | <u>4,793.26</u> | <u>0.30</u> | <u>-</u> |
| Purchases of services: | | | | |
| Subsidiaries | - | - | 977.25 | 1,004.37 |
| Joint ventures | 8.52 | 2.24 | - | - |
| Associates | 5,551.52 | 5,520.31 | - | - |
| Related companies | | | | |
| CP Group of companies | 6,367.63 | 6,058.81 | 583.17 | 443.18 |
| China Mobile Group of companies | 88.69 | 44.54 | - | - |
| NEC Corporation (Thailand) Co., Ltd. | 0.26 | 0.29 | - | - |
| | <u>12,016.62</u> | <u>11,626.19</u> | <u>1,560.42</u> | <u>1,447.55</u> |

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42. Related party transactions (Cont'd)

iii) Outstanding balances arising from sales and purchases of goods and services

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Receivables from related parties: (included in "Trade accounts receivable" (Note 17)) | | | | |
| Subsidiaries | - | - | 7,754.37 | 6,043.19 |
| Joint venture | 3.16 | 0.15 | - | - |
| Associates | 722.72 | 86.59 | - | - |
| Related companies | | | | |
| CP Group of companies | 9,918.49 | 7,629.14 | 160.42 | 133.71 |
| China Mobile Group of companies | 93.76 | 157.25 | - | - |
| | <u>10,738.13</u> | <u>7,873.13</u> | <u>7,914.79</u> | <u>6,176.90</u> |
| Payables to related parties: (included in "Trade and other payables") | | | | |
| Subsidiaries | - | - | 1,146.13 | 733.17 |
| Joint venture | 66.47 | 3.49 | - | - |
| Associates | 309.93 | 315.85 | - | - |
| Related companies | | | | |
| CP Group of companies | 4,964.58 | 3,419.11 | 227.91 | 74.31 |
| China Mobile Group of companies | 28.32 | 21.16 | - | - |
| | <u>5,369.30</u> | <u>3,759.61</u> | <u>1,374.04</u> | <u>807.48</u> |

iv) Loans to related parties

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|---------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Loans to related parties | | | | |
| Current | 197.00 | 147.00 | 9,573.44 | 3,000.00 |
| Total | <u>197.00</u> | <u>147.00</u> | <u>9,573.44</u> | <u>3,000.00</u> |

Movement of loans to related parties can be analysed as follows:

| | Consolidated financial statements Baht Million | Separate financial statements Baht Million |
|--|---|---|
| For the year ended 31 December 2017 | | |
| Opening net book value | 147.00 | 3,000.00 |
| Additions | | |
| - Principal | 50.00 | 28,952.62 |
| Payment received | | |
| - Principal | - | (22,379.18) |
| Closing net book value | <u>197.00</u> | <u>9,573.44</u> |

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42. Related party transactions (Cont'd)

iv) Loans to related parties (Cont'd)

The outstanding loan to related party in the consolidated financial statements as at 31 December 2017 are loan to CP Group of company for Baht 147.00 million and loan to TG for Baht 50.00 million (2016: Baht 147.00 million of loan to CP Group of company), 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 2017 were Baht 10.71 million and Baht 119.75 million, respectively (2016: Baht 10.91 million and Baht 416.01 million, respectively).

v) Loans from related parties

| As at 31 December | Separate financial statements | |
|--------------------------|--------------------------------------|------------------------------|
| | 2017 Baht Million | 2016 Baht Million |
| Current | 5.02 | - |
| Total | 5.02 | - |

Movement of loans from related party can be analysed as follows:

| | Separate financial statements Baht Million |
|--|---|
| For the year ended 31 December 2017 | |
| Opening net book value | - |
| Additions | 2,083.56 |
| Repayment | (2,078.54) |
| Closing net book value | 5.02 |

The interest expense in connection with these loans in the separate financial statements for the year ended 31 December 2017 was Baht 1.14 million (2016: Baht 6.29 million).

vi) Interest receivable arising from loans to related parties

| As at 31 December | Consolidated financial statements | | Separate financial statements | |
|---|--|------------------------------|--|------------------------------|
| | 2017 Baht Million | 2016 Baht Million | 2017 Baht Million | 2016 Baht Million |
| Interest receivable: (included in "Trade and other receivables") | | | | |
| Subsidiaries | - | - | 26.68 | - |
| Related companies | 49.34 | 42.43 | - | - |
| | 49.34 | 42.43 | 26.68 | - |

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42. Related party transactions (Cont'd)

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 278.26 million and Baht 220.50 million, respectively (2016: Baht 260.67 million and Baht 197.30 million, respectively).

The post retirement benefit for directors and senior executive is Baht 10.89 million (2016: Baht 9.72 million).

viii) Dividends received

During 2017, the Company received dividends from an associate Baht 1,583.81 million (2016: Baht 1,556.87 million). Dividends income were recognised as other income in the separate profit or loss and recognised directly to investment in associate in the consolidated financial statements. During the year, there was no dividend received from subsidiary (2016: Baht 400.63 million).

43 Event after reporting date

On 28 February 2018, the Company's Board of Directors approved the payment of dividends at Baht 0.031 per share, totaling Baht 1,034.41 million. The dividends will be distributed to shareholders listed in the register on 15 March 2018. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.



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