

Reach
Everywhere.
Understand
Every Heart.





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vision | mission | strategy

Vision:

*empower
societies*

We provide the power of digital communication, enabling everyone to improve their lives, build societies and secure a better future for all.

Mission:

*We Are Here
TO Help our
CUSTOMERS*

We exist to help our customers get the full benefit of being connected. Our success is measured by how passionately they promote us.

Strategy:



*INTERNET
FOR ALL*



*best in
digital services*



*Loved by
customers*

Data represents the next growth curve. We will increase and monetize data usage and selectively build new stand-alone services positions. We will innovate on our core services to differentiate and improve customer experience, and further refine retail and wholesale pricing to monetize the shift from voice to data.

When the Internet reaches people, what we need to have prepared for them is the content. We will engage people by providing them the best content under our network with partnerships that we have. We aim that we will become one of the top 10 content channels for consumer.

To continue to deliver higher growth than peers, it is increasingly important to win and retain existing mobile subscribers, and to strengthen the ties we have with customers - delivering what customers truly value.



financial highlights

	2013	2014	2015
Operating Results (in THB million)			
Revenue from telephone services	80,659	75,012	71,858
Total revenues from sales and services	94,617	90,493	87,753
EBITDA	30,047	30,900	27,941
Net Profit to Equity holders	10,569	10,729	5,893
Balance Sheet (in THB million)			
Total Asset	105,054	106,426	110,965
Total Liabilities	72,334	73,828	83,742
Total Shareholders' Equity	32,720	32,598	27,223
Ratio			
EBITDA margin	31.7%	34.1%	31.8%
Return on Equity	31%	33%	20%
Net Debt : EBITDA	0.9	0.9	1.4
Shares			
No. of Share (million)	2,368	2,368	2,368
Earnings per Share (THB)	4.46	4.53	2.49
Share Price (THB)*	97.00	96.50	30.25

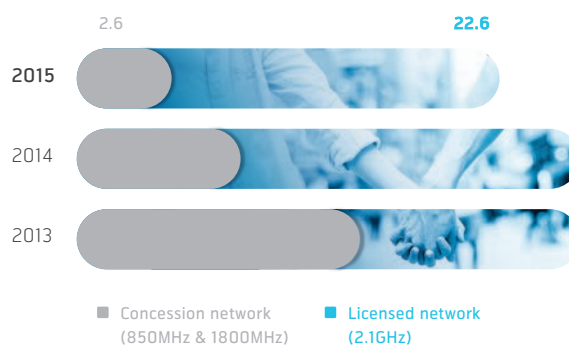
*As of the last trading day of each calendar year

Note: Reclassified in financial statement 2014 and change in EBITDA calculation



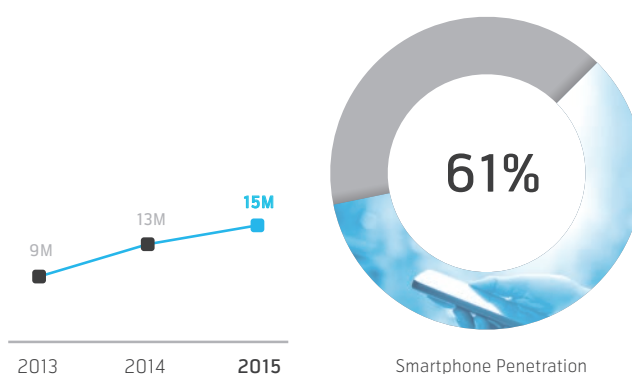
Number of
Subscribers

25M



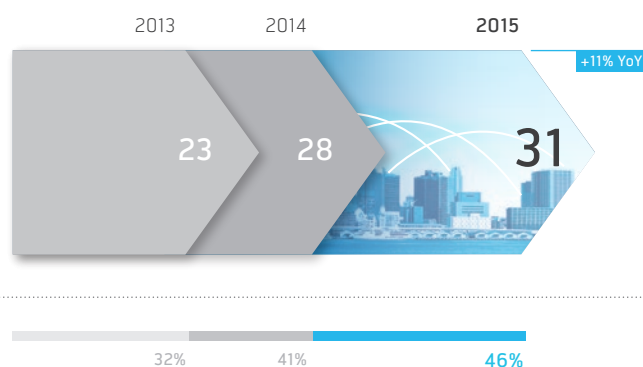
Smartphone
Users

15M



Data
Revenue

31 billion
THB

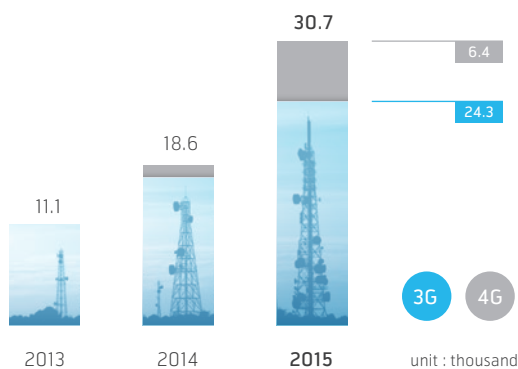


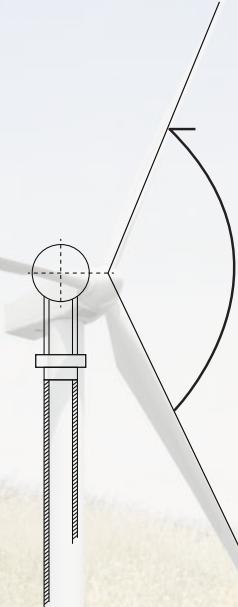
% to service revenue
excluding interconnection



3G & 4G
base stations


30.7k
base stations







120°

Wind energy is extracted from air flow

 Wind Power

 Electricity

using wind turbines or sails to produce mechanical or electrical energy.

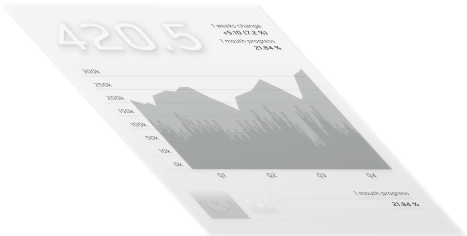
 Output :

Reach Everywhere.
Understand Every
Inspiration.

**We understand
every inspiration.**

Ultimate technology...
to grow imagination
endlessly.





Reach Everywhere.
Understand Every
Connectivity.

**We understand
every business need.**
Ultimate technology...
to stay ahead in business
with superior connectivity.





Reach Everywhere.
Understand Every
Feeling.

**We understand
every feeling.**

Ultimate technology...
to bring someone
from afar closer.





ONLINE
AUCTION



Weight
54 kg



End

Reach Everywhere. Understand Every Opportunity.

We understand
every trade opportunity.
Ultimate technology...
to empower any trade
opportunity everywhere.





corporate information

Corporate Information

Name	Total Access Communication Public Company Limited
Symbol	DTAC
Registered Number	0107538000037
Type of Business	Operates mobile business on 800 MHz, 1800 MHz, and 2.1 GHz frequency bands
Registered Capital	THB 4,744,161,260 (2,372,080,630 ordinary shares of THB 2 per share)
Paid-up Capital	THB 4,735,622,000 (2,367,811,000 ordinary shares of THB 2 per share)
Address	319 Chamchuri Square Building, 24 th – 41 st Floors, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330 Tel: (66 2) 202 8000 Fax: (66 2) 657 6083 Website: www.dtac.co.th

References

Share Registrar

Thailand Securities Depository Company Limited
93 Ratchadapisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10400
Tel: (66 2) 009 9000
Fax: (66 2) 009 9991
Call Center: (66 2) 009 9999
Website: <http://www.set.or.th/tsd>

Auditor

Ms. Pimjai Manitkajohnkit
Certified Public Accountant No. 4521
EY Office Limited
33 Floor, Lake Rajada Office Complex, 193/136-137 New Ratchadapisek Road,
Klongtoey Sub-district, Klongtoey District, Bangkok 10110
Tel: (66 2) 264 0777
Fax: (66 2) 264 0789-90
Website: www.ey.com

Debenture Registrar

Bangkok Bank Public Company Limited
333 Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500
Tel: (66 2) 230 1136
Fax: (66 2) 626 4545-6
Website: www.bangkokbank.com





message from the Chairman and CEO

Dear shareholders,

Year 2015 marked another significant milestone of the Thai telecommunications industry after the Office the National Broadcasting and Telecommunications Committee (NBTC) completed the auctions of 1800 MHz and 900 MHz spectrum in November and December respectively to support the growing demands of 3G and 4G services. This technology transition will benefit the industry as well as the country's overall economy. In addition to the revenues generated from the auctions, the required network investment and the anticipated growth of mobile application and content businesses will lead to additional jobs and added value to the country.

Despite not winning a new spectrum license, dtac affirms that there is no impact to its current operation and business strategy in maintaining its leading status as a 3G and 4G service provider since dtac still has plenty of bandwidth, up to 35-40% of total spectrum available commercially today and is currently providing 2G, 3G, and 4G services in those bands, enabling dtac to remain competitive in the 4G market in the foreseeable future. With a strong financial position, dtac is set to continue network investment with over 20 billion Baht budgeted for 2016.

dtac will continue its 4G rollout on the 1800 MHz band with 15 MHz bandwidth and the 2100 MHz band covering Bangkok Metropolitan Area and over 40 provinces across Thailand. dtac targets to add 2,200 1800 MHz 4G base stations within the first quarter of 2016 and expand 4G via its 2100 MHz spectrum to all provinces in the third quarter with a goal to provide the best mobile Internet experience at a speed up to 100 Mbps for the first time in Thailand.

In 2016, dtac will continue to drive the Internet for All strategy in order to develop and achieve a sustainable growth in the mobile Internet business and enhance the Thai telecommunications industry. dtac will also work with authorities to develop a clear spectrum roadmap, focusing on best utilizing the available spectrum and reallocation of 700-, 850-, 1800-, 2300-, and 2600 MHz frequencies with a transparent and concrete timeline, which would allow mobile operators to develop their long-term strategy, including investment and technology implementation plans, for the benefit of the country's development.

dtac is committed to become Thailand's leading mobile digital service provider who uses technology to support the Digital Economy Strategy, focusing on using ICT to improve two aspects: Wealth (including health and education) and Security of life and property.

From the corporate governance standpoint, dtac is committed to become a leading publicly listed company with good social responsibility and sustainability practices. dtac was awarded "Top 50 ASEAN Publicly Listed Companies" from the ASEAN Capital Markets Forum as a recognition of good corporate governance based on international standards. The achievement was a result of overall good corporate governance, social responsibility, loyalty towards partners, information disclosure and transparency, shareholder benefits, and the commitment of the Board of Directors and the Management.

For 2016, dtac focuses on the development of children and youth, whose importance is being recognized by the entire world. The United Nations Convention on the Rights of the Child (Children's Rights) states that every child has the right to be protected from birth and to receive development and education. For dtac, children and youth are the group that has the highest Internet penetration rate of 75% and the highest Internet consumption. As a leader in mobile Internet, dtac is responsible to cultivate and foster the proper and constructive use of the Internet as well as the rights, duties, and social obligations of digital citizens.

dtac has recently declared its commitment to Children's Rights and Business Principles by partnering with UNICEF Thailand and Thaipat Institute, together with 30 other leading Thai companies, in the Child-Friendly Business campaign, with a collective belief that the power of today's children and youth will be the driving force for businesses in the future.

dtac would like to ask all of our shareholders to remain confident in dtac's current operational readiness and competitiveness. As the industry continues to grow, dtac will keep growing, innovating, and introducing new products and services to our customers. Meanwhile, corporate social responsibility remains our priority and commitment to create positive impact to our society.

Mr. Boonchai Bencharongkul
Chairman of the Board of Directors

Mr. Lars-Aake Valdemar Norling
Chief Executive Officer



board of directors



Mr. Boonchai Bencharongkul

Chairman of the Board of Directors

Age: 61 years

Number of Shares Held*: 10 shares (0.00%)

Academic Background	Honorary Doctoral Degree in Economic Science, Ramkhamhaeng University, Thailand B.Sc. in Management, Northern Illinois University, USA
Training Program	Role of the Chairman Program (11/2005) by Thai Institute of Directors Association (IOD)
Positions in Listed Companies in SET	1990 - Present Chairman of the Board of Directors, Total Access Communication PLC
Position in Other Companies or Organisations	2012 - Present Director, BCH Holding Co., Ltd. 2001 - Present Chairman, Ruam Duay Chuay Kan Co-Operative Limited 1998 - Present Chairman, Ruam Duay Chuay Kan Sam Nuek Rak Ban Kerd Foundation 1990 - Present Chairman of the Board of Directors, Benchachinda Holding Co., Ltd. 1989 - Present Chairman of the Board of Directors, Private Property Co., Ltd.
Past Experience	2002 - 2015 Director, United Distribution Business Co., Ltd. 2001 - 2006 Chairman, Hornbill Research Foundation 2002 - 2005 Chief Executive Officer and President, United Communication Industry PLC 2001 - 2002 Chief Executive Officer, Total Access Communication PLC 2000 - 2001 Managing Director, Total Access Communication PLC 1984 - 1999 Chairman of the Executive Committees, United Communication Industry PLC
Royal Decorations	2015 The Knight Grand Cordon (Special Class) of the Most Noble Order of the Crown of Thailand 2003 The Grand Cross (Third Class, Higher Grade) of the Most Illustrious Order of Chula Chom Klao 1997 The Knight Grand Cross (First Class) of the Admirable Order of the Direkgunabhorn 1994 The Knight Grand Cross (First Class) of the Most Noble Order of the Crown of Thailand



Mr. Morten Karlsen Soerby

Vice Chairman of the Board of Directors

Age: 56 years

Number of Shares Held*: None (0.00%)

Academic Background	Master of Science in Business Adm., University of Karlstad, Sweden Program for Executive Development, IMD, Lausanne State licenced Public Accountant (CPA) Norway, Norwegian School of Economics and Business Administration (NHH)
Positions in Listed Companies in SET	2015 - Present Vice Chairman of the Board of Directors, Total Access Communication PLC
Position in Other Companies or Organisations	2015 - Present Executive Vice President and Acting Chief Financial Officer, Telenor Group 2015 - Present Board Member, Telenor Norway 2015 - Present Chairman, Telenor Broadcast 2015 - Present Board Member, Posten Norge 2013 - Present Chairman, DiGi.com Berhad
Past Experience	2014 Chief Executive Officer, Uninor, India 2011 - 2013 Executive Vice President and Head of Strategy and Regulatory Affairs, Telenor Group 2009 - 2011 Executive Vice President and Head of Corporate Development, Telenor Group

Remark: * Including shares held by spouse and minor children



Mr. Chulchit Bunyaketu

Independent Director,
Chairman of the Audit Committee,
Member of the Remuneration Committee,
Member of the Nomination Committee,
and Member of the Corporate Governance Committee
Age: 72 years
Number of Shares Held*: None (0.00%)

Academic Background	Master of Arts in Political Science, Kent State University, USA Bachelor of Law, Chulalongkorn University, Thailand
Training Program	Director Accreditation Program (DAP) (38/2005) by Thai Institute of Directors Association (IOD)
Positions in Listed Companies in SET	
2013 - Present	Member of the Corporate Governance Committee, Total Access Communication PLC
2006 - Present	Chairman of the Audit Committee, Member of the Remuneration Committee, and Member of the Nomination Committee, Total Access Communication PLC
2000 - Present	Independent Director, Total Access Communication PLC
Position in Other Companies or Organisations	
2012 - Present	Chairman of the Board of Directors, dtac TriNet Co., Ltd.
2004 - Present	Director, King Power Duty Free Co., Ltd. King Power Development Co., Ltd. King Power Marketing and Management Co., Ltd. King Power Hotel Management Co., Ltd. King Power Entertainment Co., Ltd. King Power Suvanaphumi Co., Ltd.
Past Experience	
1998 - 2003	Managing Director, Thai Oil Power Co., Ltd.
1998 - 2003	Managing Director, Thai Oil Co., Ltd.
1994 - 1998	Deputy Managing Director, Thai Oil Co., Ltd.



Mr. Stephen Woodruff Fordham

Independent Director,
Chairman of the Remuneration Committee,
Member of the Audit Committee,
and Chairman of the Nomination Committee
Age: 64 years
Number of Shares Held*: 10,000 shares and 6,000 NVDRs (0.00%)

Academic Background	MA Jurisprudence, Oxford University, UK
Training Program	Director Certification Program (DCP) (203/2015) by Thai Institute of Directors Association (IOD)
Positions in Listed Companies in SET	
2012 - Present	Chairman of the Nomination Committee, Total Access Communication PLC
2007 - Present	Independent Director, Chairman of the Remuneration Committee, and Member of the Audit Committee, Total Access Communication PLC
Position in Other Companies or Organisations	
2013 - Present	Director, Masterbulk Ship Management Pte Ltd
1995 - Present	Director, Masterbulk Private Limited

**Mrs. Kamonwan Wipulakorn**

Independent Director,
Member of the Audit Committee,
Member of the Remuneration Committee,
Member of the Nomination Committee,
and Member of the Corporate Governance Committee
Age: 53 years
Number of Shares Held*: None (0.00 %)

Academic Background	Master of Business Administration (Finance), Western Illinois University, USA Bachelor of Arts in International Relations, Faculty of Political Sciences, Chulalongkorn University Certificate Harvard Executive Program, Harvard Business School, Harvard University, USA
Training Program	Director Certification Program (DCP) (122/2009) by Thai Institute of Directors Association (IOD) Diploma Examination (Exam) (26/2009) by Thai Institute of Directors Association (IOD)
Positions in Listed Companies in SET	
2014 - Present	Independent Director, Member of the Audit Committee, Member of the Remuneration Committee, Member of the Nomination Committee, and Member of the Corporate Governance Committee, Total Access Communication PLC
2011 - Present	Director and President, The Erawan Group PLC
Past Experience	
2009 - 2010	Chief Financial Officer, The Erawan Group PLC

**Mrs. Chananyarak Phetcharat**

Independent Director,
and Chairman of the Corporate Governance Committee
Age: 52 years
Number of Shares Held*: None (0.00 %)

Academic Background	Master Degree in Management Information System, West Virginia University, USA Certificate, Special Management Program, Marshall University, USA Bachelor Degree in Business Management majoring in Accounting, Ramkhamhaeng University
Training Program	Director Certification Program (DCP) (49/2004) by Thai Institute of Directors Association (IOD)
Positions in Listed Companies in SET	
2013 - Present	Chairman of the Corporate Governance Committee, Total Access Communication PLC
2011 - Present	Independent Director, Total Access Communication PLC
Position in Other Companies or Organisations	
2014 - Present	Director, dtac TriNet Co., Ltd.
2008 - Present	Managing Director, DHL Express International (Thailand) Ltd.
Past Experience	
2004 - 2008	Country Manager, Mobile Devices Sector, Motorola (Thailand) Ltd.



Ms. Tanwadee Wongterarit

Director

Age: 54 years

Number of Shares Held*: None (0.00 %)

Academic Background Master of Science in Electrical Engineering, University of Miami, USA

Training Program Director Accreditation Program (DAP) (81/2009) by Thai Institute of Directors Association (IOD)
Director Certification Program (DCP) (180/2013) by Thai Institute of Directors Association (IOD)
Financial Statements for Directors (FSD) (20/2013) by Thai Institute of Directors Association (IOD)

Positions in Listed Companies in SET

2013 - Present Director, Total Access Communication PLC
2009 - Present Director, Internet Thailand PLC

Position in Other Companies or Organisations

2015 - Present Senior Executive Vice President 13 (Information Technology), CAT Telecom PLC

Past Experience

2013 Senior Executive Vice President 13 (Corporate Strategy), CAT Telecom PLC
2009 - 2012 Senior Executive Vice President 13 (Telephone Business), CAT Telecom PLC



Mr. Tore Johnsen

Director,

Member of the Remuneration Committee,

Member of the Nomination Committee,

and Member of the Corporate Governance Committee

Age: 68 years

Number of Shares Held*: None (0.00 %)

Academic Background Master of Science, Norwegian Institute of Technology, University of Trondheim, Norway

Training Program Director Certification Program (DCP) (175/2013) by Thai Institute of Directors Association (IOD)

Positions in Listed Companies in SET

2013 - Present Director, Member of the Remuneration Committee, Member of the Nomination Committee, and Member of the Corporate Governance Committee, Total Access Communication PLC

Position in Other Companies or Organisations

2013 - Present Director, Telenor Myanmar Ltd
2013 - Present Director, DiGi Telecommunications Sdn Bhd
2013 - Present Director and Member of the Audit Committee, DiGi.com Berhad
2013 - Present Chairman, Telenor Pakistan Ltd
2013 - Present Senior Vice President and Director, Telenor Asia (ROH) Ltd.
2011 - Present Director and Member of the Audit Committee, Grameenphone Ltd

Past Experience

2011 - 2014 Chairman, Grameenphone IT Ltd
2011 - 2013 Chief Executive Officer, Grameenphone Ltd
2008 - 2011 Director and Chief Executive Officer, Total Access Communication PLC

**Mr. Richard Olav Aa**

Director

Age: 49 years

Number of Shares Held*: None (0.00 %)

**Academic
Background**

Master of Science in Business and Economics from the Norwegian School of Economics and Business Administration in Bergen, specializing in strategies and finance

Positions in Listed Companies in SET

2013 – Present Director, Total Access Communication PLC

Position in Other Companies or Organisations

2010 – Present Executive Vice President and Chief Financial Officer, Telenor ASA

Past Experience

2007 – 2010 Investment Director, Arendals Fossekompagni ASA

**Mr. Haakon Bruaset Kjoel**

Director,

Member of the Remuneration Committee,
and Member of the Nomination Committee

Age: 44 years

Number of Shares Held*: None (0.00 %)

**Academic
Background**

Marketing and Communication, Norges Markeds
Høyskole (BI Norwegian Business School)

Positions in Listed Companies in SET

2014 – Present Director, Member of the Remuneration Committee and
Member of the Nomination Committee,
Total Access Communication PLC

Position in Other Companies or Organisations

2014 – Present Director, Telenor GO Pte Ltd
2012 – Present Director, Telenor South Asia Invest Pte Ltd
2012 – Present Director, Telenor South East Asia Invest Pte Ltd
2011 – Present Director, Grameenphone Ltd
2011 – Present Director, Telenor Asia Pte. Ltd
2008 – Present Senior Vice President, Corporate Affairs Asia,
Telenor Group

Past Experience

2010 – 2015 Director, Member of the Nomination Committee, and
Member of the Remuneration Committee,
DiGi.com Berhad
2010 – 2015 Director, DiGi Telecommunications Sdn Bhd
2013 – 2015 Director, Telenor Myanmar Ltd
2012 – 2015 Director, Telenor Pakistan Ltd
2011 – 2014 Director, Telenor Global Services Singapore Pte Ltd
2011 – 2013 Director, Total Access Communication PLC
2011 – 2012 Director, Telenor India Ltd
2007 – 2011 Director, Telenor Pakistan Ltd
2006 – 2012 Director, Telenor Corporate Development Sdn



Mr. Henrik Clausen

Director

Age: 52 years

Number of Shares Held*: None (0.00 %)

Academic Background Master of Business Administration, INSEAD, France

Positions in Listed Companies in SET

2014 – Present Director, Total Access Communication PLC

Position in Other Companies or Organisations

2015 – Present Advisor, Telenor Group

2014 – Present Director, 702Search (Thailand) B.V., Netherlands

2014 – Present Director, 701Search Pte. Ltd., Singapore

2014 – Present Director, 703Search (Indonesia) B.V., Netherlands

Past Experience

2014 – 2015 Executive Vice President and Head of Digital and Strategy, Telenor Group

2010 – 2014 Chief Executive Officer, DiGi Telecommunications

2005 – 2010 Chief Executive Officer, Telenor Denmark



Mr. Lars-Aake Valdemar Norling

Director

Age: 47 years

Number of Shares Held*: None (0.00 %)

Academic Background Master of Business Administration, Gothenburg School of Economics and Commercial Law
Master of Science in Systems Engineering, Case Western Reserve University, USA
Master of Science in Engineering Physics, Uppsala University

Positions in Listed Companies in SET

2015 – Present Director and Chief Executive Officer, Total Access Communication PLC.

Position in Other Companies or Organisations

2015 – Present Director and Chief Executive Officer, dtac TriNet Co., Ltd.

2015 – Present Executive Vice President, Telenor Group

2015 – Present Director, DiGi Telecommunications Sdn Bhd

2015 – Present Director, DiGi.Com Berhad

Past Experience

2014 – 2015 Chief Executive Officer, DiGi Telecommunications Sdn Bhd

2009 – 2014 Chief Executive Officer, Telenor Sverige AB

2007 – 2009 Chief Technology Officer, Telenor Sverige AB



executive management

01



02



03



04



05



06



07



08

01

Mr. Lars-Aake Valdemar Norling *

Chief Executive Officer

Number of Shares Held**: None (0.00%)

Master of Business Administration, Gothenburg School of Economics and Commercial Law

Master of Science in Systems Engineering, Case Western Reserve University, USA

Master of Science in Engineering Physics, Uppsala University

2015 - Present	Director and Chief Executive Officer, Total Access Communication PLC.
2015 - Present	Director and Chief Executive Officer, dtac TriNet Co., Ltd.
2015 - Present	Executive Vice President, Telenor Group
2015 - Present	Director, DiGi Telecommunications Sdn Bhd
2015 - Present	Director, DiGi.Com Berhad
2014 - 2015	Chief Executive Officer, DiGi Telecommunications Sdn Bhd
2009 - 2014	Chief Executive Officer, Telenor Sverige AB
2007 - 2009	Chief Technology Officer, Telenor Sverige AB

02

Mr. Sverre Pedersen *

Chief Financial Officer

Number of Shares Held**: None (0.00%)

M.Sc.E.E. Norwegian Institute of Technology (NTNU)

MBA Norwegian School of Management (BI)

2015 - Present	Chief Financial Officer, Total Access Communication PLC.
2015 - Present	Director, DTAC Broadband Co., Ltd.
2015 - Present	Director, PaySbuy Co., Ltd.
2015	Senior Vice President, Strategic Finance, Total Access Communication PLC.
2011 - 2015	Director M&A, Telenor Group
2007 - 2011	Vice President, Telenor Group

03

Mr. Sigvart Voss Eriksen *

Chief Marketing Officer

Number of Shares Held**: None (0.00%)

Master of Science, Norwegian University of Science and Technology, Trondheim Norway

2014 - Present	Director, dtac Digital Media Co., Ltd.
2013 - Present	Chief Marketing Officer, Total Access Communication PLC.
2010 - 2012	Chief Market Officer, Telenor Hungary
2009 - 2010	Senior Executive, Telenor (India launch project)
2008 - 2009	Chief Corporate Strategy Officer, Pannon
2006 - 2008	Chief Market Officer, Telenor Pakistan
2005 - 2006	Head of Human Resources and Strategy/Business Development, Telenor Pakistan
2004 - 2005	Vice president, CEO Office, Telenor Nordic Mobile
2003 - 2004	Advisor, CEO Office, Telenor Mobil
2001 - 2003	Project Manager, Telenor Mobile International
2001	Product development, Vimpelcom (Russia)

* Management under definition of SEC

** Including shares held by spouse and minor children

04

Mr. Allan Bonke *

Chief Sales Officer

Number of Shares Held**: None (0.00%)

HD-organisation (Master degree, diploma education in business economics from Copenhagen Business School- CBSI)

2015 - Present Chief Sales Officer, Total Access Communication PLC.
 2012 - 2015 Chief Marketing Officer, Grameenphone Ltd.
 2009 - 2012 Executive Vice President Uninor, India (Telenor expat)-Circle Head, CEO

05

Mr. Prathet Tankuranun *

Chief Technology Officer

Number of Shares Held**: 6,900 (0.00%)

Master of Electrical Engineering, Massachusetts Institute of Technology

Master of Business Administration (Executive Program),

Sasin Graduate Institute of Business Administration of Chulalongkorn University

2015 - Present Chief Technology Officer, Total Access Communication PLC.
 2015 - Present Director, dtac TriNet Co., Ltd.
 2013 - 2014 Chief Technology Officer, Telenor Myanmar Limited
 2011 - 2013 Senior Vice President, Network Operations Division, Total Access Communication PLC.
 2010 - 2011 Senior Vice President, Engineering Division, Total Access Communication PLC.
 2009 - 2010 Vice President, Network Design and System Infrastructure Department, Total Access Communication PLC.
 2005 - 2009 Vice President, Transmission Department, Total Access Communication PLC.
 2001 - 2005 Head of Engineering, Satellite Engineer, Pacific Century Matrix (Hong Kong)
 1996 - 2000 Satellite Engineer, L-Star Program, Asia Broadcasting and Communication Network/Telesat Canada

06

Mr. Andrew Tor Oddvar Kvaalseth *

Chief Strategy Officer

Number of Shares Held**: None (0.00%)

Master of Business Administration, University of Oxford

Bachelor of Business Administration, University of Wisconsin-Madison

2015 - Present Chief Strategy Officer, Total Access Communication PLC.
 2015 - Present Director, PaySbuy Co., Ltd.
 2014 - Present Director, dtac Accelerate Co., Ltd.
 2013 - 2015 Senior Vice President, Head of Strategy and Innovation, Total Access Communication PLC.
 2012 - 2013 Chief Strategy Officer, Telenor Digital
 2011 - 2012 Director, Telenor Group Strategy, Telenor ASA
 2008 - 2011 Management Consultant, Bain & Company

* Management under definition of SEC

** Including shares held by spouse and minor children

07

Miss Nardrerdee Arj-Harnwongse *

Chief People Officer

Number of Shares Held**: None (0.00%)

Master's degree in Human Resources Development, Webster University, Missouri, USA

Bachelor of Arts majoring in English, Chulalongkorn University

2015 - Present	Chief People Officer, Total Access Communication PLC.
2009 - 2015	Vice President, Human Resources Thailand, Myanmar, Cambodia & Laos, Unilever Thai Holdings Limited
2007 - 2009	Head of Human Resources, Sub-Region Asia North (Thailand, Bangladesh, Vietnam, Cambodia and Korea), Nokia Siemens Networks (Thailand) Ltd.
2004 - 2007	Human Resources Manager for Indochina (Thailand, Vietnam, Cambodia & Laos), Nokia (Thailand) Ltd.
1993 - 2004	Assistant Vice President, Human Resources, Retail Operations, Ek-Chai Distribution System Co. Ltd.

08

Mr. Rajiv Bawa *

Acting Chief Corporate Affairs Officer

Number of Shares Held**: None (0.00%)

Certificate in Management, Wharton School of Business, University of Pennsylvania, USA

Masters in Computer Science, University of Maryland, USA

Bachelor of Technology, Computer Engineering, Manipal Institute of Technology, India

2015 - Present	Acting Chief Corporate Affairs Officer, Total Access Communication PLC.
2012 - Present	Director, Telenor (India) Communications Private Limited (Erstwhile Telewings Communications Services Private Limited)
2011 - 2015	Chief Representative Officer, Telenor Group, India
2008 - 2011	Chief Corporate Affairs Officer, Unitech Wireless Pvt Ltd, India

Company Secretary

Mr. Raweepun Pitakchatiwong

Number of Shares Held**: 15,500 shares (0.00%)

Doctorat en Droit (droit public) - mention Très honorable avec félicitations du jury, Strasbourg III University

DEA droit des Communautés européennes, Strasbourg III University

Certificat des études européennes - mention Honorable, Strasbourg III University

Bachelor of Law, Chulalongkorn University

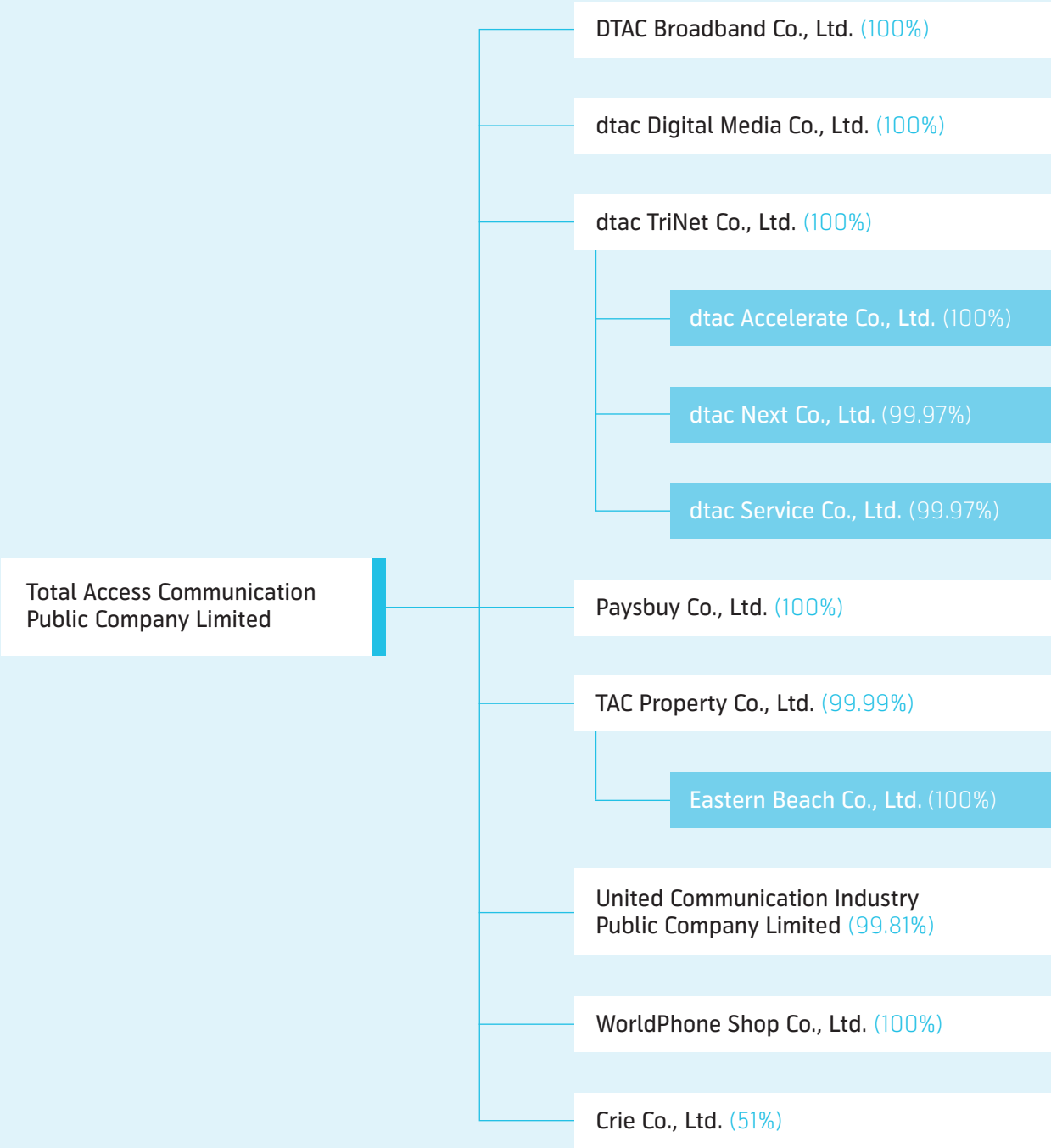
2013 - Present	Company Secretary and Senior Vice President, Legal Division, Total Access Communication PLC
2009	Vice President, Telecom Law, Legal Division, Total Access Communication PLC
2008	Vice President, Legal Division, Total Access Communication PLC
2007	Vice President, Regulatory Division, Total Access Communication PLC

* Management under definition of SEC

** Including shares held by spouse and minor children



group structure



dtac is one of the largest wireless communication service providers in Thailand. The Company was established in 1989 to provide wireless telecommunication services in 800 MHz and 1800 MHz frequency bands in Thailand under a 27-year Build-Transfer-Operate (BTO) concession granted by CAT Telecom Public Company Limited (formerly known as Communications Authority of Thailand).

In December 2012, dtac TriNet Co., Ltd. (formerly known as DTAC Network Co., Ltd.), a wholly-owned subsidiary of dtac, was granted the 15-year spectrum license for International Mobile Telecommunications (IMT) in the frequency band 2.1 GHz and type III license for providing wireless communication services from the NBTC.

At the end of 2015, dtac had 12 subsidiaries, and 2 associated companies, namely, United Distribution Business Co., Ltd. and Clearing House for Number Portability Co., Ltd. dtac has continued our focus on mobile business and to invest in the subsidiaries with the purpose to mainly support its core business and asset management. Furthermore, dtac is committed to invest in businesses that create long term value for our shareholders.

Details of Subsidiaries and Associated Companies as of 31 December 2015

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of each Company
DTAC Broadband Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105549034424	Providing telecommunications services (WiFi services) with Internet license type I	175	Ordinary shares	100	1,750,000
dtac Digital Media Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105549034467	Providing telecommunications services	100	Ordinary shares	100	1,000,000
dtac TriNet Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105549034548	Providing telecommunications services	1,160	Ordinary shares	100	11,600,000
dtac Accelerate Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105557065767	Investment and support start-up companies to develop applications	15	Ordinary shares	100 (through dtac TriNet Co., Ltd.)	150,000

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of each Company
dtac Next Co., Ltd	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105558145985	Asset administration and management	1	Ordinary shares	99.97 (through dtac TriNet Co., Ltd.)	10,000
dtac Service Co., Ltd	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105558146019	Asset administration and management	1	Ordinary shares	99.97 (through dtac TriNet Co., Ltd.)	10,000
PaySbuy Co., Ltd.	319 Chamchuri Square Building, 36 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2160 5463-5 Fax: +66 2160 5462 Registered number: 0125547001804	Providing online payment service, cash card, e-payment and payment services	200	Ordinary shares	100	2,000,000
TAC Property Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105539049038	Asset management	1	Ordinary shares	99.99	100,000
Eastern Beach Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105532038740	Asset management	80	Ordinary shares	100 (through TAC Property Co., Ltd.)	800,000
United Communication Industry Public Company Limited	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0107536000871	Sale of voucher cards and sale on right of E-Refill service	313.55	Ordinary shares	99.81	434,668,207
WorldPhone Shop Co., Ltd.	319 Chamchuri Square Building, 28 th Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Fax: +66 2202 8885 Registered number: 0105539069969	Under liquidation process	450	Ordinary shares	100	4,500,000

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of each Company
Crie Co., Ltd.	99 Software Park Building, 11 th Fl., Room 2101, Cheangwattana Rd., Klongklea, Pakkred, Nonthaburi 11120 Tel: +66 2962 1033 Fax: +66 2962 1097 Registered number: 0125551002658	Under liquidation process	0.20	Ordinary shares	51	2,039
United Distribution Business Co., Ltd.* (UD)	499 Moo 3, Benchachinda Building, Kamphaeng Phet 6 Rd. Ladyao, Chatuchak, Bangkok 10900 Tel: +66 2953 2222 Fax: +66 2953 1269 Registered number: 0105545040951	Sale of mobile phone, SIM card, voucher card and supplementary equipment	200	Ordinary shares	25	20,000,000
Clearing House for Number Portability Co., Ltd.	98 Sathorn Square Office Tower, Room 403, 4 th Fl., North Sathorn Rd., Silom, Bangrak, Bangkok 10500 Tel: +66 2108 1544 Fax: +66 2108 1544 Registered number: 0115553001471	Operating the Information System and the centralized database for the number portability service	2	Ordinary shares	20 (by dtac and through dtac TriNet Co., Ltd.)	20,000

Remark* The remaining 75% of total shares are held by Benchachinda Holding Co., Ltd. Although Benchachinda Holding Co., Ltd., who is a related party to the Company, holds 75% of total shares in UD may have a conflict of interest with the Company, the Company believes that the shareholding structure will deliver the greatest benefit to the Company as the Company's main business is not distribution which will create more burden in managing inventory and logistics system. Furthermore, the Company has preventive measure and strict policy governing related party transactions that may lead to conflict of interests to ensure that they are in compliance with SET's rules and regulations concerning related party transactions.

As of 27 April 2015, Benchachinda Holding Co., Ltd. has the following shareholders:

Mr. Boonchai	Bencharongkul	40.0%
Mr. Vichai	Bencharongkul	30.0%
Mrs. Wanna	Jirakitti	15.0%
Mr. Somchai	Bencharongkul	15.0%



business performance and outlook

Over the past year, dtac has emphasized on becoming the leading and most preferred mobile internet operator in Thailand that is “Loved by Customers”.

Operational Highlight

dtac places great value on our customers and aims to deliver great experiences to serve their needs. Improving our network quality and coverage is part of that commitment. In 2015, we offered a fast 4G in Bangkok Metropolitan Area and reached an all-time high of 94% 3G population coverage. We also complemented 3G and 4G rollout with the launch of a network campaign at a local and national level. Attractive handset bundling and subsidy campaigns had been introduced during the year, aiming to increase data users and smartphone users. As a result, dtac’s data users increased to 14.2 million and 4G users to 2.3 million at end of 2015.

“Internet for All” is another key strategic ambition for dtac, as having equal access to information and opportunities would significantly benefit all Thai people. dtac has rolled out several initiatives to support this, including attractive and easy-to-navigate digital content, affordable smartphone offers to increase smartphone penetration, and several data-centric tariff packages that are suitable for different customer needs and lifestyles. dtac’s tariff packages aim to serve increasing data consumption in the Thai market. In 2015, dtac introduced worry-free price plans with “Love and Roll Non-stop” for postpaid and “Max Net & Max Combo” for prepaid which offer maximum Internet speed throughout the customer’s selected data volume to deliver the best Internet experience. dtac has also continuously introduced smartphones at a variety of price points to serve different customer needs. All seven of our “dtac phone” models and “Happy phone”, a data enabled feature phone, were remarkably successful in 2015, with over 1 million units sold, representing 60% of total devices sold from dtac channels. We also introduced dtac 4G-enabled phone, “Eagle series”, to the market.

“Best in Digital services” is another strategic pillar that aims to provide distinctive value to our customers by utilizing partnerships with global content providers, such as Youtube, Facebook and Line, as well as continuously improving our digital channels and customer journeys across all platforms. In 2015, we also launched Capture app, a photo sharing and storage service which received over 500,000 downloads.

dtac began our transition into a cluster-based operating model in April 2015 with 5 Regional Business Heads taking charge of

4G

dtac had 14.2 million data users
and 2.3 million 4G users
at end of 2015.

regional business units. The objective of this model is to capitalize on increased granular business insights to serve customer needs better and faster. In this initial stage, we focused on strengthening our prepaid distribution through field execution, improving the capabilities of local teams and finding the right distribution partners. In 2015, our revenue market share was approximately 28%.



Financial Highlight

In 2015, dtac generated total revenues of THB 87,753 million and net profit of THB 5,893 million. Revenue from data service surpassed that from voice service for the first time in 2015 due to the change in mobile phone usage behavior. Despite the strong growth in demand for data service, data revenue growth did not offset the decline in voice revenue, resulting in the decline in total service revenue excluding IC of 3% from previous year, compared to our guidance of slightly below FY14 level. Meanwhile, revenue from handset and starter kits sale grew 1.8%YoY from higher smartphone adoption. Nonetheless handset margin turned negative due to the push to increase smartphone penetration and respond to intense competition.

In response to the intense market competition, dtac also increased spending on network with network expansion, as well as marketing, and general administrative expenses, and handset subsidy to stay competitive. As a result, EBITDA declined 9.6% from the previous year to 27,941 million with EBITDA margin of 31.8%, in line with our guidance of 31-33%. Moreover, depreciation and amortization expenses went up due to higher level of investment in the networks. The increases were partly offset by the decline in regulatory cost. Consequently, net profit declined 45% from the previous year.

dtac spent THB 20,221 million in CAPEX in 2015, in line with our guidance, to take a leading position in 4G service by rolling out 4G network on 20MHz bandwidth (15MHz bandwidth on 1800MHz and 5MHz bandwidth on 2100MHz) in Bangkok and Metropolitan Area and more than 40 cities throughout Thailand.

Marketing Highlight

In 2015, dtac focused on increasing 4G subscriber base and launched various marketing campaigns in both Bangkok and key upcountry provinces, i.e. the 4G festival to attract new 4G customers and build dtac 4G awareness among consumers. Engagement activities were actively conducted by sales troops to educate customers and ensure that they are ready for 4G by encouraging SIM replacement, upgrading to 4G devices, and porting to network of DTN, a subsidiary company operating 2.1GHz network under licensing regime. We worked with our partners to ensure our customers will have the best experience when using top services such as Pantip, Youtube, Facebook, Twitter, and Instagram. Additionally, a number of innovative products and services were launched in this year such as Myanmar social pack to target a specific customer segment, "Capture" cloud storage and "Jaidee Emergency Net" which allowed customers to borrow mobile Internet usage in case of emergency for a small fee.



Prepaid Segment

Social networks services are popular among Thai users. Thus, dtac responded to the trend by working with partners such as Facebook and Line to create new products. Under "Happy" brand, a prepaid service from dtac, we started the year by launching the "Social Hero" SIM which allowed customers to access 10 social applications for free for the entire year, with THB 100 refill condition from month 2 to month 12. Subsequently, we launched the new "Facebook Happy SIM" with free use of Facebook for 6 months, provided that customers had to refill THB 60 from month 4 to month 6.

Our services are designed to serve diverse customer needs. We continue to leverage add-on and bite-sized packages approach to address a variety of customer demand. Customers have the freedom to buy add-on packages on a daily basis or weekly basis. They can choose to buy service-based packages that allow them to use a specific application such as Line at a more affordable price.



We also explored business opportunities in specific segments, such as tourist or migrant. Tailored solutions are developed to serve their needs so we can reach out to those segments with clear and competitive value propositions. We also partnered with Trip Advisor for broader reach and significantly increased our visibility among various segments.

In 2015, the NBTC, required all operators to register prepaid SIM with customer names and addresses using national ID cards or passports. Failing to register within a required period, such prepaid

SIMs would not be able to use. To promote SIM registration, we conducted a number of activities such as mass communication and deployment of direct sales teams to encourage prepaid customers to register at various dtac touchpoints.

In the late 2015, we had a big campaign to stimulate prepaid usage and top-up called "Happy Dream Car" Campaign. Prepaid customers have the opportunity to win Mercedes-Benz from the lucky draw, 9 cars in 9 weeks. This campaign had a positive response from our customers.



Postpaid Segment

For postpaid, data service is the key driver. while attractive smartphones offer, content and application and quality data network, are also crucial factors.

We focused on driving up 4G users and usages via multiple communication activities in Bangkok and major cities, aiming to build dtac 4G awareness. Various smartphone brands and models are available for our customers. We have many device campaigns to help our customers buy new devices, to match with their lifestyle such as handset bundling with services, 0% interest installment program and device discount promotion.

We also introduced several innovations by offering "Love & Roll" price package portfolio with various combinations of generous voice, data, and bonus data offers and the ability to roll over unused data to the next month, a first of its kind in the market. In addition, Blue Member program was launched in Q3 to provide various services related to device, priority service, and care & lifestyle services for our customers who are qualified for the program based on the number of years with dtac and spending level. The new program is complement well with our existing "dtac reward" customer relationship program.



Devices

Device has become one of key purchasing factors for both postpaid and prepaid customers. It also drives mobile Internet usage once customer starts to use a smart device. Thus, dtac offers a variety of devices from various manufactures and distribute through our own extensive channels and our partners. We offer smartphones at a variety of price points and more than 90% of models we sold are 4G-enabled

handset. We believe that the combination of device and package offers play a critical role in attracting new customers and retaining existing subscribers, supported by our marketing campaigns based on handset-service bundling approach, such as 4G festival and "Think of Smartphone, Think of Happy"

Network Highlight

dtac has completed the expansion of its 4G and 3G networks, increasing the number of 3G/4G base stations from about 18,000 as of 2014 to over 30,000 in 2015, providing 3G coverage to more than 94% of the population.

dtac is the first provider in the country to launch 4G service on 1800MHz, starting with 2,200 base stations in Bangkok Metropolitan area, which has the highest data traffic. The deployment has further strengthened our 4G service, which was initially launched on 2.1 GHz spectrum and currently operates in more than 40 provinces. dtac also aims to add 2,200 4G base stations on 1800MHz in major provinces by early next year and expand 4G service on 2.1 GHz coverage in 77 provinces in 2016 to serve the growing demand of mobile internet usage across Thailand in the coming few years. Currently, dtac is utilizing 20 MHz of spectrum for its 4G services including 5 MHz from licensed spectrum and 15 MHz from concession spectrum.

In October 2015, dtac was the first operator in Thailand and the 16th globally to launch 4G Calling, also known as VoLTE (Voice over LTE) that offers HD-quality voice service and 10 times faster call setup time. It can also deliver HD video calls with the resolution of up to 720P/1080P, which offers much better image quality and detail than the current non-VoLTE network.

To improve customer experience, dtac has invested THB 500 million to set up a network analytic system, enabling the company to intelligently forecast mobile usage trends, automate network management and provide real-time information to ensure the best customer experience on the dtac network for every customer.

94%
population coverage of
3G network

People Development

One of dtac's key initiatives is to become "Best in Distribution" through Cluster Based Operating Model. We believe that our key strength is our strong salesforce who works closely with retailers and customers in every Tambol of every province in Thailand. To enhance their capabilities, dtac Academy emphasizes the development of Leadership and Sales skills for all our regional salesforce through classroom training and on-site coaching. Such development activities follow the core principle of 3E: Education, Exposure, and Experience.

In order to serve our customers in the digital society, we must digitalize the way we do things in our company. And learning must become digital learning. To build learning infrastructure, dtac Academy implemented a new Learning Management System (LMS) and enhanced the functionalities of Plearn mobile application for variety of learning channels including classroom, eLearning and mobile learning. With the upgraded infrastructure, we will be "Learning Anywhere, Anytime".

In 2015, dtac Academy invested 32.7 million Baht in training & development for more than 5,100 employees and 2,600 dtac business partners with average training hour per employee of 22.5 hours.

Competition and Business Outlook

The boom in the Thai mobile telecommunications industry in the past years, especially following the commercial 3G launch in 2013, has extensively changed customer behavior. Traditional voice usage has been declining, due to high mobile penetration and changes in customers' lifestyle towards more data and third-party voice applications usage.

Surging data consumption, growing internet and mobile internet penetration as well as smartphone penetration are key factors driving the industry. This was also stimulated by the availability of low priced, more affordable smartphones in the market and mobile operators' aggressive handset subsidies. Social networking and instant messaging applications have also played a key role in driving mass adoption of mobile internet.

Quality of data connection, content and digital services will become more critical in contributing to the success of mobile operators. The current smartphone penetration rate of around 60% in Thailand is expected to increase rapidly as mobile operators aggressively compete in smartphone offers, through device bundling and financing models, to increase data usage and acquire new subscribers.

In 2016, competition among operators in Thai market is expected to remain intense as they race to capture a leading 4G position after conclusion of spectrum auction in late 2015. We target to reverse the declining service revenue trend, and maintain revenue market share in the near term. Therefore, new marketing activities and network perception campaigns are expected to be launched in 2016. In addition, dtac plans to spend similar level of CAPEX as in 2015 to strengthen 4G network, to expand 3G coverage, and to densify 2.1GHz network.

dtac

**IS COMMITTED TO CHILDREN AND YOUTH
AND BE ROLE MODEL IN BUSINESS
SUSTAINABILITY**

**ALONG WITH THE 30 LEADING COMPANIES SELECTED TO
PARTICIPATE IN THIS PROJECT BY UNICEF THAILAND AND
THAIPAT INSTITUTE, WHICH AIMS TO PROMOTING
CHILDREN'S RIGHTS AND BUSINESS PRINCIPLES.**



**Mr. Lars-Aake Valdemar Norling,
Chief Executive Officer of Total Access Communication PLC. or dtac**

***1515 SMS FOR FAMILY**

is a service that has been developed under the collaboration of dtac, UNICEF Thailand, and Department of Health, Ministry of Public Health to increase knowledge of parents on child care and development. The *1515 SMS service provides free SMS messages with essential mother and child care information to pregnant women and parents of newborns up to the age of 2. There are currently more than 120,000 subscribers to this service.

MATERNITY LEAVE TO 6 MONTHS

dtac is the first company in Thailand to extend maternity leave to 6 months, giving female employees more time for child birth preparation and recovery. A global study shows that newborn babies develop better with positive parental care from their mothers during the first 6 months. The company offers 6-month paid maternity leave, effective January 1, 2016.

SAFE INTERNET PROJECT

aims to promote safe and constructive use of the Internet and to address the concern that 80% of Thai children and young people who use the internet have faced online threats and cyberbullying. (source: www.nobullying.com) dtac is the first mobile and Internet operator in Thailand that takes on the matter seriously and continuously by providing knowledge and raising awareness among children of online threats. The project targets and encourages children, young people, parents and teachers to find constructive ways of using the Internet to develop and improve the society.



corporate social responsibility

dtac aims to apply our business collaboration to the sustainable development of society.

In 2015, Thailand faced big challenges regarding economic, social, and environmental issues, as there have been big changes in the economy. And meanwhile, the social and environmental problems have been increasing and are more complex than ever.

Hence, it is undeniable that dtac intends to play an important part in the prevention of those problems and will also continue to work to our utmost to be a sustainable and ethical business. We have worked in creating clear strategies to operate with social responsibility, with guidelines for all departments. Our strategies for sustainability then are divided into the following:

- **Sustainability Management:** We aim to be a “good governance organization” and always take great care in working with each group of stakeholders treating each group equally but with clear guidelines. In addition, we have defined policies and procedures for our employees to use as a guideline in working, such as the anti-corruption policy, procurement, and supply chain management.
- **Human Rights:** We are committed to respecting and protecting the human rights of all.
- **Human Resource Development:** We aim to develop our employees in order to strengthen their knowledge, management, and development as effectively as possible and to the highest standards.
- **Creating Shared Value for Thai Society and for Our Organization:** We aim to generate shared value between our business and for society in a sustainable way.

Our strategies for sustainability, which of course include social responsibility, are implemented by all departments and included the following:

1. A responsible business with Morals

Although profit is an important target, being a responsible business with morals that focuses on creating shared values with society is an equally important target for dtac. Thus, we always emphasize “Building a dtac family with Morals”. We integrate ethics, morals, and doing good in the way we work and operate, and from our experience with business competition, we have learned how to best serve our customers and to treat our employees as members of the family. To begin, dtac has a “dtac Code of Conduct” that provides clear governance and ethical principles for our employees and for the way we operate. Moreover, we have “Policies and Procedures” that set the standard for how we internally operate in a responsible, fair, and just way with our staff and for the company. The way we

operate within our company and the way we treat our clients and external partners are the same we strive to always be responsible and just in all of our dealings, and to treat all as a “a dtac family”.

Strengthening organizational culture through the dtac Code of Conduct

dtac’s Code of Conduct comprises the ethical principles for operating the business that at the same time strengthen the organization and support the organizational culture in a moral fashion. The key messages of this attitude are the following:

- I always act with integrity: We are honest in working with each group of stakeholders, customers, and colleagues.
- I understand our Code: We understand the dtac Code of Conduct, which embodies the core values for all employees.
- I share my dilemmas: We share and dialogue in accordance with virtue analysis or avoid doing something.
- I speak up: When we find an unusual situation, we report it to the responsible people.

From dtac Code of Conduct in Moving towards Policy

Our employees have knowledge of and have accepted the dtac Code of Conduct. In 2015, we purposed to create greater value and to implement the dtac Code of Conduct in working ground. In this way, our policy became defined and harmonized with the dtac code of conduct as follows:

- Conflict of interest policy: Employees shall not engage in outside employment or have any disclosures that may overlap their own benefit and the office.
- Anti-corruption policy and no gift manual: An honor, decoration, favor, gift or remuneration in connection with official duties may give rise to a real or potential conflict of interest, as it may be seen to create an obligation. As a policy, employees cannot accept all.
- Sponsorship and donation manual: This manual is composed of the criteria, considerations, and conditions that constitute a regular framework for our employees to use as a guideline for sponsorships and donations. Decisions on issues that are not included in the manual are made through committee.

Policy Moving forward to Implementation

Guidance in the communication of “dtac policy” by ensuring that our employees have knowledge and understanding of the policy is as follows:

- Provide training specifically for employees that are directly connected to the policy.

- Ensure that employees will accept and have in-depth understanding of policy through annual process improvement and also provide electronic platforms for employees.
- Animations are used to communicate and explain policy implementation that are easy to understand and friendly for employees.
- Build/create understanding and use internal communications through e-mail, the intranet, posters, brochures, screensavers, etc.

Supply Chain Sustainability: Take great care of it

In addition to taking great care of our employees, we also seek opportunities to collaborate with our suppliers, as they are important stakeholders in terms of maintaining our standards. We ask all of our suppliers to sign and act according to our “Agreement on Responsible Business Conduct”, which was created to ensure that our suppliers also have policies and procedures related to health, safety, security, and a proper work environment. Within dtac, we have a “Health Safety Security and Environment” (HSSE) department that works with our suppliers to be implemented in 6 areas related to the following: Thai laws, human rights, labor laws, health/safety/security, the environment and prohibited business practices. In 2015, 1,434 suppliers signed our “Agreement on Responsible Business Conduct” and we inspected 369 of those suppliers (140 of them were informed in advance and 229 were not) to make sure that their policies, procedures, and actions complied with the agreement. If the suppliers and service were not aligned with the agreement, HSSE informed them how to improve their service and supply procedures.

Moreover, dtac also has invited our suppliers and partners to access and utilize a self-learning tool for health and safety, called the “HSSE Virtual Learning Program”, at our HQ office. In 2015, 257 suppliers participated in this self-learning program and in 2016, dtac will continue to invite more suppliers to access this tool or work with us to improve and develop their maintenance system as efficiently as possible.

2. Anti-Corruption

Strict Adherence to Combat All Forms of Corruption

dtac strongly confirms that, as a company, we are against every type of corruption and recognize that combating it is a crucial principle of corporate ethics. In addition, we acknowledge that corruption has been a problematic part of Thai society, causing great instability and communicating wrong values to children. However, it is not easy to create a society free from corruption and

thus, dtac has decided to begin with our company. We believe that combating all forms of corruption will be a benefit our company's sustainability and we are trying to lead by being an example. It is hoped that through our actions, the positive efforts will have a ripple effect on Thai society through our partners and customers.

In order to effectively combat corruption, dtac has implemented preventive measures and guidance as, follows:

- We have integrated an anti-corruption clause into our "dtac Code of Conduct", which was created by the Board of Directors. It focuses on good governance, transparency, and clear policies and procedures for employees, conveying the idea that all forms of corruption are unacceptable.
- All employees must read and understand our "dtac Code of Conduct", and if there is suspicion of corruption, especially related to managers, the staff should contact the Compliance Manager or Unit or through alternative channels, as outlined in the policies and procedures. It is also stipulated that staff should not worry about repercussions for taking action their suspicions are reported, as dtac will not take action against any staff member that reports with "good faith" and is not involved in any illegal activities.
- dtac will investigate all reported suspicions, especially those that refer to illegal activity or go against our "dtac Code of Conduct", and will take appropriate action according to each investigation or situation.
- Since all employees are like our family, dtac asks for the cooperation of all staff members in acting according to our "dtac Code of Conduct" and its policies and procedures. In order to prevent misunderstanding and to foster clearer understanding of those principles, dtac regularly organizes educational and training workshops on our "dtac Code of Conduct" and good governance and anti-corruption principles each year through email, video clips, wire broadcasting in office, posters, brochures, discussion forums, and e-learning. For all new, incoming staff, there is similar training each month that especially focuses on our "dtac Code of Conduct" and anti-corruption policies.
- The content of our anti-corruption policy specifies how to behave and gives clear examples of what types of actions are prohibited and are considered as forms of corruption. For example, the policies set clear guidelines on: accepting or giving out cash, accepting or giving gifts, or attending parties and events in exchange for service of goods that directly relates to the benefit of a person or a third party. Internally, in the relevant department, dtac conducts an annual analysis of possible risk resulting from stakeholders' actions.
- In addition, our business partners must also sign a business ethic's agreement that verifies that our partner will abide by the law and allow dtac to make visits for inspection, and that they

are abiding by the agreement and the law. For example, the visits or inspections are to ensure that our partners comply with labor laws on safety, follow environmental legislation in terms of the disposal of waste properly, uphold human rights by not employing underage children, and are not involved in any form of corruption.

- dtac is also a part of Thailand's Collective Action Coalition, which is a national initiative supported by the government and the Commission Against Corruption, for private companies to reinforce the national policies against corruption in Thai society.

We conduct regular monitoring and evaluation of our actions related to good governance and anti-corruption. If we do find a case where our measures are lax or ineffective, we will do our best to improve or resolve them, and work in good faith towards combating corruption for the sustainability of both dtac and society.

3. Respecting Human Rights

One goal of dtac is the promotion of "Human Rights Standards" for our staff, our customers, and our partners. We also operate our business with full commitment to human rights. dtac's human rights policies are in line with the examples of the United Nations human rights standards listed below. In addition, dtac fully supports and plays an important role in promoting awareness of human rights. They are as follows:

- Regarding the right to communication and information, we prioritize giving customers full access to information equally.
- In our Privacy Protection Statement, we maintain strict action to protect the customer's privacy and personal information, to preserve the confidentiality of all information that customers provide to us, and to take no action without the approval of the customers. Criminal cases and disaster response are excluded from this provision.
- Children's rights and labor rights are protected.

dtac implements and conducts "Risk and Impact Evaluation for related activities" on an on-going basis.

4. Good Labor Practice

Rights of Employees

Our employees are the main mechanism and key to the success of the organization. Thus, we take good care and protect their rights as follows:

- Welfare and benefits are in compliance with Thai Law, and additional benefits are offered to make employees feel happy that they are members of the dtac family.

- As dtac views itself as a family, we strongly support the family within the company by encouraging family bonding and the provision of facilities, equipment, and activities such as a recreation room, a library, a children's playground room, a breastfeeding room, and activities for school holidays.
- dtac provides staff benefits related to child, wedding, ordination, funeral or disaster benefits that are standardized and that are appropriate and exhibit no discrimination.
- dtac has a special department focusing on health, safety, security, and the work environment (HSSE) for efficiency in work and happy employees.
- All employees are welcome to provide feedback, suggestions, and comments through the dtac Employee Engagement Survey, so that we can continuously improve our activities and do the best for our employees.
- dtac has a significant number of women employees, and we strongly support them in taking good care of their children and family. We have a 180-day maternity leave with pay, which is now applicable to the women employees of dtac.
- dtac has had a clear policy on the hiring of disabled people since 1999. There are 23 disabled people in various units, including 15 blind people working with us this September. We aim to increase the number of employed disabled people in the future.
- We encourage the good health of employees by providing a location and health promotion activity on one entire floor of the headquarters building, with table tennis, a race track, and a futsal ground. Moreover, yoga and aerobic classes are available with experts every evening. Other offices and temporary employees can set up and organize clubs under by our policy, and annual grants are also provided, mostly sport and healthcare clubs.

Human Resource Development

Throughout the year dtac prepares employees in "service provided for the digital society". Our learning processes now incorporate greater use of digital information and tools. dtac Academy has set up new Learning Management System (LMS) that is based on learning in many channels, for example in the classroom, through eLearning, and mobile learning. "Learning Anywhere, Anytime", which is a

new system, creates and promotes a culture of learning in the organization.

In 2015, dtac Academy invested 5.2 million baht in system development and digital media. In addition, dtac has invested 32.7 million baht in human resource development for more than 5,100 employees and 2,600 dtac business partners with an average training of 22.5 hours per year per person.

Health, Safety, Security and Environment at dtac

dtac has the HSSE (Health, Safety, Security, and Environment) department that is responsible for working towards ensuring the health, safety, security, and work environment within dtac's offices. The HSSE department also promotes and monitors occupation health and safety, workplace inspection, fire safety inspection, risk evaluation and assessment, workplace health and safety training, and monitoring and improving workplace operations. Using international standards and measurements as a guideline to prevent accidents and illness at work, and also providing an emergency response plan, in 2015, our "Loss-time Injury Frequency Rate" was 0 when compared to 1,000,000 hours of work.

In addition, dtac continuously strengthens the health of employees throughout the year, for example having experts provide information on physician care, vaccination services, annual check-ups, and monitoring and disease surveillance. We are prepared for all cases of potential danger to employees, and we employ the most appropriate protection and control measures to ensure that our employees are safe against all potential dangers, for example, protection against the Middle East respiratory syndrome (MERs).

Moreover, we have a committee that focuses specifically on the health, safety, security, and environment of our employees, and there is an employee representative for the relevant departments that work together to monitor, resolve, and improve our current performance regarding health and safety. There are monthly meetings as well, and promoting activities such as Smart Work Good Health, the 5S activity, etc. within all branches of the company nationwide.

6 months

**dtac is the first
company in Thailand
that introduced
6 months paid
maternity leave policy**

5. dtac's Consumer Responsibility

dtac Net Arsa - Internet Volunteers

dtac has continuously implemented an "Internet for All" policy that provides the elderly and everyone in Thailand in all areas of the Country with access to mobile Internet. We are always thinking of the various groups that do not have the opportunity or ability to use smartphones and the Internet. The elderly, farmers, enterprises, and local people are particularly targeted to ensure that they know how to use this new technology. Thus, we have set up the "dtac (inter)net volunteers", which will provide education and training in how to use the Internet on smartphones. In 2015, 75 dtac (inter)net volunteers provided training for 150,000 people nationwide.

Safe EMF, Safe Community

It is well known that dtac has long been a business entity in the Thai telecom industry and we consistently aim towards being a leader of mobile Internet providers in Thailand, always ready to respond to our customers' needs and providing excellent service. Our "Super Network" is one of our strategies and we continually expand EMFs (electromagnetic fields) to that end. We also acknowledge that some people have concerns about the health risks related to EMFs. In this situation, a common understanding has been created among all stakeholders regarding this issue in their community and the customers' as safety and happiness. As a result, an "EMF working team" has been set up and has taken a lead in all processes. "They also provide electromagnetic radiation training for all staff, outsource staff, and sub-contract staff members to ensure that the entire staff acknowledges, understands, and is able to communicate with the community and customers that "EMFs are safe and that there are no adverse health effects from them." In addition, there are education materials provided in an infographic format that are easy to understand and reader-friendly so that the community can understand this issue.

Throughout 2015, dtac invited our sub-contracted individuals to participate in training in the policy and procedures prescribed by law and NBTC. Seventy-two sub-contractors participated in this training and were inspected in order to make sure their work met the required service standards.

Moreover, across all of our EMF operations we adhere strictly to the NBTC and national guidelines on safety in relation to exposure to EMFs. We are fully committed to the safety of the community and that there will be no adverse health effects for any individual.

6. dtac's Social Responsibility Projects

dtac's principles for social responsibility projects are:

- **Enable:** Continuous activities that involve communication technology that help improve the lives of people or various groups that do not have the opportunity or the ability to use it.
- **Safe:** Promoting safety in all aspects, in telecommunication services or in the way in which technology is used in the lives of all, whether they are our customers, employees, or the community or society.
- **Climate and Environment:** Always operating our business with care and attention to our impact on the environment.

These strategies are then implemented through our corporate social responsibility activities and policies in order to generate awareness and engagement, for development that is in harmony with our vision and strategies and also for Thailand's development context. They also align with HRH King Bhumibol Adulyadej's teaching on sufficiency economy and sustainable development.

In addition, dtac fully supports children and youth development activities. With confidence, dtac believes that their future is the future of our country and thus, various activities are provided by dtac in this regard throughout the year.

Enable: Using technology for the sustainable development of Thailand

Smart Farmer: Toward Being Smart Farmers

Farmers are the pillar of Thai society, and dtac aims to host social activities that strengthen the sustainable development of Thai farmers. We employ

**150,000
farmers**

dtac Net Arsa has provided basic internet knowledge to more than 150,000 farmers and senior citizens nationwide

the sufficiency economic theory and communication technology as a platform for the exchange of knowledge and information among Thai farmers, so that they can become “Smart Farmers”, role models for all farmers. This project has also come from dtac’s “Internet for All” strategy, which aims to bring the benefits of technology to farmers and to support Thai farmers by decreasing their debt, increasing their profit, and creating better living conditions for them. In 2015, dtac engaged in activities under the theme “Smart Farmer” as follows:

FARMER INFO Application

This application incorporates communication technology and knowledge on agriculture in order to create a useful application for farmers. Thai farmers can gain and share knowledge through the application, e.g. produce prices, weather conditions, prevention and control of epidemics, tools and techniques for the improvement of the quality and quantity of products, and marketing. The application also adds more opportunities and markets for farmers through e-Commerce.



“Internet Changes Lives” Activity

dtac provides capacity-building and technology training for Thai farmers, which helps them to use “smartphone and online applications”, aimed at empowering farmers through access to essential agricultural information on their mobile phone. In addition, it also focuses on the farmer’s ability to develop and link their online marketing with their customers. In 2015, the training provided 40 groups nationwide and 1,500 farmers participated.



Sam Nuek Rak Ban Kerd Smart Farmer Award

The Farmer Award was established in 2008, which has been created to support Thai farmers with sufficiency economy experts and by creating safe produce for consumers. In 2015, we continued and developed the “Sam Nuek Rak Ban Kerd Smart Farmer Award”, which aimed to search for a new generation of Thai farmers to be role models that demonstrated creativity and innovation regarding agriculture and technology. In addition, one more award, the “Holiday Farmer Award”, invited the new generation to spend their holiday as farmers and develop their projects in order to earn extra income and also to inspire others. This year, there were 300 Thai farmer applications.



FAMILY BONDING Service *1515

dtac, Telenor Group and UNICEF, in collaboration with the Department of Health, the Ministry of Public Health, launched the *1515 SMS Service, where the aim was to convey childcare and child development information to parents. The SMS messages, developed by doctors and health experts, included information on health, nutrition, and child development for children aged 0-2 years, as well as useful tips for pregnant women. This SMS has been provided daily free of charge for 3 years, and now the number of service subscribers is over 130,000.



In addition, dtac collaborates with hospital and public health services to support and promote maternal and child healthcare activities such as trainings and public relations, which provide useful advice and information.



dtac & the Telenor Youth Forum

dtac and the Telenor Youth Forum is a global platform to engage and empower young opinion shapers with passion, ideas, and voices to transform the world they live in and our digital future.

The “dtac & Telenor Youth Forum 2015”, dtac, Telenor Group, and UNICEF Thailand invited Thai millennials aged between 18 and 28 to be digital citizens. They demonstrate creativity and innovation, and a deep interest in technology so that they could make effective and creative use of the Internet. They also demonstrated a passionate interest in social development. The recruitment process announced the 1st round of candidates, who had to attend a workshop that provided knowledge and shared inspiration with various Thai and international experts. Two finalists were selected to be Thai representatives, and this presented a priceless opportunity to meet driven and talented young people on the global stage and to inspire others. Importantly, they attended the Telenor Youth Forum and visited Oslo during the honorable Nobel Peace Prize events.

The 2015 Forum Theme was “Knowledge for All” and was officially supported by UNICEF Thailand, together with which dtac provides youth with knowledge so that the society could have unlimited and equally accessible education. Technological innovations, especially the Internet, became the sources of “Knowledge for All”. Learning can be available for anyone, anywhere, and anytime.

The theme corresponds with dtac’s and Telenor Group’s principle, which aims to see Thai society and global society connected and that everyone can have access to the Internet.



Safe: Promoting safety for everyone that we love

m-Rescue by dtac: Safe Society Application

dtac needs to be a part of strengthening the “security” of and promoting the “safety” of society. We have partnered with “Ruam Duay Chuay Kan” radio station, which helps the people in Bangkok and the surrounding area during emergencies, to create the application “m-Rescue by dtac.” This application has been released through various channels for dtac customers and also provides real time news on traffic, road conditions, emergency or accident announcements, and provides emergency “SOS” and hotline reporting. All of dtac’s customers with a smart phone can download the application and use it to access phone number 1677 by just pressing a single button. This will allow for the direct coordination with local authorities and emergency services for assistance 24 hours a day, at any location. There are over 6,000 professional volunteers for rescue and emergency service to stand by and help immediately.

In addition, this application provides necessary information such as police station numbers, hospital contact details, and risk of crime and accidents. Currently, the “m-Rescue” application has been downloaded 160,000 times for a total of reporting problems and asking for help of 54,523 cases: 16,338 traffic cases, 2,501 criminal cases, and 28,170 other cases such as fire cases, missing person cases, and reptile catching cases.



Safe Internet

dtac has created the “Safe Internet” initiative in order to build the capacity of children and youth in Thailand in terms of using the Internet in a safe way and also to prepare them well to be smart and good “digital citizens” by 2018. The amount of access to the Internet through smartphones is increasing, and so dtac has focused on providing training and educational awareness sessions for youth. For this project, dtac collaborated with the International Criminal Police Organization, or INTERPOL, and partners that are safety Internet experts in Norway and Malaysia.

In 2015, Thailand indicated that there was a continuously-increasing number of Internet users, with the highest Internet use among young people aged 15–24 years at 69.7%, and those aged 6–14 years at 58.2%. Both children and young people access the Internet, and they will experience high risks and danger if they are not aware of or are well prepared for these risks.

dtac provides various Safe Internet activities to ensure that children are able to benefit from the wealth of information on the Internet and to be able to engage

with and share the information that the Internet can deliver. It is essential to strive to enable safer navigation of the online environment, and to also build up the capacity of children and to prepare them to be good digital citizens in the future. The activities focus on children aged 9–11 years as the target group, and the details follow.

Regarding dtac school visits, this is a pilot activity, aiming to educate children on how to protect themselves against online threats and cybercrime by equipping them with the right tools as “Edutainment” to enjoy a secure Internet. In addition, dtac has hosted essay competitions for primary school students, grades 4–6, based on the theme of “how to use the Internet in a creative and safe way.” The winner will receive a scholarship award of over 1,000,000 Baht. dtac has also provided schools with instructional media, d-Hero animation, to support the schools in promoting such campaigns.



Moreover, we also have conducted the dtac Digikidz Summer Camp, which aims at the children of employees and customers that are based in Bangkok.

100,000
children

dtac has provided training courses about how to safely use the internet to more than 100,000 children countrywide

Over 13,000 students participated in the Safe Internet activity and project. Meanwhile, dtac also has supported the Cyber Avenger's Camp, organized by the Faculty of Medicine at Siriraj Hospital and Mahidol University. The purpose here is to treat children and youth for game addiction, and also provide capacity building in the use of the Internet in a creative and safe way.

The Safe Internet is a long-term project; we have worked with all partners so that they can be aware and prepare our youth well to engage in responsible and efficient use of the Internet.

Climate and Environment: Care for minimizing environmental impacts

dtac E-Invoice Project

The natural environment is an essential part of our lives, surrounding us, and it allows us to sustain life on this planet. dtac cares deeply about minimizing environmental impacts of all kinds, and makes all reasonable efforts to reduce the use of resources, such as energy, water, and raw materials.

With the "dtac E-invoice" project, particular focus is placed on encouraging customers to change their lifestyle in a way that is more environmentally friendly. We have offered and asked for their support in subscribing to E-invoice via email, aiming to reduce energy and paper and also to protect the environment. There are 675,000 subscribers and we have been able to restore around 5 rai of trees in Bang Kra Jao, which is an oasis of Bangkok. This restoration will have a maintenance system for 3 years for sustaining the project and for the benefit of the community.

CO₂
12,385 tons

dtac has collected and properly disposed 1.1 million pieces of E-waste which helped reduce CO₂ emission by 12,385 tons



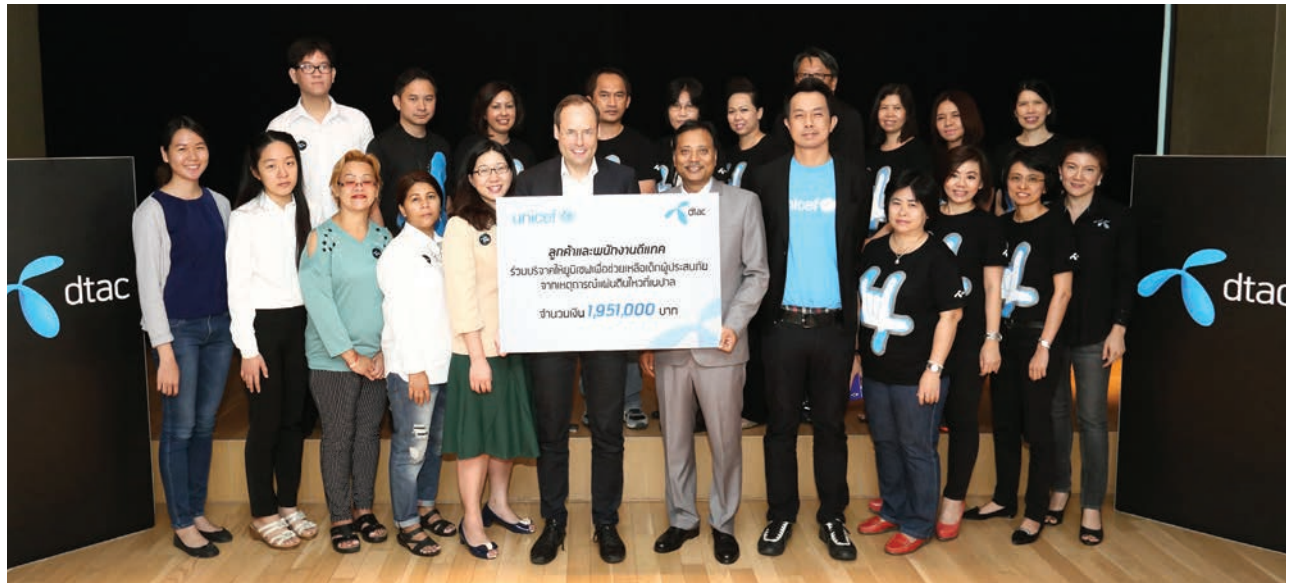
Mobile Battery for Life Project

dtac sees significant opportunities in helping people to reduce electronic waste, especially batteries for mobile phones. In order to address this problem, we began the "Mobile Battery for Life" project 13 years ago and it continues today. Also, dtac's collaboration with local partners, such as customer service shops, Tesco Lotus, Big C stores, has expanded to 385 disposal/recycling drop boxes nationwide. Our ambition for electronic waste is to implement complete recycling programs in all business units and to annually collect customer mobile phones and batteries for reuse or recycling using appropriate processes and standardization.

dtac has partnered up with TES-AMM Singapore Pte. Ltd., which provides electronic waste management and services in order to properly dispose of and recycle e-waste and various electronic devices. TES-AMM is the first company to be certified in meeting international environmental disposal and waste recycling standards.

In 2015, dtac collaborated with TES-AMM, and collected mobile phones and batteries for reuse or recycling using appropriate processes. The total amount of e-waste was 1,100,000 pieces, which contributed to reducing 12,385 tons of CO₂. In addition, we used the 1,000,000 Baht from the reselling and recycling of these parts to support the youth and environment development project of the Thai Fund Foundation.





Furthermore, dtac will continue to care for and share the values of Thai society during times of natural disaster and emergencies. We encourage and support our employees in volunteering and taking action for local communities.

Through faith and confidence, dtac is collaborating with many partners in the creation of social activities, charity activities, and promoting staff volunteerism. We continue to seek and promote development for sustainability for individuals as well as for our communities and the Thai society.





milestones

The Company was established as a limited company in August 1989 by Bencharongkul family to provide wireless telecommunications services in 800 MHz and 1800 MHz frequency bands under a "Build-Transfer-Operate" concession granted by CAT Telecom Public Company Limited (formerly known as Communications Authority of Thailand, "CAT").

In 2012, dtac Trinet, a subsidiary of the Company, obtained the spectrum license for mobile telecommunications in the Frequency Band 2.1 GHz from the National Broadcasting and Telecommunications Commission (NBTC) and provides service on 2.1GHz in 2013

The Company's landmark developments in the subsequent years include:

1990

November

dtac was granted a concession from CAT to operate wireless services on a revenue sharing basis under the term of "Build-Transfer-Operate".

1994

February

dtac entered into an Access Charge Agreement with TOT Public Company Limited (formerly known as Telephone Organization of Thailand, "TOT") in order to access their networks.

1995

February

dtac was registered as a public company.

October

dtac sold 13 percent of its paid-up capital to the public and listed the shares on the Singapore Exchange Trading Limited.

November

dtac issued new 42.8 million shares to TOT and TOT agreed to provide discounts on access charge payments.

1996

November

CAT agreed to extend concession period until 2018.

1999

July

dtac commercially launched prepaid product, so-called "Prompt".

2000

May

United Communication Industry Public Company Limited ("UCOM") sold 5.5 million outstanding shares of dtac to Telenor Asia Pte ("Telenor").

August

dtac issued new 48.5 million shares and sold these shares to Telenor, as a result, Telenor held 29.94 percent equity interest in dtac.

2001

March

dtac launched new brand “dtac” and adopted a radically different approach of doing business in the Thai market.

April

TOT agreed to amend the basis of calculation of the access charge for prepaid services from THB 200 per month per number to 18 percent of the value of the prepaid vouchers sold.

November

dtac launched GPRS-based data service.

2002

April

dtac unlocked IMEI (International Mobile Equipment Identity) codes to allow all mobile handsets to use dtac’s network.

May

dtac discontinued handset and accessories sales and distributions by transferring this business to UD, a company in which dtac and UCOM has 25 percent and 75 percent equity interest respectively. (At present, UCOM assigns all of the rights and benefits to Benchachinda Holdings).

2003

January

Excise Tax was enforced.

October

dtac received “Disclosure Report Award 2003” from the Securities and Exchange Commission.

2004

December

dtac won “Technology Fast 500 Asia Pacific 2004 Award” from Deloitte.

2005

June

TOT agreed to cancel 16.4 million of its shares in dtac by way of capital decrease.

2006

June

dtac received “Mobile Operator of the Year 2006” in Thailand from Asian MobileNews Magazine.

August

The completion of capital reduction in respect of the 16.4 million shares held by TOT.

NTC approved the term of reference on the interconnection charge as a basis for negotiation among operators.

September

dtac implemented 10-digit mobile phone numbers by replacing the prefix 0 with 08.

November

dtac signed Interconnection agreement with True Move and AIS.

December

dtac signed Interconnection agreement with Triple T Broadband

2007

June

dtac issued 82 new million shares to be listed in Stock Exchange of Thailand and became the first dual listing (SET and SGX) company in Thailand.

dtac won "Mobile Operator of the Year Award" in Thailand organized by Asian MobileNews Magazine.

August

dtac won "Marketing Excellence Awards 2006" from Thailand Corporate Excellent Awards, organized by Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University.

October

dtac refreshed brand with an aim to make customers 'feel good'.

2008

January

dtac took over "PAYSBUY", a company operated online payment system.

dtac together with CAT tested HSDPA technology on 850 MHz in Mahasarakham.

2008

March

dtac introduced "ATM SIM" with which customers can conduct their financial transactions via mobile phones.

November

ATM SIM was awarded the "Best Mobile Service" from Asia Mobile Award 2008, organized by GSMA's Mobile Congress.

2009

January

ATM SIM was awarded the "Project of the Year" from Thailand ICT Excellence Awards 2008.

dtac's *1677 Farmer Information Super highway project was awarded the "Business Enabler" from Thailand ICT Excellence Awards 2008.

July

dtac relocated its headquarter from Chai Building to its new house at Chamchuri Square.

August

dtac commenced the trial service "dtac mobile Internet on 3G" based on HSPA technology over dtac's existing 850 MHz frequency, covering the inner Bangkok area.

2009

November

dtac's CSR Project "Doing Good Deeds Everyday" won CSR Award from SET awards 2009.

December

dtac introduced BlackBerry service with the new BlackBerry smart phone, including a special edition white model.

2010

March

dtac Internet was awarded "Commart Innovation Awards 2010".

dtac officially launched iPhone in Thailand.

July

dtac signed Interconnection agreement with CAT/Hutch.

November

dtac declared special interim dividend.

dtac was awarded the "Brand of the Year" in Mobile Operator category, from Excellent Brand Survey Awards 2010, organized by HWM Thailand magazine.

2010

December

dtac and other 4 mobile operators soft-launched Mobile Number Portability (MNP) service.

The new Frequency Allocation Act (B.E.2553) was enforced, which preceded the establishment of NBTC.

2011

August

dtac launched 3G HSPA service on 850 MHz.

September

dtac officially launched iPad in Thailand.

October

The National Broadcasting and Telecommunications Commission (NBTC) obtained royal endorsement.

dtac won "Hall of Fame: A Decade of Excellence 2001-2010" as one of top ten Thai leading business organizations with excellent management for the decade based on data by Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University.

2011

December

dtac announced special dividend for its financial restructuring.

dtac's CSR Project "Doing Good Deeds Everyday" won CSR Award from SET awards 2011 for 3 consecutive years.

2012

March

dtac commercially launched WiFi service with "Walk & Play" concept in community malls and on BTS stations.

July

dtac announced a new dividend policy which would pay at no less than 80% of net profit, depending on its financial position and future business plans, with an aim to pay quarterly.

August

dtac received the Taxpayer Recognition Award for the year 2011 arranged by The Revenue Department of Thailand.

September

dtac received the "Best Senior Management IR Support and Most Consistent Dividend Policy" awards from Alpha Southeast Asia, an institutional investment magazine.

2012

October

dtac Network Co.,Ltd (currently known as dtac TriNet) participated in the auction for spectrum licensing for International Mobile Telecommunications (IMT) in the frequency band 2.1 GHz conducted by the NBTC and won 2 x 15 MHz of 2.1 GHz spectrum license.

December

dtac Network Co.,Ltd. (currently known as dtac TriNet) has been granted the 15-year spectrum license for IMT in the frequency band 2.1 GHz and license type III for providing wireless communication services from the NBTC.

dtac completed the entire 2G network modernization and 3G 850 MHz rollout in all major cities nationwide.

2013

May

dtac launched "dtac TriNet" with the concept of 3 combined networks: 1800 MHz, 850MHz and 2.1GHz.

June

dtac introduced the first generation of dtac TriNet phones: Cheetah, Joey and Mousy.

July

dtac launched 3G HSPA service on 2.1GHz.

2013

August

dtac received the "Best Senior Management IR Support and Most Consistent Dividend Policy" awards from Alpha Southeast Asia, an institutional investment magazine for 2 consecutive years.

September

dtac received Thailand's Corporate Brand Rising Star 2013 Award, based on the research of Department of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University. A ceremony was held to announce and award the SET listed companies with highest brand value.

2014

May

dtac launched 4G service in inner Bangkok.

June

The Board of Directors approved the delisting of the Company from The Singapore Exchange Securities Trading Limited.

July

dtac released a new commercial "The Power of Love", achieved a phenomenal 12 million views on YouTube in less than one month. The TVC aims at promoting the appropriate usage of technology.

September

dtac announced investment plan to build new 6,500 base stations by 31 March 2015 to strengthen its positioning as the leading Internet provider in Thailand.

2014

October

dtac introduced 'Love Buffet' plan for postpaid customers, providing mobile Internet service at maximum speed.

December

dtac signed an Memorandum of Understanding (MoU) with CAT Telecom to strengthen long term strategic partnership and promote infrastructure sharing model in Thailand.

2015

March

dtac introduced "Love & Roll" package for postpaid customers. It helps customers transferring remaining Internet usage to the next billing cycle.

April

dtac expanded 4G network to cover Bangkok Metropolitan Area and major 40 cities.

May

dtac launched "Eagle X", the first 4G dtac-branded smartphone.

June

dtac introduced "Happy 4G SIM", a prepaid SIM designed to stimulate 4G usage among prepaid users.

2015

August

dtac TriNet and AWN mutually agreed on telecom tower sharing totaling 2,000 towers within 2015.

September

dtac introduced "Blue Member" customer relationship management program for premium customers.

dtac launched campaign "Reach Everywhere Understand Every Heart" to strengthen our brand perception and commit to deliver best experience to customers.

November

dtac TriNet participated in 1800MHz licence auction, arranged by NBTC.

dtac expanded 4G services on 1800 MHz under CAT concession across Bangkok and Metropolitan Area.

dtac received "Top 50 ASEAN Publicly Listed Companies" award from ASEAN Corporate Governance Conference and Awards.

December

dtac TriNet participated in 900MHz licence auction, arranged by NBTC.

dtac increased 4G bandwidth to 15MHz on 1800MHz spectrum with 2,200 base stations around Bangkok and Metropolitan Area.



risk and mitigation

dtac risk management objective is to earn competitive returns from its various business activities at acceptable risk levels and without compromising dtac Way. Risk Management supports the business in achieving its objectives by actively identifying and managing potential threats and opportunities to avoid issues arising or a situation where benefits can no longer be realised.

Key risks that may affect the operation of the Company and its subsidiaries are as follows:

1. Risks from the concession agreement, changes in laws, regulations and regulator or government policies

1.1 Risk from the termination of the Concession Agreement before its term

The Company's core business is the operation and provision of cellular system radio telecommunications services under the Concession Agreement with CAT Telecom Public Company Limited (CAT), which has a term of 27 years and will expire on 15 September 2018. In addition, dtac TriNet (a subsidiary in which the Company holds 99.99% of its shares) has obtained a licence for international mobile telecommunications in the frequency band 2.1 GHz and a licence for Type III telecommunications from the NBTC on 7 December 2012, which enables dtac TriNet to continue to provide the telecommunications services after the expiration of the Concession Agreement in 2018.

However, the Company is currently in a number of disputes with CAT and it cannot be predicted whether CAT will exercise its rights to terminate the Concession Agreement before its term or not. Therefore, if CAT exercises its right under the Concession Agreement to terminate the Concession Agreement before its term and the Company is not granted an injunction to prevent such action from CAT, such action may result in a material effect on the result of business operations and business opportunity of the Company.

1.2 Risks from changes in laws, regulations and regulator or government policies

(a) Uncertainties on regulation and enforcement of related laws and regulations in the telecommunications industry

The telecommunications business is governed by two main acts, namely the Frequency Act and the Telecommunications Act.

The NBTC is empowered to issue regulations to regulate the telecommunications business, such as fixing service fees and

tariff structure and issuing rules and measures for consumer protection, etc. Such regulations might reduce the Company's and its subsidiaries' ability to make profits and/or might increase the cost of operation of the Company and its group companies (as the case may be). On the contrary, despite the fact that the NBTC has issued various notifications to enable the infrastructure sharing or interconnection and network access between the telecommunications operators, the enforcement of such notifications is unclear in practice, or delayed, or denied or may be challenged. If such kind of obstructions happened, the ability of dtac TriNet to roll out the 2.1 GHz network may be affected.

(b) Legal implications concerning the amendments to the Concession Agreement and uncertainties on the issuance of the 2.1 GHz licence

Amendments to the Concession Agreement

Under the Act on Private Sector Participation in State Undertaking B.E. 2535 (1992) (the "Private Participation Act"), a governmental agency wishing to engage a private entity to join or undertake a government project with a capital investment of THB 1,000 million or more must comply with the process set out in the Private Participation Act which includes explicit process on contract amendment between the relevant governmental agency and the private entity participating or engaging in the government project.

After the Private Participation Act became effective, the Company entered into three amendment agreements with CAT which amended, among others, the term of the agreement and the rates of the revenue share payable by the Company to CAT.

Subsequently, the Council of State gave its opinion (No. 292/2550) that the three amendment agreements to the Concession Agreement were not proposed to the Coordinating Committee under Section 22 of the Private Participation Act for consideration and were not proposed to the Cabinet for approval. Accordingly, it was considered that the three amendment agreements to the Concession Agreement had not been made in accordance with the process set out under the Private Participation Act. Nevertheless, the Council of State has further opined that the three amendment agreements to the Concession Agreement are still enforceable, provided that the Cabinet is entitled to revoke such amendment agreements taking into consideration the benefits of the state and the public interest.

The above mentioned opinion of the Council of State is merely a legal opinion, which has no binding effect on the Company.

The Coordinating Committee under Section 22 of the Private Participation Act has provided its preliminary opinion to the

Minister of Information and Communication Technology that it does not acknowledge the third amendment agreement to the Concession Agreement. On 28 June 2011, the Cabinet resolved to send such matter to the NBTC as supporting information in considering relevant rules and measures.

At present, the Private Participation Act has been revoked and replaced by the Private Investment in State Undertaking Act B.E. 2556 (2013) (the "Private Investment Act"), which has become effective on 4 April 2013. The Private Investment Act specifies that if it appears to the State Enterprise Policy Office that any project is not executed duly in accordance with this Act, the State Enterprise Policy Office must seek factual clarification from the project owner and request that appropriate procedure be proposed to the Committee on Private Investment in State Undertaking Policy. If such Committee deems that the private investment agreement should be terminated or amended, the Committee must submit its proposal to the Cabinet for approval.

As the Private Investment Act has recently become effective, it is not clear to the Company on the interpretation and enforcement of such Act. In case the Cabinet resolves to revoke the amendment agreement to the Concession Agreement, or requires the Company to pay additional consideration, even if the Company has made an objection to the Cabinet resolution pursuant to the applicable legal process, this could have a material adverse effect on the business, financial condition and results of operations of the Company.

Issuance of the 2.1 GHz Licence

The issuance of the 2.1 GHz license by the NBTC was the first batch of licences on telecommunications business issued to private sector since the Frequency Act becomes effective. Therefore, various sectors have objected to the process and mechanism on the issuance of the license of the NBTC. The Ombudsman, in particular, has objected to the process and mechanism on the issuance of the license of the NBTC and filed a complaint against the NBTC to the Central Administrative Court requesting the Court to issue an injunction to halt the process on the issuance of the license of the NBTC. The Central Administrative Court had ruled on 3 December 2012 dismissing the Ombudsman's complaint. The Ombudsman has appealed the Central Administrative Court's order dismissing the Ombudsman's complaint to the Supreme Administrative Court. As a result, this case is not final. The appeal is being considered by the Supreme Administrative Court, creating uncertainties to dtac TriNet's operation under the 2.1 GHz license. If the decision of the Supreme Administrative Court is opposite from that of the Central Administrative Court, this could have an effect on the business operations of the Company.

(c) Uncertainty on the dispute relating to payment of the access charge

TOT Public Company Limited (TOT) and the Company entered into the Access Charge Agreements in 1994 and 2001. The Access Charge Agreements require that the Company pay an access charge to TOT at a flat rate per number in respect of a post-paid customer and a fixed percentage of the value of the prepaid vouchers in respect of a pre-paid customer.

However, after the announcement of the Telecommunications Act, the use and interconnection of networks between operators must be in accordance with the Telecommunications Act and the NTC Notification on Interconnection, which require that the interconnection charge be determined on a fair, cost-oriented and non-discriminating basis.

In this regard, on 17 November 2006, the Company informed TOT and CAT that it would pay the access charge pursuant to the criteria and at the rate prescribed by the applicable laws, instead of the access charge prescribed in the Access Charge Agreements. The Company believes that the access charge under the Access Charge Agreements is not in compliance with the Telecommunications Act and the Interconnection Notification of the NTC.

TOT argued that the Company is obliged to pay the access charge at the rate originally specified in the Access Charge Agreements. On 9 May 2011, TOT submitted a claim against the Company before the Administrative Court requesting CAT and the Company to be jointly liable for the access charge payment in the total amount of approximately THB 113,319 million, including VAT and interests, and requesting CAT and the Company to comply with the Access Charge Agreements. The Company was notified on 10 October 2014 that TOT amended the claim on 31 July 2014 related to the claim amount including the VAT and interest from approximately THB 113,319 million to THB 245,638 million (calculated until 10 July 2014), other issues of the case remain the same. Currently, the case is being considered by the Administrative Court.

Based on the opinion of the legal counsel of the Company, the Company believes that the Company has no obligations to pay the access charge as requested by TOT. This is because the Access Charge Agreements are not in compliance with the Telecommunications Act, and the NTC Notification on Interconnection, and the Company has already submitted a notice to terminate the Access Charge Agreements.

However, if the court issues a final order or judgment requiring the Company to pay the access charge as requested by TOT, this

may cause a material adverse effect on the financial condition and results of operations of the Company.

(d) Risk from changes to the accounting guideline which may affect the Company's accounting method regarding the calculation of the access charge

After the Company notified TOT of the termination of the Access Charge Agreements on 8 November 2007, the Company has changed its accounting method regarding the access charge. The Company has ceased to record the access charge in its financial statements because the Company viewed that its obligations to pay the access charge had already been terminated. The Company has recorded its revenues and expenses using the rates of the interconnection charge set out in the Reference Interconnection Offers (RIO) of the Company and TOT, which have been approved by the NTC.

However, there is currently no guideline relating to the accounting method for recording revenues and expenses accrued in such manner, and there has been no final court judgement on the issue relating to the access charge. If subsequently there is an accounting guideline on this issue, or if the court has rendered a final judgement on the issue relating to the access charge, the Company may have to change its accounting method in relation thereto. The change of the accounting method may have a material effect on the profits and financial condition of the Company. (See further details in "uncertainty on the dispute relating to payment of the access charge" above.)

(e) Risk from unclear enforcement of laws governing foreign ownership

The principal laws which impose restrictions on foreign shareholding are as follows:

- The Land Code which prohibits a "foreigner" (as defined in the Land Code) from owning land, unless permission is granted in accordance with the law. Any foreigner who possesses the land without permission is required to sell such land within the specified period, which shall not be less than 180 days and not more than one year;
- The Foreign Business Act which prohibits a "foreigner" (as defined in the Foreign Business Act) from engaging in certain types of business, including the provision of telecommunications services, unless prior permission is obtained from the Director-General of the Department of Business Development, the Ministry of Commerce;

- The Telecommunications Act which prohibits a “foreigner” (as defined in the Foreign Business Act) from engaging in Type II and Type III telecommunications businesses;
- In addition, the Concession Agreement requires that the Company maintain its qualifications pursuant to the requirements under the Foreign Business Act.

The violation of foreign shareholding limit may result in the revocation of the telecommunications license or termination of the Concession Agreement. The Company and/or its subsidiaries may not be able to continue the telecommunications business.

The Company believes that the Company is not a “foreigner” under the definitions of the Foreign Business Act, the Land Code and the Telecommunications Act, and has correctly and completely followed the practices applicable in Thailand.

The Company is of the opinion that the Government has no clear policy on the interpretation and enforcement of the Foreign Business Act in relation to foreign shareholding issue, resulting in the Company having to take such risk in undertaking its business. Although the Foreign Business Act has been in force for more than 10 years, there has been no Supreme Court precedent or clear practices of the Ministry of Commerce regarding a “nominee” arrangement under Section 36 of the Foreign Business Act in order for the Company to evaluate or assess the impact of the enforcement or interpretation of such provisions under the Foreign Business Act that may have over the Company and its subsidiaries.

Due to such unclear interpretation and enforcement of the Foreign Business Act, on 14 June 2011, a telecommunications operator submitted an allegation to the Royal Thai Police to take a criminal action against the Company (including its directors, certain shareholders of the Company and their directors) alleging that the Company operated the telecommunications business in violation of the Foreign Business Act. Furthermore, on 22 September 2011, a minority shareholder of the Company (holding 100 shares in the Company) filed a lawsuit against certain state agencies, including the NBTC, before the Administrative Court, alleging that the Company is a “foreigner” under the Foreign Business Act. Both cases are being considered by the Royal Thai Police and the Administrative Court.

The Company believes that the Company is not a “foreigner” and has correctly and fully complied with the Foreign Business Act. However, if eventually it is decided (by the final Supreme Court judgment) that the Company is not a Thai company under the Foreign Business Act and the Telecommunications Act and such event is not remedied, it may constitute a ground for CAT to terminate

the Concession Agreement or the right of the Company to engage in the telecommunications business under the Concession Agreement may be revoked, or the NBTC may revoke dtac TriNet’s Type III telecommunications licence. As a result, the Company and dtac TriNet may not be able to continue the telecommunications business.

(f) Risk from unclear enforcement of the law governing foreign dominance

The NBTC has issued the NBTC Notification on Determination of Foreign Dominance Restrictions B.E. 2555 (2012) (the “Foreign Dominance Notification”), which became effective on 24 July 2012. The Foreign Dominance Notification defines “dominance” as the scenario where foreigners have the controlling power or influential power in policy making, management and operation of the telecommunications business of the licensee by way of, among others, holding shares with half or more than half of the total voting rights. In this respect, the Company is of the opinion that the Foreign Dominance Notification cannot be applied with the Company which has been a concessionaire prior to the effectiveness of said Notification and the Company is protected under Section 305(1) of the Constitution of the Kingdom of Thailand B.E. 2550 (2007) and Section 80 of the Telecommunications Act because the Company is not an applicant for a telecommunications license from the NBTC. The legal advisors share the same legal opinion as the Company. In relation to dtac TriNet, dtac TriNet has submitted a letter of undertaking to the NBTC that it will comply with the Foreign Dominance Notification at the time when it submitted the application for the 2.1 GHz license and Type III telecommunications license to the NBTC in 2012.

The NBTC may not agree with the Company’s interpretation mentioned above. As for dtac TriNet, it still has the risk from unclear enforcement of the law governing foreign dominance. However, based on the NBTC’s explanation to the public at the public hearing regarding the aim and objectives of the Foreign Dominance Notification and, in particular, the definition of “dominance” in 2012, the Company believes that the Company and dtac TriNet would not be regarded as a company under foreign dominance pursuant to the definition of “dominance” of the NBTC. Nevertheless, the risk from unclear enforcement of law governing foreign dominance may have a material effect on the business operation and business opportunities of the Company and dtac TriNet.

(g) Determination of maximum tariffs by the NBTC

On 28 March 2012, the NBTC issued a Notification on Maximum Tariffs for Domestic Voice Service B.E. 2555 (2012) requiring

operators having significant market power in the domestic mobile retail market (namely, AIS and the Company) to charge for service fee of not more than THB 0.99 per minute. The Company disagrees that the NBTC's Notification applies only to certain operators and has challenged the issue before the Court. Currently, the case is being considered by the Court.

In September 2014, the NBTC issued a notification on the definition of significant market power but did not clearly specify the operators who are considered as having significant market power. It is possible that the NBTC may not specify the operators who will be considered as having significant market power if the NBTC considers the telecommunications industry to be fairly and appropriately competitive.

In addition, the NBTC requires 2.1 GHz telecommunications business licensees, including dtac TriNet, to reduce, on average not less than 15 percent of the average service fees for voice and non-voice services provided in the market on the date of obtaining the license. The Company is of the opinion that the condition to reduce the service fees is unclear. dtac TriNet and other licensees will have to discuss with the NBTC to obtain further clarification on this issue.

(h) Risk from reduction of interconnection charge rate

On 12 March 2013, the NBTC issued an order No. 34/2556 requiring all 2.1 GHz telecommunications business licensees, including dtac TriNet, to apply a temporary rate for interconnection charge at THB 0.45 per minute.

On 18 June 2013, the NBTC requested the Company's cooperation to comply with the resolution of the Telecommunications Commission No. 22/2556, which was held on 10 June 2013, by applying the interconnection charge or amending the interconnection agreement in relation to the interconnection charge for both mobile phone and fixed line services at the same rate of THB 0.45 per minute for call termination and call origination and THB 0.06 per minute for call transit.

In addition, the NBTC has a policy to review the interconnection rate applied by the operators, including the Company. Therefore, it is possible that the interconnection rate of the Company might be reduced, which may have an effect on the revenue from business operation of the Company and its subsidiaries.

(i) Risk from disputes over excise tax and revenue sharing

The Government policy is still uncertain on the collection of excise tax from telecommunications services. In addition, in relation to the excise tax issue, CAT submitted a dispute to the Thai Arbitration

Institute on 11 January 2008, demanding that the Company pays additional revenue sharing for the concessionary years 12 to 16, including penalty and VAT, in the amount of approximately THB 23,164 million. This was because, during said concessionary years, the revenue sharing was deducted by the excise tax paid by the Company to the Excise Department prior to making the revenue sharing payment to CAT in accordance with the Cabinet resolutions and the letter from CAT. On 28 May 2012, the Arbitral Tribunal rendered its decision to dismiss the dispute raised by CAT on the ground that the Company had fully paid the revenue sharing to CAT and all debts had already been settled. Nevertheless, CAT has appealed the Arbitral Tribunal's decision before the Administrative Court. Currently, the case is being considered by the Court.

(j) Risk from potential inaccessibility to telecommunications network to provide 2.1 GHz service

The NBTC has issued the NBTC Notification on Telecommunications Infrastructure Sharing for Mobile Phone Network B.E. 2556 (2013) (the "Infrastructure Sharing Notification"), which became effective on 30 April 2013. The substance of the Notification is the share of telecommunications infrastructure, including buildings and equipment for transmission and transmission system of the base station.

After the NBTC issued the Infrastructure Sharing Notification, CAT brought an action against the NBTC before the Central Administrative Court requesting a revocation of the Notification in respect of the right to allow telecommunications infrastructure sharing. CAT also submitted a petition for a stay of the enforcement of the Infrastructure Sharing Notification until the Court renders its decision. Nevertheless, the Central Administrative Court rejected CAT's petition for a stay of the enforcement of the Notification.

Furthermore, CAT brought a case against the NBTC before the Central Administrative Court, requesting the Administrative Court to revoke the resolution of the NBTC which approved the reference access offer proposal of the Company pursuant to the NTC Notification on Interconnection. The substance of the NTC Notification is to require the licensees who have telecommunications network to allow other licensees to use their telecommunications network. CAT also submitted a petition for an injunction against the enforcement of the NBTC's resolution. Nevertheless, the Central Administrative Court has rejected such petition. Currently, the case is also being considered by the Central Administrative Court.

On 11 June 2014, dtac TriNet received the claim that CAT filed before the Administrative Court claiming that dtac TriNet committed a wrongful act against CAT by installing its 2.1 GHz devices and equipment on the Company's concessionary assets.

CAT required that dtac TriNet uninstall its devices and equipment and prohibited dtac TriNet from installing its devices and equipment on the Company's concessionary assets. CAT also demanded that dtac TriNet compensate for damages in the amount of THB 449,663,091.88 with interest at the rate of 7.5 per cent per year. If such devices and equipment are not uninstalled, CAT requested that dtac TriNet compensate for damages in the amount of THB 44,177,642 per month from the date of filing of the claim until the uninstallment is completed. CAT also submitted a petition for an injunction requesting the Court to prohibit dtac TriNet to install its 2.1 GHz devices and equipment on the Company's concessionary assets. However, the Central Administrative Court rejected such petition. Currently, the case is also being considered by the Central Administrative Court.

On 1 October 2014, CAT filed a dispute to the Thai Arbitration Institute claiming that it has been damaged by the Company's breach of Clause 2.1 and Clause 2.3 of the Concession by providing dtac TriNet access to the concessionary assets, and allowing dtac TriNet to install and connect its 2.1 GHz devices and equipment with the concessionary assets. Therefore, CAT requested for damages in the amount of THB 658,017,180 with interest at the rate of 7.5 per cent per year. If such devices and equipment are not uninstalled, CAT requested that the Company compensate for damages in the amount of THB 44,177,642 per month from the date of filing of the dispute until the uninstallment is completed. CAT also submitted a petition for an injunction requesting the Court to prohibit the Company from allowing dtac TriNet to install and connect its 2.1 GHz devices and equipment with the concessionary assets. The Central Administrative Court has issued an injunction prohibiting telecom equipment under concession to be interconnected with 2.1 GHz telecom equipment by dtac TriNet. The Company filed the Appeal with the Supreme Administrative Court against such injunction.

On 27 November 2015, the Supreme Administrative Court has revoked the Central Administrative Court's injunction due to it may impact the service to public, thus, there is no sufficient ground to hold such injunction and that the Company could use and interconnect concession telecom network with dtac TriNet's and other operators whilst the dispute resolution under the arbitration has not been finalized, and dtac TriNet is able to rapidly expand the network on the 2.1 GHz frequency band to cover all population area at a lower cost, which would enhance service users, especially those living in remote and suburban areas, to have greater opportunity to access the internet at a reasonable price. In addition, the sharing of telecommunications network reduces redundant investment cost and supports the effective use of existing telecommunications infrastructure resources which would be wholly beneficial to the

telecommunications industry, service users nationwide and the country

However, at present, there are filing of claims against the implementation of the Infrastructure Sharing Notification and the abovementioned NBTC resolution. If the Central Administrative Court renders a final judgment revoking such Notification and resolution, the operators who are concessionaires, including the Company, will not be able to share telecommunications infrastructure or telecommunications network with other operators, including dtac TriNet. This could impact revenues and could lead to higher cost on, the expansion of the telecommunications network and the provision of the telecommunications service on the 2.1 GHz frequency band of dtac TriNet.

2. Risks from competition

2.1 The Thai telecommunications industry is highly competitive and sensitive to price competition

The Thai mobile telecommunications industry is highly competitive and sensitive to price competition due to the fact that the telecommunications market has grown considerably especially data service. There are high competition in terms of price, promotions and other marketing campaigns. If the price competition intensifies and the Company and dtac TriNet are unable to respond to such competition in a timely and cost-efficient manner, such competition may have a material effect on the result of business operations and business opportunity of the Company.

2.2 The Company may encounter higher competition with new operators

At present, a person who wishes to operate telecommunications business is entitled to freely apply for a telecommunications license from the NBTC if he or she has the qualifications stipulated by the laws and regulations set out by the NBTC. In addition, the NBTC has issued regulations which support a new operator to compete with the existing operators, e.g. the NBTC Notification on Domestic Mobile Network Roaming B.E. 2556 (2013) and the NBTC Notification on Infrastructure Sharing. Both notifications require existing operators who have the telecommunications network to allow the other operators to have access to their telecommunications network. Furthermore, the NBTC has issued the NBTC Notification on Mobile Virtual Network Service B.E. 2556 (2013), the substance of which is that after receiving approval from the NBTC, the operator who owns the telecommunications network can undertake a wholesale of the mobile service to the

mobile virtual network operators, which would further increase business competition.

As such, legal reform and liberalisation of the telecommunications business may further intensify the competition in the market. The Company cannot predict the number of new entrants who will be granted licenses from the NBTC. If the NBTC issues the licenses to new operators, the competition in the market could become even more intense as the new operators, who may have lower operation costs, may adopt an aggressive pricing policy or employ a subsidy approach in order to increase their market share. This may affect the ability of the Company and dtac TriNet to compete in the market and may affect the business operations, and business opportunity of the Company.

3 Operational Risks

3.1 Risk from interruption of network service system and other important systems which may have an impact on service users

The Company and dtac TriNet perceive the risks which may occur as a result of a disruption of the network system and other essential systems that could impact the provision of services. Therefore, the Company and dtac TriNet have continuously prepared for and developed plans to support emergency events and disruption of network system as well as other essential systems.

The Company and dtac TriNet have developed a network management system and prescribed maintenance procedures for the network and equipment so that all network and equipment function efficiently in order to provide telecommunications service to customers effectively, especially voice service and data service. In addition, the Company and dtac TriNet have also been developing plans to support the disruption of other essential systems, such as information system, billing system and customer services so that the services can be continuously provided to the customers. The Company and dtac TriNet also have a backup plan in case of emergency which covers an additional investment in important equipment and safety system e.g. fire protection system and real-time network and equipment monitoring system. The Company and dtac TriNet regularly conduct trainings for its staff on their responsibilities and relevant procedures, as well as strictly conduct a test run of the backup plans

Furthermore, the Company and dtac TriNet has procured insurance policies to cover network and equipment damages in order to minimize the impact of such risk against the Company and dtac TriNet.

3.2 The Company has to rely on third parties to maintain telecommunications equipment

The Company provides mobile phone service through complex telecommunications equipment, including mobile telecommunications network and 2G/3G/4G base stations nationwide. Therefore, the success of the Company's and dtac TriNet's businesses (which may share some of the base stations with the Company to provide 2.1 GHz services) depends on the effective maintenance and repair of the network and equipment.

At present, the Company engages third parties to provide maintenance and repair services for some base station equipment and transmission network of the Company. If the third parties are unable to perform their duties under the agreement, or unable to perform their duties in a timely and cost-effective manner, the Company and dtac TriNet may have to bear higher operating costs. In addition, it may affect the speed and quality of the services of the Company and dtac TriNet.

4. Risks from exchange rate fluctuation

The Company is exposed to the foreign exchange rate fluctuation risk as the principal revenues of the Company are denominated in Thai Baht currency, while parts of the company's expenditures are denominated in foreign currencies. The majority of expenditures are capital expenditures.

In term of FX risk management, the Company utilizes USD revenue from International Roaming to partially match the USD expense (Natural Hedge). In addition, the company has established an agreement with suppliers to pay part of the capital expenditure in Thai Baht. For the remaining unhedged exposure, the Company will manage such risk by considering the proper of financial instruments.

5. Major shareholders may have influence on decisions of the Company

Telenor and Thai Telco Holdings Co., Ltd. are major shareholders of the Company, holding collectively 65 per cent of the total issued shares of the Company (information as at 4 November 2015).

Thai Telco Holdings Co., Ltd. underwent a shareholding restructuring in July 2012, whereby Bencharongkul Group, the founder of the Company, now holds shares in the Company through Thai Telco Holdings Co., Ltd. Bencharongkul Group holds 51 per cent of the total issued shares of Thai Telco Holdings Co., Ltd.

As a result, Telenor and Thai Telco Holdings Co., Ltd. (including Bencharongkul Group) may exert influence over corporate decisions of the Company, except for matters which they are not eligible to vote due to any special interest or conflict of interest relating thereto.



management

The management structure of the Company comprises the Board of Directors, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Corporate Governance Committee and the Management. Additional committees have been established at the management level to supervise the implementation of internal policies to ensure maximum performance within the organisation.

Board of Directors

As of 31 December 2015, the Board of Directors of the Company consists of 12 directors:

- 11 directors are non-executive directors, 4 of them are independent directors representing 33.33% of the Board of Directors; and
- 1 director is an executive director, i.e. Chief Executive Officer.

Names of the directors and their share ownership in the Company as of 31 December 2015 are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 14	No. of as of Shares 31 Dec 15 ⁽¹⁾	Increase/ Decrease
1	Mr. Boonchai Bencharongkul	Chairman	10	10	-
2	Mr. Morten Karlsen Soerby	Vice Chairman	-	-	-
3	Mr. Chulchit Bunyaketu	Independent Director	-	-	-
4	Mrs. Kamonwan Wipulakorn	Independent Director	-	-	-
5	Mr. Stephen Woodruff Fordham	Independent Director	10,000 shares 6,000 NVDR	10,000 shares 6,000 NVDR	-
6	Mrs. Chananyarak Phetcharat	Independent Director	-	-	-
7	Mr. Henrik Clausen	Director	-	-	-
8	Mr. Lars-Aake Valdemar Norling	Director and Chief Executive Officer	-	-	-
9	Ms. Tanwadee Wongterarit	Director	-	-	-
10	Mr. Tore Johnsen	Director	-	-	-
11	Mr. Haakon Bruaset Kjoel	Director	-	-	-
12	Mr. Richard Olav Aa	Director	-	-	-

Remark: (1) There is no change in share ownership/ no share sale and purchase during 2015.

(2) The number of the Board of Directors' meetings and the number of such meetings attended by each director can be found under Section "Corporate Governance".

Names of the directors who resigned in 2015 and their share ownership in the Company are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 14	No. of as of Shares 31 Dec 15 ⁽¹⁾	Increase/ Decrease
1	Mr. Sigve Brekke ⁽²⁾	Director and Interim Chief Executive Officer	-	-	-
2	Mr. Gunnar Johan Bertelsen ⁽³⁾	Director	-	-	-

Remark: (1) There is no change in share ownership/ no share sale and purchase during 2015.

(2) Mr. Sigve Brekke resigned from the position as the Interim Chief Executive Officer on 1 April 2015 and resigned from the directorship and the Vice Chairman on 17 August 2015. Mr. Lars-Aake Valdemar Norling has been appointed as the Chief Executive Officer pursuant to the resolution of the Board of Directors' Meeting No. 2/2015 held on 10 February 2015 and Mr. Morten Karlsen Soerby has been appointed as a new director and the Vice Chairman in replacement of Mr. Sigve Brekke pursuant to the resolution of the Board of Directors' Meeting No. 6/2015 held on 28 August 2015.

(3) Mr. Gunnar Johan Bertelsen resigned from his directorship on 1 April 2015 and Mr. Lars-Aake Valdemar Norling has been appointed in his replacement as a new director pursuant to the resolution of the Board of Directors' Meeting No. 2/2015 held on 10 February 2015.

(4) The number of the Board of Directors' meetings and the number of such meetings attended by each director can be found under Section "Corporate Governance".

The authorised signatories of the Company are any two of the following five directors can sign jointly with the Company's seal affixed:

(1) Mr. Boonchai Bencharongkul, (2) Mr. Morten Karlsen Soerby, (3) Mr. Tore Johnsen, (4) Mrs. Chananyarak Phetcharat, and (5) Mr. Lars-Aake Valdemar Norling.

Management

The Chief Executive Officer is the head of the management team. The Company's organization structure is divided into 7 groups, i.e. Finance Group, Marketing Group, Sales Group, Technology Group, Strategy Group, People Group, and Corporate Affairs Group.

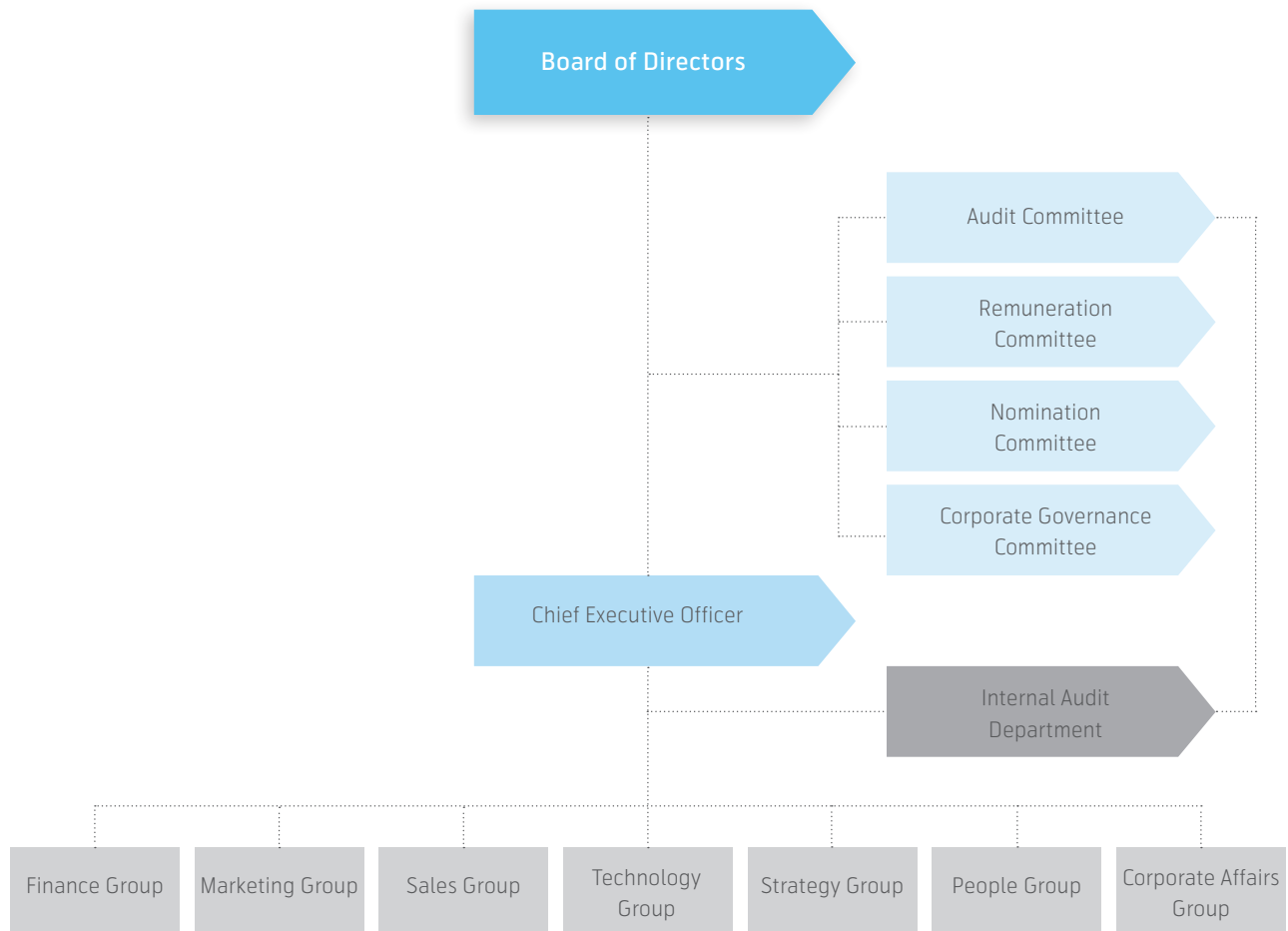
Names of the Management and their share ownership in the Company as of 31 December 2015 are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 14	No. of as of Shares 31 Dec 15 ⁽¹⁾	Increase/ Decrease
1	Mr. Lars-Aake Valdemar Norling	Chief Executive Officer	-	-	-
2	Mr. Sverre Pedersen	Chief Financial Officer	-	-	-
3	Mr. Sigvart Voss Eriksen	Chief Marketing Officer	-	-	-
4	Mr. Allan Bonke	Chief Sales Officer	-	-	-
5	Mr. Prathet Tankuranun	Chief Technology Officer	6,900 shares	6,900 shares	-
6	Mr. Andrew Tor Oddvar Kvaalseth	Chief Strategy Officer	-	-	-
7	Ms. Nardrerddee Arj-Harnwongse	Chief People Officer	-	-	-
8	Mr. Rajiv Bawa	Acting Chief Corporate Affairs Officer	-	-	-

Remark: (1) There is no change in share ownership/ no share sale and purchase during 2015.

The executives listed above are executives pursuant to the definition specified by the SEC, which includes managers, or persons holding the top four management positions following the managers, and every person holding a position equivalent to the fourth management position, including persons holding management position in accounting and finance at the level of department manager or higher. Each of the executives of the Company has not been an employee or partner of the external audit firm engaged by the Company during the past 2 years.

The Company's Organization Chart as of 31 December 2015



Company Secretary

The Board of Directors appointed Mr. Raweepun Pitakchatiwong, Head of Legal Division, as the Company Secretary with the duties and responsibilities as prescribed in the Securities and Exchange Act. Education profile, work experience and training of the Company Secretary can be found under Section "Management and Company Secretary".

Further details relating to the power, duties and responsibilities of the Board of Directors, the subcommittees, the Chief Executive Officer and the Company Secretary can be found under Section "Corporate Governance" and from the Company's website at www.dtac.co.th.

Remunerations of Directors and Management

Directors Remuneration

In determining the remuneration of the Board of Directors of the Company and the subcommittees (i.e. the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee), the Remuneration Committee will take into account various factors, including, among others, the Company's business and performance, the market and industry norms, market and industrial standards, the current economic situation and the duties and responsibilities of the Board of Directors and the subcommittees. The Remuneration Committee will consider the remuneration of directors and propose to the

Board of Directors' and shareholders' meetings for consideration and approval on an annual basis. In addition, the Remuneration Committee will review the remuneration structure for the Board of Directors and the subcommittees every 3 years in order to be in line with the market and industry trends.

At present, the remuneration of directors consists of monthly allowance and meeting allowance. The Company does not offer

any kind of remuneration payable in the form of equity rewards or in any other forms to its directors. The remuneration structure for the Board of Directors and subcommittees can be found under Section "Corporate Governance".

In 2015, the total remuneration of directors of the Company was THB 9,831,200 with the remuneration of each individual director as follows:

Names	Directors' Remuneration (THB)					
	Board of Directors	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Governance Committee	Total
Mr. Boonchai Bencharongkul	3,340,800	-	-	-	-	3,340,800
Mr. Sigve Brekke ⁽¹⁾	-	-	-	-	-	-
Mr. Chulchit Bunyaketu	1,213,200	650,000	43,200	57,600	14,400	1,978,400
Mr. Stephen Woodruff Fordham	1,129,200	403,200	54,000	72,000	-	1,658,400
Mrs. Chananyarak Phetcharat	1,087,200	-	-	-	18,000	1,105,200
Mrs. Kamonwan Wipulakorn	1,129,200	345,600	43,200	43,200	14,400	1,575,600
Mr. Haakon Bruaset Kjoel	-	-	-	-	-	-
Ms. Tanwadee Wongterarit	172,800	-	-	-	-	172,800
Mr. Tore Johnsen	-	-	-	-	-	-
Mr. Richard Alav Aa	-	-	-	-	-	-
Mr. Henrik Clausen	-	-	-	-	-	-
Mr. Gunnar Johan Bertelsen ⁽²⁾	-	-	-	-	-	-
Mr. Lars-Aake Valdemar Norling ⁽³⁾	-	-	-	-	-	-
Mr. Morten Karlsen Soerby ⁽⁴⁾	-	-	-	-	-	-
Total	8,072,400	1,398,800	140,400	172,800	46,800	9,831,200

Remark: (1) Mr. Sigve Brekke resigned from the directorship on 17 August 2015.

(2) Mr. Gunnar Johan Bertelsen resigned from his directorship on 1 April 2015.

(3) Mr. Lars-Aake Valdemar Norling has been appointed as a new director in replace of Mr. Gunnar Johan Bertelsen, the resigned director pursuant to the resolution of the Board of Directors' Meeting No. 2/2015 held on 10 February 2015.

(4) Mr. Morten Karlsen Soerby has been appointed as a new director in replace of Mr. Sigve Brekke, the resigned director pursuant to the resolution of the Board of Directors' Meeting No. 6/2015 held on 28 August 2015.

Management Remuneration

The remuneration of the Management consists of monthly salary, bonus and provident fund contribution. At present, the Company does not offer any kind of remuneration payable in the form of equity rewards to its Management. In 2015, the total remuneration of the Management of the Company was THB 71,971,471.61.

Human Resources

As of 31 December 2015, the Company has 4,731 employees who receive payment on a fixed salary basis. The number of employees in each key function is as follows:

Key Function	Number of Employees (Persons)
Finance Group	222
Marketing Group	1,732
Sales Group	425
Technology Group	1,144
Strategy Group	54
People Group	121
Corporate Affairs Group	91
Regional Business	942
Total	4,731

In 2015, the remuneration of the employees comprised salary and bonus totalling THB 4,264,947,798.36. The Company has made contributions to the provident fund in an amount of THB 115,011,417.05.

Human Resource Development

The Company has a policy to continuously develop the potential, knowledge, ability, and quality of its employees. The Company regards the employees as its valuable resources and fundamental to its success. Therefore, the Company aims to develop and adjust itself to be an “Organisation of Development and Learning” by combining all aspects of knowledge, skills, and capabilities, in parallel with cultivating corporate culture and code of conduct. The Company has provided extensive training and development programs in accordance with its strategies and business operation in order to best respond to the development and advancement of telecommunication industry and the customers’ demand.

“dtac Academy” – center of employee development

dtac Academy offers a wide range of training programs to ensure that employees can develop their skills, knowledge, capabilities and potential with respect to both employees ambition and company’s business requirements. All employees will have the opportunity to attend training courses in accordance to their job requirement and their own interests. The training programs are ranging from (1) development of professional skills, e.g. communication, management and planning skills; (2) cultivation of company culture and code of conduct; (3) development of functional capabilities in both key specialized areas and support functions to ensure our competitive advantage, e.g. IT, network technology, strategic marketing, sales and services, etc.

In addition to classroom trainings, the company also encourages and provides other forms of development activities, e.g. on-the-job

training, engagement in strategic projects, interactive knowledge sharing sessions by guest speakers from various industries and etc. The Company also deploys new technology in employee development by providing e-learning solutions and mobile learning application “Plearn” that enable employees to access to online training materials at their convenience.

Leadership & Talent Development Programs

Development of new generation of leadership and talents has always been the focus area of the company. The company has provided comprehensive Leadership Development Program to ensure that leaders at all levels are equipped with essential skills to effectively lead their team and organization to achieve results. The program covers both business and people management, and is delivered in the forms of classroom training and 1-on-1 executive coaching on a continuous basis.

The company also provides Talent Development Program designed to develop full potential of employees with outstanding performance. The program comprises various training courses covering both business management and specialized areas in alignment with the company’s strategic business direction. These specific training courses are jointly developed with various institutions both in Thailand and in other countries.

Developing new talents with global vision

With the ambition to develop a new generation of talents with global vision, the Company has selected talents to participate in “Mobility Program” with the purpose to provide opportunities for its employees to learn and gain international experiences from leading mobile service providers in other countries. Participating employees are placed on either short-term or long-term assignments overseas, where they can leverage their skills and expertise in the new business environment and at the same time

learn the best practices from other markets. This program will encourage new talents to exchange their knowledge and expertise, develop business understanding from global market perspective, and apply their international experiences in local market.

In 2015, the Company has set up a budget for human resource development in the total amount of THB 32.7 million (including THB 5.2 million in e-learning infrastructure) and provided training and development to more than 5,100 employees of the Company and 2,600 employees of its business partners with the average training hours of 22.5 hours per employee per year.

Internal Control

The internal control system of the Company is monitored by the Board of Directors and the Management so as to provide reasonable assurance that the Company achieves the following objectives:

- Effectiveness and efficiency of operations;
- Assurance of reliability of financial reports; and
- Compliance with the Company's corporate governance policies, applicable laws and regulations.

The Company applies internal control framework in line with the international standard for internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the guidelines under the Sarbanes-Oxley Act Section 404 (SOX) and guidelines under the SEC. The Company has adopted the guidelines under SOX since 2006 to ensure that the activities related to the internal control over financial reporting (ICFR) are integrated into the business operation of the Company.

The internal control system of the Company consists of 5 aspects, which can be described as follows:

(1) Organizational environment

The Company has established an organisation structure that effectively supports the Management's administration and improves the employees' performance. The Company has also set up clear and appropriate business goals by taking into consideration the possibility of achieving these goals, and has communicated these goals to its employees as guidance in performing their work at least once a year.

The Company has developed a code of conduct, which imposes restrictions on the Company's directors, Management and employees in engaging in any action which may give rise to a conflict of interest with the Company, conducts towards various stakeholders, both internal and external, including conducts towards employees, customers, business partners, competitors and government agencies, and matters relating to the environment,

assets, internal control, accounting, reporting and disclosure, information management and protection of personal data. Employees may consult or report any incidents of violation of the code of conduct directly to the Compliance Manager. The policies and the code of conduct have been prescribed based on the principle of fair treatment towards stakeholders and for the long term benefits of the Company.

The Company has set up an internal control unit to oversee and support activities concerning Internal Control over Financial Reporting (ICFR) and to assist the Company in the development and adoption of its governance policies and manuals. The responsibility of the internal control unit includes monitoring and reporting the status of internal control over financial reporting to the Management, the Audit Committee and the Board of Directors on a regular basis, in order to enhance the accuracy and credibility of the Company's financial reports.

Moreover, the Company has also set up a unit responsible for occupational health, safety, security and environment (HSSE Unit), which follows the ISO14001 & OHSAS18001 international standards as its framework. The Company takes into consideration its responsibility towards the public in terms of environmental protection, particularly the carbon emissions. The Company has developed a plan to reduce the carbon emissions, which are being monitoring on an on-going basis.

(2) Risk Management

The Company adheres to the principles of risk management in accordance with the AS/NZS ISO 31000:2009 Risk Management standard, which is widely used and accepted internationally. Such risk management measures cover risk management from the strategy level to operational level. The senior Management of the Company are obligated to and responsible for the risk management in respect of the work under their areas of supervision so as to ensure that the risk management is undertaken effectively in accordance with the prescribed plan and such risks are maintained at an acceptable level.

The risk management of the Company involves the assessment of future factors and is a process that is undertaken on a continuous basis. The Company has put in place its risk management framework and manual with a regular review. The systematic risk assessment is a crucial part for the Company's strategic planning process. The risk assessment process identifies key risks, assess their severity in terms of the likelihood of the risks and their potential consequences, and specify the risk mitigation actions. The Company has also put in place a systematic risk monitoring process to regularly monitor the changes of the risk level, the progress of the risk mitigation actions, and the occurrence of significant risks.

Through the risk reporting process, key risks are regularly reported to the Management. Such risk report helps the Management make its decision on an informed basis. The report will make the Management aware of and understand key risks that could potentially hinder the Company's strategic goals and, thus, increase the likelihood of the Company in achieving its goals with the risks at an acceptable level. The Management reports these key risks to the Board of Directors on a quarterly basis.

(3) Management Control Activities

The Company has developed policies and manuals for various management matters, including policies and manuals for entering into financial, procurement and general management transactions.

The Company has set out a clear and appropriate scope of authority and approval limits for the Management at each level pursuant to the Policy on Delegation of Authority, which has been approved by the Board of Directors. The approval function is segregated from the account and information record function and the safeguarding of assets function for check and balance purpose.

The Company has also put in place strict measures for monitoring transactions with major shareholders, directors, executives, and their related persons, in order to ensure that the transactions are entered into in accordance with the prescribed procedures and approval process, so as to prevent any conflict of interests and for the best interest of the Company.

(4) Information and Communication

The Company places emphasis on information and communication system in order to ensure that accurate and sufficient information is communicated to the Board of Directors, the Management, shareholders and other related persons to make informed decisions. The Company has adopted accounting policies that are in accordance with the generally accepted accounting principles and suitable for the type of business in which the Company engages. All accounting records and supporting documents are being properly kept and maintained for verification at all times. The Company has also prepared meeting notices and supporting documents, including minutes of the Board of Directors' meetings and the shareholders' meetings, and proposed the same to the Board of Directors and shareholders, as the case may be, for consideration in advance of the meetings and in accordance with the law.

(5) Monitoring

There are clear processes for monitoring the internal control system and reporting any significant control failures or weaknesses together with details of corrective action. These include both

on-going monitoring and periodic evaluation by the Management to ensure that a strong internal control system is in place and functioning.

On-going monitoring activities include regular reviews of performance and key financial information, analysis of, and appropriate follow-up on, operation reports or metrics that might identify anomalies indicating a control failure, etc. In addition, the Management is required to immediately report to the Audit Committee and the Board of Directors cases or suspected cases of fraud, violation of laws, or other misconduct that may have a material adverse effect on the reputation and financial status of the Company.

Key periodic evaluations include the followings:

- (a) The Management testing of key internal control over financial reporting – this test was carried out in 2015 and there was no significant internal control deficiency that may have a material effect to the financial reports. Furthermore, the summary of internal control testing is reported to the Audit Committee on a quarterly basis;
- (b) The activities of the Internal Audit Department, which examines the business operation procedures of the Company through an approved internal audit plan, highlights any internal control weaknesses and proposes recommendations for corrective actions thereon. The Internal Audit Department reports its findings directly to the Audit Committee, follows up on the progress of any corrective actions with the Management and provides a summary report on the results of such actions to the Audit Committee on a monthly basis; and
- (c) Review of internal control matters as identified by the Company's external auditor.

In this regard, EY Office Limited, the Company's external auditor, has reviewed and assessed the accounting control of the Company and its subsidiaries. There are no material findings that may have a material effect on its opinion on the financial statements of the Company and its subsidiaries as of 31 December 2015. The Audit Committee accorded with the opinion of the auditor that the Company's internal control system was sufficient and suitable for the Company's business and capable of safeguarding the Company's assets from undue or unauthorized use by the Management. The Board of Directors' Meeting No. 1/2016, which was held on 3 February 2016, acknowledged the opinion of the Audit Committee on the sufficiency of the Company's internal control system.

Internal Audit

The Internal Audit Department is obliged to perform its duties on an independent and fair basis and to provide advice in order to add value and improve the Company's operations. The Internal Audit Department is independent from the management and provide report with respect to the internal audit directly to the Audit Committee.

The objectives, authority, duties and responsibilities of the Internal Audit Department towards the Company, including roles and responsibilities of the Head of Internal Audit Department are explicitly defined in the Internal Audit Charter, which is formally reviewed and approved by the Chief Executive Officer and the Audit Committee at least on an annual basis to ensure accordance between responsibilities under the Internal Audit Charter and the operation of the Internal Audit Department. The Head of Internal Audit Department is required to confirm the independence of the internal audit activities to the Audit Committee on an annual basis.

The Company has appointed Mrs. Thitima Srichuntrapun as the Head of Internal Audit Department and acts as the secretary to the Audit Committee supporting their oversight responsibilities and accountability to achieve their authorities and duties effectively.

The appointment, transfer and dismissal of the Head of Internal Audit Department and the heads of other units within the Internal Audit Department shall be approved by the Audit Committee.

The Internal Audit Department adheres to the guidance of the Institute of Internal Auditors (including the definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing) and the Information Systems Audit and Control Association and the internal audit manual of the Company.

The Internal Audit Department has developed a flexible annual internal audit plan by taking into account a business strategic directions and key corporate risk-based methodology, including any matters concerned by senior Management. The annual internal audit plan is reviewed and approved by the Audit Committee. Apart from implementing the approved annual internal audit plan, the Internal Audit Department also performs any special tasks or projects as requested by the Management and the Audit Committee as appropriate.

According to the approved annual internal audit plan, the Internal Audit Department identifies and reviews potential risks, reviews the adequacy and effectiveness of the internal control and reports

significant internal control weakness, non-compliance issues and recommendations for business improvements to the Management. An appropriate follow up process is implemented by the Internal Audit Department to ensure that the Management responds to and takes actions on the recommendations of the Internal Audit Department and external auditors. The audit findings, progress on any corrective actions taken by the Management and the status of the Internal Audit Department's activities are directly reported to the Audit Committee on a monthly basis.

Furthermore, the Internal Audit Department has the responsibility to review the connected party transactions in accordance with the Company's internal procedure to ensure that they are in compliance with the laws and the rules and regulations of the Stock Exchange of Thailand and reports the reviewed results to the Audit Committee on a quarterly basis. The Internal Audit Department also investigates suspected fraudulent activities within the Company and notifies the Management and the Audit Committee of the results. In addition, the Internal Audit Department performs consulting services to assist the Management in meeting its goals and business strategy.

The staffs of the Internal Audit Department are encouraged to continually enhance their knowledge, skills and competencies through participation in various in-house and external training courses as well as overseas seminars. In addition, the staff members of the Internal Audit Department are provided with opportunities to develop themselves through the participation in the Company's mobility program.

To ensure the Internal Audit Department's conformance to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing (IIA Standards), and internal audit activities as set forth in the Internal Audit Charter and the expectations of the Management, the Internal Audit Department has arranged for an assessment on the effectiveness of internal audit by an external independent assessor every five years. The assessment result is reported to the Company's Board of Directors and the Audit Committee. The latest internal audit quality assurance review was conducted by an external independent assessor in 2011. The assessment result was that the activities of the Internal Audit Department generally conform to the International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors.

dtac

*dedicates THE COMMITMENT
TO good CORPORATE governance*



With the best intention and commitment to ensure good corporate governance and standards, dtac is honored with “**Top 50 ASEAN Publicity Listed Companies**” award from ASEAN Capital Markets Forum. It confirms that dtac is Thai listed company with good corporate governance at the international level as it complies with the principles

of good corporate governance, including equal treatment of shareholders and protection of their rights, social responsibility, honesty to customers, transparency and accountability, and dedications of the committee and executives.

dtac as Thai listed company will continue to be committed to good corporate company and to further advance corporate governance practices for all customers and shareholders, the development of the country, and the confidence of regional and global investors to Thai capital markets.

“ Thai listed companies has consistently committed to implement good corporate governance principles in line with the ASEAN standard. The Thai Institute of Directors (IOD) admires and congratulates all award-winning companies. IOD will continue to support Thai listed companies to further apply good corporate governance in their operations and services to enhance the development of the Thai capital markets and corporate governance practice of the Thai private sector. ”

Dr. Bandit Nijathaworn
President and CEO of the Thai Institute of Directors (IOD)





corporate governance

Corporate Governance Policy

The Board of Directors and the Management of the Company are committed to the principles of good corporate governance pursuant to the Principles of Good Corporate Governance for Listed Companies 2012 of the SET in order to sustain and maximise long term value of the shareholders.

The Board of Directors has established a corporate governance policy, which sets out the key governing bodies in the Company and process in respect of risk management, strategy, financial reporting and internal control. In addition, the Board of Directors of the Company has established a code of conduct “Corporate Ethics - dtac’s Good Governance”, which applies to its directors, Management, employees and other persons acting on its behalf. The Company’s code of conduct has been in effect since 2006 and has been regularly updated to cover various subjects, such as human rights, labour, occupational health, safety, security, environment, conflicts of interests, use of insider information, internal control, disclosure of information, anti-corruption and etc. in accordance with the international standard.

The corporate governance policy and the code of conduct can be found on the Company’s website at www.dtac.co.th and its intranet for easy access and reference of the directors, executives and employees of the Company. In addition, the Company has taken actions to raise awareness and understanding of the corporate governance policy and the code of conduct on a regular basis, for instance, providing the code of conduct manuals and arranging an orientation program for new employees and additional trainings on such subjects from time to time. The Company has also developed learning media on the code of conduct in cartoon version which explains various important topics in an easy and simplified way, e.g. conflict of interest, anti-corruption, bribery, gifts and business courtesies, personal information and privacy, information security, sponsorship or donation, external communication as well as other important topics employee should be aware of. To monitor the compliance of the corporate governance policy, the Chief Executive Officer will perform an assessment of the implementation of the governing documents, the level of compliance and report the results to the Board of Directors at least once a year.

Fully understanding the crucial importance of the principles of good corporate governance, the principles of good corporate governance of the Company have been adopted from the Principles of Good Corporate Governance for Listed Companies 2012 of the SET, which has been revised to be in line with the ASEAN CG Scorecard. From the assessment on corporate governance practices of Thai listed companies assessed by the Thai Institute of Directors Association (IOD), the Company is one of 55 companies that have been awarded a level of “excellent” (90% to 100% of CG scoring) among 588 listed companies that have been assessed

(or 9% of all companies that have been assessed in 2015). This is to confirm that the Company commits to the Principles of Good Corporate Governance for sustainability development. Details of the Company's practice of the good corporate governance are set out in 5 categories as follows:

Section 1 – Rights of Shareholders

The Board of Directors realises and places importance on the fundamental rights of the shareholders, namely the rights to trade and transfer shares, receive the Company's profit distribution, independently and equally attend and vote at general meetings of shareholders, decide on the Company's important matters, appoint or remove directors, determine directors' remuneration, appoint auditors, determine auditors' remuneration and receive the Company's information promptly, completely, and sufficiently through an easy-to-access channel. The Company encourages its shareholders to fully exercise their rights through the general meetings of shareholders so that the shareholders can participate in any decision-making that affect or relate to their rights and benefits.

The Company has a policy to support and facilitate the shareholders, including institutional investors, to attend the general meetings of shareholders by selecting the meeting venues where the mass transit system are available and sufficient for the shareholders to conveniently commute to attend the meetings. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimise the time for documents verification on the meeting date. The Company also provides registration channels at the meeting venue specifically for individual shareholders, juristic person shareholders, and institutional investors and also arranges for a barcode system for registration and vote counting to expedite the registration and vote computation process. To facilitate the shareholders, the Company also provides stamp duty for the appointment of proxies.

The Company conducts the general meetings of shareholders in a transparent manner with examination mechanisms available. The shareholders are provided with an opportunity to raise questions and express opinions. The directors, senior Management and the auditor of the Company are encouraged to attend such meetings to provide answers to and acknowledge the opinions of the shareholders.

The Company held the 2015 Annual General Meeting of Shareholders on 26 March 2015 at the Athenee Crystal Hall, 3rd Floor, Plaza Athenee Bangkok, A Royal Meridien Hotel, Bangkok,

Thailand. There were 17 directors and senior Management attending the 2015 Annual General Meeting of Shareholders.

The Company engaged Thailand Securities Depository Co.,Ltd., its registrar, to send the invitation notice to the meeting, together with the supporting documents, to the shareholders at least 21 days prior to the meeting. The invitation notice and supporting documents in both Thai and English version were published on the Company's website at www.dtac.co.th prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting.

The Company provided opportunities for the shareholders to submit questions relevant to the meeting agenda in advance of the 2015 Annual General Meeting of Shareholders during 1 October–31 December 2014. However, no question was submitted.

Before the meeting began, the Company explained to all shareholders the criteria and the procedures for vote casting. There was also an external legal advisor who supervised the meeting and the voting process to ensure that they were conducted in accordance with applicable laws and the Articles of Association of the Company. At the meeting, the Chairman of the meeting provided opportunities for the shareholders to express their opinions and to make inquiries relevant to the Company and the meeting agenda.

On the same day after the conclusion of the meeting, the Company informed the SET, in the form of a newsletter, the resolution of each agenda of the 2015 Annual General Meeting of Shareholders by indicating the votes as "approved", "disapproved" or "abstained from voting".

Section 2 – Equitable Treatment of Shareholders

The Board of Directors places importance on fair and equitable treatment to all shareholders; as a result, the following actions have been implemented:

The Company has a policy to protect the rights of all shareholders. At the 2015 Annual General Meeting of Shareholders, the Chairman of the meeting conducted the meeting in accordance with the agenda as set forth in the invitation notice to the meeting. No agenda was added without prior notification to the shareholders. All shareholders were entitled to vote based on the amount of shares held by each shareholder whereby one share was equal to one vote.

During 1 October – 31 December 2014, the Company provided opportunities for the shareholders to propose matters that they

considered necessary for inclusion in the agenda of the 2015 Annual General Meeting of Shareholders and to nominate candidates for election as directors. The Company also posted the criteria and procedures in relation thereto in the form of a newsletter to the SET and on its website at www.dtac.co.th. However, no shareholders proposed matters for inclusion in the agenda of the meeting nor nominated any candidates for election as directors.

The shareholders who could not attend the meeting in person were entitled to appoint an independent director of the Company or any other person to attend the meeting and vote on their behalf. The Company prepared proxy forms as prescribed by the Ministry of Commerce, whereby the shareholders may give their proxies voting instruction. The proxy forms were delivered to the shareholders together with the invitation notice to the meeting. Additionally, the shareholders could download the proxy forms from the Company's website at www.dtac.co.th.

The Company appointed Thailand Securities Depository Co., Ltd. to proceed with the registration and vote counting and provided the shareholders with voting ballots for each agenda. As for the agenda regarding election of directors, the Company provided the shareholders with an opportunity to elect each director individually. The vote counting in each agenda was conducted openly and transparently and the voting ballots were collected and maintained for further examination.

The Company prepared the minutes of the 2015 Annual General Meeting of Shareholders, and posted the minutes and the video record of the meeting on the Company's website at www.dtac.co.th, within 14 days after the meeting.

Section 3 – Roles of Stakeholders

(1) Right of Stakeholders

The Company realises the rights of all groups of stakeholders, whether inside or outside the Company, and has undertaken to ensure that such rights are well protected and treated, in order to create good understanding and co-operation between the Company and its stakeholders, which will be advantageous to the operation of the Company, create confidence and stability for the Company and its stakeholders and increase the ability of the Company to compete in the long term.

Rights of Shareholders

The Company realises and places importance on the rights of the shareholders as the owners of the Company. The Company has ensured equal and fair treatment among all shareholders through its accurate, transparent and timely disclosure of information and

safeguarding of its assets. The Company aims to operate its business in a manner which is profitable and maintains sustainable growth, so as to increase the long-term value for the shareholders. Further details on rights of shareholders are demonstrated in Section 1 Rights of Shareholders and Section 2 Equitable Treatment of Shareholders.

Rights of Employees

The Company has always regarded its employees as valuable resources, whose roles are fundamental to the success of the Company. Accordingly, the Company aspires to increase the potential of its employees throughout their career path by improving skills, knowledge and aptitude of its employees, as well as providing every employee with an opportunity to improve its career path on an equitable basis and offering appropriate remuneration to its employees. The Company has studied and reviewed the organisation structure, role, duty and responsibility of each unit, evaluate the performance and work progress of its employees regularly, in order to build internal potential and organisation readiness for development into the best organisation.

The Company places importance on the welfare and safety of its employees. The Company provides fundamental welfare and benefits as required by law, such as working hours, holidays, annual leaves, and any other types of leave, as well as social security, compensation fund and provident fund, and constantly communicates all benefits to its employees.

In addition to those as prescribed by law, the Company also provides other welfare to its employees, such as health insurance, which covers outpatient and inpatient treatment and dental care, life insurance, personal accident insurance, annual health check-up, and in-house medical and nursing treatment with doctors and nurses standing by at the Company's office during working hours, as well as providing healthcare measure, such as communication of preventive measures for epidemics and provision of protective masks and alcohol-based hand gel for its employees and visitors. Furthermore, the Company encourages its employees to exercise for good health by providing facilities, sport equipment and other sport activities, such as yoga and aerobics, etc. The Company also promotes good family relationship by providing various areas and activities, such as kids' room, library, breastfeeding room and activities during school vacation, to support employees who have the necessity to bring their children to the work place. In 2015, the Company has announced a new policy for a 6-month maternity leave for female employees in order to prepare for and recover from the medical aspects of delivery and to facilitate mother-child bonding. During this maternity leave, the Company will pay wages to female employees for 180 days. This new policy will be implemented from 1 January 2016 onward. In addition, the

Company also provides financial aid to its employees in various cases, such as wedding, childbirth, ordination, death of close relatives and natural disasters, etc.

The Company promotes and supports its employees to participate in organisation development by holding an election for the “House of Employee Representatives” to represent the employees and be the mediator for cooperation with the Company, in order to solve and relieve problems of its employees in addition to those welfare and benefits already provided by the Company to its employees, as well as to provide advice to and obtain opinion from its employees.

The Company has a safety and environmental management system which is in line and comply with the international standards on safety and environmental management system. The Company has set up a unit to oversee matters relating to occupational health, safety, security and environment (HSSE Unit) to establish a policy and a code of conduct on health, security, safety and environment by specifying and promoting good health and the provision of safe working environment, as well as security and relevant measures to prevent accidents and illnesses from work in accordance with the internationally accepted standards. The Company has also organised workshops on safety and working environment (HSSE Workshop) in order to promote a culture of safe working environment in the organisation through an electronic self-learning program (HSSE Virtual Learning Program) and organize HSSE activities. The Company has also set up an HSSE Committee for 3 groups in several areas, which consists of representatives from its employees and the Management, working together to report and recommend solutions and improvement for safe working environment, and promote and encourage safe working activities. The HSSE Committee holds a meeting on a monthly basis. In 2015, the Company had the loss-time injury frequency rate of 0 per 1 million working hours.

Furthermore, the Company’s office, i.e. “dtac House” is the only office from Thailand that has been announced as one of the “Top Ten Best Office Spaces in the World in 2015” in “Global Cities: The 2015 Report” made by Knight Frank, a world’s leading residential and commercial property consultancy.

In order to develop and improve the organisation to truly meet the needs of its employees, the Company invites its employees to complete an online questionnaire on employees’ opinions towards the organisation (Employee Engagement Survey) on an annual basis. The questionnaire covers employees’ opinions towards their line managers, working teams and the Company, as well as guidelines and suggestions that would help develop the Company’s potential. For this purpose, employees could freely express their feelings and opinions on the questionnaire; the information obtained from the questionnaire will be kept confidential.

Rights of Community, Society and Environment

The Company realises that it is a part of the society and community and places importance on responsibility towards community, society and environment. To support this policy, the Company focuses on development of activities through an integration of communication technologies to improve the quality of life of various groups of people (Enable), strengthening safety in telecommunications services (Safe) and doing business with care for the environment (Climate Change), for instance, the Company and Ruam Duay Chuay Kan Sam Nuek Rakbankerd Foundation has implemented “Internet Changes Lives” project and “Farmer Info” application, to support and enhance agricultural sector and community enterprise to be able to easily access to internet so that they can have better opportunities to develop their production activities, product qualities and product distribution. In 2015, the Company offered various types of activities with co-operation from several public and private organisations to support community, society and environment. Details of activities in relation to responsibility towards community, society and environment can be found under Section “Social Responsibility”.

The Company has a policy to protect the environment which will be implemented to promote responsibility towards the environment, and develop and use more environmental friendly technologies. The Company has continuously taken actions to reduce environmental impact and control activities that may have environmental impact, including management of waste from the Company’s operation, such as recycling of used batteries from base stations, campaigning for optimal energy efficiency, particularly the reduction of carbon emissions both from the office building and base stations. The activities included designing the office at Chamchuri Square Building with the aim of energy saving, campaigning for employees to use electricity efficiently and promoting use of communications technology, such as e-conference which will help reduce carbon emissions from energy consumption from travelling.

In addition, the Board of Directors of the Company encourages employee education and training with regard to environmental matters. In this regard, HSSE Unit provides an electronic self-learning program (HSSE Virtual Learning Program). The program covers the Company’s policy on environmental protection, energy consumption and emissions of air pollution, waste handling and recycling, as well as working environment. In 2015, HSSE Unit has completed the environmental training program for all new employees and plans to implement the training program for all business partners.

Rights of Customers

The Company aspires to enhance its efficiency in providing services, offer products and services which meet customers’

demand and undertake relevant actions to ensure that customers will be confident and satisfied with the services of the Company. The Company has a clear policy that every customer will be equitably and fairly treated with respect and good manner on the principle of “customer centricity” or customer focus, in which understanding of customers’ needs is a priority and shall be adhered to by all employees in performing their work on any matters. In this regard, the Company has arranged for internal activities throughout the year in order to provide all employees the opportunities to learn and exchange opinions which will be used by the Company to improve and encourage cooperation amongst divisions which will be directly or indirectly beneficial to the customers.

Currently, the Company provides service channels to support customers, namely the Service Center and the Call Center. Customers can visit the Company’s Service Centers which are located in prime locations of Bangkok, its vicinities and upcountry, or dial 1687 to the Call Center which is available 24 hours a day where 10 languages, i.e. Thai, Chinese, Burmese, Lao, Cambodian, Yawi, Japanese, English, Bahasa Melayu, and Vietnamese, are available for any inquiries, requests or complaints.

Additionally, the Company has set up the “Consumer Complaint Center” to accept, handle and solve complaints from customers without fees or charges. The Company has publicised the criteria for accepting complaints on its website at www.dtac.co.th. In 2015, which is the second consecutive year that our Call Center has won “Consumer Protection Thailand Call Center Award” under the call center quality development initiative by Office of the Consumer Protection Board (OCPB) in cooperation with the Management System Certification Institute (MASCI).

The Company has the policy of protecting personal data of the customers, under which any processing of personal data must be undertaken cautiously and carefully and must be limited to the extent required for the Company to operate, provide relevant services and carry out related commercial activities in accordance with the laws.

Rights of Business Partners

It is the policy of the Company to treat all business partners equitably and fairly. The Company has established written, easily understandable and standardised procedures for procurement so as to assure its business partners’ confidence in the vendor selection process of the Company at all events. The Company has a clear policy on procurement for competitive bidding process. Negotiation of contracts between the Company and its business partners are undertaken based on general commercial terms.

The Company has the policy of requiring its business partners to comply with the supplier code of conduct in relation to various matters, such as labour, health, safety, security, environment and corruption, which shall be of the same standard as the Company, which is in line with the internationally accepted standards. The Company conducts an onsite visit and sends questionnaires to its business partners on a regular basis in order to follow-up on the business partners’ compliance with the supplier code of conduct. This aims to improve the standard of business operation and build sustainable growth of the business partners of the Company.

In addition, the Company also emphasises on respecting intellectual property rights of business partners and other third parties. It is the Company’s policy that directors, executives and employees of the Company and other persons acting on behalf of the Company shall avoid infringement of intellectual property rights of business partners and other third parties. At the same time, the directors, executives and employees of the Company and other persons acting on behalf of the Company shall protect and administer the Company’s intellectual property in the interest of the Company as prescribed in the code of conduct “Corporate Ethics - dtac’s Good Governance”.

Rights of Competitors

The Company encourages and supports fair and transparent competition. The Company will not perform any act which would violate or contradict to any competition law or may cause damages to the reputation of its competitors. The Company competes in the market by offering good products and services at the right price, and will deal with its competitors in an honest and professional manner.

Rights of Creditors

The Company aspires to maintain sustainable relationship with its creditors. The Company has a policy to treat its creditors equitably and fairly by providing correct, transparent and verifiable information to its creditors, and to strictly honour the terms and conditions of the contracts it has with its creditors whether in relation to the repayment of principal, interest and fees, maintenance of financial ratio or other conditions, etc. The Company will immediately inform its creditors in case the Company fails to comply with any condition in order to jointly find solutions. In the past year, the Company had no event of default and guarantee obligation.

(2) International Human Rights Principles

The Company supports internationally declared human rights which include declarations and treaties of the United Nations on human rights. Directors, executives and employees of the Company and other persons acting on behalf of the Company shall respect personal dignity, privacy and individual rights of each person they

are in contact with in the course of their duties, and shall not take any action which results in or supports the violation of any human rights as prescribed in the code of conduct "Corporate Ethics-dtac's Good Governance". In 2015, the Company has declared the readiness as a listed company in the SET to conduct business with social responsibility by committing to the Children Rights and Business Principles organized by UNICEF Thailand and Thaipat Institute on Child-Friendly Business Campaign. The Company has also declared its mission on children and youth to create positive impacts and sustainability.

(3) Anti-corruption and Bribery Policy

The Company has the policy of requiring its business partners to comply with the anti-corruption policy and to allow the Company to make an audit inspection on such matter. In case where there is any finding on corruption, the Company has the right to terminate the business relationship immediately.

Since 2012, the Company has joined the Thailand's Private Sector Collective Action Coalition against Corruption (CAC), which is a national coalition with the support from the government and the Office of the National Anti-Corruption Commission. Currently, the Company is on process of completing of Self-Evaluation Tool for Countering Bribery which expects to finish by Q1 of 2016.

Since 2014, the Company has prepared a "dtac Anti-Corruption Handbook", which was published to all employees as a manual toolkit to guide the employees to be line with the Company's values and rules regarding the anti-corruption. Moreover, the Company has prepared anti-corruption newsletters, which were published via the Company's intranet every 2 weeks in order to create awareness and organisational culture on anti-corruption. In 2015, the Company has announced an Anti-Corruption policy and No Gift Manual, stated that the employees shall not receive any gifts from external parties, subject to the prescribed terms and conditions.

(4) Measures on Whistleblowing and Protection for Whistleblowers

The Company has set up a communication channel through its website at www.dtac.co.th to provide opportunities for shareholders and interested persons to opine or complain directly to the Board of Directors of the Company in case there is an unfair treatment or a trouble arising from the action of the Company. Furthermore, all employees must report an event or a behaviour which is unlawful or suspected to be unlawful or violates the good governance of the Company or any rules or laws to their supervisors. The Company has also provided a channel for employees to consult or report directly to the Compliance Manager upon becoming aware of or suspecting any conduct which is unlawful or violates the code of conduct "Corporate Ethics – dtac's Good Governance" and has or may have

impact on employees, other interested persons and the Company. The compliance team will examine facts, summarise details of such event to report to the Internal Audit Department and the Audit Committee for consideration and recommendation and take remedial or legal action towards such offence. The information of the whistleblower and other details received by the compliance team will be kept confidential for the confidence of the whistleblower.

Section 4 – Disclosure of Information and Transparency

The Company complies with the regulations of the SEC, the Office of SEC and the SET in respect of disclosure of significant information, in particular, disclosure of financial information, the Company's development, operational information, business performance and other relevant substantial information of the Company through the websites of the SET to ensure transparent and equitable disclosure. In addition, the Company regularly posts updated information, both in Thai and English, regarding its financial information, annual report, policies and CSR activities and registration statement (Form 56-1) on its website at www.dtac.co.th. The Company also holds an analyst briefing in each quarter to announce its quarterly operating results to shareholders, investors, analysts, fund managers, and other interested persons. The analyst briefing is attended by the Management of the Company who will clarify and answer inquiries raised by attending persons.

The Company realises that the Company's information, whether financial or non-financial information, will influence decision-making of its shareholders and other general investors. Therefore, to ensure that significant information is disclosed accurately, promptly and transparently, the Company has established an investor relations department to efficiently and regularly communicate with its shareholders and general investors. Any interested person can obtain the Company's information from the Investor Relations Department at telephone number +66 2202 8882 or email address IR@dtac.co.th.

The Board of Directors of the Company is responsible for the Company's financial statements and financial information contained in the annual report. The financial statements have been prepared in accordance with the generally accepted accounting principles in Thailand. The Company has chosen an appropriate accounting policy and has applied the same accounting standard for each accounting period. The Board of Directors has appointed the Audit Committee to be responsible for the quality of the financial statements and internal control system of the Company, as well as sufficient disclosure of significant information in the notes to the financial statements, in order to ensure all accounting records

are accurate, complete and adequate for the benefit of the shareholders and general investors. Furthermore, the Board of Directors has prepared the Board of Directors' report in the annual report, providing information on the results of business operation and other important matters occurred within the year for the shareholders' acknowledgement.

In 2015, there has been no action taken against the Company by the relevant regulators on the basis of any non-disclosure of any material information within the requisite timeframe.

Section 5 – Responsibilities of the Board of Directors

(1) Composition of the Board of Directors

At present, the Board of Directors of the Company consists of 12 directors. 4 directors are independent directors, 2 of whom are female, 1 director (who is female) is a representative from CAT pursuant to the Concession Agreement and 1 director is an executive director (i.e. the Chief Executive Officer). There is no director or independent director holding more than 5 directorship positions in publicly listed companies and no executive director holding more than 2 directorship positions in publicly listed companies, excluding subsidiaries, affiliates and joint-venture companies of the Company where supervision is required for the benefit of the Company. More than 1 non-executive directors have work experience in the business of the Company.

The Chairman of the Board of Directors and the Chief Executive Officer have separate functions and responsibilities and are not the same person. The Chairman has been elected by the directors of the Company and acts as the chairman of the meeting. The Chairman has the responsibility to ensure that the meetings of the Board of Directors of the Company proceed in accordance with the agenda, encourage all directors to participate in the meeting (such as asking questions or making observation notes), give advice and recommendation to the Management and support the business operation of the Company. However, the Chairman will not interfere with the work of the Management of the Company. The Chief Executive Officer is responsible for managing the business of the Company and supervising the business operation of the Company to ensure that it complies with the resolutions of the shareholders' meetings and the Board of Directors' meetings, policies and business plans of the Company and applicable laws.

The Board of Directors of the Company is composed of directors who possess qualifications, knowledge, expertise and experiences in various areas, including finance and accounting, business

administration, law and telecommunications business. The independent directors possess higher qualifications than those required by the SEC and the SET, details of which can be found under Section "Corporate Governance – Independent Directors".

The Company does not require that the Chairman of the Board of Directors be an independent director, given that the telecommunications business has unique and complex nature and is subject to rigorous regulation. The Company believes that its Chairman and the Board of Directors possess knowledge, capacity and good understanding of the nature of the telecommunications business, which are necessary in the decision-making process in order to bring the utmost benefits to the Company and its shareholders as a whole. Despite the fact that the Chairman is not an independent director, the Board of Directors of the Company is still of the opinion that the Company has good internal control system, including mechanisms which can create confidence for its shareholders and all stakeholders that any decision-making of the Board of Directors was made independently, prudently, and without being influenced or directed in any respect.

(2) Roles, duties and responsibilities of the Board of Directors

The Board of Directors of the Company approves the vision, missions, strategies, business direction and operational policy, business plan and annual budget of the Company, and directs the Management to perform in compliance with the established policies and business plans in accordance with applicable laws, objectives and Articles of Association of the Company, and resolutions of the Board of Directors' and shareholders' meetings, taking into account the utmost benefits of the Company and the stakeholders, in order to build sustainable growth of the Company and increase long-term value for the shareholders. The Board of Directors will review and approve the vision, missions, strategies, business direction and operational policy on an annual basis in order to adapt to the changing situation and business conditions. Further details on the power, duties and responsibilities of the Board of Directors can be found under Section "Corporate Governance – Board of Directors".

The Board of Directors of the Company ensures compliance with the requirements on actions and disclosure of information concerning transactions which may give rise to conflicts of interests pursuant to the regulations of the SEC, the SET and relevant regulators by assigning the Audit Committee to be responsible for considering, approving and giving recommendations in relation to transactions which may give rise to conflicts of interests. In addition, the Company has introduced the General Mandate for Interested Person Transactions, which sets out the types and approval procedures for transactions which may give rise to conflicts of interests, which are

undertaken by the Company in its normal course of business. The Management is required to seek the Board of Directors' approval for entries into transactions which may give rise to conflicts of interests which are of significant size or important nature to the business operation of the Company. The Company proposes the General Mandate for Interested Person Transactions to the Board of Directors for approval and reports the entries into such transactions to the Board of Directors for acknowledgement on an annual basis.

The Board of Directors holds a Board of Directors' meeting without the presence of the executive director or member of the Management at least once a year. The meeting provides the directors with the opportunity to review the performance of the Board of Directors, the Management and the Company as well as to consider and discuss management issues or other issues which are of the interest of the Board of Directors. The resolutions of the meeting would be notified to the Chief Executive Officer for acknowledgement and consideration for further improvement. In 2015, the Board of Directors held one meeting without the presence of the executive director and the Management.

The Board of Directors conducts an evaluation on the performance of the Board of Directors, an individual director self-assessment, and sub-committee self-assessment on an annual basis in order to provide an opportunity for each director to express his or her view on the performance of the Board of Directors and to consider and review the results, problems and obstacles on its performance over the previous year. In 2015, the Board of Directors has conducted the aforementioned evaluations with the results as set out below.

The evaluation on the performance of the Board of Directors

The Company arranges for an evaluation on the performance of the Board of Directors on an annual basis so as to assess the performances of the Board of Directors in accordance with the good corporate governance principles. The evaluation procedure can be summarized as follows.

The Company Secretary prepares and reviews the evaluation form for correction and completeness and in compliance with the criteria required by the regulators. The evaluation form will then be proposed to the Board of Directors to complete. The Company Secretary will summarize the result of the evaluation on the performance of the Board of Directors as well as the strength and improvement areas before proposing to the Nomination Committee for its recommendations for further proposing to the Board of Directors for its consideration. The Board of Directors will review the result of the evaluation in order to improve their performance.

The evaluation form for the evaluation of the performance of the Board of Directors contains six key areas, namely, (1) structures

and qualifications of the Board of Directors, (2) roles, duties and responsibilities of the Board of Directors, (3) meetings of the Board of Directors, (4) performance of the Board of Directors, (5) relationship of the Management, and (6) self-improvement of the directors and executives' development. The results of each key area are calculated in percentage, whereby 85 per cent or more = excellent, more than 75 per cent = very good, more than 65 per cent = good, more than 50 per cent = average, and less than 50 per cent = need improvement. It can be concluded from the evaluation results that the Board of Directors has performed its duties in accordance with the good corporate governance principles and the code of conduct "Corporate Ethics – dtac's Good Governance" of the Company with most of the performance in the level of excellent and having an average score of 90.44 per cent.

Sub-Committee Self-Assessment

In 2015, the Company has arranged for sub-committee's self-assessment. The evaluation procedure is the same as the evaluation on the performance of the Board of Directors as mentioned above. The evaluation form for sub-committee's self-assessment contains 3 key aspects, which are, (1) committee composition, (2) committee responsibilities, and (3) operating practices. After the evaluation, most of the results were in the level of excellent and having an average score of were higher than 85 per cent for all sub-committees.

Individual director's self-assessment

The Company also arranges for individual director's self-assessment on an annual basis. The evaluation procedure is the same as the evaluation on the performance of the Board of Directors as mentioned above. The evaluation form for individual director's self-assessment contains five key areas, namely, (1) directorship, (2) directors' ethics, (3) directors' responsibilities, (4) directors' meetings, and (5) directors' overall performance. After the evaluation, most of the results were higher than 93 per cent. The results showed that the Company's directors are qualified and have performed their duties excellently and properly in accordance with the principles of good practice for directors.

(3) Meetings of the Board of Directors

A meeting of the Board of Directors of the Company is held at least once for every quarter. The Company informs the directors of the dates and time of the meetings in advance every year so that the directors can manage their schedule to attend the meetings accordingly. There are clear agenda for each meeting. The Company sends the meeting invitation, together with the supporting documents, to the directors at least seven days in advance to allow the directors sufficient time to study the

information prior to the meeting. Each meeting takes at least three hours. The senior Management of the Company will join the meeting in order to clarify and answer the Board of Directors' queries. The Chairman will allow every director to express his/her opinion before proceeding with the vote and concluding a resolution of the meeting in each agenda. Directors having interest, whether directly or indirectly, will not be eligible to vote and will have to leave the meeting during the consideration of the relevant agenda.

The Company record the minutes of the meetings in writing and kept the originals with the meeting invitation notices and the relevant supporting documents. Electronic copies of the documents are also maintained to facilitate the directors and relevant persons for the purpose of examination.

Since the Company has a number of directors who do not reside in Thailand, the Company has arranged facilities for these directors to attend the Board of Directors' meetings via video- or tele-conference so the directors could provide opinions or recommendations which are beneficial to the Management and the business operation of the Company. Such attendance does not count as quorum, and those who attend the meetings via video- or tele-conference do not have the right to vote.

In 2015, the Company held 9 Board of Directors' meetings with the rate of attendance of the directors of 73 per cent. The attendance of each director is as follows:

Name – Surname	Position	Date of First Appointment	Date of Last Appointment	Attendance
Mr. Boonchai Bencharongkul	Chairman	29 October 1990	26 March 2015	9/9
Mr. Morten Karlsen Soerby ⁽¹⁾	Vice Chairman	28 August 2015	28 August 2015	3/4 ⁽¹⁾
Mr. Chulchit Bunyaketu	Independent Director	6 March 2000	26 March 2014	9/9
Mr. Stephen Woodruff Fordham	Independent Director	17 November 2006	26 March 2015	7/9
Mrs. Chananyarak Phetcharat	Independent Director	5 September 2011	26 March 2015	6/9
Mrs. Kamonwan Wipulakorn	Independent Director	8 December 2014	26 March 2015	7/9
Mr. Lars-Aake Valdemar Norling ⁽²⁾	Director	10 February 2015	10 February 2015	7/7
Mr. Haakon Bruaset Kjoel	Director	5 September 2011	11 February 2014	5/9
Ms. Tanwadee Wongterarit	Director	8 February 2013	26 March 2014	8/9
Mr. Tore Johnsen	Director	29 March 2013	29 March 2013	9/9
Mr. Henrik Clausen	Director	16 September 2014	16 September 2014	4/9
Mr. Richard Olav Aa	Director	29 March 2013	29 March 2013	0/9

Remark: (1) Mr. Morten Karlsen Soerby has been appointed as a new director in replacement of Mr. Sigve Brekke (who resigned from his directorship on 17 August 2015) pursuant to the resolution of the Board of Directors' Meeting No. 6/2015 held on 28 August 2015. He attended the Board of Directors' meetings in person 3 times and via video-conference 1 time.

(2) Mr. Lars-Aake Valdemar Norling has been appointed as a new director in replacement of Mr. Gunnar Johan Bertelsen (who resigned from his directorship on 1 April 2015) pursuant to the resolution of the Board of Directors' Meeting No. 2/2015 held on 10 February 2015.

The attendance of the directors who resigned during 2015 is as follows:

Name – Surname	Position	Date of First Appointment	Date of Last Appointment	Attendance
Mr. Sigve Brekke	Vice Chairman	8 February 2006	26 March 2014	3/5
Mr. Gunnar Johan Bertelsen	Director	27 April 2010	29 March 2013	2/2

(4) Subcommittees

In 2015, the subcommittees have performed its duties as follows:

Audit Committee

The Audit Committee consists of 3 independent directors. A meeting of the Audit Committee is held approximately once a month. In 2015, the Company held 14 Audit Committee meetings, the attendance of which was as follows: Mr. Chulchit Bunyaketu attended 13 meetings, Mr. Stephen Woodruff Fordham attended 14 meetings, and Mrs. Kamonwan Wipulakorn attended 12 meetings.

In 2015, the Audit Committee was responsible for reviewing the financial reporting process of the Company, the internal control system and internal audit system, compliance with laws relating to the business of the Company, considering and selecting (including proposing to terminate) the Company's auditors and reviewing connected transactions, transactions of interested persons or transactions which may give rise to conflicts of interest, etc.

In carrying out its duty on the selection (including proposal to terminate) of the auditors of the Company, the Audit Committee will consider the selection of auditors pursuant to the Company's assessment criteria, which consist of the auditors' experience, performance, understanding of the telecommunications business and expertise on auditing telecommunications companies, as well as their independence in performing their works during the past year, in order to propose the appointment of the auditors to the Board of Directors and the shareholders' meeting for consideration. At the 2015 Annual General Meeting of Shareholders, which was held on 26 March 2015, Mr. Sophon Permsirivallop, certified public accountant No. 3182, Ms. Rungrapa Lertsuwankul, certified public accountant No. 3516 and Ms. Pimjai Manitkajohnkit, certified public accountant No. 4521, all from EY Office Limited were appointed as the auditors of the Company. Ms. Pimjai Manitkajohnkit was the auditor in charge of auditing the Company, and had expressed opinions on the financial statements of the Company for the year ended 31 December 2015. She was not the auditor in charge of auditing the Company and did not expressed opinions on the financial statements of the Company for the year ended 31 December 2013 and 2014.

In performing its duty on the audit of the internal control and audit system, the Audit Committee will meet with the auditors of the Company at least once a year without the presence of the Management of the Company. Furthermore, where the Audit Committee deems necessary and appropriate, the Audit Committee may request clarifications and opinion from the internal audit department and the auditors of the Company on information relating to financial and accounting matters to support the performance of its duties.

Remuneration Committee

The Remuneration Committee of the Company consists of 5 directors, being 3 independent directors and 2 non-executive directors. A meeting of the Remuneration Committee is held at least once a year. In 2015, the Company held 3 Remuneration Committee meetings, the attendance of which was as follows: Mr. Stephen Woodruff Fordham attended 3 meetings, Mr. Chulchit Bunyaketu attended 3 meetings, Mrs. Kamonwan Wipulakorn attended 3 meetings, Mr. Tore Johnsen attended 3 meetings and Mr. Hakon Bruaset Kjol attended 2 meetings.

In 2015, the Remuneration Committee was responsible for considering and giving recommendation on remuneration of the Chairman and other directors, reviewing and recommending the remuneration packages and bonus scheme for the Chief Executive Officer and reviewing the local engagement contract of the Chief Executive Officer, promoting and encouraging the Company to develop a Company's remuneration philosophy and policy to be in line with the Company's direction and talent development plan and etc.

At the 2015 Annual General Meeting of Shareholders, the meeting approved the remuneration of the Board of Directors and the subcommittees for 2015 in the amount not exceeding THB 11,000,000, an increase from 2014 at THB 9,990,000. The remuneration consisted of monthly allowance and meeting allowance as follows:

	Directors' Remuneration Structure (THB)	
	Monthly Allowance	Meeting Allowance
Chairman	278,400	-
Independent director	69,600	42,000
Director (CAT's representative)	-	21,600
Chairman of the Audit Committee	-	50,000
Member of the Audit Committee	-	28,800
Chairman of the Remuneration Committee / Chairman of the Nomination Committee / Chairman of the Corporate Governance Committee	-	18,000
Member of the Remuneration Committee / Member of the Nomination Committee / Member of the Corporate Governance Committee	-	14,400

Remark: (1) Other directors do not receive the above remuneration.

In determining the remuneration of the Chief Executive Officer, the Remuneration Committee will consider the performance of the Chief Executive Officer during the previous year pursuant to the specified key performance indicators (KPIs), each of which has different weighted scores.

Nomination Committee

The Nomination Committee of the Company consists of 5 directors, being 3 independent directors and 2 non-executive directors. A meeting of the Nomination Committee is held at least once a year. In 2015, the Company held 4 Nomination Committee meetings, the attendance of which was as follows: Mr. Stephen Woodruff Fordham attended 4 meetings, Mr. Chulchit Bunyaketu attended 4 meetings, Mrs. Kamonwan Wipulakorn attended 3 meetings, Mr. Tore Johnsen attended 3 meetings and Mr. Hakon Bruaset Kjol attended 2 meetings.

In 2015, the Nomination Committee was responsible for selection of qualified candidates to be nominated for election as directors and executive management of the Company and its key subsidiaries. Additionally, the Nomination Committee has considered and made recommendation on the Board of Directors' self-assessment results, and acknowledged the organization restructure and top executives' succession plan, etc.

Corporate Governance Committee

The Corporate Governance Committee consists of 4 directors, being 3 independent directors and 1 non-executive director. A meeting of Corporate Governance Committee is held at least once a year. In 2015, the Company held one Corporate Governance Committee meeting and all members of Corporate Governance Committee were present at the meeting.

In 2015, the Corporate Governance Committee was responsible for developing and promoting a good corporate governance so as to be in compliance with the international standard and acceptable to shareholders, investors, regulators, and other stakeholders.

(5) Development of Directors and Management

When appointing a new director, the Company will prepare material information with respect to business operation and the corporate governance policy of the Company as well as arrange for a meeting with the Management, so that the new director can familiarise himself/herself with the business and the corporate governance of the Company. The Company also encourages its directors to attend the trainings relating to duties of directors, which are organised by Thai Institute of Directors Association and other institutes. The Company will inform its directors of relevant trainings which would be useful for the directors in carrying out their duty as the directors of the Company. At present, there are 8 directors of the Company who have attended the courses organised by the Thai Institute of Directors Association. In 2015, Mr. Stephen Woodruff Fordham, the independent director, attended "Director Certification Program (English Residential Program) class no. 203/2015 during 22-28 March 2015. Details of the directors training can be found under Section "Profile of Directors.

The Company regularly reviews the performance and skill sets of its management, and based upon this review, individual development plans have been made and executed. The Company has prepared both internal and external training courses for the development of its executives. Further details on human resources development policy can be found under Section "Management Structure – Human Resources Development Policy".

(6) Succession Plan for Senior Executives

The Board of Directors of the Company have appointed People Group to be responsible for setting up the succession plan for the Chief Executive Officer position. People Group will consider persons who have suitable qualifications, knowledge and ability for managing the Company's business. The Management has proposed top executives' succession plan to the Nomination Committee and the Board of Directors for consideration and recommendations on the appropriateness of such plan.

Subcommittee

The structure of the Board of Directors of the Company comprises the Board of Directors and the subcommittees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Corporate Governance Committee.

The scope of power, duties and responsibilities of the Board of Directors and the subcommittees are as follows:

Board of Directors

The power, duties and responsibilities of the Board of Directors are as set forth in the Public Limited Company Act, the Securities and Exchange Act, the regulations of the SET and the Articles of Association of the Company.

The power, duties and responsibilities of the Board of Directors, including the approval authorities are as follows:

- (1) Performing its duties and responsibilities with due care and loyalty, taking into consideration the best interest of the Company and its shareholders;
- (2) Responsible for the administration of the Company, managing the Company's long-term and strategic planning, safeguarding the proper organization of the business, and overseeing the management of day-to-day operations;
- (3) Setting the Company's direction, vision, values and leadership expectations;
- (4) Considering and approving to make decisions to enter into major transactions and other proceedings, and in certain cases grants authority to make decision, in accordance with applicable legislation, the Company's objectives and Articles of Association, decisions made by the shareholders' meetings, as well as the Company's governing documents;
- (5) Ensuring that the Company adheres to generally accepted principles for the governance and effective control of the Company's activities;

- (6) Approving and supervising targets and strategy plans and any deviations therefrom;
- (7) Ensuring the accuracy and completeness of the Company's operational and financial reporting to all shareholders and general investors;
- (8) Having adequate oversight of internal control over financial reporting (ICFR) to ensure that these controls adhere to its objectives, are compliant with legal requirements and the Company's governing documents;
- (9) Evaluating and discussing the Company's optimal capital structure, the dividend policy, the funding strategy and the optimal funding composition on a regular basis;
- (10) Declaring interim dividends to shareholders from time to time when the Board is of the view that the Company has derived sufficient profits to do so;
- (11) Reviewing the management's draft of the annual accounts and ensuring that the accounts are accurately and completely prepared and that they reflect the Company's financial condition and results of operation for the benefits of all shareholders and general investors;
- (12) Together with the management, compiling the annual report;
- (13) Overseeing and determining the overall organization of the Company's and its key subsidiaries' operations;
- (14) Ensuring that risk management activities are in place to pro-actively identify and deal with critical business risks related to the Company. All strategic, operational (financial and non-financial) and legal risks of importance shall be taken into consideration;
- (15) Overseeing that transactions with potential conflicts of interest of management, Board members and shareholders, including their related persons, are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and the Company's minority shareholders;
- (16) Ensuring that the Company has adequate and appropriate internal controls and that an internal audit unit is established and maintained to monitor the Company's internal controls and report any significant failures or weaknesses thereof, together with recommendations of corrective action;
- (17) Preparing issues to be dealt with at shareholders' meetings and providing recommendations thereon;
- (18) Identifying potential candidates with the appropriate knowledge, competencies and expertise to complement the existing skills of the Board and the board of its key subsidiaries;
- (19) Reviewing and making recommendations on remuneration of directors to shareholders for approval;
- (20) Appointing (and dismissing) the Company's Chief Executive Officer, and overseeing and undertaking an annual evaluation of the Chief Executive Officer's execution of his/her duties;

(21) Overseeing that both safety and security risks are managed proportionally and effectively to ensure protection of personnel, information and other assets;

(22) Ensuring that the Company has adequate procedures in place to prevent the Company from being involved in corruption; and
(23) Carrying out an evaluation once a year of its work, functions and performance.

Audit Committee

The Audit Committee consists of 3 independent directors, namely:

Names of Directors	Position
Mr. Chulchit Bunyaketu	Chairman of the Audit Committee
Mr. Stephen Woodruff Fordham	Member of the Audit Committee
Mrs. Kamonwan Wipulakorn	Member of the Audit Committee

The members of the Audit Committee have all the qualifications of an “independent director”. They are not authorised by the Board of Directors to make decisions on the business operation of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and are not directors of its parent company, subsidiary or affiliate, which is a listed company. Mr. Chulchit Bunyaketu and Mrs. Kamonwan Wipulakorn have the knowledge and experience in the area of accounting, sufficient to review the creditability of financial statements of the Company.

The duties and responsibilities of the Audit Committee are as follows:

- (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 and internal audit system, which include accounting controls, financial controls, operational and legal controls, risk management policies and other control systems established by the management of the Company, to ensure their suitability and efficiency. Such review should be conducted by an internal auditor and/or an independent auditor at least once a year;
- (3) To review the effectiveness of the Company’s internal control unit at least once a year to ensure the adequacy of its resources and the appropriateness of its position within the Company;
- (4) To review the independency of the internal audit unit, as well as approving the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of an internal audit;
- (5) To review the Company’s compliance with the Securities and Exchange Act, the rules and regulations of the SEC and SET including any other laws and regulations relevant to the business operation of the Company;
- (6) To consider, select and nominate an independent person to be the Company’s auditor, and to propose such person’s

remuneration and terms of engagement (including to propose to terminate the auditor who is not qualified), as well as to attend a non-management meeting with such auditor at least once a year;

- (7) To review the independency of the Company’s auditor at least once a year;
- (8) To review the scope, performance and cost effectiveness of the Company’s auditor, its independency and objectivity;
- (9) To review by which the Company’s employees may report, in confidence, incidents on possible improprieties in financial reporting or other matters, including to arrange for investigation and take appropriate follow-up action on such matter;
- (10) To review connected transactions, transactions with interested persons, or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and regulations of the SEC and SET, and are reasonable and for the best interest of the Company
- (11) To prepare and disclose in the Company’s annual report, an Audit Committee’s report, which must be signed by the Chairman of the Audit Committee and consists of at least the following information:
 - an opinion on the accuracy, completeness and creditability of the Company’s financial report;
 - an opinion on the adequacy of the Company’s internal control system;
 - an opinion on the compliance with the Securities and Exchange Act, the rules and regulations of the SEC and SET, and any other laws and regulations relevant to the business operation of the Company;
 - an opinion on the suitability of the auditor;
 - an opinion on the transactions that may lead to conflicts of interest;

- the number of the Audit Committee meetings and the attendance of each members of the Audit Committee;
- an opinion or overview comment of the Audit Committee from its performance in accordance with the charter; and
- any other matters 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

- (12) To perform any other act as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

Remuneration Committee

The Remuneration Committee consists of 5 directors, namely:

Names of Directors	Position
Mr. Stephen Woodruff Fordham	Chairman of the Remuneration Committee
Mr. Chulchit Bunyaketu	Member of the Remuneration Committee
Mrs. Kamonwan Wipulakorn	Member of the Remuneration Committee
Mr. Haakon Bruaset Kjoel	Member of the Remuneration Committee
Mr. Tore Johnsen	Member of the Remuneration Committee

The duties and responsibilities of the Remuneration Committee are as follows:

- (1) To review and recommend the remuneration of the Chairman and other directors;
- (2) To review and approve the remuneration of the Chief Executive Officer;
- (3) To review the on-going appropriateness and relevance of the remuneration policy;
- (4) To ensure that all relevant legal requirements regarding disclosure of remuneration, in all forms, are complied with;
- (5) To report to the Board of Directors regarding the remuneration of the Chief Executive Officer (including base pay, incentive payments, equity awards and retirement or severance rights), having regard to the remuneration policy and whether in respect of any elements of remuneration, any shareholder approvals are required;

- (6) To review the contractual rights of the Chief Executive Officer on termination, and any payments made or proposed, to determine whether they are reasonable in the circumstances;
- (7) To provide the Board of Directors with minutes of Remuneration Committee meetings and to report the Remuneration Committee's actions to the Board of Directors with appropriate recommendations;
- (8) To provide a statement for inclusion in the annual report that describes the Remuneration Committee's composition and how its responsibilities were discharged;
- (9) To review annually and update the Remuneration Committee's charter for approval by the Board; and
- (10) To perform such other functions as may be assigned to it by the Board of Directors.

Nomination Committee

The Nomination Committee consists of 5 directors, namely:

Names of Directors	Position
Mr. Stephen Woodruff Fordham	Chairman of the Nomination Committee
Mr. Chulchit Bunyaketu	Member of the Nomination Committee
Mrs. Kamonwan Wipulakorn	Member of the Nomination Committee
Mr. Haakon Bruaset Kjoel	Member of the Nomination Committee
Mr. Tore Johnsen	Member of the Nomination Committee

The duties and responsibilities of the Nomination Committee are as follows:

- (1) Making recommendations on qualified candidates for election as directors of the Company and its key subsidiaries;
- (2) Making recommendations on qualified candidates for election as Chief Executive Officer and Chief Financial Officer of the Company and its key subsidiaries;
- (3) Reviewing the structure, size and composition of the Board taking into account the current requirements and future development of the Company, and make recommendations to the Board with regard to any adjustments as deemed necessary;
- (4) Paying attention to the Board self-assessment evaluation and recommends any improvement as it deems necessary;
- (5) Monitoring that steps be taken to ensure that shareholders have the opportunity to propose candidates for the Board;
- (6) When assessing candidates, taking into consideration if the candidates have the necessary experience, qualifications and capacity;
- (7) Considering if a rotation of the members of the Board is necessary;
- (8) Justifying its recommendations and thus any dissenting votes must be stated in the recommendation;
- (9) Ensuring the Company's compliance with relevant laws and regulations regarding nomination and qualifications of directors;
- (10) Satisfying itself with regard to succession planning for the Board and key management appointments;
- (11) Ensuring appropriate disclosure of information on its activities; and
- (12) Carrying out an evaluation once a year of its work, functions, performance.

Corporate Governance Committee

The Corporate Governance Committee consists of 4 directors, namely:

Names of Directors	Position
Mrs. Chananyarak Phetcharat	Chairman of the Corporate Governance Committee
Mr. Chulchit Bunyaketu	Member of the Corporate Governance Committee
Mrs. Kamonwan Wipulakorn	Member of the Corporate Governance Committee
Mr. Tore Johnsen	Member of the Corporate Governance Committee

The duties and responsibilities of the Corporate Governance Committee are as follows:

- (1) Overseeing that the Company adheres to generally accepted principles for governance and effective control of the Company's activities and maintain a corporate culture that encourages good corporate governance practices;
- (2) Establishing and maintaining an appropriate corporate governance policy and procedures;
- (3) Ensuring the implementation of the governing documents as adopted by the Board and the policy and procedures to secure adequate corporate governance in the Company and in all subsidiaries controlled directly and indirectly by the Company;
- (4) Ensuring that the Chief Executive Officer at least annually perform an assessment of the implementation of the governing documents and the level of compliance, and report to the Board;
- (5) Reviewing and reporting to the Board on material matters, findings and recommendations pertaining to corporate governance;
- (6) Justifying its recommendations and thus any dissenting votes must be stated in the recommendation;
- (7) Ensuring the Company's compliance with relevant laws and regulations regarding good corporate governance;
- (8) Ensuring appropriate disclosure of information on its activities and the Company's corporate governance practices; and
- (9) Carrying out an evaluation once a year of its work, functions, performance.

Management

The Board of Directors has specified the scope of power, duties and responsibilities of the Board of Directors separately from the Management. In summary, the Board of Directors is responsible for formulating policies and monitoring the performance of the Management. The Management is responsible for implementing such policies and reporting the results of its performance to the Board of Directors.

The Board of Directors has established the policy on delegation of authority in writing, which covers the delegation of authority between the Board of Directors and the Management and clearly sets out the scope of authority and approval limits for the Board of Directors and the Management.

The Chief Executive Officer holds the highest management position in the Management and has the power, duties and responsibilities as follows:

- (1) Responsible for the day-to-day management of the Company's operations. The Chief Executive Officer shall adhere to the guidelines and instructions laid down by the Board, including the Company's governing documents;
- (2) Deciding on all matters where the authority does not come under the authority of the Board pursuant to applicable laws, these Rules or other instructions adopted or decisions made by the Board. The Chief Executive Officer shall act to reasonably ensure that the Company conducts and develops business in accordance with applicable legislation, the Articles of Association, decisions made by the shareholders' meeting and/or the Board;
- (3) Responsible for organizing the Company and corresponding workforce in a manner consistent with the Board's directions;
- (4) Ensuring that the Company adheres to generally accepted principles for governance and effective control of the Company's activities;
- (5) Approving and supervising budgets and business plans and any deviations from these;
- (6) Ensuring that risk management activities are in place within the organization to pro-actively identify and deal with the business risks related to the Company. Strategic, operational and legal risks shall be taken into consideration. The Chief Executive Officer has established a Risk Management Committee consisting of members from the Company's management and which shall support the Chief Executive Officer in fulfilling his/her responsibilities;
- (7) Proposing strategic plans for the Company, including its key subsidiaries, to the Board for approval and suggest resolutions in other matters of strategic importance for the Company.
- (8) Ensuring that transactions with potential conflicts of interest of management, Board members and shareholders, including their related persons, are undertaken on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority shareholders;
- (9) Ensuring that the Company has adequate and appropriate internal controls in place, and that they are included as an integral part of operations and procedures of the Company in order to provide reasonable assurance regarding the achievement of the following objectives: effective and efficient use of resources, safeguarding the Company's assets, reliability of internal and external financial reporting, and compliance with the Company's governing documents and applicable laws and regulations;
- (10) Establishing an internal audit unit to review the Company's business processes through an approved internal audit plan, report any significant control failures or weaknesses and make recommendations thereon. The internal audit unit reports directly to the Audit Committee;
- (11) Responsible for providing appropriate level of dialogue and cooperation with employees or their representatives, to ensure a responsible business practice taking into account experience and insight of employees;
- (12) Being authorized to request shareholders' meetings and to represent the Company (or appoint a delegate) in the subsidiaries' shareholders' meetings, including voting in accordance with any instructions from the Board. Remaining updated of business development, positions and profit performance of the key subsidiaries;
- (13) Overseeing that both safety and security risks are managed proportionally and effectively to ensure protection of personnel, information and other assets;
- (14) Securing an adequate handling, including sanctions, of employees' non-compliance with the Company's governing documents (if any). The Chief Executive Officer shall also secure that any significant non-compliance issue is reported to the Board; and
- (15) Implementing adequate procedures to prevent the Company from being involved in corruption. The Chief Executive Officer shall conduct a yearly risk-based review of these procedures and ensure that any weaknesses, if discovered, are remediated. The Chief Executive Officer shall present the review to the Board.

Company Secretary

The duties and responsibilities of the Company Secretary are set out in accordance with the Public Limited Company Act, the Securities and Exchange Act, and the Principles of Good Corporate Governance for Listed Companies 2012 of the SET. The duties and responsibilities of the Company Secretary are as follows:

- (1) Providing legal and regulatory advice pertaining to the duties and responsibilities of the Board of Directors and the business operation of the Company;
- (2) Preparing documentations and supporting information for the Board of Directors' and shareholders' meetings;
- (3) Coordinating and following-up on the implementation of the Board of Directors' and shareholders' resolutions;

- (4) Preparing and safe-keeping the director register, notices and minutes of the Board of Directors' meetings, annual reports, notices and minutes of the shareholders' meetings;
- (5) Safe-keeping the reports of interests of directors and management;
- (6) Preparing information and arranging information sessions on the business of the Company, including other information relevant to the business operation of the Company for new directors; and
- (7) Responsible for the Board of Directors' and shareholders' activities.

Nomination and Appointment of Directors and Senior Management

Independent Directors

The Company has set out the criteria and qualifications of an independent director, which are stricter than the requirements of the SEC and the SET, as follows:

- (1) Holding shares not exceeding 0.5 per cent of the total voting shares of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including shares held by related persons of the independent director;
- (2) Not being or having been an executive director, employee, staff, advisor who receives regular salary, or controlling person of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, unless such characteristic ceases at least two years prior to the date of appointment;
- (3) Not being a person related by blood or legal registration, such as father, mother, spouse, sibling and children, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling person of the Company or its subsidiary;
- (4) Having no business relationship with the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, in a manner which may interfere with his independent judgement, and not being or having been a major shareholder, non-independent director, executive of any person having business relationship with the Company, its parent company, subsidiary, or juristic person which may have conflicts of interest, unless such characteristic ceases at least two years prior to the date of appointment;
- (5) Not being or having been an auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major

shareholder, non-independent director, executive, or managing partner of the audit firm in which the auditor of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest is employed, unless such characteristic ceases at least two years prior to the date of appointment;

- (6) Not being or having been any professional advisor, including legal advisor or financial advisor which receives service fee of more than THB two million per year from the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, and not being a major shareholder, non-independent director, executive, or managing partner of the professional advisor which is a juristic person, unless such characteristic ceases at least two years prior to the date of appointment;
- (7) Not being a director appointed as representative of a director of the Company, its major shareholder, or shareholder which is a related person of the major shareholder of the Company; and
- (8) Not having any characteristics which render him incapable of expressing independent opinion regarding the Company's business operation.

The nomination and appointment of an independent director is as set out under the section "Corporate Governance – Nomination and Appointment Directors" below.

At present, the Company has 4 independent directors which accounted for one-third of the Board of Directors, namely (i) Mr. Chulchit Bunyaketu, (ii) Mr. Stephen Woodruff Fordham, (iii) Mrs. Kamonwan Wipulakorn and (iv) Mrs. Chananyarak Phetcharat, who are independent from any major shareholders and the Management of the Company and are fully qualified pursuant to the criteria specified above. The independent directors did not have any business relationship nor provide any professional services to the Company in the past financial year.

Nomination and Appointment of Directors and Senior Management

Nomination and Appointment of Directors

The Company places importance on the nomination and selection of directors by specifying the qualifications of directors and independent directors in accordance with the laws and relevant regulatory requirements, including the Articles of Association of the Company.

The selection and nomination of directors of the Company is considered by taken into account the educational background, work experience, knowledge and expertise, particularly in the

telecommunications industry, and past performance as a director as well as the appropriate mix of skills in order to enable the Board of Directors to perform its duties effectively.

The Nomination Committee is responsible for the selection and nomination of directors of the Company. Since 2011, the Company has engaged professional recruitment firms to assist in the selection of independent directors. The Nomination Committee will select qualified person for the position of director, conclude the selection results and nominating them as candidates for further consideration by the Board of Directors and the shareholders (as the case may be).

Directors of the Company must have the qualifications to act as directors and do not possess any of the prohibited characteristics prescribed by laws and must not simultaneously hold more than 5 board seats in publicly listed companies and executive directors must not hold more than 2 directorship positions in other companies or publicly listed companies, excluding subsidiaries, affiliates and joint-venture companies of the Company in order to ensure their efficiency in performing their duties and responsibilities towards the Company.

Directors are elected to hold office for a period of 3 years and may be re-elected for another term of office. The appointment, removal and retirement of a director from the Board of Directors of the Company must be in compliance with the Articles of Association of the Company as follows:

- (1) The Board of Directors must comprise at least 5 members and at least half of whom must have residence in Thailand;
- (2) The shareholders must appoint members of the Board of Directors in the following manners:
 - (a) each shareholder shall have the votes equals to the number of shares held by him/her;
 - (b) all votes can be cast for a particular candidate or group of candidates but cannot be split between different candidates; and
 - (c) candidates receiving the highest number of votes in descending order will be appointed as directors of the Company. In the event of a tie, the chairman of the meeting will have the casting vote;
- (3) A director wishing to resign from his position must submit a letter of resignation to the Company. Resignation takes effect upon receipt of the letter of resignation by the Company;
- (4) The shareholders' meeting may resolve to remove any director before the expiration of his/her term by not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and holding not less than one-half

of the total number of shares of all the shareholders attending the meeting and having the right to vote; and

- (5) At every annual general meeting of shareholders, one-third of the directors who have served for the longest term must retire from their office but such directors are eligible for re-election.

Nomination and Appointment of Senior Management

The Board of Directors of the Company has established a policy and criteria for the nomination and appointment of senior management and a policy for succession plan. There is a clear and transparent nomination process in which educational background, work experience, knowledge, capability, ethics and leadership are taken into consideration. The Board of Directors of the Company has appointed the Nomination Committee to consider and recommend qualified candidates for the appointment as Chief Executive Officer and Chief Financial Officer of the Company.

Monitoring of the Operation of the Company's Subsidiaries and Affiliates

The Company has developed monitoring mechanisms for its subsidiaries and affiliates so as to monitor their administration, management and operation and protect the interests of the Company. The Company has appointed representatives of the Company as directors and senior management of such subsidiaries and affiliates. The Board of Directors of the Company has appointed the Nomination Committee to consider and recommend qualified candidates for the appointment as Chief Executive Officer and Chief Financial Officer of its key subsidiaries.

In addition, the Company has taken actions to ensure that the power, duties and responsibilities of the directors and management of its key subsidiaries, rules and procedures relating to connected transactions and other key transactions are in line with those of the Company in order to have the same standard of governance. The Company arranges for the financial and operational performance of its key subsidiaries to be reported to its Board of Directors quarterly.

Use of Insider Information

The Company has developed the policy and the code of conduct for the handling of information of the Company in order to prevent unlawful use of insider information for personal benefits or the benefits of other persons. It is the responsibility of the directors, executives and employees of the Company to prevent access by

unauthorised persons to, and disclosure of, non-public information that may affect the market price of the Company's shares and other financial instruments issued by the Company before the Company discloses such information via the stock exchange's disclosure system, or before the information ceases to be price-sensitive. The directors, executives and employees shall not trade in the shares or financial instruments before such information has been made public or ceases to be price-sensitive. Violation of the code of conduct for the handling of information will be subject to investigation, punishment and/or dismissal of employment in accordance with the rules and procedures under applicable laws and regulations.

In addition, the Company has developed a policy for directors and executives on dealing in the Company's securities. The directors and executives of the Company are prohibited from dealing in the Company's securities for the period of one month prior to the announcement of the Company's operating results for each quarter until the day following the date in which the Company's operating results are made public, and from trading on short-term considerations. The Company Secretary will notify the directors, executives and relevant employees of such period prior to the announcement of the Company's operating results. The directors and executives are required to notify the Company of any acquisition or change of their shareholdings in the Company (including the shareholdings of their spouses or minor children) within 24 hours from the date of such acquisition or change. The Company Secretary will compile and report such information to the Board of Directors of the Company.

In addition, the directors and executives of the Company are required to submit a report on their and their related persons' interests, in relation to the administration and management of the Company and

its subsidiaries within 15 days from the end of each calendar year, and within 15 days from the date of any changes in their interests. The purpose of the report is for monitoring of and compliance with the requirements on connected transactions which may be transactions that give rise to conflicts of interest.

The above code of conduct can be found on the Company's website at www.dtac.co.th and on the Company's intranet.

Remuneration for Auditors

The shareholders of the Company, at the 2015 Annual General Meeting of Shareholders, which was held on 26 March 2015, approved the remuneration of the auditors for 2015 in the amount not exceeding THB 5,256,000 (exclusive of VAT). The remuneration consists of the fees for the audit of the annual financial statements and the review of the quarterly financial statements. The approved remuneration amount decreased by 1.87 per cent from that of 2014. In 2015, the Company incurred the auditing expense in the amount of THB 5,256,000. The Company's total non-audit fee, which was not related to the auditing services and booked as the Company's expenses, was THB 2,856,505.

Compliance with Other Good Corporate Governance Practices

The Board of Directors, the Management and employees of the Company strictly comply with the corporate governance policy of the Company and monitor the compliance of such policy on a regular basis. There was no report of non-compliance with the corporate governance policy in 2015.



audit committee report

To Shareholders of Total Access Communication Public Company Limited

The Audit Committee of Total Access Communication Public Company Limited comprises 3 independent directors, who are knowledgeable as well as experienced in finance, accounting, law, and business management. All members possess adequate qualifications as determined in the Audit Committee Charter and the regulations of the Securities and Exchange Commission, Thailand (SEC) and the Stock Exchange of Thailand (SET). In 2015, the committee include:

- | | |
|---------------------------------|---------------------------------|
| 1. Mr. Chulchit Bunyaketu, | Chairman of the Audit Committee |
| 2. Mr. Stephen Woodruff Fordham | Member of the Audit Committee |
| 3. Ms. Kamonwan Wipulakorn | Member of the Audit Committee |

All members of the Audit Committee are not executive directors, employees or advisors of the Company.

The Audit Committee Charter, approved by the Board of Directors, requires that an audit committee meeting be held at least once every quarter. In 2015, the Company held 14 Audit Committee meetings. These meetings were attended by the relevant executive management, Head of Internal Audit, Head of Risk Management and external auditor pertaining to the agenda. Proceedings of all meetings were reported to the Board of Directors.

Activities undertaken by the Audit Committee according to its duties and responsibilities can be summarized as follows:

- Reviewed the quarterly and annual financial statements of the Company for the year 2015 for submission to the Board of Directors for approval. These financial statements were prepared in accordance with generally accepted accounting principles and all information has been sufficiently disclosed;
- Reviewed the adequacy and assessment of the internal control system, risk management and compliance with laws governing the Company's business, as well as conducting meetings with the management and internal audit unit to make recommendations for the benefits of the Company's business operations;
- Approved the annual audit plan, which was prepared based on the Risk Based Approach, and considered the audit reports of the internal audit unit. It was concluded that the Company had an effective internal control system and no significant weakness area;
- Reviewed connected transactions, interested person transactions, or transactions which may have conflicts of interests, to ensure that the transactions are in the ordinary course of the Company's business operations and in compliance with the laws governing securities and exchange;
- Reviewed the Company's risks and followed up the progress of risk management as proposed by the Risk Management Unit;
- Performed a self-assessment in accordance with the Audit Committee Charter and the best corporate governance practices. The result was satisfactory; and
- Considered the nomination and appointment of external auditors and annual audit fee for 2016 for consideration by the Board of Directors.

Based on the activities mentioned above, the Audit Committee is of the opinion that the financial statements of the Company were prepared in accordance with the generally accepted accounting principles, with all information sufficiently disclosed. The Company has maintained an effective and adequate internal control system and internal audit system; no material weakness was found. All businesses have been undertaken in compliance with the laws and regulations concerning the business operation of the Company and the connected transactions were reasonable and for the best interest of the Company.

The Audit Committee has considered the nomination and appointment of external auditors pursuant to the Company's assessment criteria, the external auditors' experience, performance and independence in performing their works during the past year. The Audit Committee found the work of the auditors of EY Office Limited to be satisfactory. In addition, EY Office Limited has worldwide recognition. The Audit Committee therefore recommends the reappointment of the auditors of EY Office Limited as auditors of the Company for the year 2016 and proposes the annual audit fee to the Board of Directors for further approval by the shareholders of the Company.

Sincerely yours,



Mr. Chulchit Bunyaketu

Chairman of Audit Committee

February 3, 2016



nomination committee report

Dear Shareholders,

In 2015, The Company's Nomination Committee consists of 5 members appointed by the Board of Directors, 3 of whom are independent directors. The Nomination Committee consisted of Mr. Stephen Woodruff Fordham, the Chairman of the Nomination Committee, Mr. Chulchit Bunyaketu, Mrs. Kamonwan Wipulakorn, Mr. Haakon Bruaset Kjoel, and Mr. Tore Johnsen.

In 2015, the Nomination Committee held 4 meetings to consider 3 particular issues, which are (i) recommendations on the Board of Directors' self-assessment results, (ii) recommendation on the election or re-election of directors of the Company and key subsidiaries, and (iii) a review and acknowledgement of the organisation structure.

The Nomination Committee undertook a review of its performance in the previous year and found it continued to be effective.

Sincerely yours,

Mr. Stephen Woodruff Fordham

Chairman of the Nomination Committee



corporate governance committee report

Dear Shareholders,

The Company's Corporate Governance Committee consists of 4 members, most of whom are independent directors and appointed by the Board of Directors. The Corporate Governance Committee consists of Mrs. Chananyarak Phetcharat, the Chairperson of the Corporate Governance Committee, Mr. Chulchit Bunyaketu, Mrs. Kamonwan Wipulakorn, and Mr. Tore Johnsen.

In 2015, the Corporate Governance Committee has reviewed the corporate governance practices of the Company in order to be aligned with the Good Corporate Governance Principles for Listed Companies 2012 of the Stock Exchange of Thailand and the Thai Institute of Directors Association (IOD), which was based on the ASEAN Corporate Governance Scorecard. From the assessment on corporate governance practices of Thai listed companies assessed by the Thai Institute of Directors Association, the Company is one of 55 companies that have been awarded a level of "excellent" among 588 listed companies that have been assessed. The Company is also one of Thai listed companies that have been granted "ASEAN Corporate Governance Awards Top 50 ASEAN Publicly Listed Companies" by ASEAN Capital Markets Forum (ACMF).

The Corporate Governance Committee undertook a review of its performance in the previous year and found it continued to be effective. The Committee is determined to enhance and improve the Company's good corporate governance practices for the best interests of the Company, its shareholders, and all stakeholders.

Sincerely yours,

Mrs. Chananyarak Phetcharat

Chairperson of the Corporate Governance Committee



remuneration committee report

Dear Shareholders,

The Company's Remuneration Committee consists of 5 members appointed by the Board of Directors, 3 of whom are independent directors. The Remuneration Committee consists of Mr. Stephen Woodruff Fordham, the Chairman of the Remuneration Committee, Mr. Chulchit Bunyaketu, Mrs. Kamonwan Wipulakorn, Mr. Haakon Bruaset Kjoel, and Mr. Tore Johnsen. The Remuneration Committee has the responsibilities of reviewing and recommending the remuneration of directors, as well as reviewing and approving the annual remuneration package of the Chief Executive Officer.

In 2015, the Remuneration Committee had 3 meetings. There were important areas of activities, which are (i) reviewing and recommending the remuneration packages of the directors and the Chief Executive Officer, (ii) reviewing the local engagement contract of the Chief Executive Officer and (iii) promoting and encouraging the Company to develop a Company's remuneration philosophy and policy to be in line with the Company's direction and talent development plan. The Remuneration Committee undertook a review of its performance in the previous year and found that the Committee was working effectively.

Sincerely yours,

Mr. Stephen Woodruff Fordham

Chairman of the Remuneration Committee



interested & connected person transaction

Any connected party transactions between the Company or its subsidiaries and persons who may have a conflict of interest must be in compliance with the relevant rules and regulations and must be made on reasonable terms or general commercial conditions or in line with the market price. In addition, the transactions shall be transacted at arm's length and the connected party transactions shall be presented to the Audit Committee for review on a quarterly basis

As shown in clause 7 of the notes to consolidated Financial Statements for the year ended 31 December 2015, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

1. Transactions with BB Technology Co., Ltd.

Benchachinda Holding Co., Ltd holds 100% of shares in BB Technology Co., Ltd. Mr. Boonchai Bencharongkul, a director of the Company, is a shareholder of Benchachinda Holding Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Revenue from sales of mobile phone set	0.2	0.02
2. Expenses and other payments		
- Service fees for network maintenance and installation of telecommunications equipment	244.6	272.2
- Service fees of network operation and management	339.5	334.1
- Accounts payable	722	965.4

Rationale for the transactions:

- The Company has entered into the agreement with BB Technology Co., Ltd since the fourth quarter of 2008 to hire BB Technology Co., Ltd. to operate and maintain the Company's entire transmission network. The maintenance fee and contract renewal is similar to what the Company agreed with the previous parties.

2. Transactions with I.N.N. Group

Mr. Boonchai Bencharongkul, a director of the Company, is a director and a shareholder of I.N.N. Group

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Rental revenue	0.1	-
- Revenue from sales of mobile phone set	0.01	0.1
2. Expenses and other payments		
- Marketing expense	33.6	54.1
- Information service fee	35.1	16.1
- Accounts payable	7.8	4.4
- Other payable	20.3	8.9

Rationale for the transactions:

- The Company purchased airtime from I.N.N. Radio Co., Ltd. to advertise company's product via radio. I.N.N. Radio Co., Ltd. is a service provider of the Company providing agricultural information for the Company's customers in several forms through mobile phone. The service rate is of normal commercial terms.
- The Company entered into a content provider access agreement with I.N.N. News (Thailand) Co., Ltd. to provide content service to the Company's customers.

3. Transactions with International Cold Storage and Agricultural Co., Ltd.

Mr. Boonchai Bencharongkul, a director of the Company, is a director of International Cold Storage and Agricultural Co., Ltd. and holds 25% interest.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Expenses and other payments		
- Rent for land	1.0	1.0

Rationale for the transactions:

- The Company rent office space to install transmission networks with 3-year term at a rate comparable with market rate.

4. Transactions with Private Property Co., Ltd.

Mr. Boonchai Bencharongkul, a director of the Company, is a director and a shareholder of Private Property Co., Ltd. with 25% shareholding.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Mobile service revenue	0.1	0.1
- Accounts receivable	-	-
2. Expenses and other payments		
- Rent for space in Benchachinda Building	1.2	1.4
- Other payable	-	-

Rationale for the transactions:

- The Company rent the space in Benchachinda Building to install transmission networks with 3-year term at a rate comparable with market rate.

5. Transactions with Telenor Group

Telenor is a major shareholder of the Company with 42.62% shareholding.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Revenue from international roaming service	103.4	67.6
- Revenue from mobile phone service	-	-
- Revenue from sales of mobile phone set	0.4	0.8
- Revenue from interconnection	97	81.5
- Revenue from management service	8.2	2.2
- Accounts receivable	33	339
- Advances	97	130
2. Expenses and other payments		
- Fees to Telenor under a service agreement	356.0	292.4
- Software and system maintenance fee	81.7	148.1
- Other payables	354.0	582.3
- International roaming costs	17.6	1.8
- Interconnection costs	82.5	600.1
- Cost on international signaling	23.7	25.7
- Accounts payable	90.8	413.2

Rationale for the transactions:

- It is a policy that Telenor provides secondments with appropriate experience and capacity as requested by the Company to jointly manage the business operations for the shareholders' best interest by charging an applicable service fee. Internal Audit Department has submitted the report on this matter to the Audit Committee for review and approval.
- Revenue from mobile phone service arises from the mobile phone services charged to Telenor Asia (ROH) Co., Ltd which has the office in Thailand.
- Revenue from international roaming service arises from the usage of Telenor subsidiaries' customers who travel to Thailand and use the roaming service on dtac's network. The fee is charged in accordance with the agreement.
- Revenue and cost from interconnection, including related costs on rental signaling and IP transit service, arise from the interconnection between dtac TriNet and Telenor Global Services.
- The Company purchased computer software and made annual maintenance contract to improve operational efficiency of the Company.

6. Transactions with United Distribution Business Co., Ltd. ("UD")

UD is a subsidiary of Benchachinda Holding Co., Ltd with 75% shareholding and an associate of the Company with 25% shareholding. Mr. Boonchai Bencharongkul, a director of the Company, is a shareholder of Benchachinda Holding Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Sales of refill vouchers, SIM cards, SIM card packages, starter kits and other products as specified by the Company	13,571.15	12,643.62
- Dividend	25.0	10.0
- Accounts receivable	2,047.5	1,884.15
2. Expenses and other payments		
- Purchase of mobile handsets	-	-
- Marketing support expense	4.6	8.3
- Rental fee	653.19	605.18
- Accounts payable	101	93.7
- Other payable	2	1

Rationale for the transactions:

- In June 2002, the Company and UCOM transferred their sales and distribution business to UD. UD also has an exclusive right to distribute and sell the Company's telecommunication products. The business relationship is beneficial as it allows the Company to concentrate on core business while controlling the cost of distribution.
- The Company purchases handsets from UD for resale at DTAC shops and services centers.

7. Transactions with United Information Highway Co., Ltd. (UIH)

UIH is a subsidiary of Benchachinda Holding Co., Ltd with 100% shareholding. Mr. Boonchai Bencharongkul, a director of the Company, is a shareholder of Benchachinda Holding Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue		
- Revenue from base station sublease include electricity charge	6.7	52.9
- Accounts receivable	1.7	9.1
2. Expenses and other payments		
- Rental expense for high speed leased circuit	13.4	21.8
- Cost of Wi-Fi equipment and service	54.3	52.2
- Accounts payable	32	4
- Other payable	6.2	7.9

Rationale for the transactions:

- UIH provides high-speed data communication service via a nationwide leased optical fiber network to public and private organizations. UIH has one of the most extensive and high quality fiber optic networks in Thailand and has been providing consistent and high quality data communication services to the Company and its subsidiaries for many years.
- It is beneficial to conduct business with UIH as currently the Company does not have such data communication networks. In addition, UIH has one of the most extensive and high quality fiber optic network coverage throughout Thailand.
- Procurement team will obtain quotations from at least 3 service providers as part of the review of pricing arrangements. The Company will continue to rent the high speed leased circuits from UIH if the pricing arrangements continue to be more favorable to the Company than those extended by other service providers, taking into consideration various factors i.e. reputation, the size and quality of the leased circuit, the switching cost and strategic purposes of the transaction.
- dtac Broadband Co., Ltd, the Company's subsidiary, has entered an agreement for high speed circuit at a rate comparable with market rate and an agreement for equipment and service of Wi-Fi with normal commercial terms.

8. Transactions with Bang-san Townhouse Co., Ltd.

Mr. Boonchai Bencharongkul, a director of the Company, is a director of Bang-san Townhouse and holds 25% shareholding.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Expenses and other payments		
- Rent for land	0.6	0.6

Rationale for the transactions:

- The Company leased a plot of land to build switching center with 3-year term at a rate comparable with market rate.
- The Company leased land and building to store our asset and equipment with 3-year term at a rate comparable with market rate.

9. Transactions with King Power Suvarnabhumi Co., Ltd.

Mr. Chulchit Bunyaketu, a director of the Company, is a director of King Power Suvarnabhumi Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Expenses and other payments		
- Rental expense	1.4	1.5
- Other payables	0.1	0.1

Rationale for the transactions:

- The Company was granted the right from King Power Suvarnabhumi Co., Ltd. to provide mobile rental service for dtac customers who will bring mobile phone to use in other countries, and also provide other services including sale of SIM card, payment transactions, and other mobile phone services. The right was charged at one-time payment and monthly revenue shares from services provided at the airport. The agreement term is 5-year starting from the open of the airport.
- The Company leased the space for service hall in order to provide service for dtac customers at the airport. The agreement term is 7-year and it was charged on annual basis at the rate comparable to market rate.

10. Transactions with Top Up 4U Co., Ltd.

Benchachida Holding Co., Ltd. holds 100% interest. Mr. Boonchai Bencharongkul, a director of the Company, is a shareholder of Benchachida Holding Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Revenue and other gains		
- Revenue from sales of top-up service	370.4	357.8
- Accounts receivable	38.5	30.5
- Expenses and commission	17.9	15.9
2. Expenses and other payments		
- Accounts payable	2.3	1.5

Rationale for the transactions:

- The Company hired Top Up 4U Co., Ltd. to be an E-refill distributor at a contract rate in order to expand our top-up channels.

11. Transactions with BB Content & Multimedia Co., Ltd.

Benchachida Holding Co., Ltd. holds 100% interest. Mr. Boonchai Bencharongkul, a director of the Company, is a shareholder of Benchachida Holding Co., Ltd.

Principal Transactions	Aggregate value of transactions during the financial year (THB million)	
	2014	2015
1. Expenses and other payments		
- Service fee	-	0.2
- Accounts payable	0.1	0.1

Rationale for the transactions:

- The Company signed a content provider access agreement with BB Content & Multimedia to provide content service to dtac customers.

Other than the connected party transactions set out above, there was no material contract involving the interests of any of the Chief Executive Officer, Directors and controlling shareholders, still subsisting at the end of the financial year ending 31 December 2015.

Measure and Procedures for Approving Connected Party Transactions

The Company has set policy and procedures for entering into connected party transactions with transparency and for the best interest of the Company. The Company has internal guideline regarding connected party transactions between the Company or its subsidiaries and connected persons which is in accordance with relevant SEC and SET rules and regulations on connected party transactions.

In addition, the Board of Directors of the Company has approved-in-principal the entry into connected party transactions which are ordinary course of business or related supporting business. The key summary is as follows:

- (1) the sales and purchases of products, including, inter alia, the sales and purchases of telecommunication products (including phone kits, refill vouchers, SIM cards, SIM card packages and starter kits); and the sales of e-refill products;
- (2) the obtaining of services, including, inter alia,;
 - the obtaining of maintenance services (including installation services) of base stations and cell site equipment;
 - the obtaining of services for Content Provider Access;
 - the obtaining of international roaming services;
 - the obtaining of business service cost and management services;

- the obtaining of point(s) of interconnection and cost sharing for International Telecommunication Services; and
 - the obtaining of Outsource Bill-Collection Service.
- (3) the rental of properties and circuits, including, inter alia,;
 - the rental of high speed leased circuit; and
 - the rental of land, office space or warehouses.
 - (4) the payment of commission to Connected Persons for distribution services or other services rendered (e.g. the distribution of e-refill products of the Company);
 - (5) the provision and maintenance of telecommunications services including, inter alia, point(s) of interconnection and cost sharing for International Telecommunication Services;
 - (6) the procurement of products, services and/or contracts which are necessary and/or expedient to support the business operations of the Company (including, inter alia, insurance protection); and
 - (7) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in paragraphs (1) to (6) above.

The Company has also implemented the following procedures for approving connected party transaction which may occur during the year in accordance with scopes of transactions that have been approved by the Board of Directors:

- (1) where the value of a transaction is equal to or exceeds THB 500,000, the connected party transaction will be reviewed and approved by the senior management of the Company;

(2) where the value of a Transaction is equal to or exceeds THB 10 million, the transaction will be reviewed and approved by the senior management of the Company. In addition, Internal Audit Department will verify that whether the pricing and other commercial terms of the transaction are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders. Internal Audit Department will issue a report (the "Review Report") and will submit the report to the Audit Committee on a quarterly basis;

(3) where the value of a transaction (either one transaction or several transactions entered into within 6 months with the same connected person) is equal to or exceeds THB 100 million, the transaction(s) will be reviewed and approved by the Audit Committee before the entry into of such contract or transaction. The Audit Committee will evaluate the terms of the transaction(s) in accordance with the prevailing industry norms.



shareholder structure

Total Access Communication Public Company Limited

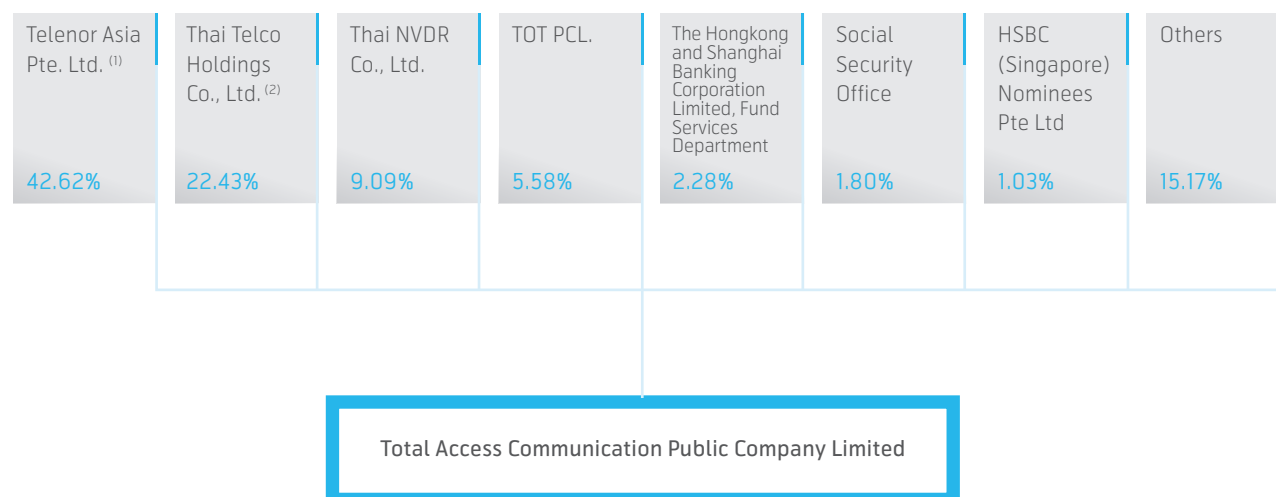
Information on Share Capital and Shareholding

As at 4 November 2015

Share Capital

Authorized Share Capital	:	THB 4,744,161,260
Issued Share Capital	:	THB 4,735,622,000
Class of Share	:	Ordinary Shares 2,367,811,000 of THB 2 each
Voting Rights	:	One vote per share

Shareholding Structure



Top 10 Largest Shareholders

(from the shareholder registered book as of 4 November 2015)

No.	Name	No. of Shares	%
1	Telenor Asia Pte. Ltd. ⁽¹⁾	1,009,172,497	42.62
2	Thai Telco Holdings Co., Ltd. ⁽²⁾	531,001,300	22.43
3	Thai NVDR Co., Ltd.	215,276,620	9.09
4	TOT Public Company Limited	132,145,250	5.58
5	The Hongkong and Shanghai Banking Corporation Limited, Fund Services Department	54,103,300	2.28
6	Social Security Office	42,665,800	1.80
7	HSBC (Singapore) Nominees Pte. Ltd.	24,488,456	1.03
8	State Street Bank Europe Limited	22,866,876	0.97
9	Chase Nominees Limited	13,817,734	0.58
10	Bangkok Life Assurance Public Company Limited	12,247,800	0.52

Remark: (1) Telenor Asia Pte. Ltd. is a subsidiary of Telenor ASA which is a holding company. Approximately 53.97% of Telenor ASA's shares are held by the Government of Norway (information as of 31 December 2015).

(2) Thai Telco Holdings Co., Ltd is a holding company. Shareholder's list and shareholding structure of Thai Telco Holdings Co., Ltd as of 30 April 2015 are as follows:

BCTN Holding Co., Ltd. ⁽³⁾	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor	0.00%

(3) BCTN Holding Co., Ltd. is a holding company. Shareholder's list and shareholding structure of BCTN Holding Co., Ltd. as of 30 April 2015 are as follows:

BCTN Innovation Co., Ltd. ⁽⁴⁾	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor	0.00%

(4) BCTN Innovation Co., Ltd. is a holding company. Shareholder's list and shareholding structure of BCTN Innovation Co., Ltd. as of 30 April 2015 are as follows:

BCH Holding Co., Ltd. ⁽⁵⁾	51.00%
Telenor South East Asia Investment Pte. Ltd.	49.00%
Telenor	0.00%

(5) BCH Holding Co., Ltd. is a holding company. Shareholder's list and shareholding structure of BCH Holding Co., Ltd. as of 7 October 2015 are as follows:

Mr. Vichai Bencharongkul	64.88%
Mr. Boonchai Bencharongkul	20.12%
Mr. Somchai Bencharongkul	15.00%



dividend policy

Formerly, the Company's policy was to pay out dividend at no less than 80% of the Company's net profit depending on the Company's financial position and future business plans with an aim to pay dividend quarterly. However, pursuant to the resolution of the Board of Director's Meeting No. 1/2016 held on 3 February 2016, the meeting has approved the revision dividend payment policy of the Company which changed to "To pay out dividend not less than 50% of the Company's net profit depending on financial position and future business plans. The Company aims to pay dividend semi-annually". This revision takes effective from 2016 onward.

The Board of Directors may propose an annual dividend payment, subject to approval of the annual general meeting of shareholders. The Board of Directors may announce an interim dividend payment if it deems that the Company will have sufficient working capital following such interim dividend payment. The interim dividend payment shall be reported to the shareholders at the next general meeting of shareholders.

In considering dividend payments to shareholders, the Board of Directors takes into account several factors as follows:

- operational performance, liquidity, cash flows, and financial position of the Company;
- future business plans and investment requirements; and
- other important factors that the Board of Directors deems appropriate.

In addition, the Company is governed under the Public Limited Company Act, which specifies that the Company shall not pay out dividends if the Company still has a retained loss, although having a net profit for that year. The Public Limited Company Act also requires the Company to allocate 5% of its annual net profit less the retained loss (if any) as legal reserve until such legal reserve attains an amount not less than 10% of the registered capital.



management discussion and analysis

Executive Summary

In FY15, dtac focused on turning its business around with an aim to become the leading mobile Internet provider in Thailand. To achieve the target, dtac raised its CAPEX in 2015 to THB 20 billion, from THB 14 billion in 2014, in order to launch 4G service on 1800 MHz with 15MHz bandwidth and 2.1GHz with 5MHz bandwidth, covering Bangkok an Metropolitan Area and 40 major cities in Thailand. In addition, dtac expanded 3G network to reach 94% of population coverage by the end of 2015, the widest service areas dtac has ever covered. Network performance gradually improved throughout the year, and a network campaign to bridge the perception gap of our network quality among mobile phone users was launched in late Q315.

However, dtac's operating performance remained under pressure from intense competition among players in the industry. Service revenue excluding IC decreased 3%YoY mainly due to substitution effect of voice with data service and data monetization issue. In order to stay competitive, dtac implemented several initiatives, including network improvement, prepaid handset subsidy, and transformation of distribution to cluster operating model, resulting in higher operating expenses and handset subsidy.

In 2015, dtac made a good progress in transition from concession to license regime, as subscribers of DTN, our NBTC-licensed subsidiary, accounted for 90% of total subscriber, and penetration of smart device users reached 61%, bringing regulatory cost down by 22%YoY. EBITDA, however, declined 9.6%YoY to THB 27,941 million, with EBITDA margin of 31.8%, in line with the guidance. Net profit dropped 45%YoY to THB 5,893 million.

In 2016, we expect competition in the market to remain intense, especially on 4G service offerings, after the conclusion of the auctions in late 2015. We spend similar level of CAPEX as in FY15 to expand 4G networks on both 1800MHz and 2.1GHz bands, and densify 2.1GHz network to provide the best mobile Internet experience to our customers. Existing 2G-1800MHz base stations will be upgraded to 4G in Bangkok and major cities to serve the increasing demand for high speed data service. Furthermore, we plan to expand 4G-2.1GHz network to cover every province in Thailand and densify 2.1GHz network with additional towers.

Data service remains an industry growth driver in the coming years due to growing awareness of 4G high speed Internet and higher smart device adoption from intensive handset campaigns. With data revenue growth being offset by intense competition, we expect the growth of service revenue excluding IC in 2016 to be in the range of flat to slight increase from 2015. We will concentrate on bringing service revenue back to growth, with an aim to maintain revenue market share in the near term. We'll continue the network perception campaign, and be more active and aggressive in the market. Consequently, EBITDA margin is expected to be in the range of 27-31%.

Operational Summary

In Q415, dtac subscribers reached 25.3 million and increased by 400k QoQ. For prepaid segment, dtac added 192k subscribers, supported by marketing activities such as "Happy Dream Car" lucky draw and other acquisition campaigns, and the expiry of prepaid registration in Q315. For postpaid segment, dtac added 208k subscribers, mainly driven by handset bundling packages and 4G services. Comparing to FY14, subscribers declined due to prepaid registration requirement.

At end of FY15, 90% of our subscribers were already registered on 2.1GHz licensed network, compared to 72% last year, and 61% of those were smart device users, compared to 48% last year, driven by many handset campaigns. After launching 4G-1800MHz service in Q415, we had 2.3 million 4G users, up from 1.6 million in Q315. 4G handset penetration was 15% in our base and data user increased from 14.1 million in FY14 to 14.2 million.

Blended Average Revenue per User excluding IC (ARPU) in Q415 was THB 220, increasing 9.8%YoY, due to smaller subscriber base after expiry of prepaid registration period, and 7.7%QoQ due to seasonality and impact from prepaid registration. The ARPU in FY15 was THB 204 and increased by 0.9%YoY mainly due to smaller subscriber base as a result of the prepaid registration requirement. Blended Minutes of Use excluding IC (MOU) in Q415 was 169 minutes and increased 2.6%QoQ due to seasonality and impact from prepaid registration, but decreased 8.9%YoY, due to substitution effect from voice to data. MOU in FY15 was 168 minutes, declining 13%YoY.

Active subscribers (in thousand)	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Postpaid (under concession from CAT)	754	567	561	-1.0%	-26%	754	561	-26%
Prepaid (under concession from CAT)	7,021	2,430	2,089	-14%	-70%	7,021	2,089	-70%
Postpaid (under 2.1GHz license)	3,096	3,549	3,763	6.0%	22%	3,096	3,763	22%
Prepaid (under 2.1GHz license)	17,138	18,306	18,840	2.9%	9.9%	17,138	18,840	9.9%
Total	28,008	24,851	25,252	1.6%	-9.8%	28,008	25,252	-9.8%
Net additional subscribers (in thousand)	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Postpaid	102	28	208	655%	103%	347	474	37%
Prepaid	125	-2,119	192	109%	53%	-281	-3,231	-1,048%
Total	228	-2,092	400	119%	76%	66	-2,756	-4,306%
MOU (minutes/sub/month)	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Postpaid	355	335	318	-5.0%	-10%	361	332	-8.0%
Prepaid	210	186	192	3.7%	-8.4%	219	190	-13%
Blended	229	208	213	2.5%	-7.1%	236	211	-11%
Postpaid excluding IC	257	242	231	-4.6%	-10%	267	240	-10%
Prepaid excluding IC	175	151	157	3.8%	-10%	183	156	-15%
Blended excluding IC	186	165	169	2.6%	-8.9%	194	168	-13%
ARPU (THB/sub/month)	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Postpaid	599	538	542	0.7%	-9.5%	621	556	-11%
Prepaid	165	165	178	8.0%	8.2%	164	166	1.0%
Blended	222	220	238	7.7%	7.1%	222	222	0.2%
Postpaid excluding IC	570	515	519	0.7%	-9.1%	586	530	-9.5%
Prepaid excluding IC	144	150	162	7.9%	12%	147	149	1.4%
Blended excluding IC	200	204	220	7.7%	9.8%	202	204	0.9%

Financial Summary

Revenues

In FY15, dtac reported total revenue of THB 87,753 million, declining 3%YoY, due to soften service revenue and the IC rate reduction. Service revenue excluding IC amounted to THB 66,222 million, a decrease of 3%YoY, mainly due to a decline in voice revenue, which was partly offset by data and IDD revenue growth. In Q415, service revenue excluding IC amounted to THB 16,627 million, increasing 1.4%QoQ due to seasonality and more marketing activities, e.g. "Happy Dream Car" lucky draw and handset bundling campaigns; however, it declined 1.6%YoY. The YoY service revenue decline has stabilized.

Voice revenue amounted to THB 29,252 million, declining 17% YoY, due to voice to data substitution. However, voice revenue in Q415 was stable QoQ due to seasonality effect and campaigns to simulate voice usage.

Data revenue amounted to 30,746 million and increased 11%YoY, thanks to higher smartphone penetration and improving 4G/3G networks after the launch of 4G in Bangkok and major cities. In addition, we densified and expanded 3G network to cover 94% of population in FY15. Data revenue contribution was 46.4% of service revenue excluding IC, increasing from 40.7% in FY14.

International Roaming (IR) revenue decreased 8.8%YoY to THB 1,336 million due to price competition and substitute services. In Q415, IR revenue increased 27% QoQ due to seasonality but decreased YoY.

Other service revenue amounted to THB 4,887 million and increased 30%YoY, mainly from the IDD revenue growth.

Interconnection charge (IC) revenue amounted to THB 5,637 million and decreased 16%YoY due to the reduction of IC rate to THB 0.34 from THB 0.45 per minute in July 2015. As a result, dtac recorded net IC gain of THB 251 million, a decline from net IC gain of THB 475 million in FY14.

Sales of handsets and starter kits amounted to THB 15,411 million and increased 1.8%YoY. Handset business generated a net loss of THB 1,961 million, compared to net loss of THB 910 million in FY14, mainly due to the prepaid handset subsidy campaign during the first 9 months of FY15 in response to competition. In Q415, Sales of handsets and starter kits increased QoQ due to the new iPhone model launch, but decreased 20%YoY due to lower iPhone sales and withdrawal of prepaid handset subsidy. Amount of net loss in

handset and starter kits margin in Q415 improved to THB 54 million, comparing to net loss of THB 288 million in Q414 and net loss of THB 363 million in Q315.

Cost of Services

Cost of service excluding IC amounted to THB 39,764 million and increased 1.7%YoY, mainly due to higher costs related to network expansion, IDD service and network depreciation & amortization, partly offset by lower regulatory cost.

Regulatory Costs decreased 22%YoY to THB 12,112 million, and represented 18.3% of service revenue excluding IC, decreased from 22.8% in FY14, due to higher 2.1GHz subscriber base and 4G/3G enabled devices in our network. At end of Q415, regulatory cost to service revenue excluding IC was 17.4%.

Network OPEX amounted to THB 5,277 million and increased 11%YoY due to 4G/3G network expansion, including 4G on 1800 MHz and 2.1GHz launch in Bangkok and major cities, and 3G network coverage expansion to reach 94% of population. In Q415, network OPEX increased 16%QoQ due to network expansion and the reversal of THB 328 million in Q315. At end of FY15, our 4G/3G base station was 30.7k and increased from 18.6k in FY14.

Other Operating Costs of Services amounted to THB 4,770 million and increased 30%YoY due to the growth in IDD service.

Depreciation and Amortization (D&A) of Cost of Service amounted to THB 17,605 million and increased 17%YoY due to network expansion on 2.1GHz licensing network and 1800MHz/850MHz concession networks.

Selling, General and Administrative Expenses (SG&A)

SG&A Expenses increased 10%YoY to THB 16,408 million due to higher expenses in response to competition and the reversal of bad debt provision in Q314 after changing policy.

Selling and Marketing (S&M) Expenses amounted to THB 6,446 million and increased 3.2%YoY to make dtac stay competitive in the market by implementing Cluster Based Operating Model, expanding retail shops and engaging more trade activities. S&M expenses, as a percentage to total revenues, was 7.3% and increased from 6.9% last year. In Q415, S&M expenses increased 22%QoQ, from network perception campaign, "Happy Dream Car" lucky draw and customer relationship and retention programs, including "Blue Member" and "Surprise Happiness for 9 Days" in late December FY15.

General Administrative Expenses amounted to 7,825 million and increased 20%YoY mainly due to implementation of Cluster Based Operating Model, IT services, shops expansion and provision from doubtful account.

Provision for Bad Debt amounted to THB 968 million and increased 57%YoY mainly due to the reversal of bad debt provision in Q314 after we changed policy. In Q415, provision of bad debt increased by 27%QoQ due to provision for "Jaidee Emergency Refill", following the expiration of prepaid registration in Q315. "Jaidee Emergency Refill" is a service that prepaid subscribers can borrow emergency credit with service fee.

EBITDA and Net Profit

EBITDA amounted to THB 27,941 million and decreased 9.6%YoY due to lower service revenues, higher net loss from handset subsidy and OPEX partly offset by lower regulatory costs. EBITDA margin was 31.8% and in line with FY15 guidance of 31-33%. Comparing EBITDA margin of 34.1% in FY14, EBITDA margin decreased mainly from higher net loss from handset subsidy and higher SG&A. Excluding the handset and starter kits, EBITDA margin would be 41.3%, compared to 42.2% last year.

Net Income amounted to THB 5,893 million and decreased 45%YoY, pressured by lower EBITDA, higher depreciation and amortization expenses from network expansion and higher foreign exchange (FX) loss compared to the last year.

Balance Sheet and Key Financial Information

At the end of FY15, total assets amounted to THB 110,965 million and increased from THB 106,426 million last year due to higher cash and network asset, partly offset by lower inventories of handset as we cut prepaid handset campaign in the second half of FY15. Cash and cash equivalent increased to THB 10,121 million from THB 5,823 million last year from higher Interest-bearing debt, increased to THB 48,000 million from THB 33,664 million, for future investment. Net debt to EBITDA was 1.4x and increased from 0.9x due to the lower EBITDA and higher net debt.

In FY15, operating cash flow (defined as EBITDA - CAPEX) amounted to 7,720 million and decreased from THB 16,891 million last year due to the lower EBITDA and higher CAPEX for launching 4G and expanding 3G network coverage. We spent CAPEX of THB 20,221 million, an increase of 44%YoY, in line with FY15 guidance.

Statement of financial position (THB million)	End of 2014	End of 2015
Cash and cash equivalent	5,823	10,121
Other current assets	17,891	16,074
Non-current assets	82,712	84,771
Total assets	106,426	110,965
Current liabilities	44,903	49,843
Non-current liabilities	28,925	33,899
Total liabilities	73,828	83,742
Shareholders' equity	32,598	27,224
Total liabilities and shareholders' equity	106,426	110,965

Cash flows statement (THB million)	FY 2014	FY 2015
Cash flows from operating activities	33,004	28,100
Cash paid for interest expenses and tax	(4,668)	(3,324)
Net cash flows from operating activities	28,335	24,776
Net cash flows from investing activities	(19,388)	(23,572)
Net cash receipt/(Repayment) - loan & debenture	2,204	14,336
Dividend paid	(10,800)	(11,242)
Net cash flows from financing activities	(8,596)	3,094
Net change in cash & cash equivalent Increase/(decrease)	351	4,297
Beginning cash & cash equivalent	5,472	5,823
Ending cash & cash equivalent	5,823	10,121

Income statement (THB million)	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Voice*	8,220	7,086	7,084	-0.0%	-14%	35,259	29,252	-17%
Data*	7,322	7,784	7,899	1.5%	7.9%	27,810	30,746	11%
IR	385	273	347	27%	-9.9%	1,466	1,336	-8.8%
Others*	969	1,254	1,296	3.4%	34%	3,759	4,887	30%
Service revenues ex. IC	16,897	16,396	16,627	1.4%	-1.6%	68,294	66,222	-3.0%
IC revenue	1,681	1,201	1,206	0.4%	-28%	6,718	5,637	-16%
Service revenues	18,579	17,598	17,834	1.3%	-4.0%	75,012	71,858	-4.2%
Handsets and starter kits sales	6,606	1,901	5,280	178%	-20%	15,143	15,411	1.8%
Other operating income*	100	196	134	-31%	35%	338	483	43%
Total revenues	25,284	19,695	23,249	18%	-8.0%	90,493	87,753	-3.0%
Cost of services	(11,602)	(11,086)	(11,657)	5.2%	0.5%	(45,334)	(45,150)	-0.4%
Regulatory	(3,574)	(3,061)	(2,897)	-5.3%	-19%	(15,540)	(12,112)	-22%
Network	(1,291)	(1,201)	(1,391)	16%	7.7%	(4,773)	(5,277)	11%
IC	(1,581)	(1,156)	(1,170)	1.2%	-26%	(6,243)	(5,386)	-14%
Others	(942)	(1,146)	(1,338)	17%	42%	(3,670)	(4,770)	30%
Depreciation and Amortization	(4,214)	(4,523)	(4,861)	7.5%	15%	(15,108)	(17,605)	17%
Cost of handsets and starter kits	(6,893)	(2,265)	(5,335)	136%	-23%	(16,052)	(17,372)	8.2%
Total costs	(18,496)	(13,350)	(16,991)	27%	-8.1%	(61,387)	(62,522)	1.8%
Gross profit	6,788	6,345	6,257	-1.4%	-7.8%	29,106	25,231	-13%
SG&A	(4,380)	(4,178)	(4,744)	14%	8.3%	(14,864)	(16,408)	10%
Selling & Marketing expenses	(1,937)	(1,548)	(1,891)	22%	-2.4%	(6,246)	(6,446)	3.2%
General administrative expenses	(1,832)	(2,111)	(2,274)	7.7%	24%	(6,499)	(7,825)	20%
Provision for bad debt	(288)	(238)	(303)	27%	5.2%	(618)	(968)	57%
Depreciation and Amortization	(323)	(281)	(276)	-2.0%	-15%	(1,500)	(1,169)	-22%
Gain/(Loss) on foreign exchange	(3)	(356)	58	116%	2,420%	(7)	(295)	-4,392%
Interest income	45	52	55	5.7%	22%	162	136	-16%
Other income* & share of profit from investment in associated company	79	120	26	-78%	-67%	214	165	-23%
EBIT	2,529	1,982	1,653	-17%	-35%	14,612	8,829	-40%
Finance cost	(304)	(379)	(372)	-2.0%	22%	(1,337)	(1,384)	3.5%
Income tax expenses	(336)	(377)	(283)	-25%	-16%	(2,551)	(1,557)	-39%
Non-controlling interest	2	1	(0)	-105%	-105%	5	5	2.5%
Net profit attributable to equity holder	1,891	1,228	998	-19%	-47%	10,729	5,893	-45%

(*) reclassified in FY14

EBITDA (THB million)**	Q414	Q315	Q415	%QoQ	%YoY	FY14	FY15	%YoY
Net profit for the period	1,890	1,226	998	-19%	-47%	10,724	5,888	-45%
Finance costs	304	379	372	-2.0%	22%	1,337	1,384	3.5%
Income tax expenses	336	377	283	-25%	-16%	2,551	1,557	-39%
Depreciation & Amortization	4,537	4,804	5,137	6.9%	13%	16,609	18,774	13%
Other items	(109)	290	(50)	-117%	54%	(320)	339	206%
EBITDA	6,957	7,077	6,740	-4.8%	-3.1%	30,900	27,941	-9.6%
EBITDA margin	27.5%	35.9%	29.0%			34.1%	31.8%	
EBITDA margin-excluding handsets and starter kits	38.8%	41.8%	37.8%			42.2%	41.3%	

(**) Change in EBITDA calculation , please see details in note of financial statement

Repayment schedule (THB million) at end of FY15		
	Loan	Debenture
In 2016	10,000	5,000
In 2017	-	-
In 2018	-	2,000
In 2019	9,000	-
In 2020	9,000	4,000
In 2021-2027	-	9,000
Interest bearing debt at end of FY15	28,000	20,000

Key Financial Ratio	FY14	FY15
Return on Equity (%)	33%	20%
Return on Asset (%)	10%	5%
Interest coverage Ratio (times)	12x	7x
Net debt to EBITDA (times)	0.9	1.4
CAPEX to Total Revenue (%)	15%	23%

Outlook 2016

In 2016, competition among operators in the market is expected to remain intense as they race to capture a leading 4G position after the conclusion of spectrum auctions in Q415. dtac leads the pack with 20MHz bandwidth of 4G service, including 15MHz on 1800MHz and 5MHz on 2100MHz. Furthermore, in 2016 dtac plans to spend similar level of CAPEX as in FY15 to strengthen 4G network, to expand 3G coverage to reach 95% of population, and to densify 2.1GHz network. Some of the existing 2G-1800MHz base stations in BMA and 40 major cities, where demand for data service and 4G handset penetration are high, will be upgrade to 4G. Moreover, 2.1GHz 4G network will also be expanded to cover every province in Thailand. As the 1800MHz 4G upgrade saves time and money, dtac can switch on additional 2,200 4G-1800MHz base stations in early 2016.

As we target to reverse the declining service revenue trend, and maintain revenue market share in the near term, new marketing activities and network perception campaigns are expected to be

carried out in 2016. In addition, we'll defend our position and be competitive on price plans and handset offerings. We aim to have 4.5 million 4G users by the end of 2016 by having competitive 4G network and attractive 4G device bundle offerings, and expect growth of service revenue excluding IC to be in the range of flat to slight increase from 2015. Furthermore, EBITDA margin is estimated to be in the range of 27-31%, a decline from 31.8% in 2015 due to higher OPEX from network expansion and more activities in the market.

2016 Guidance:

- Service revenue excluding IC growth: in the range of flat to slight increase from FY15
- EBITDA margin: in the range of 27-31%
- CAPEX: same level as previous year

Disclaimer

Some statements made in this material are forward-looking statements with the relevant assumptions, which are subject to various risks and uncertainties. These include statements with respect to our corporate plans, strategies and beliefs and other statements that are not historical facts. These statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "anticipate", "intend", "estimate", "continue" "plan" or other similar words.

The statements are based on our management's assumptions and beliefs in light of the information currently available to us. These assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Please note that the company and executives/staff do not control and cannot guarantee the relevance, timeliness, or accuracy of these statements.



report of the board of directors' responsibility for the financial reports

The Board of Directors is responsible for the financial statements of the Company and its subsidiaries and the financial information as presented in the annual report of the Company. The financial statements of the Company and its subsidiaries as of 31 December 2015 have been prepared with careful consideration, in conformity with generally accepted accounting principles in Thailand, and using appropriate accounting policies and best estimation. All material information has been sufficiently disclosed in the notes to financial statements. The financial statements have been duly audited by independent authorised auditors who have provided unqualified opinions. The financial statements therefore reflect the Company's financial condition and results of operation that is true, transparent and reasonable for the benefits of all shareholders and investors.

The Board of Directors has established and maintained an appropriate and efficient internal control system and internal audit system to ensure that all accounting records are accurate, complete and sufficient to safeguard the Company's assets and prevent corruptions and materially irregular practices.

The Board of Directors has appointed an Audit Committee, which consists of independent directors who are responsible for the accuracy and adequacy of the financial reports, the appropriateness and efficiency of the internal control system and internal audit system, and compliance with laws and regulations related to the Company's business. The opinion of the Audit Committee is provided in the Report of the Audit Committee as presented in this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is satisfactory and provides reasonable assurance to the credibility of the financial statements of the Company and its subsidiaries as of 31 December 2015.

On behalf of the Board of Directors
Total Access Communication Public Company Limited
3 February 2016

Mr. Tore Johnsen
Director

Mr. Lars-Aake Valdemar Norling
Director and the Chief Executive Officer



independent auditor's report

To the Shareholders of Total Access Communication Public Company Limited

I have audited the accompanying consolidated financial statements of Total Access Communication Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Total Access Communication Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Total Access Communication Public Company Limited and its subsidiaries and of Total Access Communication Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

My opinion is not qualified in respect of these matters.

I draw attention to the following Notes to the financial statements.

- a) As discussed in Note 33 to the consolidated financial statements, the Company is involved in proceedings and commercial disputes with TOT Public Company Limited ("TOT") in relation to the access charge payment. For the period from 18 November 2006 to 7 November 2007, the Company accrued the access charge in the financial statements at the interconnection charge rate payable, and this amounted to Baht 1,973 million. On 8 November 2007, the Company sent TOT a notice to terminate the two Access Charge Agreements, and so from 8 November 2007 to 31 December 2015 the Company did not accrue the access charge in its financial statements because the Company's management believes that its obligation to pay access charges under the Access Charge Agreements is ended. To date, TOT has not entered into an interconnection charge agreement with the Company. In addition, on 9 May 2011, TOT had filed a complaint with the Central Administrative Court, and a petition to amend the complaint on 7 September 2011, demanding that CAT Telecom Public Company Limited and the Company jointly pay damages resulting from the access charge up to 9 May 2011 (the filing date of the complaint) which, including VAT and default interest, amounted to Baht 113,319 million. Subsequently, on 31 July 2014, TOT additionally filed a petition to amend the complaint to adjust the amount of damages claimed up to 10 July 2014, including VAT and default interest, to Baht 245,638 million.

Based on advice from the Company's legal counsel, the Company's management is confident that the Company is not obliged to make payment of access charge under the agreements because the Company's management believes that such agreements do not comply with current legal principles (NTC notification) and the Company has already terminated the Access Charge Agreements.

Currently, the commercial dispute is in the legal process, and litigation is under court proceedings. The outcome of the dispute cannot be determined and depends on the results of the future proceedings as part of the legal and judicial processes.

- b) As discussed in Note 34 to the consolidated financial statements, the Company and one subsidiary have significant outstanding commercial disputes in relation to revenue sharing from services provided under the agreements to operate cellular telephone services of the Company. At present, such disputes are under legal and formal arbitration proceedings. Their outcomes cannot be determined and depend on the future judicial processes.
- c) As discussed in Note 35 to the consolidated financial statements, the Company is involved in a dispute with CAT regarding the concessionary equipment because the Company installed and connected the 2.1 GHz devices and equipment of a subsidiary on the concessionary equipment. At present, such dispute is under formal arbitration proceeding. The outcome cannot be determined and depend on future judicial proceeding.
- d) As discussed in Note 36 to the consolidated financial statements regarding the regulatory risk concerning the telecommunications business.



Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited
Bangkok: 3 February 2016



Total Access Communication Public Company Limited and its subsidiaries

statement of financial position

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Assets					
Current assets					
Cash and cash equivalents	5, 32.3.1	10,120,533,381	5,823,199,987	2,799,729,296	1,053,010,467
Trade and other receivables	6	9,722,020,688	10,453,375,318	10,103,027,697	14,237,805,872
Inventories	8	2,825,771,627	3,891,160,215	2,711,770,919	3,656,221,605
Deferred cost of unearned revenue from telephone services		101,128,232	116,649,854	101,128,232	116,649,854
Other current assets	9	3,425,237,419	3,429,987,398	1,773,882,237	2,151,276,667
Total current assets		26,194,691,347	23,714,372,772	17,489,538,381	21,214,964,465
Non-current assets					
Restricted bank deposits	32.3.2	198,059	198,059	-	-
Investment in associated company	10	282,771,509	289,063,269	50,000,000	50,000,000
Investments in subsidiaries	11	-	-	1,979,667,315	2,018,897,315
Other investments	12	22,270,041	20,320,066	16,620,000	16,620,000
Amount due from related parties	7	430,738	430,738	361,908,965	380,475,465
Loans to subsidiary	7	-	-	15,500,000,000	22,000,000,000
Property, plant and equipment	13	28,494,702,371	22,736,502,295	4,024,489,286	3,238,525,233
Deferred right to use of equipment	14	38,056,753,561	42,263,978,517	28,227,317,156	28,803,035,680
Cost of spectrum license	1.3	10,719,021,902	11,616,073,769	-	-
Concessionary equipment under installation		2,163,060,195	1,353,299,341	2,164,009,843	1,353,299,341
Deposits and prepayment for purchase and installation of equipment		473,843,167	1,158,592,380	170,900,260	311,774,228
Other intangible assets	15	1,500,463,807	1,622,970,924	493,133,626	710,275,682
Deferred tax assets	25	1,088,793,020	906,313,218	2,842,994,599	3,534,293,309
Goodwill		19,171,700	19,171,700	-	-
Other non-current assets	16	1,949,241,062	724,815,882	1,659,795,617	542,690,925
Total non-current assets		84,770,721,132	82,711,730,158	57,490,836,667	62,959,887,178
Total assets		110,965,412,479	106,426,102,930	74,980,375,048	84,174,851,643

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



Total Access Communication Public Company Limited and its subsidiaries

statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution		-	1,500,000,000	-	1,500,000,000
Trade and other payables	17	29,867,882,622	31,300,676,197	19,784,776,545	22,165,792,526
Current portion of long-term loans	18	10,000,000,000	4,164,399,998	10,000,000,000	4,164,399,998
Current portion of debentures	19	5,000,000,000	-	5,000,000,000	-
Unearned revenue from telephone service		3,108,992,652	3,264,212,184	450,016,896	624,590,624
Income tax payable		884,839,168	211,098,993	-	-
Cost of spectrum license payable	1.3	-	3,238,863,431	-	-
Other current liabilities		981,382,764	1,223,467,679	578,064,394	928,399,736
Total current liabilities		49,843,097,206	44,902,718,482	35,812,857,835	29,383,182,884
Non-current liabilities					
Loans from subsidiary	7	-	-	18,000,000,000	-
Long-term loans - net of current portion	18	18,000,000,000	23,000,000,000	-	23,000,000,000
Debentures - net of current portion	19	15,000,000,000	5,000,000,000	-	5,000,000,000
Provision for long-term employee benefits	20	452,415,750	380,077,442	452,415,750	380,077,442
Deposit guarantee on domestic roaming agreement	7	-	-	3,750,763,651	5,339,773,866
Other non-current liabilities		446,320,059	544,876,692	438,540,211	537,843,168
Total non-current liabilities		33,898,735,809	28,924,954,134	22,641,719,612	34,257,694,476
Total liabilities		83,741,833,015	73,827,672,616	58,454,577,447	63,640,877,360

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



Total Access Communication Public Company Limited and its subsidiaries

statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2015	2014	2015	2014
Shareholders' equity					
Share capital					
Registered					
2,372,080,630 ordinary shares of Baht 2 each		4,744,161,260	4,744,161,260	4,744,161,260	4,744,161,260
Issued and fully paid					
2,367,811,000 ordinary shares of Baht 2 each		4,735,622,000	4,735,622,000	4,735,622,000	4,735,622,000
Premium on ordinary shares		8,116,352,711	8,116,352,711	8,116,352,711	8,116,352,711
Retained earnings					
Appropriated – statutory reserve	22	474,416,126	474,416,126	474,416,126	474,416,126
Unappropriated (deficits)		(3,739,227,681)	1,630,643,302	1,552,269,403	5,560,446,085
		(3,264,811,555)	2,105,059,428	2,026,685,529	6,034,862,211
Other components of shareholders' equity		17,634,288,769	17,634,288,769	1,647,137,361	1,647,137,361
Equity attributable to owners of the Company		27,221,451,925	32,591,322,908	16,525,797,601	20,533,974,283
Non-controlling interest of the subsidiaries		2,127,539	7,107,406	-	-
Total shareholders' equity		27,223,579,464	32,598,430,314	16,525,797,601	20,533,974,283
Total liabilities and shareholders' equity		110,965,412,479	106,426,102,930	74,980,375,048	84,174,851,643

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



Total Access Communication Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Revenues from sales and services				
Revenue from telephone services	71,858,443,385	75,011,676,245	25,085,126,695	42,582,520,503
Revenue from sales of telephone sets and starter kits	15,411,054,916	15,142,771,851	14,947,137,596	14,985,926,011
Other operating income	483,257,908	338,137,663	16,055,015,038	14,430,969,595
Total revenues from sales and services	87,752,756,209	90,492,585,759	56,087,279,329	71,999,416,109
Cost of sales and services				
Cost of telephone services	45,149,656,420	45,334,468,996	24,467,238,227	31,743,035,406
Cost of sales of telephone sets and starter kits	17,371,917,702	16,052,318,614	15,341,176,593	15,868,180,691
Total cost of sales and services	62,521,574,122	61,386,787,610	39,808,414,820	47,611,216,097
Gross profit	25,231,182,087	29,105,798,149	16,278,864,509	24,388,200,012
Interest income	136,066,500	161,607,369	726,033,978	666,926,908
Other income	161,032,616	208,279,114	4,436,401,188	3,627,148,324
Income before expenses	25,528,281,203	29,475,684,632	21,441,299,675	28,682,275,244
Selling and service expenses	(6,446,458,753)	(6,246,039,524)	(4,236,067,371)	(4,353,672,856)
Administrative expenses	(9,961,590,194)	(8,617,532,737)	(7,993,515,482)	(7,788,649,737)
Reversal of assets impairment	14	-	-	1,004,276,933
Loss on foreign exchange	(294,871,197)	(6,564,599)	(171,078,469)	(74,086,239)
Total expenses	(16,702,920,144)	(14,870,136,860)	(12,400,661,322)	(11,212,131,899)
Profit before share of profit from investment in associate, finance cost and income tax expenses	8,825,361,059	14,605,547,772	9,040,638,353	17,470,143,345
Share of profit from investment in associated company	10	3,708,239	5,953,017	-
Profit before finance cost and income tax expenses	8,829,069,298	14,611,500,789	9,040,638,353	17,470,143,345
Finance cost	24	(1,384,314,112)	(1,336,865,886)	(1,070,923,625)
Profit before income tax expenses	7,444,755,186	13,274,634,903	7,994,792,530	16,399,219,720
Income tax expenses	25	(1,556,614,392)	(739,984,131)	481,128,789
Profit for the year	5,888,140,794	10,723,892,232	7,254,808,399	16,880,348,509
Profit attributable to:				
Equity holders of the Company	5,893,114,098	10,728,745,490	7,254,808,399	16,880,348,509
Non-controlling interests of the subsidiaries	(4,973,304)	(4,853,258)	-	-
	5,888,140,794	10,723,892,232		
Earnings per share				
Basic earnings per share Profit attributable to equity holders of the Company	26	2.49	4.53	3.06
				7.13

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



Total Access Communication Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit for the year	5,888,140,794	10,723,892,232	7,254,808,399	16,880,348,509
Other comprehensive income				
Other comprehensive income not to be reclassified to profit and loss in subsequent periods				
Actuarial gains and losses	(21,245,919)	(45,060,057)	(21,245,919)	(45,060,057)
Less: income tax effect	-	-	-	-
Other comprehensive income not to be reclassified to profit and loss in subsequent periods - net of income tax	(21,245,919)	(45,060,057)	(21,245,919)	(45,060,057)
Other comprehensive income for the year	(21,245,919)	(45,060,057)	(21,245,919)	(45,060,057)
Total comprehensive income for the year	5,866,894,875	10,678,832,175	7,233,562,480	16,835,288,452
Total comprehensive income attributable to:				
Equity holders of the Company	5,871,868,179	10,683,685,433	7,233,562,480	16,835,288,452
Non-controlling interests of the subsidiaries	(4,973,304)	(4,853,258)		
	5,866,894,875	10,678,832,175		

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

Total Access Communication Public Company Limited and its subsidiaries



Statement of changes in shareholders' equity

For the year ended 31 December 2015

Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company										
	Capital surplus					Other components of equity					
						Capital surplus of subsidiary arising as a result of the Company's purchase of the subsidiary at a price lower than the net book value of the subsidiary at the acquisition date	Adjustment resulting from reduction of legal reserve and premium on ordinary share to offset the parent company's deficits	Total other components of equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated (deficits)	Retained earnings						
Balance as at 1 January 2014	4,735,622,000	23,543,446,204	560,057,915	2,221,800,236	1,647,137,361	-	-	1,647,137,361	32,708,063,716	11,967,143	
Profit for the year	-	-	-	10,728,745,490	-	-	-	-	10,728,745,490	(4,853,258)	
Other comprehensive income for the year	-	-	-	(45,060,057)	-	-	-	-	(45,060,057)	-	
Total comprehensive income for the year	-	-	-	10,683,685,433	-	-	-	-	10,683,685,433	(4,853,258)	
Dividend paid (Note 21)	-	-	-	(10,800,426,241)	-	-	-	-	(10,800,426,241)	(6,479)	
Transfer unappropriated retained earnings to statutory reserve (Note 22)	-	-	474,416,126	(474,416,126)	-	-	-	-	-	-	
Reduction of legal reserve and premium on ordinary shares to offset the deficit	-	(15,427,093,493)	(560,057,915)	-	-	-	15,987,151,408	15,987,151,408	-	-	
Balance as at 31 December 2014	4,735,622,000	8,116,352,711	474,416,126	1,630,643,302	1,647,137,361	15,987,151,408	17,634,288,769	32,591,322,908	7,107,406	32,598,430,314	
Balance as at 1 January 2015	4,735,622,000	8,116,352,711	474,416,126	1,630,643,302	1,647,137,361	15,987,151,408	17,634,288,769	32,591,322,908	7,107,406	32,598,430,314	
Profit for the year	-	-	-	5,893,114,098	-	-	-	-	5,893,114,098	(4,973,304)	
Other comprehensive income for the year	-	-	-	(21,245,919)	-	-	-	-	(21,245,919)	-	
Total comprehensive income for the year	-	-	-	5,871,868,179	-	-	-	-	5,871,868,179	(4,973,304)	
Dividend paid (Note 21)	-	-	-	(11,241,739,162)	-	-	-	-	(11,241,739,162)	(6,563)	
Balance as at 31 December 2015	4,735,622,000	8,116,352,711	474,416,126	(3,739,227,681)	1,647,137,361	15,987,151,408	17,634,288,769	27,221,451,925	2,127,539	27,223,579,464	

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

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings	Other components of equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	the net book value of the subsidiary at the acquisition date
Balance as at 1 January 2014	4,735,622,000	23,543,446,204	560,057,915	(15,987,151,408)	1,647,137,361
Profit for the year	-	-	-	16,880,348,509	-
Other comprehensive income for the year	-	-	-	(45,060,057)	-
Total comprehensive income for the year	-	-	-	16,835,288,452	-
Dividend paid (Note 21)	-	-	-	(10,800,426,241)	-
Transfer unappropriated retained earnings to statutory reserve (Note 22)	-	-	474,416,126	(474,416,126)	-
Reduction of legal reserve and premium on ordinary shares to offset the deficit	-	(15,427,093,493)	(560,057,915)	15,987,151,408	-
Balance as at 31 December 2014	4,735,622,000	8,116,352,711	474,416,126	5,560,446,085	1,647,137,361
Balance as at 1 January 2015	4,735,622,000	8,116,352,711	474,416,126	5,560,446,085	1,647,137,361
Profit for the year	-	-	-	7,254,808,399	-
Other comprehensive income for the year	-	-	-	(21,245,919)	-
Total comprehensive income for the year	-	-	-	7,233,562,480	-
Dividend paid (Note 21)	-	-	-	(11,241,739,162)	-
Balance as at 31 December 2015	4,735,622,000	8,116,352,711	474,416,126	1,552,269,403	1,647,137,361
					16,525,797,601

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



Total Access Communication Public Company Limited and its subsidiaries

Statement of cash flows

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Profit before income tax expenses	7,444,755,186	13,274,634,903	7,994,792,530	16,399,219,720
Adjustments to reconcile profit before income tax expenses to net cash provided by (used in) operating activities:				
Share of profit from investment in associated company	(3,708,239)	(5,953,017)	-	-
Dividend received from subsidiaries	-	-	(4,371,918,437)	(3,468,828,520)
Dividend received from associated company	-	-	(10,000,000)	(25,000,000)
Dividend received from other investments	(40,325,000)	(10,300,000)	(20,325,000)	(5,300,000)
Allowance for inventory obsolescence	112,174,712	2,185,003	108,673,663	1,699,636
Allowance for doubtful accounts - trade and other receivables (reversal)	272,041,775	(200,365,465)	(18,464,768)	(483,737,103)
Impairment of investments in subsidiary	-	-	39,230,000	-
Reversal of impairment of equipment	-	-	-	(15,042,318)
Reversal of impairment of deferred right to use of equipment and equipment under installation	-	-	-	(989,234,615)
Depreciation and amortisation (Note 27)	18,795,810,708	16,624,018,951	10,067,931,844	9,057,853,547
Fixed assets written-off	128,373,436	3,263,577	128,373,436	-
Other intangible assets written-off	877,583	625,499	305,631	-
Gain from sales of equipment	(9,347,518)	(198,785,146)	(9,296,756)	(144,749,800)
Provision for asset retirement obligation	3,017,586	6,556,918	2,814,607	6,540,119
Provision for long-term employee benefits	51,092,389	42,886,521	51,092,389	42,886,521
Interest expenses	1,359,073,355	1,314,901,823	1,028,537,849	1,048,976,361
Profit from operating activities before changes in operating assets and liabilities	28,113,835,973	30,853,669,567	14,991,746,988	21,425,283,548
Decrease (increase) in operating assets				
Trade and other receivables	454,844,172	97,909,223	3,184,568,186	(1,873,347,413)
Inventories	953,213,876	(2,210,009,453)	835,777,023	(2,069,303,535)
Other current assets	1,349,536	(126,508,611)	393,597,859	460,699,520
Other non-current assets	(201,182,992)	(37,743,524)	(29,594,853)	(20,162,578)
Increase (decrease) in operating liabilities				
Trade and other payables	(722,850,359)	4,213,162,784	(3,760,578,407)	1,032,106,387
Other current liabilities	(397,306,105)	307,615,557	(524,909,070)	(268,188,035)
Deposit guarantee on domestic roaming agreement	-	-	(1,589,010,215)	3,589,773,866
Other non-current liabilities	(101,603,375)	(94,382,962)	(102,111,850)	(100,970,401)
Cash flows from operating activities	28,100,300,726	33,003,712,581	13,399,485,661	22,175,891,359
Cash paid for interest expenses	(1,211,602,641)	(1,122,007,915)	(1,014,796,606)	(1,121,999,391)
Cash paid for income tax	(2,205,014,614)	(3,546,340,843)	(1,172,221,700)	(2,721,252,779)
Tax refund	92,155,557	-	-	-
Net cash flows from operating activities	24,775,839,028	28,335,363,823	11,212,467,355	18,332,639,189

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



Total Access Communication Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from investing activities				
Increase in other long-term investments	(1,949,975)	(3,500,066)	-	-
Dividend received from subsidiaries	-	-	5,338,251,933	2,502,495,024
Dividend received from associated company	10,000,000	25,000,000	10,000,000	25,000,000
Dividend received from other investments	40,325,000	10,300,000	20,325,000	5,300,000
Decrease in amounts due from related parties	-	-	18,566,500	49,981,761
Decrease (increase) in loans to subsidiary	-	-	6,500,000,000	(9,000,000,000)
Acquisition of plant and equipment	(12,303,829,446)	(11,516,425,716)	(1,807,608,902)	(457,741,394)
Proceeds from sales of plant and equipment	23,820,906	90,060,786	23,458,526	297,544,457
Acquisition of equipment under installation	(809,760,854)	-	(810,710,503)	-
Acquisition of deferred right to use of equipment	(6,789,209,532)	(2,986,827,083)	(6,789,190,532)	(2,985,844,823)
Decrease (increase) in deposits and prepayment for purchase and installation of concessionary equipment	140,873,968	(311,774,228)	140,873,968	(311,774,228)
Decrease (increase) in deposits and prepayment for purchase and installation of equipment	543,875,246	(766,035,887)	-	-
Cash paid for cost of spectrum license	(3,375,000,000)	(3,375,000,000)	-	-
Increase in other intangible assets	(1,051,509,660)	(554,017,683)	(203,575,357)	(136,587,343)
Net cash flows from (used in) investing activities	(23,572,364,347)	(19,388,219,877)	2,440,390,633	(10,011,626,546)
Cash flows from financing activities				
Cash receipt from short-term loan	4,500,000,000	5,500,000,000	4,500,000,000	5,500,000,000
Repayment of short-term loan	(6,000,000,000)	(6,000,000,000)	(6,000,000,000)	(6,000,000,000)
Cash receipt from long-term loans	21,000,000,000	14,500,000,000	3,000,000,000	14,500,000,000
Repayment of long-term loans	(20,164,399,998)	(9,795,920,000)	(20,164,399,998)	(9,795,920,000)
Cash receipt from loans from subsidiary	-	-	18,000,000,000	-
Issuance of debentures	15,000,000,000	-	-	-
Repayment of debentures	-	(2,000,000,000)	-	(2,000,000,000)
Dividend paid	(11,241,741,289)	(10,800,432,720)	(11,241,739,161)	(10,800,426,241)
Net cash flows from (used in) financing activities	3,093,858,713	(8,596,352,720)	(11,906,139,159)	(8,596,346,241)
Net increase (decrease) in cash and cash equivalents	4,297,333,394	350,791,226	1,746,718,829	(275,333,598)
Cash and cash equivalents at beginning of year	5,823,199,987	5,472,408,761	1,053,010,467	1,328,344,065
Cash and cash equivalents at end of year	10,120,533,381	5,823,199,987	2,799,729,296	1,053,010,467

Supplemental cash flow information:

Non-cash items:

Accounts payable for purchase of deferred right to use of equipment and concessionary equipment under installation	3,722,297,177	2,354,134,734	3,722,297,177	2,354,134,734
Accounts payable for purchase of equipment	3,009,453,887	5,094,425,009	-	-
Cost of spectrum license payable	-	265,916,938	-	-
Dividend receivable from subsidiary	-	-	-	966,333,496

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



Total Access Communication Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2015

1. General information

1.1 Corporate information

Total Access Communication Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company listed on the Stock Exchange of Singapore in 1995 and listed on the Stock Exchange of Thailand in 2007. However, on 10 June 2014, the Board of Director of the Company approved the voluntary delisting of the Company from the Mainboard of the Stock Exchange of Singapore which the Company has already delisted on 29 September 2014.

The Company has two major shareholders who are Telenor Asia Pte Ltd., a company incorporated in Singapore, and Thai Telco Holding Co., Ltd., a company incorporated in Thailand. The Company is principally engaged in the provision of wireless telecommunications services and the sale of handsets and accessories.

The Company's registered address is 319 Chamchuri Square Building, 24th - 41st Fl., Phayathai Road, Pathumwan, Bangkok.

1.2 Agreements to operate cellular telephone services or Concession Agreement

On 14 November 1990, the Company entered into an agreement with the Communications Authority of Thailand (CAT), (currently, CAT has been corporatised under the State Corporation Act B.E. 2542 (1999) to become CAT Telecom Public Company Limited), to provide cellular telephone services in 800 MHz and 1800 MHz frequency bands. Under the Concession Agreement, the Company has an obligation to transfer certain operating assets to CAT free of charge. The value added tax imposed on the transfer of these assets has been charged to CAT and recorded as "Value added tax refundable from CAT" in the statements of financial position.

The Concession Agreement originally covered a 15-year period, but the Concession Agreement was amended on 23 July 1993 and 22 November 1996, and the concession period extended to 22 years and then 27 years, respectively. The service rates and fees charged to subscribers are subject to approval by CAT (now have to comply with relevant regulations issued by the National Broadcasting and Telecommunications Commission ("NBTC") (formerly the National Telecommunications Commission ("NTC"))). The Company is obliged to comply with various conditions (without contrary to the Telecommunications law and relevant laws) and pay fees in accordance with the Concession Agreement.

The fee, which is the annual revenue sharing, is calculated based on a percentage of revenues from services provided under the Concession Agreement and must not be less than a stipulated minimum amount each year. However, the agreement does not specify a minimum cumulative amount over the full term of the agreement. The percentages of revenues from services for each year and minimum annual revenue sharing payments are as follows:

Year	Annual revenue sharing from the revenue from services	
	Percentage of revenues from services per annum	Minimum annual payment (Million Baht)
1 - 4	12	22 to 154
5	25	353
6 - 15	20	382 to 603
16 - 20	25	748 to 770
21 - 27	30	752 to 1,200

The Company commenced commercial operations on 16 September 1991 and is to provide service under the concession for a period of 27 years, ending on 15 September 2018. Presently, it is the 25th concession year (i.e. from September 2015 to September 2016) and the Company is obliged to pay revenue sharing to CAT at the rate of 30% of its revenue per annum.

The Company has entered into a discussion with CAT to promote the infrastructure sharing business accompanied with exploring the possibility to set an overall solution to the disputes between them. Currently, it is still uncertain whether a solution could be reached at all.

1.3 General information of dtac TriNet Company Limited

dtac TriNet Company Limited ("dtac TriNet") is a subsidiary of the Company and is incorporated and domiciled in Thailand. dtac TriNet has the following licenses to provide its services.

- a) A type three telecommunication business license (for providing an international call services (International Direct Dialing)) by NTC for duration of 20 years. dtac TriNet started rendering international call services since 2 August 2007, and therefore committed to comply with conditions stipulated under the license. Moreover, dtac TriNet is required to comply with rules and pay license fee and fee for Universal Basic Telecommunications and Social Services (USO) as specified by law.
- b) A type one telecommunication business license for Internet Service Provider by NTC for a period of 1 year. Subsequently, in 2009, NTC further extended the license for a period of 5 years. dtac TriNet therefore has to pay the license fee on a yearly basis and to renew the license in every 5 years.
- c) Spectrum Licensing and a type three telecommunication business license (authorization to use the spectrum license) by NBTC for the validity period of 15 years (starting from 7 December 2013 and expiry on 6 December 2027) for operating telecommunication business for International Mobile Telecommunication in the Frequency Band 2.1GHz covered the range of 1920 - 1935 MHz paired with 2110 - 2125 MHz under the scope of the license throughout the Kingdom of Thailand.

dtac TriNet was required to make payment for the winning bid price of the authorization to use the spectrum license in the total amount of Baht 14,445 million (including VAT) under the following payment conditions:

First Installment: To pay 50% of the winning bid price, equivalent to Baht 7,222.50 million and to submit a letter of guarantee from a commercial bank to guarantee the remaining payment for the winning bid price. This has already been proceeded by dtac TriNet;

Second Installment: To pay 25% of the winning bid price, equivalent to Baht 3,611.25 million and to submit a letter of guarantee from a commercial bank to guarantee the third installment within 15 days after the lapse of 2 years from the date of obtaining the license. This has already been proceeded by dtac TriNet;

Third Installment: To pay 25% of the winning bid price, equivalent to Baht 3,611.25 million within 15 days after the lapse of 3 years from the date of obtaining the license. This has already been proceeded by dtac TriNet;

In addition, dtac TriNet is required to pay fees as specified by the NBTC. It is expected that dtac TriNet should gain revenue from telecommunication business operation exceeding Baht 1,000 million, thus it is required to pay the license fee at the rate of 1.5% per annum and USO fee at the rate of 3.75% per annum. Therefore, the total fee amount is 5.25% per annum.

- d) A type two telecommunication business license by NBTC for International Internet Gateway (IIG) service and National Internet Exchange (NIE) service. dtac TriNet has to pay the license fee on a yearly basis and to renew the license in every 5 years.
- e) A type three telecommunication business license by NBTC for fixed line service for period of 12 years (starting from 2 September 2015 and expiry on 5 February 2027). Currently, dtac TriNet has not commenced the operation on this license.

1.4 Interconnection charge

In December 2013, the NBTC issued the Notification RE: Uses and Interconnections of Telecommunication Networks B.E. 2556 (2013) (the "Interconnection Notification 2556") to replace the NTC's Notification RE: Uses and Interconnections of Telecommunication Networks B.E. 2549 (the "Interconnection Notification 2549") in order to be consistent with the current situation and the Act on the Organisation for Allocation of Frequency and Regulation of Radio and Television Broadcasting Business and Telecommunications Business, B.E. 2553 (2010). The Interconnection Notification 2556 determines that operators who have telecommunication networks are required to grant other operators effective access to their networks. The Company has to submit the Reference of Interconnect Offering (RIO) to the NBTC within ninety days after the effective date of the Notification. However, the RIO approved under the Interconnection Notification 2549 shall be deemed as the RIO under the "Interconnection Notification 2556" for the time being.

The Company received an approval from NTC for RIO on 29 August 2006. The Company has entered into interconnection charge agreements with other operators and the effective periods of the agreements are listed below.

Operators	Effective period
a) True Move Co., Ltd.	17 November 2006 onwards
b) Advance Info Service Plc.	1 February 2007 onwards
c) Triple T Broadband Plc.	22 December 2006 onwards
d) dtac TriNet Co., Ltd.	16 July 2007 onwards
e) Digital Phone Co., Ltd.	1 September 2007 onwards
f) CAT Telecom Plc.	6 July 2010 onwards
g) True Universal Convergence Co., Ltd.	1 September 2011 onwards
h) True Move H Universal Communication Co., Ltd. (formerly known as "Real Future Co.,Ltd.")	1 July 2013 onwards
i) Advanced Wireless Network Co. Ltd.	1 July 2013 onwards
j) True International Communication Co., Ltd.	1 January 2014 onwards

Pursuant to the Concession Agreement, the Company shall pay revenue sharing to CAT every year based on a percentage of revenues from services provided under the Concession Agreement but not less than a minimum annual revenue sharing payment as specified in it. However, the entry into the interconnection charge agreements has caused an uncertainty on the revenue share calculation payable to CAT under the Concession Agreement. Therefore, from the 17th concession year onward, the Company has decided to calculate revenue sharing payable to CAT on the basis of service revenue, excluding interconnection charges, until a conclusion can be reached with CAT. Nevertheless, CAT has challenged the Company's revenue share calculation in this matter by submitting a statement of claim requesting the Company to pay additional revenue share on interconnection charge (please refer to Note 34 (d) for more details).

In addition, dtac TriNet has also entered into the interconnection charge agreements with other operators, which are listed below:

Operators	Effective period
a) Total Access Communication Plc.	1 July 2013 onwards
b) True Move Co., Ltd.	1 July 2013 onwards
c) True Move H Universal Communication Co., Ltd. (formerly known as "Real Future Co., Ltd.")	1 July 2013 onwards
d) True Universal Convergence Co., Ltd.	1 July 2013 onwards
e) Advance Info Service Plc.	1 July 2013 onwards
f) Advanced Wireless Network Co. Ltd.	1 July 2013 onwards
g) CAT Telecom Plc.	1 July 2013 onwards
h) Triple T Broadband Plc.	1 July 2013 onwards
i) True International Communication Co., Ltd.	1 January 2014 onwards

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		
			2015 Percent	2014 Percent	
Subsidiaries directly held by the Company					
WorldPhone Shop Company Limited	Under liquidation process	Thailand	100	100	
TAC Property Company Limited	Asset management	Thailand	100	100	
dtac TriNet Company Limited	Telecommunications services	Thailand	100	100	
DTAC Broadband Company Limited	Established for providing telecommunications services (WiFi services) with license granted by NBTC	Thailand	100	100	
dtac Digital Media Company Limited	Advertising service for goods and services via digital media	Thailand	100	100	
United Communication Industry Public Company Limited	Ceased its operations since August 2013	Thailand	99.81	99.81	
PaySbuy Company Limited	Incorporate to provide an online payment service, cash card services, e-payment service and paying agent service	Thailand	100	100	
Crie Company Limited	Under liquidation process	Thailand	51	51	
Subsidiaries held through TAC Property Company Limited					
Eastern Beach Company Limited	Asset management	Thailand	100	100	
Subsidiary held through dtac TriNet Company Limited					
dtac Accelerate Company Limited	Support the development of internet application	Thailand	100	100	
dtac Service Company Limited	Asset management	Thailand	100	-	
dtac Next Company Limited	Asset management	Thailand	100	-	

b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements. Book value of investments and shareholder's equity of its subsidiaries have also been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiaries and associates presented under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

IFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

IFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards including accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies**4.1 Revenue recognition****Unearned revenue from telephone service of prepaid system (Prepaid)**

Unearned revenue from telephone service of prepaid system represents the unused portion of the face value of prepaid phone cards. It is deferred and recognized based on the actual usage or the expiration of the usage as stated on cards, depending on which comes first.

Unearned revenue from postpaid service (Postpaid)

Unearned revenue from telephone service of postpaid system represents the unused portion of monthly airtime fee that subscribers can carry forward to the next period.

Revenue from telephone services

Revenue related to domestic calls, international calls and roaming service calls is recognised when the telephone services have been rendered.

Discounts are often provided in the form of cash discounts, free products or free services. Discounts are recorded systematically throughout the period the discounts are earned. Cash discounts and free products are recorded as revenue reductions.

As for discount schemes (such as loyalty programs, etc.), the accrued discounts must not be higher than estimated discounts, based on past liable discount estimation. The exact amount and income period of the discount are estimated with estimation techniques and reconciled in the period where there is an adjustment to estimation or the final outcome is known.

Interconnection charge revenues and costs

Interconnection charge revenues derived from the other licensed operators for incoming calls from these operators' networks is recognised on an accrual basis at the rates stipulated in the agreements.

Costs of interconnection charges paid to the other licensed operators for outgoing calls to these operators' networks are recognised on an accrual basis at the rates stipulated in the agreements.

Revenue from sales of telephone sets and starter kits

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element based on objective and reliable evidence of the fair value of delivered items. The subsequent services are recorded at the normal selling price or at a discounted value, depending on the facts and circumstances.

Revenue from providing an international call services (International Direct Dialing)

Revenue from providing an international call services (International Direct Dialing) is recognised when the services have been rendered. Revenue is the invoiced value, excluding value added tax, of services rendered after deducting discounts and allowances.

Revenue from international data transit and internet service

Revenue from international data transit and internet service are recognized on an accrual basis over the service period and the rates agreed by counterparties.

Revenue from Reference Access Offer

Revenue from Reference Access Offer derived from other operators in compensation of the utilization of the Company's network elements is recognized on an accrual basis at the rates stipulated in the agreements.

Revenue from Reference Infrastructure Sharing

Revenue from Reference Infrastructure Sharing derived from other mobile operators in compensation of the utilization of the Company's telecommunication infrastructure is recognized on an accrual basis at the rates stipulated in the agreements.

Other operating income

Other operating income are recognised when the economic benefit flows to the entity and the earnings process is complete. Revenues are shown excluding of value added tax.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade receivables and allowance for doubtful accounts

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

4.4 Inventories

Inventories are finished goods valued at the lower of cost (under the weighted average method) and net realisable value.

4.5 Investments

- a) Investment in associate is accounted for in the consolidated financial statements using the equity method.
- b) Investments in subsidiaries and associate are accounted for, in the separate financial statements, using the cost method net of allowance for impairment loss (if any).
- c) Other long-term investments in marketable securities which the Company intends to hold as available-for-sale, are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

- d) Other long-term investments in non-marketable equity securities, which the Company holds as other investments, are stated at cost net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investments.

4.6 Property, plant and equipment/depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalised, while expenditures for maintenance and repairs are charged to profit or loss.

Depreciation of buildings and equipment is calculated by reference to their costs on a straight-line basis over the following estimated useful lives:

Buildings	20 - 30 years
Building and leasehold improvements	3 - 20 years
Equipment for supporting Cellular Telephone Services	5 years, 7 years, and the remaining life of the Concession period
Telephone transmission station improvements	20 years
Furniture, fixtures and office equipment	5 years
Machinery and equipment	3 years
Advertising and communication equipment	5 years
Others	3 years and 5 years

Depreciation is included in determining income.

No depreciation is provided for land, building in progress, work in progress and equipment under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Intangible assets, cost of spectrum license and amortisation

Intangible assets acquired through business combinations are initially recognised at their fair value on the date of business acquisition. Intangible assets acquired in other cases are recognised at cost, and for the cost of spectrum license for International Mobile Telecommunication in the Frequency Band 2.1 GHz was capitalised as an intangible asset, with its value measured at the cash equivalent price based on the present value of the installments. The difference between the total payment to be made and the cash equivalent price is recognised as a finance cost over the license fee payment period, with the cost being amortised from the time the Company is ready to provide commercial service.

Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Amortisation is calculated by reference to cost on a straight-line basis over the expected future period of economic benefit of each type of intangible asset, as follows:

Deferred right to use of equipment is amortised on a straight-line basis over the remaining life of the concession period.

Deferred charges, which are mainly expenditures relating to transmission facilities and computer software are amortised on a straight-line basis over periods of 3 to 10 years or the remaining life of the concession period.

Deferred financial costs, which are mainly expenditures relating to loan arrangement fees, bond underwriting fees and fees for the extension of loan agreements are amortised over the borrowing and bond period.

Cost of spectrum license is amortised over the term of the license.

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.10 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.11 Long-term lease

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company and subsidiaries' functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates applying at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates applying at the end of reporting period. Gains and losses on exchange are included in determining income.

4.16 Derivative instrument

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealise gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortized on a straight-line basis over the contract periods.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts is recognised as income or expenses on an accrual basis.

Cross currency swap agreements

Payables and receivables arising from the cross currency swap agreements are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrealise gains and losses from the translation are recognised in profit or loss.

4.17 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.19 Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follow:

Recognition and derecognition of assets and liabilities

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgment on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and assessments.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration the terms and conditions of the arrangement.

Allowance for doubtful accounts

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of analysis of debt aging, collection experience, and taking into account change in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

Property, plant and equipment and depreciation, deferred right to use of equipment, and intangible assets

In determining depreciation of plant and equipment and amortization of deferred right to use of equipment and intangible assets, the management is required to make estimates of the useful lives and residual values of plant and equipment and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, deferred right to use of equipment and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavourable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment and deferred right to use of equipment, and intangible assets requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

Deferred tax assets

Deferred tax assets are recognised for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Company and subsidiaries will generate sufficient taxable profits from their future operations to utilise these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Company and its subsidiaries should recognise, they take into account the amount of taxable profit expected in each future period.

Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both), liquidity, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Assets retirement obligation

Provision for expenses to be incurred with respect to the retirement of networks located on lease area for which the rental agreement can not be extended is set by using estimates of the present value of such expenses, based on the rate of average actual retirement expense incurred on 1% of the number of networks installed during the year. Such provision is recorded as part of concession assets and amortised over the concession period, but not more than 10 years. However, the actual amounts incurred may differ from the estimated amounts.

Commercial disputes, litigation, conformity with rules/regulations in telecommunication industry and uncertainty in tax interpretation

The Company and its subsidiaries have contingent liabilities as a result of commercial disputes, litigations, claims arising from non-compliance with rules/regulations in the telecommunication industry, and uncertainty in tax interpretation.

The management used judgment to assess the effect of these matters and this involves evaluating the degree of probability that a loss will be incurred and the management's ability to make a reasonable estimate of the amount of that loss. Changes in the factors used in management's evaluation and unanticipated events may result in actual results differing from the estimates. However, if management believes that no significant loss will result, no related contingent liabilities are recorded as at the end of reporting period.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash	3,958	2,769	3,893	2,713
Bank deposits	10,116,575	5,820,431	2,795,836	1,050,297
Total	10,120,533	5,823,200	2,799,729	1,053,010

As at 31 December 2015, bank deposits in saving accounts and fixed deposits carried interests between 0.125 percent per annum and 1.60 percent per annum (2014: between 0.125 percent per annum and 1.80 percent per annum).

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade receivables - related parties				
Trade receivables - related parties	2,265,862	2,123,689	5,096,998	7,484,350
Less: Allowance for doubtful accounts	(2,830)	(3,224)	(2,830)	(3,224)
Total trade receivables - related parties, net	2,263,032	2,120,465	5,094,168	7,481,126
Trade receivables - unrelated parties				
Trade receivables - telephone services	3,659,394	3,889,562	372,096	941,345
Trade receivables - international telephone roaming services	843,433	633,362	387,232	492,643
Trade receivables - sales of E-Refill telephone sets and starter kits	2,066,406	2,751,620	1,012,486	1,499,400
Trade receivables - others	1,112,631	1,088,479	630,702	646,261
Total	7,681,864	8,363,023	2,402,516	3,579,649
Less: Allowance for doubtful accounts	(899,158)	(660,647)	(268,842)	(286,913)
Total trade receivables - unrelated parties, net	6,782,706	7,702,376	2,133,674	3,292,736
Total trade receivables - net	9,045,738	9,822,841	7,227,842	10,773,862

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Other receivables				
Other receivables – related parties	135,863	103,126	2,570,356	2,977,107
Others	548,338	535,326	310,774	492,781
Total	684,201	638,452	2,881,130	3,469,888
Less: Allowance for doubtful debts	(7,918)	(7,918)	(5,944)	(5,944)
Total other receivables, net	676,283	630,534	2,875,186	3,463,944
Total trade and other receivables – net	9,722,021	10,453,375	10,103,028	14,237,806

The aging of the outstanding balances of trade receivables – related parties as at 31 December 2015 and 2014, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Aged on the basis of due dates				
Not yet due	1,752,618	1,649,133	5,058,243	5,350,168
Past due				
Up to 1 month	449,128	469,675	17,550	2,109,658
1 – 3 months	58,963	-	17,112	12,797
3 – 6 months	-	-	1,186	5,452
Over 6 months	5,153	4,881	2,907	6,275
Total	2,265,862	2,123,689	5,096,998	7,484,350
Less: Allowance for doubtful accounts	(2,830)	(3,224)	(2,830)	(3,224)
Total trade receivables – related parties, net	2,263,032	2,120,465	5,094,168	7,481,126

The aging of the outstanding balances of trade receivables – telephone services as at 31 December 2015 and 2014, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Aged on the basis of due dates				
Not yet due	2,253,322	2,490,989	175,023	500,965
Past due				
Up to 1 month	562,943	618,600	55,883	114,086
1 – 3 months	177,124	203,559	31,680	54,029
3 – 6 months	133,300	191,125	14,132	64,924
Over 6 months	532,705	385,289	95,378	207,341
Total	3,659,394	3,889,562	372,096	941,345
Less: Allowance for doubtful accounts	(696,065)	(531,778)	(133,233)	(219,333)
Trade receivables – telephone services, net	2,963,329	3,357,784	238,863	722,012

The Company and its subsidiaries have set up allowance for doubtful accounts based on collection experience. The Company and its subsidiaries establishes the allowance for doubtful accounts at the period-end at a certain percentage of all accounts receivable - telephone services in each aging period on a progressive basis.

The aging of the outstanding balances of trade accounts receivable - international telephone roaming services as at 31 December 2015 and 2014, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Aged on the basis of due dates				
Not yet due	682,524	476,755	226,323	336,035
Past due				
Up to 1 month	51,793	23,949	51,793	23,949
1 - 3 months	66,225	20,275	66,225	20,276
3 - 6 months	14,524	34,570	14,524	34,570
Over 6 months	28,367	77,813	28,367	77,813
Total	843,433	633,362	387,232	492,643
Less: Allowance for doubtful accounts	(25,812)	(32,664)	(25,812)	(32,664)
Trade accounts receivable - international telephone roaming services, net	817,621	600,698	361,420	459,979

The aging of the outstanding balances of trade accounts receivable - sales of E-Refill, sales of telephone sets and starter kits as at 31 December 2015 and 2014, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Aged on the basis of due dates				
Not yet due	1,846,564	2,304,174	875,817	1,192,577
Past due				
Up to 1 month	61,547	108,537	32,174	75,220
1 - 3 months	9,338	203,004	7,911	150,417
3 - 6 months	22,207	74,499	1,037	61,989
Over 6 months	126,750	61,406	95,547	19,197
Total	2,066,406	2,751,620	1,012,486	1,499,400
Less: Allowance for doubtful accounts	(104,705)	(27,661)	(89,547)	(13,148)
Trade accounts receivable - sales of E-Refill, telephone sets and starter kits, net	1,961,701	2,723,959	922,939	1,486,252

The aging of the outstanding balances of trade accounts receivable - others as at 31 December 2015 and 2014, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Aged on the basis of due dates				
Not yet due	300,512	533,423	99,368	138,057
Past due				
Up to 1 month	15,829	26,872	7,674	26,872
1 - 3 months	25,459	10,937	-	10,937
3 - 6 months	13,126	11,180	7,609	11,180
Over 6 months	757,705	506,067	516,051	459,215
Total	1,112,631	1,088,479	630,702	646,261
Less: Allowance for doubtful accounts	(72,576)	(68,544)	(20,250)	(21,768)
Trade accounts receivable - others, net	1,040,055	1,019,935	610,452	624,493

7. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

Transactions with associated company, subsidiaries and related companies

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sale of goods and equipment	-	-	294	484	at cost
Service income	-	-	34,096	34,180	as per agreement
Rental and service expenses	-	-	2,572	6,477	as per agreement
Interest income	-	-	695	589	as per agreement
Interest expense	-	-	14	-	as per agreement
Dividend income	-	-	4,372	3,469	as declared
Purchase of goods	-	-	35	-	as agreed price
Transactions with associated company: United Distribution Business Co., Ltd.*					
Sales of goods	12,644	13,571	66	211	selling price less a certain margin, as per agreement
Dividend income	10	25	10	25	as declared
Rental and service expense	605	653	4	6	as per agreement

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2015	2014	2015	2014	
Transactions with other related companies					
International roaming service income	68	103	46	97	as per agreement
Service income	137	112	56	40	market price
Sale on right of online refill service	358	370	-	-	as per agreement
Sales of goods	1	1	1	1	market price
Service expenses	1,127	622	425	431	as per agreement
Service fees for installation of cell site equipment	272	245	272	245	as per agreement
Management fee	441	438	441	438	as per agreement

* The Company paid marketing support expense for year ended 31 December 2015 at Baht 8 million (2014: Baht 5 million) to dealers through United Distribution Business Co., Ltd.

On 4 May 2015, the Company and its subsidiary entered into an Agreement in relation to the customer acquisition service for the subsidiary which the Company agreed to sell the selected devices at the agreed prices to the customers subscribing for the applicable bundle service packages offered by the subsidiary and the subsidiary has to pay the fees to the Company as stipulated in the agreements. The agreement was retroactively effective from 1 January 2014 to 31 December 2014. The fees are included in the disclosure of transaction with subsidiary above. For corporate income tax purposes, the Company included such fees as taxable income for the 2014 annual corporate income tax submission.

In addition, the Company entered into an Agreement with such subsidiary on an annual basis in the same purpose as described above in that the Company agreed to sell the selected devices at the agreed prices to the customers subscribing for the applicable bundle service packages offered by the subsidiary and the subsidiary has to pay the fees to the Company as stipulated in the agreement.

As at 31 December 2015 and 2014, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade and other receivables - related parties (Note 6)				
Trade receivables - related parties				
Subsidiaries	-	-	5,054,670	7,465,346
Associated company (Note 7.1)	1,884,153	2,047,549	26,451	7,752
Related companies ⁽¹⁾	381,709	76,140	15,877	11,252
Total	2,265,862	2,123,689	5,096,998	7,484,350
Less: Allowance for doubtful accounts	(2,830)	(3,224)	(2,830)	(3,224)
Total trade receivables - related parties, net	2,263,032	2,120,465	5,094,168	7,481,126
Other receivables - related parties				
Subsidiaries	-	-	2,434,493	2,873,981
Related companies ^{(1), (2)}	135,863	103,126	135,863	103,126
Total	135,863	103,126	2,570,356	2,977,107
Less: Allowance for doubtful accounts	(5,944)	(5,944)	(5,944)	(5,944)
Total other receivables - related parties, net	129,919	97,182	2,564,412	2,971,163
Total trade and other receivables - related parties, net	2,392,951	2,217,647	7,658,580	10,452,289

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Amounts due from related parties				
Subsidiary (Note 7.2)	-	-	361,909	380,475
Related companies ^{(1), (2)}	26,774	26,774	-	-
Total	26,774	26,774	361,909	380,475
Less: Allowance for doubtful accounts	(26,343)	(26,343)	-	-
Total amounts due from related companies - net	431	431	361,909	380,475
Loans to subsidiary				
Subsidiary (Note 7.3)	-	-	15,500,000	22,000,000
Total loans to subsidiary	-	-	15,500,000	22,000,000
Trade and other payables - related parties (Note 17)				
Trade payables - related parties				
Subsidiaries	-	-	384,839	1,146,256
Associated company	93,705	101,181	-	-
Related companies ^{(1), (2)}	1,388,735	864,462	257,432	259,962
Total trade payables - related parties	1,482,440	965,643	642,271	1,406,218
Other payables - related parties				
Subsidiaries	-	-	83,955	47,320
Associated company	1,317	1,911	1,317	1,911
Related companies ^{(1), (2)}	602,119	383,399	599,202	380,482
Total other payables - related parties	603,436	385,310	684,474	429,713
Total trade and other payables - related parties	2,085,876	1,350,953	1,326,745	1,835,931
Loans from subsidiary				
Subsidiary (Note 7.4)	-	-	18,000,000	-
Total loans from subsidiary	-	-	18,000,000	-
Deposit guarantee on domestic roaming agreement				
Subsidiary	-	-	3,750,764	5,339,774

Relationship with the related companies

(1) Common ultimated shareholder

(2) Common directors

7.1 The aging of trade account receivable – associated company as at 31 December 2015 and 2014 based on due date, is as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Age of receivables				
Not yet due	1,471,304	1,583,039	18,803	5,539
Past due less than 1 month	412,849	464,510	7,648	2,213
Trade account receivable – associated company	1,884,153	2,047,549	26,451	7,752

7.2 The amount due from a subsidiary, TAC Property Co., Ltd., mostly comprises receivables arising from sales of equipment to support cellular telephone services. There is no fixed term for repayment and no interest is charged.

7.3 The loan of Baht 15,500 million (2014: Baht 22,000 million) to dtac TriNet (a subsidiary) is to be used in making an application for a spectrum license and using for operation under such license which carries interest at a rate of BIBOR plus certain margin. Payment of the loans is due at call. However, the Company has no plan to call the loans within one year, and therefore classified them as non-current assets in the financial statements.

As at 31 December 2015 and 2014, the balance of loans between the Company and its subsidiary and the movement are as follows:

(Unit: Thousand Baht)

Loan to	Separate financial statements			
	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Subsidiary				
dtac TriNet Co., Ltd.	22,000,000	3,500,000	(10,000,000)	15,500,000
	22,000,000	3,500,000	(10,000,000)	15,500,000

7.4 The loan of Baht 18,000 million from dtac TriNet (a subsidiary) is to be used for operations which carries interest at a rate of BIBOR plus certain margin. Payment of the loans is due at call. However, the Company expected that the loan would not be called by a subsidiary within one year, and therefore classified them as non-current liabilities in the financial statements.

As at 31 December 2015 and 2014, the balance of loans between the Company and its subsidiary and the movement are as follows:

(Unit: Thousand Baht)

Loan to	Separate financial statements			
	Balance as at 31 December 2014	Increase during the year	Decrease during the year	Balance as at 31 December 2015
Subsidiary				
dtac TriNet Co., Ltd.	-	18,000,000	-	18,000,000
	-	18,000,000	-	18,000,000

7.5 Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2015	2014
Short-term employee benefits	83,140	85,286
Post-employment benefits and other long-terms benefits	2,315	2,228
Total	85,455	87,514

8. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	3,065,844	4,019,058	(240,072)	(127,898)	2,825,772	3,891,160
Total	3,065,844	4,019,058	(240,072)	(127,898)	2,825,772	3,891,160

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2015	2014	2015	2014	2015	2014
Finished goods	2,947,857	3,783,634	(236,086)	(127,412)	2,711,771	3,656,222
Total	2,947,857	3,783,634	(236,086)	(127,412)	2,711,771	3,656,222

During the current year, the Company and its subsidiary reduced cost of inventories by Baht 495 million (2014: Baht 427 million) (The Company only: Baht 492 million and 2014: Baht 427 million), to reflect the net realisable value. This was presented as cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 383 million (2014: Baht 425 million) (The Company only: Baht 383 million and 2014: Baht 425 million), and reduced the amount of inventories recognised as expenses during the year.

9. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Value added tax suspension	1,951,228	2,734,498	1,315,251	1,598,568
Prepaid expenses	211,332	203,817	184,441	184,506
Prepaid rental - land for cell sites	629,397	502,892	274,190	368,203
Deposit for bidding of the frequency band 900 MHz	644,500	-	-	-
Total	3,436,457	3,441,207	1,773,882	2,151,277
Less: Provision for impairment of assets	(11,220)	(11,220)	-	-
Total other current assets - net	3,425,237	3,429,987	1,773,882	2,151,277

10. Investments in associated company

10.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2015 Percent	2014 Percent	2015	2014	2015	2014
United Distribution Business Co., Ltd.	Sale of mobile phone, simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	282,771	289,063

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2015 Percent	2014 Percent	2015	2014	2015	2014	2015	2014
United Distribution Business Co., Ltd.	Sale of mobile phone, simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	-	-	50,000	50,000

10.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investment in associate company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments during the year		Dividend received in associate during the year	
	2015	2014	2015	2014
United Distribution Business Co., Ltd.	3,708	5,953	10,000	25,000

10.3 Summarised financial information of associate

Financial information of the associated company is summarised below. (2014: Audited financial statements, 2015: Management's accounts)

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit for the years ended 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
United Distribution Business Co., Ltd.	200	200	3,131	3,337	2,000	2,196	1,623	4,124	15	7

11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

	Separate financial statements									
	Paid-up share capital		Percentage of shareholding		Investments at cost		Impairment loss on investments		Net	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Subsidiaries directly held by the Company										
WorldPhone Shop Co., Ltd.	450	450	100	100	450,000	450,000	(450,000)	(450,000)	-	-
TAC Property Co., Ltd.	1	1	100	100	1,000	1,000	-	-	1,000	1,000
dtac TriNet Co., Ltd.	1,160	1,160	100	100	1,270,000	1,270,000	-	-	1,270,000	1,270,000
DTAC Broadband Co., Ltd.	175	175	100	100	175,000	175,000	-	-	175,000	175,000
dtac Digital Media Co., Ltd.	26	26	100	100	25,750	25,750	-	-	25,750	25,750
United Communication Industry Plc. (UCOM)	272	272	99.81	99.81	271,161	271,161	-	-	271,161	271,161
Paysbuy Co., Ltd.	200	200	100	100	236,756	236,756	-	-	236,756	236,756
Crie Co., Ltd.	0.2	0.2	51	51	39,230	39,230	(39,230)	-	-	39,230
Subsidiaries held through TAC Property Co., Ltd.										
Eastern Beach Co., Ltd.	80	80	100	100	-	-	-	-	-	-
Subsidiary held through dtac TriNet Co., Ltd.										
dtac Accelerate Co., Ltd.	15	3.75	100	100	-	-	-	-	-	-
dtac Service Co., Ltd.	0.25	-	100	-	-	-	-	-	-	-
dtac Next Co., Ltd.	0.25	-	100	-	-	-	-	-	-	-
Total investments in subsidiaries, net					2,468,897	2,468,897	(489,230)	(450,000)	1,979,667	2,018,897

- During the year 2015, dtac TriNet Co., Ltd., DTAC Broadband Co., Ltd. and PaySbuy Co., Ltd. which are the subsidiaries of the Company, announced their dividends to the Company amounting to Baht 3,138 million, Baht 1,056 million and Baht 178 million, respectively.
- On 20 July 2015, the extraordinary general meeting of Shareholders No. 3/2015 of Crie Company Limited ("Crie") passed a resolution to approve the dissolution of the company. Crie has already registered its dissolution with the Ministry of Commerce on 20 July 2015. At present, Crie is in the process of liquidation. The Company therefore sets up the impairment loss on the full amount of the investment of the subsidiary.
- In 2015, dtac TriNet, the Company's subsidiary, invested in 9,997 shares of dtac Service Co., Ltd. ("dtac Service"), representing 100 percent of the issued shares, at a price equal to the par value of Baht 100 per share, of which 25 percent or a total of Baht 250,000, was called up. On 9 September 2015, dtac Service registered as a legal entity in accordance with the Civil and Commercial Code in order to provide the asset management service.
- In 2015, dtac TriNet, the Company's subsidiary, invested in 9,997 shares of dtac Next Co., Ltd. ("dtac Next"), representing 100 percent of the issued shares, at a price equal to the par value of Baht 100 per share, of which 25 percent or a total of Baht 250,000, was called up. On 9 September 2015, dtac Next registered as a legal entity in accordance with the Civil and Commercial Code in order to provide the asset management service.

- e) In 2014, dtac TriNet, the Company's subsidiary, invested in 149,997 shares of dtac Accelerate Co., Ltd. ("dtac Accelerate"), representing 100 percent of the issued shares, at a price equal to the par value of Baht 100 per share. On 12 May 2014, dtac Accelerate registered as a legal entity in accordance with the Civil and Commercial Code in order to operate a business providing internet application development support to dtac TriNet. dtac Accelerate called up for 25 percent of the issued shares or Baht 3.75 million during 2014 and called up for the remaining of the issued shares or Baht 11.25 million in during 2015. The subsidiary has already paid the call-up shares issued.
- f) Currently, UCOM is defendant in a number of lawsuits brought in respect of UCOM's former operations. As stipulated under the Master Sale and Purchase Agreement dated 26 February 2006, UCOM can claim any amount to which UCOM becomes liable in respect of the former operations. All contingent liabilities in respect of the above cases are thus transferred to the purchaser company. The purchaser company's responsibility for such liabilities is subjected to those to be actually incurred and paid by UCOM, with no limit on their amount, within two years from the asset transfer date, or until UCOM's obligations and responsibilities end. UCOM therefore did not make any provision for loss from these lawsuits in its financial statements.

12. Other investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Digital Phone Co., Ltd.	49,400	49,400	49,400	49,400
Other companies	37,783	35,833	32,133	32,133
Total	87,183	85,233	81,533	81,533
Less: Allowance for impairment loss	(64,913)	(64,913)	(64,913)	(64,913)
Total other investments - net	22,270	20,320	16,620	16,620

13. Property, plant and equipment

Consolidated financial statement

(Unit: Thousand Baht)											
	Land	Buildings and building improvement	Leasehold improvement	Equipment for supporting cellular telephone services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Cost											
1 January 2014	1,024,345	1,689,361	1,089,394	12,969,263	213,011	691,900	6,341,603	72,332	1,084,809	414,072	25,590,090
Purchases	-	8,257	151,695	7,253,377	-	17,755	241,455	32,986	2,866,234	13,386	10,585,145
Disposals/written-off	(2,708)	(8,274)	(18,354)	-	-	(42,362)	(84,253)	(4,812)	-	(59,131)	(219,894)
Transferred in (out)	(8,092)	8,092	-	2,818,803	-	-	430	-	(2,311,965)	-	507,268
31 December 2014	1,013,545	1,697,436	1,222,735	23,041,443	213,011	667,293	6,499,235	100,506	1,639,078	368,327	36,462,609
Accumulated depreciation											
1 January 2014	-	1,078,890	488,005	2,451,862	156,379	598,767	5,318,263	48,642	-	231,383	10,372,191
Depreciation for the year	-	113,607	136,620	2,473,391	10,534	64,638	579,464	21,428	-	38,007	3,437,689
Depreciation - disposal/written-off	-	(7,543)	(17,919)	-	-	(42,033)	(61,943)	(4,271)	-	(54,442)	(188,151)
Transferred in	-	-	-	6,938	-	-	-	-	-	-	6,938
31 December 2014	-	1,184,954	606,706	4,932,191	166,913	621,372	5,835,784	65,799	-	214,948	13,628,667
Allowance for impairment loss											
1 January 2014	3,000	-	-	-	-	-	11,465	-	-	82,975	97,440
31 December 2014	3,000	-	-	-	-	-	11,465	-	-	82,975	97,440
Net book value											
31 December 2013	1,021,345	610,471	601,389	10,517,401	56,632	93,133	1,011,875	23,690	1,084,809	99,714	15,120,459
31 December 2014	1,010,545	512,482	616,029	18,109,252	46,098	45,921	651,986	34,707	1,639,078	70,404	22,736,502
Depreciation included in the income statements for the years											
2013											1,797,236
2014											3,437,689

Consolidated financial statement

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for supporting cellular telephone services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Cost											
1 January 2015	1,013,545	1,697,436	1,222,735	23,041,443	213,011	667,293	6,499,235	100,506	1,639,078	368,327	36,462,609
Purchases	-	10,638	183,049	2,822,041	-	48,300	466,766	39,148	6,583,667	19,200	10,172,809
Disposals/written-off	(7,324)	(5,381)	(122,245)	(6,933)	-	(45,471)	(166,955)	(17,861)	-	(35,551)	(407,721)
Transferred in (out)	-	-	2,262	5,915,169	-	5,671	69,069	86	(5,702,860)	-	289,397
31 December 2015	1,006,221	1,702,693	1,285,801	31,771,720	213,011	675,793	6,868,115	121,879	2,519,885	351,976	46,517,094
Accumulated depreciation											
1 January 2015	-	1,184,954	606,706	4,932,191	166,913	621,372	5,835,784	65,799	-	214,948	13,628,667
Depreciation for the year	-	96,589	145,472	3,795,001	10,524	65,751	420,667	29,964	-	29,742	4,593,710
Depreciation - disposal/written-off	-	(5,381)	(65,902)	(5,486)	-	(44,741)	(166,753)	(16,563)	-	(33,429)	(338,255)
Transferred in	-	-	-	40,830	-	-	-	-	-	-	40,830
31 December 2015	-	1,276,162	686,276	8,762,536	177,437	642,382	6,089,698	79,200	-	211,261	17,924,952
Allowance for impairment loss											
1 January 2015	3,000	-	-	-	-	-	11,465	-	-	82,975	97,440
31 December 2015	3,000	-	-	-	-	-	11,465	-	-	82,975	97,440
Net book value											
31 December 2014	1,010,545	512,482	616,029	18,109,252	46,098	45,921	651,986	34,707	1,639,078	70,404	22,736,502
31 December 2015	1,003,221	426,531	599,525	23,009,184	35,574	33,411	766,952	42,679	2,519,885	57,740	28,494,702
Depreciation included in the income statements for the years											
2014										3,437,689	
2015										4,593,710	

As at 31 December 2015, certain equipment items of the Company and its subsidiaries have been fully depreciated. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 7,037 million (2014: Baht 6,442million).

As at 31 December 2015, the Company and its subsidiaries had vehicles under finance lease agreements with net book values amounting to Baht 23 million (2014: Baht 40 million).

Separate financial statements

(Unit: Thousand Baht)

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Separate financial statements

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for supporting cellular telephone services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Cost											
1 January 2015	732,768	1,696,985	1,194,019	2,468,871	86,942	638,620	5,890,247	98,819	107,542	243,559	13,158,372
Purchases	-	10,636	172,359	175	-	47,281	456,038	39,022	748,978	12,500	1,486,989
Disposals/written-off	(7,323)	(5,381)	(121,842)	(6,933)	-	(44,746)	(159,179)	(17,397)	-	(35,551)	(398,352)
Transferred in (out)	-	-	-	943,649	-	-	-	-	(654,252)	-	289,397
31 December 2015	725,445	1,702,240	1,244,536	3,405,762	86,942	641,155	6,187,106	120,444	202,268	220,508	14,536,406
Accumulated depreciation											
1 January 2015	-	1,184,502	579,031	1,456,421	58,693	593,744	5,520,088	64,404	-	113,031	9,569,914
Depreciation for the year	-	96,590	143,363	203,855	4,220	64,576	318,570	29,756	-	19,508	880,438
Depreciation - disposals/written-off	-	(5,383)	(65,499)	(5,486)	-	(44,089)	(159,112)	(16,200)	-	(33,429)	(329,198)
Transferred in	-	-	-	40,830	-	-	-	-	-	-	40,830
31 December 2015	-	1,275,709	656,895	1,695,620	62,913	614,231	5,679,546	77,960	-	99,110	10,161,984
Allowance for impairment loss											
1 January 2015	3,000	-	-	263,958	-	-	-	-	-	82,975	349,933
31 December 2015	3,000	-	-	263,958	-	-	-	-	-	82,975	349,933
Net book value											
31 December 2014	729,768	512,483	614,988	748,492	28,249	44,876	370,159	34,415	107,542	47,553	3,238,525
31 December 2015	722,445	426,531	587,641	1,446,184	24,029	26,924	507,560	42,484	202,268	38,423	4,024,489
Depreciation included in the income statements for the years											
2014											980,183
2015											880,438

As at 31 December 2015, certain equipment items of the Company have been fully depreciated. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to Baht 6,888 million (2014: Baht 6,258 million).

As at 31 December 2015, the Company had vehicles under finance lease agreements with net book values amounting to Baht 23 million (2014: Baht 40 million).

In 2014, the Company reversed loss from impairment of equipment for supporting cellular telephone services amounting to Baht 15 million. The carrying amount of the equipment is grouped in the same cash generating unit as deferred right to use of equipment for the purpose of impairment consideration, as described in Note 14 to the consolidated financial statements.

In 2015, the Company reviewed the value of equipment for supporting cellular telephone services which the carrying amount of the equipment is grouped in the same cash generating unit as deferred right to use of equipment as described in Note 14 to the consolidated financial statements.

14. Deferred right to use of equipment

Deferred right to use of equipment represents the cost of tools and equipment for providing cellular telephone services that are required to be procured by the Company and transferred to CAT under the Concession Agreement from CAT outlined in Note 1.2 to the consolidated financial statements. Ownership of related tools and equipment were transferred to CAT at the date of commencing service or when the equipment was put into use.

The cost of such tools and equipment is deferred and amortised over the remaining life of concession period.

Deferred right to use of equipment consists of the following:

(Unit: Thousand Baht)

	Consolidated financial statement		
	Deferred right to use of equipment	Deferred expenses on transmission facilities	Total
Cost:			
At 1 January 2014	143,256,898	971,620	144,228,518
Acquisition	3,672,112	-	3,672,112
Transfer out	(542,967)	-	(542,967)
At 31 December 2014	146,386,043	971,620	147,357,663
Acquisition	8,454,411	-	8,454,411
Transfer out	(372,363)	-	(372,363)
At 31 December 2015	154,468,091	971,620	155,439,711
Amortisation:			
At 1 January 2014	(93,221,908)	(657,522)	(93,879,430)
Amortisation	(11,199,733)	(52,762)	(11,252,495)
Transfer out	38,240	-	38,240
At 31 December 2014	(104,383,401)	(710,284)	(105,093,685)
Amortisation	(12,310,183)	(52,762)	(12,362,945)
Transfer out	73,673	-	73,673
At 31 December 2015	(116,619,911)	(763,046)	(117,382,957)
Net book value:			
At 31 December 2014	42,002,642	261,336	42,263,978
At 31 December 2015	37,848,180	208,574	38,056,754
Amortisation included in income statements			
2014	11,199,733	52,762	11,252,495
2015	12,310,183	52,762	12,362,945

(Unit: Thousand Baht)

	Separate financial statement		
	Deferred right to use of equipment	Deferred expenses on transmission facilities	Total
Cost:			
At 1 January 2014	143,256,318	971,620	144,227,938
Acquisition	3,672,112	-	3,672,112
Transfer out	(542,967)	-	(542,967)
At 31 December 2014	146,385,463	971,620	147,357,083
Acquisition	8,454,409	-	8,454,409
Transfer out	(372,363)	-	(372,363)
At 31 December 2015	154,467,509	971,620	155,439,129
Amortisation:			
At 1 January 2014	(93,221,681)	(657,522)	(93,879,203)
Amortisation	(7,301,557)	(52,762)	(7,354,319)
Transfer out	38,240	-	38,240
At 31 December 2014	(100,484,998)	(710,284)	(101,195,282)
Amortisation	(8,678,676)	(52,762)	(8,731,438)
Transfer out	73,673	-	73,673
At 31 December 2015	(109,090,001)	(763,046)	(109,853,047)
Allowance for impairment			
At 1 January 2014	(18,348,000)	-	(18,348,000)
Reversal	989,235	-	989,235
At 31 December 2014	(17,358,765)	-	(17,358,765)
Increase	-	-	-
At 31 December 2015	(17,358,765)	-	(17,358,765)
Net book value:			
At 31 December 2014	28,541,700	261,336	28,803,036
At 31 December 2015	28,018,743	208,574	28,227,317
Amortisation included in income statements			
2014	7,301,557	52,762	7,354,319
2015	8,678,676	52,762	8,731,438

The Company assessed impairment reviews of deferred right to use of equipment and equipment for supporting cellular telephone services (Concession Agreement) by comparing the carrying amount of the cash generating unit to its recoverable amount. The recoverable amount is calculated from its value in use. In determining value in use, the estimated future cash flows are discounted to their present value based on the assumption that the Concession Agreement will be terminated in September 2018.

As a result of its impairment assessment in 2013, the Company recognised losses from impairment totaling Baht 18,627 million in profit or loss in the separate financial statement for the year ended 31 December 2013. The impairment losses are comprised of impairment of the above deferred right to use of equipment amounting to Baht 18,348 million and impairment of equipment for supporting cellular telephone services amounting to Baht 279 million, as described in Note 13 to the consolidated financial statements.

In 2014, the Company reviewed its impairment assessment of deferred right to use of equipment and equipment for supporting cellular telephone services (Concession Agreement) by reassessing the future cash flows that are expected to be generated from the equipment based on value in use. The Company therefore reversed an equal amount of Baht 1,004 million losses from impairment in profit or loss in the separate financial statement for the year ended 31 December 2014. This reversal was comprised of reversal of impairment of the deferred right to use of equipment amounting to Baht 989 million and reversal of impairment of equipment for supporting cellular telephone services amounting to Baht 15 million, as described in Note 13 to the consolidated financial statements.

In 2015, the Company reviewed the value of deferred right to use of equipment and equipment for supporting cellular telephone services (Concession Agreement) by reassessing the future cash flows that are expected to be generated from the equipment base on value in use. The Company viewed that such value currently covered the current net book value.

15. Other intangible assets

The net book value of other intangible assets as at 31 December 2015 and 2014 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	software under development	Total	Computer software	software under development	Total
As at 31 December 2015:						
Cost	11,463,250	263,001	11,726,251	9,775,405	80,101	9,855,506
Less: Accumulated amortisation	(10,225,787)	-	(10,225,787)	(9,362,372)	-	(9,362,372)
Net book value	1,237,463	263,001	1,500,464	413,033	80,101	493,134
As at 31 December 2014:						
Cost	10,644,725	296,083	10,940,808	9,539,909	77,850	9,617,759
Less: Accumulated amortisation	(9,317,837)	-	(9,317,837)	(8,907,483)	-	(8,907,483)
Net book value	1,326,888	296,083	1,622,971	632,426	77,850	710,276

A reconciliation of the net book value of other intangible assets for the years 2015 and 2014 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Net book value at beginning of year	1,622,971	2,222,452	710,276	1,259,638
Acquisition of computer software	703,355	399,153	155,086	136,588
Amortisation	(875,107)	(998,009)	(422,046)	(685,950)
Transferred in	50,123	-	50,123	-
Loss from intangible assets written-off	(878)	(625)	(305)	-
Net book value at end of year	1,500,464	1,622,971	493,134	710,276

16. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Deferred underwriting fees / arrangement fees for loans and debentures - net	155,647	24,870	10,376	24,870
Deposits	313,161	258,846	265,578	229,850
Leasehold rights	23,601	27,020	22,169	25,445
Withholding tax deducted at source	1,365,195	298,742	1,338,877	216,028
Others	91,637	115,338	22,796	46,498
Total other non-current assets	1,949,241	724,816	1,659,796	542,691

17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Trade payables for the purchase of equipment for providing telephone services, telephone sets and starter kits	6,756,803	10,192,720	4,491,330	5,912,797
Trade payables - related parties (Note 7)	1,482,440	965,643	642,271	1,406,218
Trade payable - CAT	7,377,323	6,907,851	7,267,861	6,874,978
Trade payable - TOT	1,259,861	1,293,593	1,249,592	1,250,182
Accrued license fees	4,188,358	2,622,089	-	-
Trade payables - interconnection charge	52,670	70,649	21	13,726
Trade payables - international telephone roaming services	1,439,521	1,870,856	1,353,604	1,857,288
Other trade payables	2,052,101	2,067,463	676,046	715,394
Other payables - related parties (Note 7)	603,436	385,310	684,474	429,713
Other payables	1,415,033	1,930,219	880,788	1,080,482
Accrued expenses	3,149,758	2,903,874	2,448,210	2,534,606
Interest payables	90,579	90,409	90,580	90,409
Total trade and other payables	29,867,883	31,300,676	19,784,777	22,165,793

18. Long-term loans

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
18.1	USD 40 million loan facility from Nordic Investment Bank	-	164,400	-	164,400
18.2	Baht 30,000 million loan facilities from a local financial institution	-	8,000,000	-	8,000,000
18.3	Baht 20,000 million loan facilities from a local financial institution	-	12,000,000	-	12,000,000
18.4	Baht 10,000 million loan facilities from Thailand branch of foreign financial institutions	10,000,000	7,000,000	10,000,000	7,000,000
18.5	Baht 30,000 million loan facilities from a local financial institution	18,000,000	-	-	-
Total		28,000,000	27,164,400	10,000,000	27,164,400
Less: Current portion		(10,000,000)	(4,164,400)	(10,000,000)	(4,164,400)
Long-term loans - net of current portion		18,000,000	23,000,000	-	23,000,000

18.1 On 31 May 2005, the Company entered into a Facility Agreement with Nordic Investment Bank ("NIB"). The principal terms of this facility are:

Facility	: USD 40 million (fully drawn down)
Interest rate	: LIBOR plus 1.0 percent per annum
Interest period	: Every six months
Principal repayment schedule	: 11 semi-annual installments in the amounts stipulated in the agreement between 2010 and 2015

In order to hedge the foreign exchange rate and interest rate risks associated with the above loan, the Company entered into a cross currency swap agreement to swap the full amount of the loan to a Baht 1,644 million loan, with a fixed Baht interest rate as stipulated in the agreement for the period from 30 November 2005 to 30 November 2007, and a floating interest rate as stipulated in the agreement from 30 November 2007 onwards. During the year, the Company fully repaid the loan.

18.2 On 15 December 2011, the Company entered into a Facility Agreement with a financial institution. The principal terms of this facility are:

Tranche A

Facility	: Baht 20,000 million (fully drawn down)
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	: Every one month, three months, or six months depending on selection period
Principal repayment schedule	: 10 equal semi-annual installments, commencing on 30 June 2012

Tranche B

Facility	: Baht 10,000 million (short-term loan facility)
Interest rate	: Money Market Rate
Interest period	: Every one month, three months, or six months depending on selection period
Principal repayment schedule	: As agreement but not exceed six months and not extend beyond final maturity date

During the year, the Company fully repaid the Tranche A loan before the normal repayment schedule.

18.3 On 18 September 2012, the Company entered into a Facility Agreement with a financial institution. The principal terms of this facility are:

Facility	: Baht 20,000 million (fully drawn down)
Guarantee facility	: Baht 10,000 million
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	: Every one month, three months, or six months depending on selection period
Principal repayment schedule	: 4 equal semi-annual installments, commencing on 30 April 2016

During the year, the Company fully repaid the loan before the normal repayment schedule.

18.4 On 3 October 2012, the Company entered into a Facility Agreement with the Thailand branch of foreign financial institutions. The principal terms of this facility are:

Facility	: Baht 10,000 million (fully drawn down)
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	: Every one month, three months, or six months depending on selection period
Principal repayment schedule	: 4 equal semi-annual installments, commencing in June 2016

The Company informed the Lenders that the Company will fully repay the loan before the normal repayment schedule in 2016.

18.5 In November 2015, one subsidiary entered into Facility Agreements with the financial institutions. The principal terms of these facilities are:

Facilities	: Baht 69,000 million
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	: Every month, every three months or every six months depending on selection period
Principal repayment schedules	: As per conditions specified in the agreements

As at 31 December 2015, the long-term credit facilities of a subsidiary which have not yet been drawn down amounted to Baht 51,000 million (2014 the Company: Baht 11,000 million).

The above credit facilities agreements contain covenants relating to various matters, such as the maintenance of financial ratio, restrictions on creating or permitting the subsistence of security interest on property and assets, a prohibition on making loans or granting guarantees except under certain conditions.

19. Debentures

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Thai Baht debentures	20,000	5,000	5,000	5,000
Less: Current portion	(5,000)	-	(5,000)	-
Thai Baht debentures - net of current portion	15,000	5,000	-	5,000

The movements of debentures for the year ended 31 December 2015 are as follows:

(Unit: Million Baht)

	Tenor	Balance as at 1 January 2015	Addition: debentures issued	Less: debentures repayment	Balance as at 31 December 2015
The Company					
Debentures of Baht 5,000 million (issued on 25 July 2013)	3 years	5,000	-	-	5,000
		5,000	-	-	5,000
Subsidiary					
Debentures of Baht 2,000 million (issued on 29 July 2015)	3 years	-	2,000	-	2,000
Debentures of Baht 4,000 million (issued on 29 July 2015)	5 years	-	4,000	-	4,000
Debentures of Baht 3,000 million (issued on 29 July 2015)	7 years	-	3,000	-	3,000
Debentures of Baht 6,000 million (issued on 29 July 2015)	10 years	-	6,000	-	6,000
		-	15,000	-	15,000
Total		5,000	15,000	-	20,000

The Company's debenture

On 25 July 2013, the Company issued the Baht 5,000 million of registered, unsubordinated, and unsecured debentures with a debentureholders' representative (5,000,000 debentures of Baht 1,000 each). The debentures bear interest at 3.72 percent per annum and are redeemable in full in July 2016.

Subsidiary's debentures

On 17 June 2015, the Board of Director Meeting of dtac TriNet approved to issue new debentures. On 29 July 2015, dtac TriNet issued 4 tranches of the registered, unsubordinated, and unsecured debentures with a debentureholders' representative to institutional and/or high net worth investors at the total amount of Baht 15,000 million (15,000,000 debentures of Baht 1,000 each). The debentures bear interest at 2.16%, 2.92%, 3.52% and 3.98% per annum and are redeemable in full in 2018, 2020, 2022, and 2025 respectively.

dtac TriNet entered into interest rate swap agreements with financial institutions, to swap 4 tranches of the debenture issued, totaling in notional amount of Baht 13,500 million or 90% of debenture issued, to swap fixed Baht interest rates for floating Baht interest rates plus margins as specified in contracts.

Such debentures contain covenants relating to various matters such as restrictions on creating or permitting the creation of security interest on property and assets, and a prohibition on making loans or granting guarantees except under certain conditions.

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)		
	Consolidated/Separate financial statements	
	2015	2014
Provision for long-term employee benefits at beginning of year	380,077	300,850
Included in profit or loss:		
Current service cost	38,147	29,932
Interest cost	12,946	12,955
Included in other comprehensive income:		
Actuarial losses arising from		
Financial assumptions changes	19,963	28,679
Experience adjustments	1,283	16,381
Benefits paid during the year	-	(8,720)
Provision for long-term employee benefits at end of year	452,416	380,077

Line items in profit or loss under which long-term employee benefit expenses are recognised entirely in administrative expenses.

The Company expect to pay Baht 5 million of long-term employee benefits during the next year (Separate financial statements: Baht 5 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 15 years (Separate financial statements: 15 years) (2014: 15 years, separate financial statements: 15 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)		
	Consolidated/Separate financial statements	
	2015	2014
Discount rate	3.1	3.4
Salary increase rate	5.6	5.6
Turnover rate	0 - 25	0 - 25

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

(Unit: Million Baht)		
	Consolidated/Separate financial statements	
	Increase 0.5%	Decrease 0.5%
Discount rate	(33)	36
Salary increase rate	35	(32)
	Increase 10%	Decrease 10%
Turnover rate	(35)	38

21. Dividends

Dividends	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
Interim dividend announced from operating result for the period as from 1 January 2014 to 31 March 2014	Meeting of the Board of Directors on 30 April 2014	3,352	1.42
Interim dividend announced from operating result for the period as from 1 April 2014 to 30 June 2014	Meeting of the Board of Directors on 18 July 2014	3,734	1.58
Interim dividend announced from operating result for the period as from 1 July 2014 to 30 September 2014	Meeting of the Board of Directors on 22 October 2014	3,714	1.57
Total dividends for 2014		10,800	
Dividend announced from operating result for the period as from 1 October 2014 to 31 December 2014 and from the retained earnings	Annual General Meeting of the shareholders on 26 March 2015	5,537	2.34
Interim dividend announced from operating result for the period as from 1 January 2015 to 31 March 2015	Meeting of the Board of Directors on 24 April 2015	2,107	0.89
Interim dividend announced from operating result for the period as from 1 April 2015 to 30 June 2015	Meeting of the Board of Directors on 20 July 2015	1,893	0.80
Interim dividend announced from operating result for the period as from 1 July 2015 to 30 September 2015	Meeting of the Board of Directors on 19 October 2015	1,705	0.72
Total dividends for 2015		11,242	

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve of at least 5 percent of its net income after deducting accumulated deficits brought forward (if any), until the reserve reaches 10 percent of the registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

23. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Salaries and wages and other employee benefits	4,197,106	3,813,070	4,281,345	3,947,589
Depreciation	4,593,710	3,437,689	880,438	980,183
Amortisation	14,202,101	13,186,330	9,187,494	8,077,671
Rental expenses from operating lease agreements	2,467,930	2,153,757	1,868,411	2,061,167
Purchases in inventories	16,306,515	18,260,143	14,396,711	17,935,785
Changes in inventories of finished goods	953,214	(2,210,010)	835,777	(2,069,303)

24. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Interest expense	1,311,508	1,266,229	999,751	1,000,287
Amortisation on deferred financial cost	22,223	15,407	14,493	15,407
Other finance cost	50,583	55,230	31,602	55,230
Total finance cost	1,384,314	1,336,866	1,045,846	1,070,924

25. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Current income tax:				
Current income tax charge	1,761,135	2,344,722	-	1,285,469
Adjustment in respect of income tax of previous year	(22,041)	198,578	48,686	201,936
Deferred tax:				
Relating to origination and reversal of temporary differences	(182,480)	7,443	691,298	(1,968,534)
Income tax expense reported in the income statement	1,556,614	2,550,743	739,984	(481,129)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)		
	2015	2014
Deferred tax relating to the actuarial gains or losses	-	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Accounting profit before tax	7,444,755	13,274,635	7,994,793	16,399,220
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,488,951	2,654,927	1,598,959	3,279,844
Deficits	(1,857)	(394,387)	-	-
Adjustment in respect of current income tax of previous year	(22,041)	198,578	48,686	201,936
Effects of:				
Tax exempted revenue	(10,540)	(3,606)	(960,449)	(914,057)
Non-deductible expenses	29,998	43,125	21,682	41,359
Write-down (reversal) of deferred tax assets	6,170	(147,047)	6,170	(3,081,211)
Effects of adjustment deferred tax	62,364	197,700	24,936	(9,000)
Others	3,569	1,453	-	-
Income tax expenses reported in the income statement	1,556,614	2,550,743	739,984	(481,129)

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Allowance for doubtful accounts - trade receivables	167,641	119,948	53,768	57,459
Allowance for diminution in value of investment/ loss on the subsidiary	90,000	90,000	90,000	90,000
Allowance for diminution in value of inventories	47,217	25,483	47,217	25,483
Accrued expenses	322,160	360,446	322,160	387,673
Amortisation of intangible assets	70,906	110,203	52,391	90,367
Unrealised loss on derivative instruments for long-term loans	-	6,447	-	6,447
Sales of prepaid voucher cards	201,151	191,372	54,524	100,389
Allowance for impairment of assets	-	-	1,992,812	2,731,420
License on mobile money business (premium from subsidiary acquisition)	(13,768)	(13,768)	-	-
Others	203,486	16,182	230,123	45,055
Total	1,088,793	906,313	2,842,995	3,534,293

As at 31 December 2015 the Company has deductible temporary differences of Baht 1,309 million (2014: Baht 1,278 million). No deferred tax assets have been recognised on these amount as the Company believes that future taxable profits may not sufficient to allow utilisation of temporary differences.

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Profit attributable to equity holders of the Company (Thousand Baht)	5,893,114	10,728,745	7,254,808	16,880,349
Weighted average number of ordinary shares (Thousand shares)	2,367,811	2,367,811	2,367,811	2,367,811
Earnings per share (Baht/share)	2.49	4.53	3.06	7.13

27. Depreciation and amortisation

Depreciation and amortisation for the years ended 31 December 2015 and 2014 comprised:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Depreciation				
Building and equipment	4,593,710	3,437,689	880,438	980,183
Amortisation				
Deferred right to use of equipment	12,362,945	11,252,495	8,731,438	7,354,319
Cost of spectrum license	897,052	898,270	-	-
Other intangible assets and other non-current assets				
- group as selling and administration expenses	919,881	1,020,158	441,563	707,945
- group as finance cost	22,223	15,407	14,493	15,407
Total depreciation and amortisation	18,795,811	16,624,019	10,067,932	9,057,854

28. Operating income before interest, taxes, depreciation, amortisation, other incomes and other expenses (EBITDA before other incomes and other expenses)

(Unit: Thousand Baht)

	Note	Consolidated financial statements	
		2015	2014
Profit for the year		5,888,141	10,723,892
Add (less) : Finance cost	24	1,384,314	1,336,866
: Income tax expenses	25	1,556,614	2,550,743
: Depreciation	27	4,593,710	3,437,689
: Amortisation	27	14,179,878	13,170,923
EBITDA		27,602,657	31,220,113
Add (less) : Interest income		(136,066)	(161,607)
: Loss on foreign exchange		294,871	6,565
: Other expenses related to employees		108,026	51,328
: Dividend received from other investments		(40,325)	(10,300)
: Share of profit from investment in associated company		(3,708)	(5,953)
: (Gain) loss from disposal/write-off of equipment and intangible assets		119,904	(194,896)
: Other incomes		(4,136)	(5,493)
Operating income before interest, taxes, depreciation, amortisation, other incomes and other expenses (EBITDA before other incomes and other expenses)		27,941,223	30,899,757

29. Financial instruments

29.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, trade and other payables, debentures and long-term loans. The financial risks associated with these financial instruments and how they are managed are described below.

29.2 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their deposits at financial institutions, debentures and long-term loans.

The significant financial assets and liabilities (part of these are under derivative instruments as described in Notes 18 and 19 to the consolidated financial statements) are classified by type of interest rate as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015					
Items	Note	Floating interest rate	Fixed interest rate	Zero interest rate	Total
Financial assets					
Cash and cash equivalents	5	9,066	650	404	10,120
Trade and other receivables	6	-	-	9,722	9,722
Financial liabilities					
Trade and other payables	17	-	-	29,868	29,868
Long-term loans	18	28,000	-	-	28,000
Debentures	19	-	20,000	-	20,000

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2014					
Items	Note	Floating interest rate	Fixed interest rate	Zero interest rate	Total
Financial assets					
Cash and cash equivalents	5	5,011	150	662	5,823
Trade and other receivables	6	-	-	10,453	10,453
Financial liabilities					
Trade and other payables	17	-	-	31,301	31,301
Long-term loans	18	28,664	-	-	28,664
Debentures	19	-	5,000	-	5,000

Financial assets and liabilities that carried fixed interest rates can be classified based on the maturity date or the repricing date (if this occurs before the maturity date) from the statements of financial position date as follows:

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2015					
Items	Note	Within 12 months	Over 12 months	Total	Interest rate
Financial assets					
Cash and cash equivalents		650	-	650	0.125% - 1.60%
Financial liabilities					
Debentures	19	5,000	15,000	20,000	2.16% - 3.98%

(Unit: Million Baht)

Items	Consolidated financial statements as at 31 December 2014				
	Note	Within 12 months	Over 12 months	Total	Interest rate
Financial assets					
Cash and cash equivalents		150	-	150	0.125% - 1.80%
Financial liabilities					
Debentures	19	-	5,000	5,000	3.72%

29.3 Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arised mainly from purchasing of equipment transactions, trade receivables - international telephone roaming services, and borrowings that are denominated in foreign currencies. The Company and its subsidiaries primarily utilise forward exchange contracts and currency swap agreements to manage the exchange rate risk arising from these instruments (Note 18 to the consolidated financial statements).

As at 31 December 2015 and 2014 the Company and its subsidiaries had the following assets and liabilities denominated in foreign currencies:

	Consolidated financial statements as at 31 December			Exchange rate as at 31 December	
	2015	2014	Foreign currency	2015	2014
	(Million)	(Million)		Baht per foreign currency	
Assets					
Deposits at financial institutions	7.91	17.66	USD	35.8295	32.7241
Trade receivables - other companies	16.81	13.27	SDRs	50.1643	47.7445
	8.78	7.52	USD	35.8295	32.7241
	0.25	0.04	EUR	38.9721	39.6482
Trade receivables - related companies	0.11	0.14	SDRs	50.1643	47.7445
	9.29	0.77	USD	35.8295	32.7241
Liabilities					
Trade payables	105.56	163.23	USD	36.2538	33.1132
	0.26	0.26	EUR	39.7995	40.3552
	0.03	-	SGD	25.7905	25.1274
	0.03	-	NOK	4.1796	4.4588
	28.69	39.18	SDRs	50.1643	47.7445
Related parties payables	88.35	31.36	NOK	4.1796	4.4588
	0.04	-	EUR	39.7995	40.3552
	1.13	1.49	SDRs	50.1643	47.7445
	9.32	4.36	USD	36.2538	33.1132
	0.09	0.09	NOK	4.1796	4.4588
Total net assets (liabilities)	(88.90)	(141.64)	USD		
	(0.05)	(0.22)	EUR		
	(12.90)	(27.26)	SDRs		
	(0.03)	-	SGD		
	(88.47)	(31.45)	NOK		

As at 31 December 2015, the Company entered into buying forward exchange contract amounting to USD 9 million to reduce foreign currency risk arises mainly from accounts payable from purchasing of devices. Generally, the forward contracts mature within a year.

29.4 Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade receivables. The management manage the risk by adopting credit control policies and procedures. In addition, the Company and its subsidiaries do not have high concentration of credit risk since it has a large customer base. Therefore, the Company and its subsidiaries do not expect to incur material financial loss. The maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for doubtful debts as stated in the statements of financial position.

29.5 Fair value of financial instruments

Given that all financial assets are short-term, parts of financial liabilities are short-term and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

The carrying value (original value excluded the carrying value of related forward exchange and cross currency swap contracts) and fair value of long-term financial liabilities and the fair value of derivative instruments as at 31 December 2015 and 2014 are presented below.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December			
	2015		2014	
	Carrying value	Fair value	Carrying value	Fair value
Hedged				
Thai Baht debentures	13,500	14,079	-	-
Unhedged				
Loan from Nordic Investment Bank	-	-	132	133
Thai Baht debentures	6,500	6,642	5,000	5,094
Derivative instruments				
Interest rate swaps	-	28	-	(1)

(Unit: Million Baht)

	Separate financial statements as at 31 December			
	2015		2014	
	Carrying value	Fair value	Carrying value	Fair value
Unhedged				
Thai Baht debentures	5,000	5,052	5,000	5,094

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- The fair value of long-term loans has been determined based on discounted cash flow analysis, by using discount rates equal to the prevailing rates of return as of the end of reporting period for financial instruments having substantially the same terms and characteristics.
- The fair value of debentures are presented based on the latest yield rated quoted by the Thai Bond Market Association as of the date on which the investments are valued or the discounted cash flow method. The discount rate is based on the prevailing rates of return as of the end of reporting period for financial instruments having substantially the same terms and characteristics.
- The fair value of derivative instruments has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves, the Company and a subsidiary have considered to counter party credit risk when determining the fair value of derivatives.

During the year, there were no transfers within the fair value hierarchy.

30. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)				
	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	20,721	-	20,721
Derivative instruments	-	(28)	-	(28)
(Unit: Million Baht)				
	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	5,052	-	5,052

31. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company and its subsidiaries manage their capital position with reference to Net Interest-Bearing Debt to EBITDA ratio in order to comply with a condition in long-term loan agreements with financial institutions. As at 31 December 2015, the aforementioned ratio in the consolidated financial statements is 1.42:1 (2014: 0.96:1).

The Group's capital structure consist of debts that includes long-term loans and debentures disclosed in Note 18 and 19 to the consolidated financial statements, cash and cash equivalents disclosed in Note 5 to the consolidated financial statements and equity attributable to the shareholders as presented in the consolidated statement of changes in shareholders' equity.

No changes were made in the objectives, policies or processes during the years end 31 December 2015 and 2014.

32. Commitments

32.1 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements for office buildings, land and building for base stations. The terms of the agreements are generally between 1 - 3 years and 12 years.

As at 31 December 2015 and 2014, future minimum lease payments under these operating leases contracts were as follows.

(Unit: Million Baht)		
	As of 31 December	
	2015	2014
Payable within:		
In up to 1 year	798	917
In over 1 and up to 5 years	2,366	2,568
In over 5 years	210	586

During the year 2015, the Company and its subsidiaries recognised rental expenses of Baht 2,098 million (2014: Baht 1,922 million).

32.2 Capital commitments

As at 31 December 2015, the Company and its subsidiaries had capital commitments of Baht 2,079 million and USD 44 million (2014: Baht 1,788 million and USD 177 million) mainly in respect of the purchase of tools and equipment for providing telecommunication services and Baht 48 million and USD 6 million (2014: Baht 201 million, and USD 7 million) relating to the construction of cell sites and acquisition of software for the Company and its subsidiaries' operations.

32.3 Restricted bank deposits

32.3.1 Maintenance of minimum levels of bank deposits for deposits from customers

In accordance with the announcement of the Bank of Thailand regarding "Stipulation of Guidelines, Procedures and Conditions for Operating Electronic Card Business", PaySbuy Co., Ltd. (subsidiary) is required at all times to maintain bank deposits in an amount not less than the amount of deposits received from customers. As at 31 December 2015, cash and cash equivalents of PaySbuy Co., Ltd. include minimum requirement bank deposits amounting to Baht 1,896 million (2014: Baht 2,074 million).

32.3.2 Restricted bank deposits

As at 31 December 2015, deposits at banks of a subsidiary amounting to Baht 0.2 million (2014: Baht 0.2 million) are pledged with the bank to secure facilities granted by the bank.

32.4 Bank guarantees

As at 31 December 2015, there were outstanding bank guarantees of Baht 3,986 million (2014: Baht 7,570 million) issued by banks on behalf of the Company and subsidiaries in respect of certain performance bonds required in the normal course of business of the Company and its subsidiaries. Bank guarantees are primarily issued to CAT to guarantee the revenue sharing to be paid under the Concession Agreement.

32.5 Agreement to install cell site equipment and maintain transmission networks

As at 31 December 2015, the Company had a commitment to BB Technology Co., Ltd., a related company, relating to the installation of cell site equipment and maintenance of transmission networks. This related company will provide transmission engineering network design and configuration, installation and maintenance services for transmission networks. The Company is committed to pay service fees at the rate specified in the agreement.

32.6 Agreement for supply of equipment and services for Wi-Fi project

As at 31 December 2015, the Company and a subsidiary had commitments to United Information Highway Co., Ltd., a related company, relating to the supply of equipment and services for the subsidiary's Wi-Fi project. This related company will procure and provide relevant equipment, software systems, required infrastructure, and provide operation support, including technical support services, for the project. In return, the Company and its subsidiary are committed to pay compensation in compliance with the terms and conditions stipulated in the agreement.

32.7 Long-term agreement commitment

- a. The Company entered into a purchase and resale agreement with a company that granted the Company the right to distribute products, equipment and support services in Thailand related to that company's mobile phones and tablet computer. The Company is committed to terms indicated in the agreement and to future minimum purchase orders and minimum merchandising and marketing spend stipulated under the agreement.
- b. The Company and its subsidiaries entered into frame contracts with two companies who will supply network infrastructure and services for the telecommunication network of the Company and its subsidiary. Goods and service prices are set in accordance with the terms and conditions stipulated in the agreements.
- c. The Company entered into a Management Service Frame Agreement with a company who will provide the management services to operate, examine, solve, and prepare for data expansion in the future including rectify relevant problems of computer system. The service fees are set in accordance with the term and conditions stipulated in the agreement.

33. Court proceedings and commercial disputes between the Company and TOT Plc. (TOT) in relation to the access charge payment

- 1) TOT, CAT and the Company entered into the Postpaid Access Charge Agreement on 22 February 1994 and the Prepaid Access Charge Agreement on 2 April 2001. Under these Agreements, TOT agreed to interconnect its network with that of the Company in consideration of an access charge of Baht 200 per month for the postpaid service and 18 percent of the price specified on the prepaid card, including VAT, for the prepaid service.

On 17 May 2006, the NTC (currently known as NBTC) issued the Interconnection Notification requiring all licensees (who have their own telecommunication networks) (licensees) to allow interconnection by other licensees upon request, in order to ensure good cross-network connections, and the licensees who provide the interconnection is entitled to collect an interconnection charge that reflect its costs.

On 2 October 2006, the Company issued a letter to TOT requesting TOT to enter into negotiation with the Company regarding an interconnection agreement between the Company's network and TOT's network. On 17 November 2006, the Company sent a notice to TOT and CAT informing them that the Company would change the rates for calculating the access charge under the Access Charge Agreements entered into with TOT on the ground that the rate and the collection of access charge under the Access Charge Agreements were contrary to the law in a number of respects and the Company also informed TOT and CAT that it would pay the interconnection charge to TOT at the rate which was in compliance with the law.

On 23 November 2006, TOT issued a letter to the Company informing the Company that it was not entitled to interconnect its network with that of TOT because the Company was not a licensee, whose license was granted by NTC, and did not have its own telecommunication network. TOT also claimed that the Access Charge Agreements did not violate any laws and, as a result, demanded the payment of the access charge in accordance with the rate and the collection of access charge specified under the Access Charge Agreements. TOT also refused to accept payment of the interconnection charges by the Company.

On 1 February 2007, the Company issued a letter to TOT informing that the Company was pleased to pay the interconnection charge to TOT at the rate under TOT's RIO as approved by NTC.

- 2) On 18 June 2007, according to the Award No. 1/2550 rendered by NTC on the Dispute on Interconnection of Telecommunications Networks, NTC ordered TOT to negotiate with the Company within 7 days and enter into an interconnection agreement with the Company within 30 days from the date of the commencement of the negotiation. NTC Secretary General ordered TOT to negotiate an interconnection agreement with the Company in line with NTC's Award but TOT appealed such order to NTC Secretary General. In addition, on 9 October 2007, NTC unanimously resolved to confirm NTC Secretary General's order requiring TOT to negotiate an interconnection agreement with the Company. TOT had filed a lawsuit with the Central Administrative Court under black case no. 1523/2550, petition for the cancellation of such NTC and NTC Secretary General's orders. On 15 September 2010, the Central Administrative Court dismissed the TOT's plaint. TOT appealed against the Central Administrative Court's verdict to the Supreme Administrative Court. Currently, the case is under the consideration of the Supreme Administrative Court.
- 3) As TOT still refused to enter into an interconnection agreement with the Company, on 8 November 2007, the Company sent TOT a notice regarding the interconnection charges informing TOT that it would like to cancel its previous offer in which it agreed to pay TOT the interconnection charges at a rate to be agreed between the parties in good faith and its offer to pay TOT the interconnection charges at a rate specified in TOT's Reference of Interconnect Offer (RIO) which had already been approved by NTC. In addition, the Company also cancelled the two Access Charge Agreements. The Company accrued in its financial statements the access charge at the interconnection charge rate for the period from 18 November 2006 to 7 November 2007, amounting to Baht 1,973 million. The Company stopped accruing the access charge from 8 November 2007 in its financial statements following the termination of the Access Charge Agreements.
- 4) On 9 May 2011, TOT filed a plaint (black case no. 1097/2554) with the Central Administrative Court and a petition to amend the plaint dated 7 June 2011 demanding CAT and the Company to jointly pay for damages from the access charge, i.e. (1) damages from access charge in connection with Postpaid and Prepaid Access Charge Agreements calculating from 18 November 2006 to 9 May 2011 (the filing date of the plaint) including VAT and default interest at the rate of 1.25 percent per month; and (2) damages from access charge under Postpaid and Prepaid Access Charge Agreements amounting to half of revenue sharing which CAT received from the Company calculating from 16 September 2006 to 9 May 2011 (the filing date of the plaint) including VAT and default interest at the rate of 7.5 percent per annum. As a result, TOT has claimed against the Company to be liable for the damages at Baht 113,319 million. The Company was informed on 10 October 2014 that on 31 July 2014 TOT additionally filed a petition to amend the plaint to adjust the amount of damages claimed up to 10 July 2014 from Baht 113,319 million to Baht 245,638 million. The other disputed issues remain the same. Presently, this case is under consideration of the Central Administrative Court.
- 5) Even though NTC has rendered the Award No. 1/2550 on the Dispute on Interconnection of Telecommunications Networks which ordered TOT to negotiate an interconnection agreement with the Company and the Secretary General of the NTC also issued an administrative sanction (requiring TOT to pay fine in the amount of Baht 20,000 until completion) enforcing TOT to enter into an interconnection agreement with the Company but TOT has refused to enter into such agreement. TOT has filed a complaint with the Central Administrative Court requesting the court to revoke the NTC's Award and the administrative sanction. On 16 July 2013, the Central Administrative Court rendered a judgment (Black Case No. 1033/2553 and Red Case No. 1178/2555) which dismissed TOT's complaint as the court opined that such order was lawful. As TOT disagreed with the Central Administrative Court's judgment, TOT then submitted an appeal to the Supreme Administrative Court. Presently, this case is under consideration of the Supreme Administrative Court.

Based on legal advice from the Company's external legal counsel, the Company's management believes that the Company is not obliged to make payment of access charge under the Access Charge Agreements because the Access Charge Agreements do not comply with the current legal principles (in particular the Interconnection Notification) and the Company has already terminated the Access Charge Agreements. As a result, the Company's management believes that the outcome of the dispute and the judicial process would not have an adverse impact on the Company's financial position in a material respect.

The net effect (before income tax) in ceasing to recognise the access charge under the Access Charge Agreements as from 18 November 2006 to 31 December 2015 has resulted in a reduction of the Company's expenses amounting to approximately Baht 68,357 million.

Despite the non-accrual of the access charge as from 8 November 2007, the Company has made provision for expenses that may arise from the resolution of the dispute or the judicial process, in an amount that the Company deems appropriate.

34. Significant revenue sharing from services provided under commercial disputes in relation to the agreements to operate cellular telephone services (Concession Agreement)

The Company and a subsidiary is subject to disputes arising out of its businesses under Concession Agreements as follows:

- (a) Dispute between the Company and CAT regarding additional revenue sharing calculation from revenue received from Digital Phone Co., Ltd ("DPC") from mobile telecommunications network domestic roaming agreement provided by the Company.

In 2002, CAT requested the Company to pay additional revenue sharing from revenue received from DPC as a result of DPC's roaming on the Company's telecommunications network and subsequently submitted a letter dated 25 August 2003 requesting the Company to pay such fees in the amount of Baht 477 million.

On 31 August 2004, CAT submitted the dispute to the Arbitration Institute demanding that the Company pay additional revenue sharing from domestic roaming revenue together with the penalty (calculated up to the date of the submission of the dispute) in the total amount of Baht 692 million, and demanding that the Company pay the penalty until it gets full benefits.

On 22 August 2015, the Company received an arbitral award dismissing CAT's claim in its entirety. On 18 January 2016, the Company was informed that CAT challenged the arbitral award before the Central Administrative Court. The case is under the Central Administrative Court's consideration. The Company's management determined to make a provision for certain revenue sharing in its financial statement.

- (b) Dispute between the Company and CAT regarding the calculation methodology for the revenue sharing in relation to the reduction of the access charge fees

On 18 May 2005 and 19 July 2005, CAT submitted a letter to the Company informing that the Company's calculation methodology for the revenue sharing from the date of its receipt of approval from TOT for the reduction of the access charge fee was incorrect, resulting in Baht 448 million (calculated from 16 September 1996 to 15 September 2004) of the revenue sharing not paid by the Company to CAT. However, the Company considers that it has adopted the methodology previously notified to it by CAT. As a result, the Company has not accrued such amount in its financial statements as the Company opines that the payment was made correctly.

In 2007, CAT submitted the dispute to the Arbitration Institute, demanding for the payment of the additional revenue sharing and penalty in the total amount of Baht 749 million from the Company. The dispute is currently under arbitration proceedings. However, the Company's management believes that the arbitral award will not have a material adverse effect on the financial position of the Company.

In 2011, CAT also submitted another dispute requesting the Company to pay additional revenue sharing for the 16th concession year with regard to this matter in the amount of Baht 16 million together with penalty. On 14 August 2014, the arbitral tribunal, by majority vote, decided to dismiss CAT's claim for the revenue sharing in relation to the reduction of the access charge fees for the 16th concession year. The Company was informed that CAT filed a lawsuit on 3 December 2014 requesting the Central Administrative Court to revoke the arbitration award. The Company's management believes that the Central Administrative Court's judgement will not have a material adverse effect on the financial position of the Company.

- (c) Dispute between the Company and CAT regarding additional revenue sharing payment (Excise Tax) under the Concession Agreement

On 11 January 2008, CAT submitted a dispute to the Arbitration Institute requesting the Company to make additional revenue sharing payments in the 12th - 16th concession years in the aggregate amount of Baht 16,887 million, together with penalties, or an approximate total claim amount of Baht 23,164 million. The statement of claim made by CAT did not mention the reason why the Company did not make the payments in full (the Company expects that such claim amount would be the amount which the Company had paid to the Excise Department and had deducted from its revenue payable to CAT in accordance with the cabinet resolution and CAT's letters).

Nevertheless, the Arbitral Tribunal has rendered an award dated 28 May 2013 in favor of the Company and dismissed CAT's claim. On 31 August 2013, CAT filed a motion with the Central Administrative Court in order to revoke the arbitration award. On 29 January 2016, the Central Administrative Court issued the verdict in favor of the Company and dismissed CAT's petition. However, CAT have the right to file an appeal with the Supreme Administrative Court within 30 days.

- (d) Dispute between the Company and CAT regarding revenue share calculation in relation to Interconnection Charge ("IC") revenue both before and after the enforcement of the IC Notification

In 2006, CAT submitted a statement of claim to the Arbitration Institute requesting for the revenue sharing payment shortfall for the 11th - 14th concession years from revenue sharing on IC that the Company had received from other telecom operators in consideration for allowing them to use the network at the time before the enforcement of the IC Notification in the amount of Baht 14 million.

Subsequently, in 2010, CAT also filed another claim requesting for additional revenue sharing for the 15th concession year in the same matter in the amount of Baht 4 million. In 2011, CAT submitted several statements of claim to the Arbitration Institute requesting for the revenue share payment shortfall in respect of the 16th concession year (16 September 2006 - 15 September 2007), in the approximate amount of Baht 4,026 million for all cases, together with interest at the rate of 1.25 percent per month. The reason is that the Company calculated the revenue share payable to CAT by offsetting the IC expenses it paid to other operators against IC income it received from other operators, however, CAT claimed that the Company had to pay CAT the revenue sharing on the IC income the Company received from other operators, without deduction of the IC expenses it paid to other operators.

In 2012, CAT also filed a statement of claim to the Arbitration Institution requesting for additional revenue sharing on IC for the 17th concession year in the amount of Baht 3,860 million together with penalty. In 2013, CAT also submitted a dispute to the Arbitration Institution requesting for additional revenue sharing on IC for the 18th concession year in the amount of Baht 3,340 million together with penalty.

However, on 14 August 2014, the arbitral tribunal, by majority vote, decided to dismiss CAT's claim for the revenue sharing on IC, only for black dispute No. 90/2554 (red dispute No. 75/2557), for the 16th concession year in the amount of Baht 4 million. The Company was informed that CAT filed a lawsuit on 3 December 2014 requesting the Central Administrative Court to cancel the arbitration award.

In 2015, CAT filed a statement of claim to the Arbitration Institution requesting for additional revenue sharing on IC for the 19th concession year in the amount of Baht 3,667 million together with penalty and for additional revenue sharing on IC for the 20th concession year in the amount of Baht 3,914 million together with penalty.

As at 31 December 2015, the Company has not accrued the said additional revenue sharing requested by CAT because, based on the Company's legal counsel's opinion, the Company's management believes that the Company has no duty to pay such revenue sharing to CAT. Presently, this case is under the arbitration proceedings. The Company's management believes that the arbitral award would not have a material adverse effect on the financial position of the Company.

- (e) Dispute between the Company and CAT regarding the transfer of towers and its equipment which has already been installed and operated under the Concession Agreement

On 19 February 2008, CAT submitted a dispute to the Arbitration Institute requesting the Company to deliver and transfer ownership of 121 towers to CAT, then, in 2009 CAT increased the amount of towers from 121 towers to 3,873 towers. Recently in 2013, CAT submitted an additional statement of claim and increased the amount of towers from 3,873 towers to 4,968 towers. If the Company failed to do so, CAT further requested that the Company shall be liable for damages in the approximate amount of Baht 2,392 million. In addition, on 3 January 2013, CAT filed a complaint with the Central Administrative Court requesting the Company to deliver and transfer ownership of another 696 towers to CAT or amounting to total damages of Baht 351 million (including interest).

On 1 September 2015, the Company was informed that CAT amended the claim related to the number of tower. CAT added in the claim for additional 48 towers amounting compensation of Baht 20 million. The other disputed issues remain the same.

The Company's view that the disputed towers and their equipment are not devices and equipment under the Concession Agreement but that they rather are buildings under the Building Control Act B.E. 2522 (1979) and are the Company's ownership. Therefore, the Company does not have any obligation to transfer the towers and their equipment to CAT. Currently, the dispute is under arbitration and court proceedings. The Company's management believes that the arbitral award and the Central Administrative Court's judgment would not have a material adverse effect on the financial position of the Company.

(f) Dispute between the Company and CAT regarding additional revenue sharing from content providers' expenses deduction

In 2007, CAT filed a statement of claim with the Arbitration Institute requesting the Company to pay additional revenue sharing in the approximate amount of Baht 24 million with penalty. CAT argued that the Company failed to pay the revenue sharing to CAT for the 13th and 14th concession year (16 September 2003 to 15 September 2005) in full because the Company had deduct expenses concerning content providers from the revenue sharing payable to CAT without approval from CAT. Under the Concession Agreement, it does not allow the Company to deduct any expenses from the revenue sharing payable to CAT. Nevertheless, on 15 March 2012, the majority of the arbitral tribunal rendered an award deciding that the Company has to pay approximately Baht 24 million with interest at 7.5 percent per annum from the principal amount from the date of which the statement of claim was filed (28 December 2007) until payments are made in full. The Company has filed an objection petition before the Central Administrative Court to revoke the arbitration award. However, on 31 March 2015, the Central Administrative Court issued a verdict dismissing the Company's petition.

The Company's external legal counsels have thoroughly reviewed the award and the verdict and have opined on the confidences of the factual and legal argument that the Company should not be responsible for the said additional revenue sharing from content providers' expenses deduction in 13th and 14th concession year.

Based on these legal opinions of the external legal counsels, the Company's management is confident in the rationale and arguments of the appeal and filed the petition with the Supreme Administrative Court to revoke the verdict and the arbitration award on 30 April 2015.

In 2010 to 2013, CAT submitted statements of claim to the Arbitration Institute requesting the Company to pay additional revenue sharing for the 15th-18th concession year in total amount of Baht 338 million together with penalty. In 2015, CAT submitted statements of claim to the Arbitration Institute requesting the Company to pay additional revenue sharing for the 19th and 20th concession year in total amount of Baht 153 million. In total, CAT claimed the additional revenue sharing for the 15th - 20th in the amount of 491 million. These cases have the same nature of claim as the claim for the 13th and 14th concession year. Currently, this case is under arbitration proceedings (except the dispute regarding the 16th concession year).

However, on 14 August 2014, the arbitral tribunal, by majority votes, rendered an award for black dispute No. 90/2554 (red dispute No. 75/2557) deciding that the Company has to pay the addition revenue sharing for the 16th concession year approximately Baht 96 million with interest at 7.5 percent per annum from the principal amount from 14 December 2007 until payments are made in full.

Based on the Company's legal counsel opinion, the Company's management deems that it is inconsistent with the principles of Administrative Law and the relevant regulations of NBTC. Therefore, on 4 December 2014, the Company submitted a petition to the Central Administrative Court to seek the revocation of the Arbitration's verdict for additional consideration of the 16th concession year. In addition, such verdict only has legal effect for specific dispute. It does not have any legal and binding effect to the other relevant disputes.

As at 31 December 2015, the Company has not accrued the additional revenue sharing from content providers' expenses deduction such revenue sharing claimed by CAT in total of Baht 491 million (excluding interest) in its financial statements. The Company's management believes that such all of the requested amount should not be deemed as part of the service revenue which is the ground for CAT's revenue sharing calculation. In addition, the Company's management believes that the final result on disputes would not have a material adverse effect on the financial position of the Company.

g) Dispute between the Company and CAT regarding addition revenue sharing from prepaid service revenue (SOS/Jaidee Packet)

In 2010, CAT filed a statement of claim with the Arbitration Institute requesting the Company to pay the additional revenue sharing for the 15th concession year in the approximate amount of Baht 23 million with penalty. CAT argued that the revenue sharing from prepaid service on SOS/Jaidee Packet paid by the Company to CAT was not in line with the criteria which had been accepted and practiced by CAT and the Company since the beginning of the Concession Agreement.

In 2011 to 2013, CAT filed statements of claim with the Arbitration Institute requesting the Company to pay the additional revenue sharing for the 16th - 18th concession year in the total amount of Baht 295 million together with penalty. In 2015, CAT submitted statements of claim to the Arbitration Institute requesting the Company to pay additional revenue sharing for the 19th and 20th concession year in total amount of Baht 58 million. In total, CAT claimed the additional revenue sharing for the 16th - 20th in the amount of Baht 353 million. These cases have the same nature of claim as the claim for the 15th concession year. Currently, these cases are under arbitration proceedings (except the dispute regarding the 16th concession year).

However, on 14 August 2014, the arbitral tribunal, by majority vote, rendered an award for black dispute No. 90/2554 (red dispute No. 57/2557) deciding that the Company has to pay addition revenue sharing for the 16th concession year approximately Baht 51 million with interest at 7.5 percent per annum from the principal amount from 14 December 2007 until payments are made in full.

Based on the Company's legal counsel opinion, the Company's management deems that it is inconsistent with the principles of Administrative Law and the relevant regulations of NBTC. Therefore, on 4 December 2014, the Company submitted a petition to the Central Administrative Court to seek the revocation of the Arbitration's verdict for additional consideration of the 16th concession year. In addition, such verdict only has legal effect for specific dispute. It does not have any legal and binding effect to other relevant disputes.

As at 31 December 2015, the Company has not accrued such revenue sharing claimed by CAT in total of Baht 353 million in its financial statements. The Company's management believes that such requested amount should not be deemed as part of the service revenue which CAT's revenue sharing calculation is based. In addition, the Company's management believes that the final result on disputes would not have a material adverse effect on the financial position of the Company.

(h) Dispute between the Company and CAT regarding additional revenue sharing from uncollectible service fees from customers who submitted fraudulent documents (domestic call)

In 2006 to 2013, CAT submitted several disputes to the Arbitration Institute requesting for additional revenue sharing in total amount of Baht 52 million together with penalty. CAT argued that the Company did not make the revenue sharing payment for the 11th-18th concession year to CAT correctly because the Company had deducted loss incurred by uncollectible receivables from customers who submitted fraudulent documents from revenue before calculating revenue sharing payable to CAT. Currently, the dispute is under arbitration proceedings.

As at 31 December 2015, the Company has not accrued the additional revenue sharing requested by CAT in total amount of Baht 52 million in its financial statements because the Company's management believes that the additional revenue sharing do not constitute the revenue which forms the basis for the calculation of the revenue sharing payables to CAT and CAT has formerly waived the payment of the revenue sharing from fraudulent service revenues. Nevertheless, the Company's management believes that the result of these disputes would not have a material adverse effect on the financial position of the Company.

(i) Other disputes in relation to revenue sharing from services provided under Concession Agreement

In addition to the above cases, during the years 2009 to 2013, CAT has filed several cases against the Company with the Arbitration Institute demanding the Company to pay additional revenue sharing to CAT in total amount of Baht 263 million. The disputes are currently in the arbitration process and court proceedings.

As at 31 December 2015, the Company has not accrued the additional revenue sharing requested by CAT in total amount of Baht 263 million in its financial statements because the Company's management believes that the additional revenue sharing do not constitute the revenue which forms the basis for the calculation of the revenue sharing payables to CAT. The Company's management believes that the result of these disputes would not have a material adverse effect on the financial position of the Company.

(j) Letter from CAT asking the Company to comply with Clause 14.8, Clause 2.1 and other clauses of the Concession Agreement

On 12 February 2013, the Company received the letter from CAT notifying that the Company did not comply with a non-competition provision specified in Clause 14.8 of the Concession Agreement (Letter 14.8) and at the same time asking the Company to rectify the non-compliance. Later, CAT sent monthly letters to the Company requesting the Company to discontinue the Company's subscribers porting to dtac TriNet, and claiming for Baht 16,468 million of damages calculated for the period between September 2013 and May 2015. In addition, CAT claimed in the letter dated 10 January 2014 that the Company breached Clause 14.8 and Clause 2.1 of the Concession Agreement, the Company failed to pay the revenue share in full (please see more details in Note 34 (d) to consolidated financial statements) and the Company breached some other provisions under the Concession Agreement. If all of these non-compliances are not rectified by the Company within 90 days from the receiving date of the letter dated 10 January 2014, CAT will exercise the right to terminate the Concession Agreement, and reserve the right to claim for compensation.

Later, CAT submitted the letters dated 25 July 2014, 9 September 2014 and 23 September 2014 to notify that the Company was in breach of a non-competition provision specified in Clause 14.8 and other clauses of the Concession Agreement, including causing damage to CAT by providing financial support to dtac TriNet, holding shares in dtac TriNet and supporting the migration of customers to dtac TriNet. CAT also informed the Company that it would file the claim against the Company through the arbitration. However, the Company confirmed CAT by letters dated 11 April 2014, 21 August 2014 and 3 October 2014 that the Company did not commit any breach of the Concession Agreement and CAT has no right to terminate the Concession Agreement. The Company's operation in every step was in accordance with the Concession Agreement and the law. For CAT's claims that the Company breached some other provisions under the Concession Agreement, most of the claims are the disputes which are not final but are under the arbitration proceedings or the Administrative Court proceeding, which CAT should wait for the final decisions. The Company reserved all rights that the Company supposed to have according to the Concession Agreement and the law, and the letter shall not be considered as a waiver of any right or time clause which the Company supposed to have in the Concession Agreement and the law.

As at 31 December 2015, the Company has not accrued the damage claimed by CAT. Based on the Company's external legal counsel opinion, the Company's management believes that the Company's operation in every step was in full compliance with the Concession Agreement and the law. Further, the Company is of the view that CAT could not legitimately terminate the Concession Agreement based on ground alleged in the letters and that the Company shall have the right to continue operating its telecommunication business pursuant to the law and the Concession Agreement.

(k) Court proceedings between dtac TriNet and CAT regarding BTO Assets

On 11 June 2014, dtac TriNet received the claim that CAT filed before the Administrative Court claiming that dtac TriNet committed a wrongful act against CAT by installing its devices and equipment for 2.1 GHz (2100 MHz) on the Company's concessionary asset. CAT required that dtac TriNet remove its 2.1 GHz equipment and claims the damages at Baht 42 million per month (subsequently the plaint was amended to Baht 44 million per month) from the filing date until dtac TriNet uninstalls its device and equipment from the Company's concessionary asset.

In addition, CAT petitioned the Court for granting an injunctive order to prohibit dtac TriNet to install devices and equipment using for the 2.1 GHz spectrum with the Company concessionary asset. On 5 August 2014, the Central Administrative Court dismissed CAT's petition.

Based on legal advice from a subsidiary's legal counsel, the subsidiary is of the opinion that the installation of the dtac TriNet's devices and equipment on the Company's devices and equipment was done by means of the Infrastructure sharing Agreement and the Network Access Agreement, which was fully in compliance with the right and duties under the current law and relevant NBTC regulations. As a result, dtac TriNet did not commit any wrongful act against CAT.

35. Dispute between the Company and CAT regarding BTO Assets

Reference to the dispute between the Company and CAT in 2013 regarding the non-compliance in Clause 2.1 of the Concession Agreement (as described in Note 34 (j) to consolidated financial statements) given the fact that the Company installed the 2.1 GHz devices and equipment of dtac TriNet on the concessionary equipment. CAT demanded the Company to remove the 2.1 GHz device and equipment within 15 days, or otherwise CAT would file the claim against the Company through the arbitration.

On 1 October 2014, CAT submitted the dispute to the Arbitration Institute claiming that it has been damaged by the Company's breach of clause 2.1 and clause 2.3 of the Concession Agreement by providing an access to the concessionary devices and equipment with dtac TriNet, allowing dtac TriNet to have its 2.1 GHz devices and equipment installed on and connected with the concessionary devices and equipment. Therefore, CAT requested that the Company remove those 2.1 GHz equipment and devices of dtac TriNet or other mobile telephone service operators (if any) from the concessionary devices and equipment, and compensate for damages in the amount of Baht 658 million with interest at the rate of 7.5 per annum. If such devices and equipment are not removed, CAT requested that the Company compensate for damages in the amount of Baht 44 million per month starting from the date the dispute was submitted onwards until the concessionary devices and equipment are removed. Furthermore, CAT prohibits the Company from providing an access to the concessionary devices and equipment by allowing dtac TriNet or other mobile telephone service operators (if any) to have their 2.1 GHz devices and equipment installed on or connected with the concessionary device and equipment unless a written permission has been obtained from CAT. Currently, this case is under arbitration proceedings.

The Company received the order of the Central Administrative court demanding the Company to attend the hearing on 24 October 2014 to consider CAT's petition for the injunction during the arbitration proceeding. CAT petitioned the court for granting an injunctive order to prohibit the Company to have the concessionary devices and equipment installed or connected by the 2.1 GHz equipment and devices or allow dtac TriNet or other mobile telephone service operators use the concessionary devices and equipment during the arbitration proceeding. The Company submitted the objection against CAT's petition on 24 October 2014 and 7 November 2014, respectively. On 20 May 2015, the Company received the Order from the Central Administrative Court ("the Court"). The Court granted the injunctive relief order as requested by CAT "prohibiting the Company from installing or connecting the telecommunication assets and equipment under the Concession with the telecommunication assets and equipment for the 2.1 GHz frequency band, or from allowing dtac TriNet or other telecommunication operators to share the telecommunication assets and equipment under the Concession by installing or connecting their telecommunication assets and equipment for the 2.1 GHz frequency band with such assets in all circumstances until the arbitral tribunal renders its decision or until further instruction from the Court". Because of the immediate effect of the Order, the Company has to comply by avoiding further installation and connection on the towers with 2.1 GHz equipment.

Based on the opinion of the Company's legal advisors, the Company believes that the installation by dtac TriNet and other licensees of communications devices and equipment with the devices and equipment of the Company were actions performed in accordance with the methods under the Infrastructure Sharing Agreement and the Network Access Agreement, and fully consistent with existing rights and obligations under the law and relevant NBTC regulations. The Company considers that the Court's order may damage the Company and other operators who are party of the Infrastructure Sharing Agreement with the Company. The Company appealed the injunctive order with the Supreme Administrative Court to revoke the order of the Central Administrative Court on 18 June 2015. However, on 21 August 2015, the Company and CAT entered into a mutual agreement which required the Company and CAT to comply with certain conditions and jointly filed a petition before the Central Administrative Court to cancel the injunctive order. Subsequently, on 27 November 2015, the Supreme Administrative Court revoked the injunctive order.

As at 31 December 2015, the Company has not accrued the damage claimed by CAT. Based on the Company's external legal counsel opinion, the Company's management believes that the Company's operation in every step was in full compliance with the Concession Agreement and the law, and the Company has the right to open up such Telecommunication Network and Telecommunication Infrastructure to be used by other license holders in conformity with the law and the Concession.

36. Regulatory risk concerning the telecommunications business

36.1 Reform of telecommunication regulatory regime

The National Broadcasting and Telecommunications Commission (hereinafter referred to as the “NBTC”), which was established by the Act on the Organisation for Allocation of Frequency and Regulation of Radio and Television Broadcasting Business and Telecommunications Business, B.E. 2553 (2010), is the organisation having an authority to regulate the radio and television broadcasting and telecommunications business including to allocate and administer the use of spectrum. The NBTC was appointed on 7 October 2011.

Nevertheless, NBTC has authority to issue relevant regulations in accordance with telecommunications business operation, for instance, price regulations on service fee and its structure, consumer protections etc. Such regulations would have negative impact to the Company in several aspects, both in implementing its business strategies and adjustment to any changes in market conditions.

However, the Company will provide cellular telephone service under the Concession Agreement until 15 September 2018 and the spectrum license for operating telecommunication business for International Mobile Telecommunication in the Frequency Band 2.1 GHz of a subsidiary expire on 6 December 2027. Therefore, the process of obtaining sufficient spectrum licenses for use in the mobile telecommunication business operations at an appropriate cost is critical to the Company and its subsidiary's current operations and will impact their business strategy, including the amount of additional investment required to enable them to derive maximize benefit from their utilisation of existing spectrums.

36.2 Operational costs of interconnection between the Company and certain operators are unclear

Pursuant to the Telecommunications Act, an operator who wishes to interconnect with the network of another operator must enter into an interconnection agreement. At present, certain operators have refused to enter into interconnection agreements with the Company, in particular, TOT, who had entered into an Access Charge Agreements with the Company in 1994 and 2001. Pursuant to the Access Charge Agreements, the Company was required to pay an access charge to TOT at a fixed rate per number per each month or at a percentage of the face value of the prepaid vouchers. However, at present, the interconnection between operators is subject to the Telecommunications Act and the Interconnection Notification. The Company believes that the access charge that TOT fixed under the old regulatory regime is no longer valid as it is not in compliance with the Telecommunications Act and the Interconnection Notification.

36.3 Revenue sharing arrangement under the Concession Agreement.

Under the Concession Agreement, the Company has an obligation to pay revenue sharing from the service income to CAT. At present, CAT, which is a party to the Concession Agreement, has become an operator in direct competition with the Company in the telecommunications business. Concessions of other operators expired before the Company's and continued their businesses in the form of license operators. It is possible that the operational costs of other operators would be lower than the revenue share rate that the Company currently pays to CAT pursuant to the Concession Agreement and the Company could be placed at a competitive disadvantage which may result in a negative impact on the business operations of the Company.

36.4 The 3rd Amendment to the Concession Agreement

The legal opinion of the Council of State (Ruling Number 292/2550) states that all three amendments to the Concession Agreement do not comply with the Act on Private Sector Undertaking of State Businesses, B.E. 2535 (1992) (“PUS Act”). However, the Council of State further opines that the three amendments are still effective but CAT is required to proceed in accordance with the PUS Act (i.e. CAT must bring this issue to Section 22 Committee under the PUS Act (“Section 22 Committee”), and Section 22 Committee would then consider and propose their opinion for the Cabinet's consideration) and to report to the Cabinet who are to consider the relevant effects, taking into account state interest as well as public interest.

Section 22 Committee has already given its preliminary opinion to the Ministry of Information and Communication Technology ("MICT"), disapproving the 3rd amendment to the Company's concession agreement in relation to the part of reduction of revenue sharing.

On 1 February 2011, the Cabinet passed a resolution acknowledging the process of amending the Concession Agreement to comply with the PUS Act, as proposed by the MICT. In addition, the MICT proposed the appointment of the Negotiating Committee on Compensation for Concession Amendment ("the Committee") to review compensation relevance to the 3rd Concession Amendment.

On 28 June 2011, the Cabinet acknowledged the results of the negotiations of the Committee, which were that the Committee was unable to consider the operators' proposals as these proposals were beyond the Committee's authority. However, the Committee opined that at the initial stage, this matter should be reported to the NBTC for consideration in order to issue relevant criteria and measures.

Currently, the PUS Act was repealed and was replaced by Public Private Partnership Act B.E. 2556 (2013) ("PPP Act"). However, at the present time, there is no updating progress of this matter and it is unknown to the Company to what extent the PPP Act would affect this matter. Further, the final conclusion of the Cabinet or the way the Cabinet would exercise its discretion on this matter is still unknown to the Company. The Company is not, therefore, in a position to evaluate the potential impacts from this matter.

However, the Company believes that all three amendments were entered into in good faith and that any potential non-compliance with the PUS Act was not attributable to the Company's actions.

36.5 Risk from legal or contractual restrictions on foreign ownership

The Company's business is subject to the foreign shareholding restrictions pursuant to the Foreign Business Act, B.E. 2542 (1999) (the "FBA").

Violation of foreign shareholding structure would cause the Company and/or its subsidiary companies to be revoked their telecommunications business licenses or to be terminated the Concession Agreement or could not operate telecommunications businesses.

Section 4 of the FBA provides to the effect that a company is considered a Thai company if less than 50 percent of its shares are held by non-Thai nationals.

From the register of shareholders of the Company, less than 50 percent of the total issued shares of the Company are held by non-Thai nationals. The Company is therefore considered a Thai company for the purpose of Section 4 of the FBA. In September 2013, the Company obtained a written confirmation from the Ministry of Commerce, in charge of the FBA, confirming that the Company is a Thai company under Section 4 of the FBA.

Nevertheless, the Company views that it does not have clear policy in the interpretation and enforcement of the FBA in respect of the foreign investment shareholding. This cause the Company might face this risk in business operation as the FBA has been enforced for more than 10 years but there has been no Supreme Court's precedent or clear guideline issued by the Ministry of Commerce relating to the nominee arrangement under Section 36 of the FBA so that the Company can apply to evaluate or assess the impact of the enforcement or interpretation of such provisions of the FBA that may have on the Company and its subsidiary companies.

As a result of the unclear in interpretation and enforcement of the FBA, on 14 June 2011, a company submitted a criminal allegation to the Royal Thai Police against the Company (including directors and some shareholders of the Company and directors of the said shareholders) claiming that the Company operated telecommunication business in violation of the FBA which is under proceedings of the Royal Thai Police. On 22 September 2011, one of the Company's minority shareholders (holding 100 shares) filed a complaint against state agency, including NBTC with the Central Administrative Court citing that the Company is a "foreigner" under the FBA and asked the court to revoke the Company's right to operate its business. Currently, these two cases are under proceedings of the Royal Thai Police and the court, respectively

On 26 November 2015, the Central Administrative Court ruled that the court cannot revoke the Company's right to operate. However, the court has ordered NBTC to perform its duty by investigating whether the Company is in breach of the Foreign Dominance Notification and whether such task shall be accomplished within 90 days from the date the verdict of this Court becomes final. The NBTC and the Company have filed an appeal to the Supreme Administrative Court. Currently the case is pending before the Supreme Administrative Court.

Based on the Company's external legal counsel opinion, the Company's management believes that the Company is not in breach of the NBTC Notification on Foreign dominance B.E. 2554 that could lead to revocation of the right to operate telecom business.

The Company believes that the Company is not a "foreigner" and has fully complied with the FBA. However, if, finally, the Company is ordered (by the Supreme Court's judgment) not being a Thai entity under the FBA and the Telecommunications Business Act, and such event is not remedied, it would cause CAT to terminate the Concession Agreement or cause NBTC to revoke the subsidiary's right to operate telecom business.

36.6 The NBTC Notification on Foreign dominance, B.E. 2555 (2013)

NBTC has issued the NBTC Notification on Foreign Dominance, B.E. 2555 (2013) ("FD Notification") which became effective on 24 July 2013. Under the FD Notification, the term "foreign dominance" is defined as "foreigners having controlling power or influential power, either directly or indirectly, by foreigner in policy making, management, operations, appointment of directors, or appointment of senior executives, that may affect the management or the business operation of a holder of a license or an applicant for a license by way of (a) holding shares with voting rights a half or more of the total voting rights, (b) having the authority to control the majority votes at a shareholders' meeting or (c) the appointment or removal of a half or more of the total directors".

The Company is of the view that:

- (a) at the date NBTC issued the FD Notification, it would not be applicable to the Company who has rights to operate mobile services under the Concession Agreement and the Company's rights are protected by Section 305 (1) of the Constitution of the Kingdom of Thailand B.E. 2550 (2007) and the first paragraph of Section 80 of the TBA and that the Company is not an applicant for license from NBTC; the Company's legal advisor also has the opinion in line with the Company's view, however, the FD Notification was enacted, therefore, the Company has already submitted a certificate of compliance with the FD Notification to NBTC as required by the FD Notification and
- (b) in case of the Company's subsidiary (namely dtac TriNet), since dtac TriNet is an IMT 2.1GHz spectrum and type three telecommunications business licensee, it has already submitted a certificate of compliance with the FD Notification to NBTC as required by the FD Notification.

Nevertheless, NBTC may not agree with the Company's view mentioned above. However, based on NBTC's explanation during the public hearing of the FD Notification, in particular, on the definition of "foreign dominance" in 2013, the Company is of the view that the Company and dtac TriNet should not fall within the definition of the "foreign dominance" under the FD Notification. However, this still has a risk on uncertainty of the enforcement of the FD Notification and could cause adverse impact to the business of the Company and its subsidiary.

37. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiaries' have two reportable segments as follows:

(1) Mobile telephone service and related services, and

(2) Sales of handsets and starter kits.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is considered on the group operating profit or loss and total assets, on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

Below is the revenue, gross profit (loss) and total assets of the Company and its subsidiaries' segments for the years ended 31 December 2015 and 2014 by segments.

	(Unit: Thousand Baht)		
	For the year ended 31 December 2015		
	Mobile telephone service	Sales of handsets and starter kits	Consolidated
Revenues			
External customers	71,858,443	15,411,055	87,269,498
Total revenue	71,858,443	15,411,055	87,269,498
Operating result			
Gross profit (loss) of segments	26,708,787	(1,960,863)	24,747,924
Other incomes			784,065
Selling and service expenses			(6,446,459)
Administrative expenses			(10,256,461)
Finance cost			(1,384,314)
Profit before income tax expenses			7,444,755
Income tax expenses			(1,556,614)
Profit for the year			5,888,141
Segment total assets			
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets	28,618,616	-	28,618,616

(Unit: Thousand Baht)

	For the year ended 31 December 2014		
	Mobile telephone service	Sales of handsets and starter kits	Consolidated
Revenues			
External customers	75,011,676	15,142,772	90,154,448
Total revenue	75,011,676	15,142,772	90,154,448
Operating result			
Gross profit (loss) of segments	29,677,207	(909,547)	28,767,660
Other incomes			713,977
Selling and service expenses			(6,246,039)
Administrative expenses			(8,624,097)
Finance cost			(1,336,866)
Profit before income tax expenses			13,274,635
Income tax expenses			(2,550,743)
Profit for the year			10,723,892
Segment total assets			
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets	17,703,087	-	17,703,087

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 December 2015 and 2014:

(Unit: Thousand Baht)

Segment assets	Mobile telephone service	Sales of handsets and starter kits	Total segments	Unallocated assets	Consolidated
At 31 December 2015	86,695,279	3,976,180	90,671,459	20,293,953	110,965,412
At 31 December 2014	86,375,311	4,559,287	90,934,598	15,491,505	106,426,103

Geographic information

The Company and its subsidiaries are operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

Major customers' information

For the year 2015 and 2014, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

38. Provident fund

The Company and its employees have jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to the employees at a rate of 3 or 4 or 5 percent and the Company at a rate of 5 percent of their employees' salaries. The accumulated contributions of the employee and the Company and the fund earnings from the contributions will be paid to the employees upon termination in accordance with the rules of the fund. The fund is managed by TMB Asset Management Company Limited. For the year ended 31 December 2015, Baht 104 million (2014: Baht 97 million) has been contributed to the fund by the Company.

39. Event after the reporting period

39.1 Dividend payment

At the Company's Board of Directors' meeting held on 3 February 2016, the Board passed a resolution proposing the payment of a dividend of Baht 0.52 per share from the retained earnings at the end of the year 2015, for approval by the Annual General Meeting of the Company's shareholders. During the year 2015, the Company paid an interim dividend of Baht 2.41 per share.

39.2 Subsidiary's credit facilities agreement

On 8 January 2016, dtac TriNet entered into a Facility Agreement with a financial institution. The principal terms of this facility are:

Facilities	:	Baht 3,000 million
Interest rate	:	BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	:	Every one month, three months, or six months depending on selection period
Principal repayment schedule	:	5 equal annual installments, commencing in January 2019

The above credit facilities agreement contains covenants relating to various matters, such as the maintenance of financial ratio, restrictions on creating or permitting the subsistence of security interest on property and assets, a prohibition on making loans or granting guarantees except under certain conditions.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 3 February 2016.



glossary

3G Technology	: Third generation mobile phone technology
4G Technology	: Fourth generation mobile phone technology
Access Charge (AC)	: The charge paid to TOT for an access to TOT's telecommunications network
AIS	: Advanced Info Service Public Company Limited
AWN	: Advanced Wireless Network Company Limited
ARPU	: Average revenue per user
Bandwidth	: The width of frequency band
BMA	: Bangkok Metropolitan Area
BTO	: Build-Transfer-Operate
CAT	: CAT Telecom Public Company Limited (formerly the Communication Authority of Thailand)
CAPEX	: Capital expenditure
CDR	: Call Detail Record
CDP	: The Central Depository (Pte) Limited
Concession Agreement	: Agreement to Operate and Provide Cellular System Radio Telecommunication Service (as amended)
DPC	: Digital Phone Company Limited
DTN, dtac TriNet	: dtac TriNet Company Limited
EDGE	: Enhanced Data-Rates for GSM Evolution
FFO to total debt	: Cash flow from operation divided by interest bearing debt
Foreign Business Act	: Foreign Business Act B.E. 2542 (1999)
Free cash flow	: EBITDA-CAPEX
GB	: Giga byte, a billion of byte, which is a measurement of data volume
GPRS	: General Packet Radio Service
GSM	: Global System for Mobile Communications
GHz	: Giga Hertz, a billion of hertz, which is a measurement of frequency
HSPA	: High Speed Package Access, a 3G technology
IMEI	: International Mobile Equipment Identity
Interconnection Charge (IC)	: The cost-based charge paid to other operators for connecting into their networks
IMT	: International Mobile Telecommunications
LTE	: Long-Term Evolution, a 4G technology
MB	: Mega Byte, a million of byte, which is a measurement of data volume
MHz	: Mega Hertz, a million of hertz, which is a measurement of frequency
MMS	: Multimedia Messaging Service
MNP	: Mobile Number Portability
MOU	: Minute of use per user
MVNO	: Mobile Virtual Network Operator
NBC	: The National Broadcasting Commission under the Act on Organisation for Allocation of Frequency and Supervision of Radio and Television Broadcasting and Telecommunications Business B.E. 2543 (2000)

NBTC	: The National Broadcasting and Telecommunications Commission under the Act on Organisation for Allocation of Frequency and Supervision of Radio and Television Broadcasting and Telecommunications Business B.E. 2553 (2010)
NBTC Act	: The act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services B.E. 2553
NTC	: The National Telecommunications Commission under the Act on Organisation for Allocation of Frequency and Supervision of Radio and Television Broadcasting and Telecommunications Business B.E. 2543 (2000)
Net addition	: The number of new subscribers acquired less the number of subscriber leaving during the period
Net debt	: Interest bearing debt less cash and cash equivalents.
Net debt to Equity	: Net debt divided by equity
Net debt to EBITDA	: Net debt divided by EBITDA
On net – Off net	: Calls made within the same network – to other networks
OPEX	: Operating expenses, primarily consisting of network operating expense, sell & marketing expense and general administrative expense
PCN 1800	: Digital GSM wireless telecommunications service under the 1800 MHz frequency band
Penetration Rate	: The number of SIM cards divided by the number of population
QoQ	: Quarter on Quarter
Refill card	: Refill card for prepaid service
SEC	: Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
SGX-ST	: Singapore Exchange Securities Trading Limited
SIM card	: Subscriber identity module card
SmartPhone	: Mobile phone offering advanced capabilities, often with PC-like functionality
SMS	: Short Message Service
Spectrum	: The radio frequency bands used for telecommunication service
Starter Kit	: A bundled package of a SIM card and a handset
Telecommunications Act	: Telecommunication Business Operation Act B.E. 2544 (2001) (as amended)
TOT	: TOT Public Company Limited (formerly Telephone Organisation of Thailand)
True Move	: True Move Co., Ltd.
TSD	: The Thailand Securities Depository Co., Ltd.
UCOM	: United Communication Industry Public Company Limited
VAS	: Value Added Services
VOIP	: Voice over Internet Protocol
WiFi, Wi-Fi	: Wireless Fidelity, a type of wireless networking protocol
YoY	: Year on Year

Investors may obtain further information from the Company's Form 56-1
at www.sec.or.th or www.dtac.co.th



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