

ANNUAL REPORT
2019

dtac



A Year of Turning Points

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MESSAGE FROM THE CHAIR AND CEO

OUR TURNING POINT



The year 2019 was a turning point for dtac. As the spectrum we held under a 30-year concession expired in late 2018, our customers, shareholders and employees were affected by the resulting uncertainty. We promised to never stop doing what's right for the customer, quickly regaining the trust of our stakeholders through consistent network improvements and fairer offers that deliver on what customers really want. Having returned to growth in Q3 and Q4, it is our firm belief we have laid a strong foundation for 2020 and beyond.

By the start of 2019, we had reclaimed a solid spectrum position, but much work remained on rebuilding our network around these new holdings. We made substantial investments, expanding our 4G TDD network to over 17,000 sites and acquiring 2x10 MHz of bandwidth on 700 MHz, a reaffirmation of our ambition of achieving unbuffered video streaming nationwide.

Customers First

An equally important turning point for the network was the shift to customer-centric metrics. We traded technical metrics (such as average throughput and number of sites) for customer-focused indicators such as the network net promoter score (or NPS, an index of customer satisfaction) and network complaints.

In addition, we combined data from all our customer touch-points across the call center, sales, marketing and digital to jointly monitor our customers' experience in real time. As a result, dtac's network NPS grew fourfold from January to December 2019 and dtac clinched top spots for network speed and video experience in several independent network measurement reports in H2'19.

We applied the same customer-centric approach to all our services and offers, making them simpler, more human and more transparent. Starting from customer complaints, we were able to identify the biggest pain points for our customers and tackle them one by one.

One such case led to tightening our standards and increasing security for value-added services and third-party content subscriptions. We leveraged artificial intelligence to help detect and prevent SMS or internet fraudulent activities caused by malicious malware or ransomware. This affected our revenue negatively, but we chose to protect our customers and make the use of such services a very deliberate choice for them.

Thanks to efforts like these, dtac's overall customer complaints dropped by nearly half in 2019. But we believe that these initiatives translated to more than just customer satisfaction. By being honest, simple and human in everything we do, we also aim to clearly differentiate dtac from our competitors.

Never Stop Improving

As we challenged ourselves to never stop improving our quality of service, we also maintained a very strong focus on the postpaid and prepaid market. Through new tools and ways of works, we improved how marketing and sales collaborate, reducing the time to market of our offers from weeks to days—and providing local teams with real-time insights. Moreover, we reenergized, retrained and restructured our sales force to improve their motivation and the quality of dtac's service.

Our ability to win back the prepaid segment remains one of our proudest turning points of the year. We continued to strengthen our foothold in the migrants' segment, simplified our portfolio and continually adjusted our product mix to uplift average revenue per user.

The erosion of pre-to-post migrations was substituted by a strong position in handset subsidies to assure a fair share in gross adds. And the introduction of dtac GO, an all-inclusive roaming proposition, was hailed as a bold first for Thailand's international travelers.

This year was also a turning point for our business offerings, where we see a lot of potential to grow the portfolio and approach our customers with simple, transparent and easy-to-use products. The changes we initiated, particularly in the SME segment, put us in a strong position to capture this opportunity in 2020.

While we take pride in these early results, much of our 2019 efforts will be felt in the coming years. We made the entire organization flatter, launched self-organized

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teams working in completely new ways (using the "agile" methodology) and entered a major partnership with Ericsson to entrust our network operations to a global technology leader.

Sustainable Growth

In financial terms, our efforts translated to [FINANCIAL RESULTS FOR FY2019 GO HERE]

In addition to our services and contributions to the economy, dtac remains fully committed to ensuring mobile connectivity has a positive impact on Thai society. For instance, we initiated the very first online curriculum in Thailand to teach children how to use the internet in a responsible way, working with both the social sector and government sector. Tens of thousands of children and teachers have already been certified and are now taking the lead on training their peers.

With 5G on the horizon, we believe the role of mobile network operators will evolve in exciting new ways. In 2019, we initiated activities to prepare ourselves from a network and technology standpoint: transitioning to a fully virtual core network and upgrading our entire IT system to a much more defensible architecture. Equally important, the partnerships and new ways of work we initiated will be critical to bolstering Thailand's 5G future.

We would like to express our sincere gratitude to everyone who helped make 2019 a turning point for dtac: our customers, our shareholders, our employees, our many partners and our public sector stakeholders. More than ever, it is by working together that we can deliver the full value of connectivity to Thai society. And dtac will never stop pursuing that ambition.



Boonchai Bencharongkul

Chair of the Board of Directors



Alexandra Reich

Chief Executive Officer

OUR PURPOSE

Connecting you to what matters most.
Empowering Societies.

STRATEGIES

Growth: Like our customers, we never stop

We capture growth opportunities by offering unbuffered video experience nationwide at a competitive price point while being positioned as a simple, honest and human operator. We provide a seamless customer experience by following an omnichannel approach, optimizing our distribution channels and leveraging digitization and artificial intelligence. This allows us to retain and win back our prepaid customers, keep our growth momentum in postpaid and accelerate our B2B business. In parallel, we are incubating new 5G products and services like VR and AR to delight our customers.

Simplification & Efficiency: We are ready for the future

We continuously work to make our operations simpler and more efficient. We do so to create seamless, worry-free experiences for our customers and to facilitate long-term sustainable growth for our business. We modernize our organization and operating model and optimize our network costs on a continuous basis.

Winning Team: A lean, agile & strong organization

To ensure we stay relevant to our customers, react faster to their needs and serve them more efficiently, we continue to build an organization with strong and future-proof capabilities, an agile way of work and a simple and lean organizational structure. We believe in challenging the status quo, customer obsession, honesty, simplicity and fun.

Responsible Business Conduct: We positively contribute to society

We want to be a trusted partner with strong integrity, working to reduce inequalities, raise standards in our operations and supply chain, and deliver on safety, security and data privacy regulations.

FINANCIAL HIGHLIGHTS

OPERATING RESULTS (IN THB MILLION)	2017	2018	2019
REVENUE FROM TELEPHONE SERVICES	68,083	65,325	63,333
TOTAL REVENUES FROM SALES AND SERVICES	78,275	75,290	81,167
EBITDA*	30,446	28,391	30,417
NET PROFIT TO EQUITY HOLDERS	2,115	(4,369)	5,422

BALANCE SHEET (IN THB MILLION)	2017	2018	2019
TOTAL ASSET	114,501	150,958	167,339
TOTAL LIABILITIES	85,266	129,028	142,372
TOTAL SHAREHOLDERS' EQUITY	29,235	21,930	24,966

RATIO	2017	2018	2019
EBITDA MARGIN	38.9%	37.7%	37.5%
RETURN ON EQUITY	7.5%	-17.1%	23.1%
NET DEBT : EBITDA **	0.8	1.2	1.6

SHARES	2017	2018	2019
NO. OF SHARE (MILLION)	2,368	2,368	2,368
EARNINGS PER SHARE (THB)	0.89	(1.85)	2.29
SHARE PRICE (THB) ***	49.00	43.25	53.25

* EBITDA herein is EBITDA before other items.

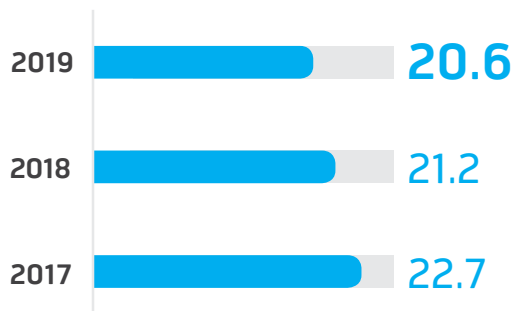
** EBITDA used in the calculation is EBITDA before other items before the effect from the adoption of the Thai Financial Reporting Standard No. 16

*** As of the last trading day of each calendar year

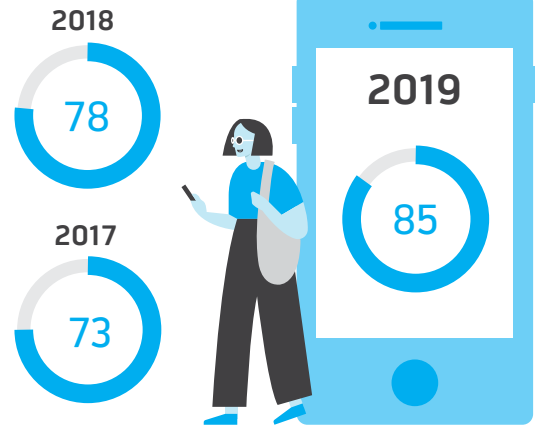
OPERATIONAL HIGHLIGHTS

NUMBER OF SUBSCRIBERS (MILLION)

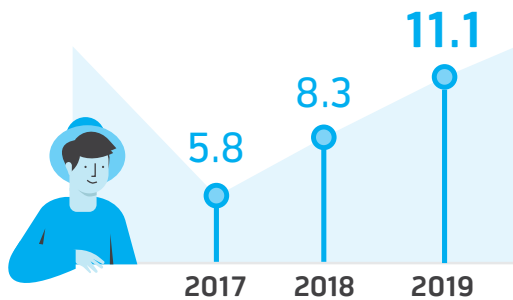
- Prepaid subscribers (million)
- Postpaid subscribers (million)



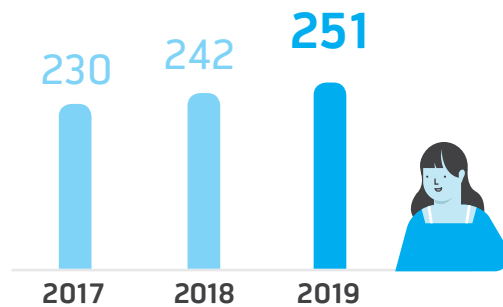
SMARTPHONE PENETRATION (% OF TOTAL SUBSCRIBER BASE)



DATA USAGE (GB/SUB/MONTH)

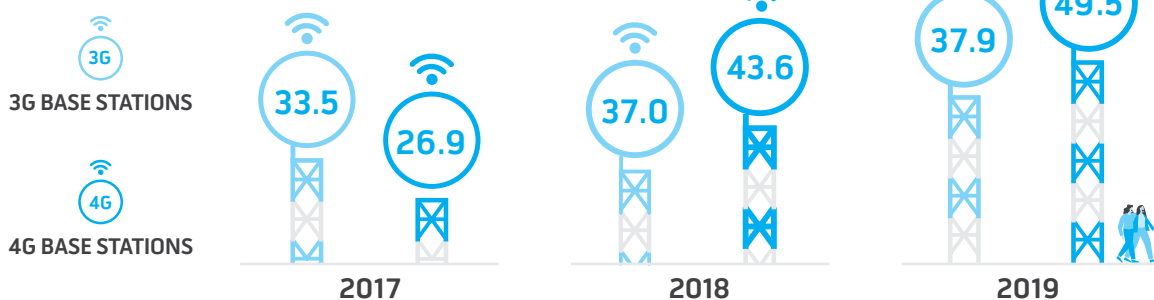


AVERAGE REVENUE PER USERS* (THB/MONTH)



* ARPU excludes interconnection charge, based on financial reporting standards applicable for respective year

TOTAL BASE STATIONS (THOUSAND)**



** Installed base stations including those under license application process as well as base stations under a partnership with TOT

TURNING POINTS

Meet dtac customers and teams
who never stopped pursuing their dreams
in 2019

The true test of our aspirations is whether we pursue them with tenacity. In the pages that follow, we chose to celebrate dtac customers and teams who had turning points in 2019. We asked them to share what inspired them, the risks they faced, their low points, and what it took for them to ultimately reach their goals. For dtac, too, 2019 was a year of important turning points. And it was all in service of people like the ones whose stories you're about to read: people who rely on connectivity to learn, share and grow. And who will never stop reaching for their dreams.



FROM BURNOUT TO BALANCE

In 2019, architectural photographer Chaovarith Poonphol took big risks to further his passion.

Chaovarith Poonphol was an architect at A49, Thailand's most renowned architectural firm. He worked there for seven years, starting as an intern before moving up the ranks to senior architect. In parallel, he was becoming an increasingly sought-after architectural photographer. The pressures of both jobs piling up, he suffered a major burnout. This is the story of how he bounced back and landed in the field of his dreams.

"For three years I had been thinking about quitting my job to become a photographer. But I wasn't sure if I could make a living out of it. Eventually, there were more and more people coming to me with photography work, and I started getting calls from people being recommended by my previous clients. It started to look like I could really make this my job, but the pressure of having two jobs started to take its toll," says Chaovarith.

Back then, Chaovarith was a full-time architect on weekdays and a freelance photographer on weekends, shooting the hottest new buildings around the country. As his freelance career took off, his work appeared in several magazines and books. By 2018, he was becoming a victim of his own success. He couldn't keep up with the combined workload of his freelancing and his full-time job.



VIEWPOINT.

Mr. Dilip Pal

Chief Financial Officer

"My strong belief is that the turning point for dtac is when we renewed our focus on the customer's point of view. For example, we switched from internal network metrics to a granular measure of network NPS [net promoter score, a customer satisfaction score]. This brought up several problems that we had not identified earlier, and which allowed us to conduct root cause analysis. Everything we have done is moving from an inside-out to an outside-in view—and really dealing with the issues we uncover. We didn't even know these problems existed in some cases! To me, this is what really changed. It's linked to everything else you see: the brand position, the complaints reduction, the growth of the network NPS. Financial results are just an outcome of this. If customers are happy, everything follows."



If places I go to have a good coverage, then I can work from anywhere.

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"During my final year as an architect, my boss told me my work quality had dropped. I also missed a lot of deadlines with my photography gigs. Before, I used to submit everything on time!" Chaovarith recalls. "I was working too hard and I had a burnout. I didn't want to do anything or talk to anyone. I didn't want to wake up and be in the office at 8:30am. It was so bad I had to go see a psychiatrist and take medication. And I didn't have time for my family either. That was the worst part."

Once he realized he needed to do less, Chaovarith took the bold step of resigning from his position as an architect. A month later, he joined his friend's 3D visualization studio to launch SkyGround, a photograph & film production service tailored for real estate clients. Today, he oversees a team of six, and trains them to become better photographers in addition to their computer graphic skills.

This year, they shot around 200 buildings, from gleaming skyscrapers, luxury residential projects, to boutique hotels. They also expanded their services to videography. Chaovarith says this is relatively new for the architectural scene here. And he relishes the opportunity to shoot award-winning architecture, such as the Choui Fong Tea cafe in Chiang Rai, one of his proudest jobs this year.

"We had to shoot video for a handful of buildings this year. This kind of work was new to us and marks a turning point in my photography career," he says. "We just saw these video jobs as opportunities to experiment, but in the end things turned out well."

Today as the director of photography at SkyGround, he wakes up early and looks forward to starting the day. He is no longer kept at his desk and gets to enjoy the warmth of the sun when being on site for shoots, which take place at least four days a week.



VIEWPOINT.

Tipayarat Kaewsringarm

Chief Sales Officer

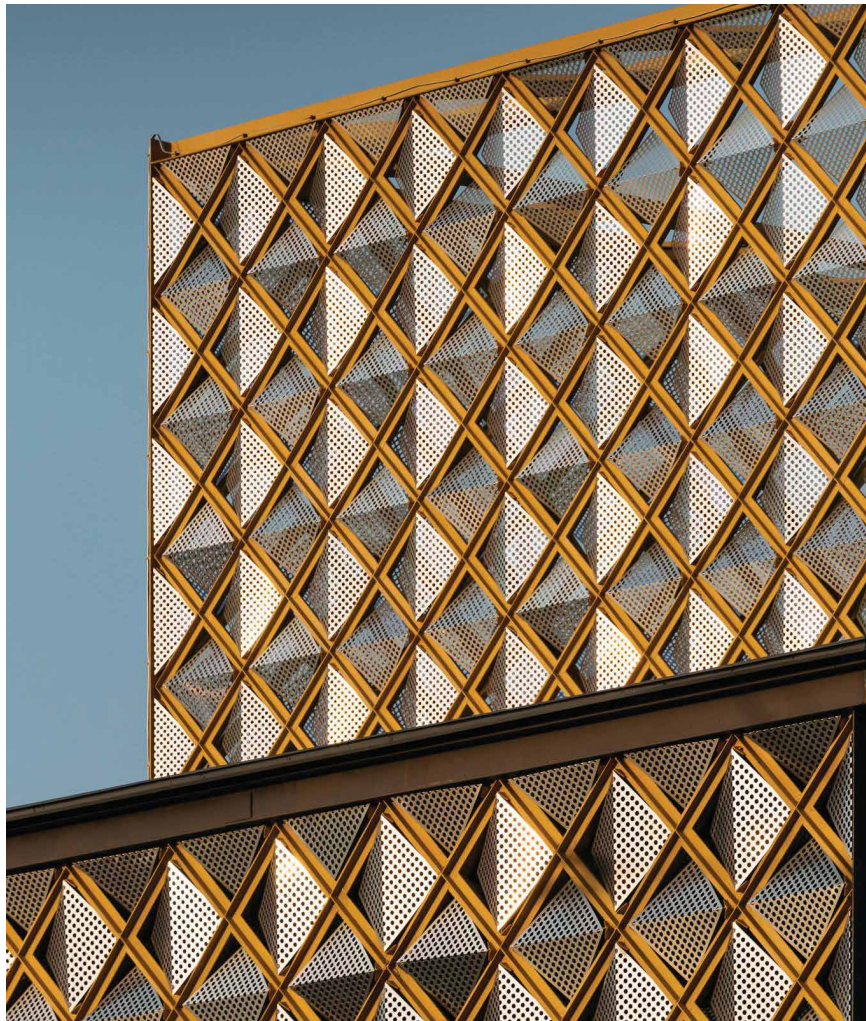
"Our salespeople were somewhat uncertain at the beginning of 2019. But we didn't give up. If you go to them, and you walk the talk, and you give them hope, and you can get a bit of growth, then your teams will notice. And once they start to win again, even a little, then the momentum starts to build. By the end of Q1, I felt like we had reached a turning point. The teamwork and spirit were back. Everyone was working together tirelessly. That's the dtac spirit. When we're in that mood, we do wonders. The amount of promotions and campaigns we rolled out, and the speed at which they were executed, makes me feel very proud of how far the team has come this year."



"I'm an outdoorsy type. I love being behind the lens shooting beautiful spaces. I enjoy my time spent with my colleagues on a shoot, eating lunch together and staying at a beautifully-designed building for two days. Finally, I have my Saturdays and Sundays back. And I don't miss deadlines anymore. I also get a chance to reflect on things. It was the first time I started noticing my mom was getting old. She had difficulty walking, so I got a fitness membership for her and also for myself. Every weekend I take her to the gym or eat out, and I have been working out every day for almost a year now. My body feels stronger and I'm happier too."

Chaovarith has been a dtac customer for more than a decade. This year, he noticed the improvement in dtac's mobile internet speed and coverage. Being able to stay connected to his customer is critical. But high-speed internet has also transformed his way of work.

"Just this year, I switched to a bigger data package as I have to sync and upload hundreds of photos to Lightroom, which is a cloud-based application I use to edit photos directly on my phone," he says. "There was one time I went to photograph a house in Kanchanaburi, and I just uploaded everything into the cloud right after. If places I go to have a good coverage, then I can work from anywhere. These days I work mostly on my phone and hardly carry a laptop anymore. I think the cloud is a major turning point in my workflow. In the near future, I hope the speed of mobile data can even surpass fiber internet."



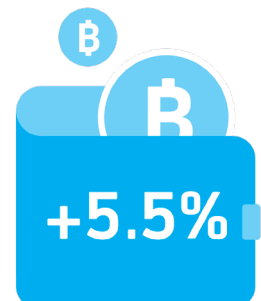
BY THE NUMBERS



Reduction in overall complaints from
January to December 2019



Improvement in
gross adds quality
(as measured by their survival rate
at month 3) from Q4'18 to Q3'19.



Increase in postpaid average revenue
per user (ARPU) from Q4'18 to Q4'19.

THE DREAM TEAM

They joined a hackathon out of curiosity and ended up building a world first that puts customers at the heart of dtac's network improvements.

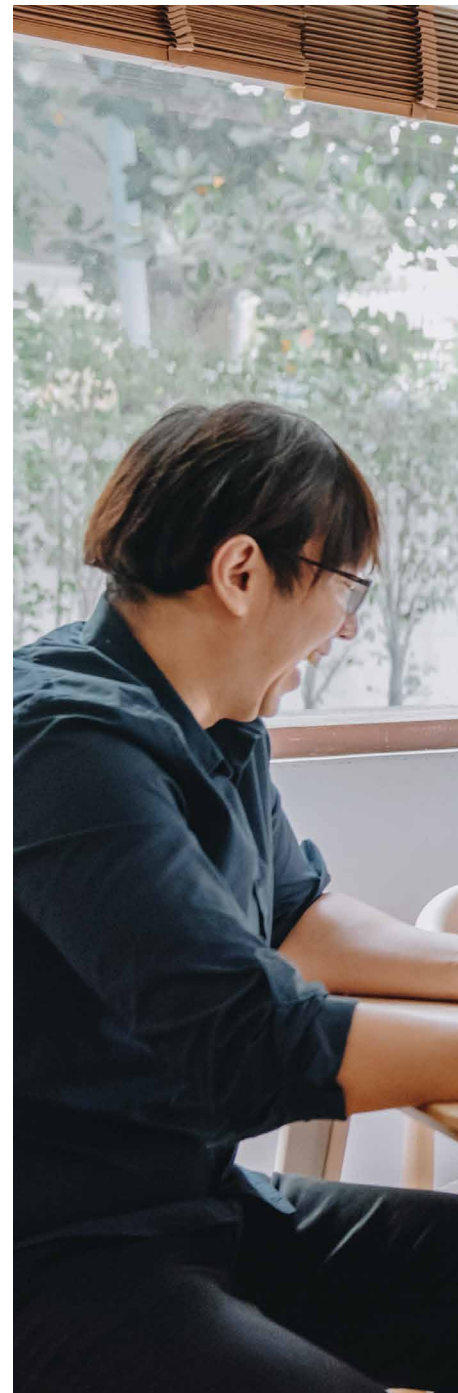
Thapakorn Dokmai, Wanchan Islargumpot, Akebordin Duangphoommes, Orraphan Saengsawat, Sirin Pakdeesrisakda, and Montree Monkhetkorn are all dtac employees, but they come from completely different backgrounds and divisions, from marketing to software development. What brought them together was a "hackathon," a three-day workshop to brainstorm ideas, prototype them, and pitch them to a jury—which in this case, included very big names from Thailand's startup scene. Ten months later, their project, a complete outlier in the global telecoms industry, launched in its trial phase.

"When the team first met, we didn't know exactly how dtac would make the improvements it promised," says Thapakorn. "But with the launch of the 'never stop' tagline, we felt it was a strong show of honesty and commitment. It showed dtac was here to stay and fight back!"

With that in mind, Tapakorn and the team set out to tackle their number one concern: how dtac deals with customer complaints about network quality.

"We'd hear grumbling from friends and family. But there was no easy way to know exactly where they had encountered a network issue, the time of day, the device and operating system they were on... It was frustrating," Wanchan says. "These complaints were really hurting our brand image. So, when the 'Never Stop' ad rolled out, my thought was that if dtac dared to come out and admit that we need to improve, the company was truly ready for brave new ideas."

By the end of the hackathon, the team was standing on stage receiving a check from dtac's CEO, Alexandra Reich. More importantly, it was decided their project would get built. The idea was to create a platform where customers can share localized reviews of their network experience—both positive and negative—right from the dtac app. While many third-party apps already allow users to test their connection, it's unheard of for a telco to open itself to such tests and reviews in a transparent platform of its own making.





VIEWPOINT.

Prathet Tankuranun

Chief Technology Officer

“Once we secured a solid spectrum position, we were able to proactively fix customer pain points. We fundamentally changed the metrics driving our expansion, switching from typical network-driven metrics to focusing on what customers experience on the ground. Using advanced analytics, we identified our customers’ pain points, before deploying the appropriate solutions. What we achieved is very rare and I’m very proud of the team.”



Once people believed in what we wanted to do, they really tried their best to help us no matter how difficult it is.

oo

"We brainstormed a bunch of ideas because we just tried to be fun and creative. But when we realized the CEO wanted our idea built for real, we were scared! Many questions started popping up in our heads. How could we come together since we all work in different parts of the company? What would be our way of work? Would we get supported by the organization?" Tapakorn says.

There were several obstacles in developing the app. Time management was one. Each team member already had full-time jobs at dtac yet needed to set aside some time to make it happen.

In addition to the short timeline, numerous stakeholders needed to be on board to build the platform, which sits within the dtac app while connecting to the call center and network operations. During the first weeks, the team were often told that what they were trying to build was impossible. But they didn't give up.

"This was a new way of working for everyone. We needed a huge investment from several groups in dtac, but we are just ordinary employees—not senior vice presidents. But after speaking to all the heads, we got their support and got going," Tapakorn says.

"Once people believed in what we wanted to do, they really tried their best to help us no matter how difficult it is," Orphan adds. "Our colleagues really wanted to see this get built."

The team worked according to the agile methodology, which is designed to bring teams from different fields together and produce results quickly.

"At the end of the day, it was a good thing we enjoy being together. Otherwise, we wouldn't have put in the extra effort and stayed late. The team spirit is what keeps us together," Tapakorn said of the long hours they put in.

Network Check & Share allows users to rate their network experience for a particular location and see that of other users. Customers can get a sense of whether they are genuinely in a trouble spot, or whether the issue might sit with their device. Also, because the complaint is coming directly from their mobile device, it comes with detailed information the call center and network teams can use to investigate it. Those teams can then propose solutions to the users and fix issues on the dtac side.

"We're certainly anxious to know how things will pan out, but we are willing to take risks. We are open to complaints, so we know where to improve," says Wanchan. "Complaints should be treated as very valuable data."

As dtac continues to expand and densify its network, Network Check & Share will be an important tool to ensure that roll-out is driven by real customers' on-the-ground experience, not just traditional technical metrics. Even more importantly, the team has demonstrated that new ways of collaborating can deliver bold solutions that challenge the status quo and prove to customers that dtac is fully committed to never stop improving.

VIEWPOINT.

Nardrerdee Arj-Harnwongse

Chief People Officer

"In 2019, we elevated employees' continuous learning to a burning platform. With digital transformation upon us and 5G on the horizon, we felt that it became a case of do or die. We have what we call 'The 40-Hour Challenge,' to encourage all employees to study both online and offline. But what's even more important is applying it into your work life, within an ecosystem of opportunities. The hackathon dtac held this year is a great example of how you can learn something and then apply it right away. It's not just brainstorming. We deliberately apply the ideas with customer-centric prototypes that are tested against real customers."





BY THE NUMBERS



Increase in Network Net Promoter Score (a customer satisfaction index) from January to December 2019.



Percentage of favorable responses to the statement "opportunities for development are available to everyone," in the 2019 Employee Engagement Survey. It marks an increase of 15 points compared to 2018 and is 19 points higher than the telecom industry average.



Number of full-scale agile teams launched in 2019. They operate cross-functionally on 2-week sprints, to ideate, build and test new services very rapidly.



THE GRADUATION YEAR

INSKRU is a platform to empower Thai teachers with better course material—and 2019 is the year it really took off!

Chalipa Dulyakorn, a graduate from Chulalongkorn University in industrial design, is passionate about teaching. But she also feels traditional classes fail to grab Thai students' interest and imagination. In 2017, she started INSKRU, an online platform that equips Thai teachers with more engaging course materials. This year, it made learning more enjoyable for over one million students.

"I wanted to do something impactful. Something I could continue doing after I graduated. My goal is to make students happier and more active in class, but it's a difficult task for teachers. I saw a need for a platform where they can share and further develop ideas," she explains.

INSKRU provides a blogging platform for teachers to share their pedagogical techniques and success stories with others. The online community also inspires them to create fun and engaging learning environments. Ideas can range from teaching English tenses through a lip sync battle to learning about social roles from popular music videos. But Chalipa says the ideas also need to be relevant and practical to follow.

"The coolest ideas often belong to teachers from remote schools. They look for ideas that most of us can relate to," she says. "If you look at ideas from Finland, which is often named the best education system in the world, you can't just dump those case studies on Thai teachers and expect them to be able to replicate them."

Chalipa performed well as a student but she also notes that school was not all that exciting or applicable to her everyday life. It was in her university years that she discovered learning could be fun and relevant.

"I remember there was one teacher who taught management organization in college, and he taught us to do a SWOT analysis of ourselves and to calculate the most efficient routes to the faculty by applying the concept of manufacturing efficiency. That's when I realized education doesn't have to be boring," she explains.

VIEWPOINT.

Marcus Adaktusson

Chief Corporate Affairs Officer

"We don't just provide mobile connectivity, we also want to ensure it has a positive impact on Thai society. That's why we initiated the very first online curriculum in Thailand to teach children how to use the internet in a responsible way. Launched in late 2019, safeinternetforkid.com has already empowered tens of thousands of teachers and students to make connectivity an asset for them—not a threat. Similarly, we look at 5G from both the perspective of what's needed for the network and what's needed for Thai society to benefit from the technology. Millions of people are still on 2G, and those who are connected to 3G and 4G don't always know how to make the best of it. In 2019, we continued to work closely with the government to ensure mobile connectivity empowers all of Thai society durably."





Interactive learning can play a significant role.

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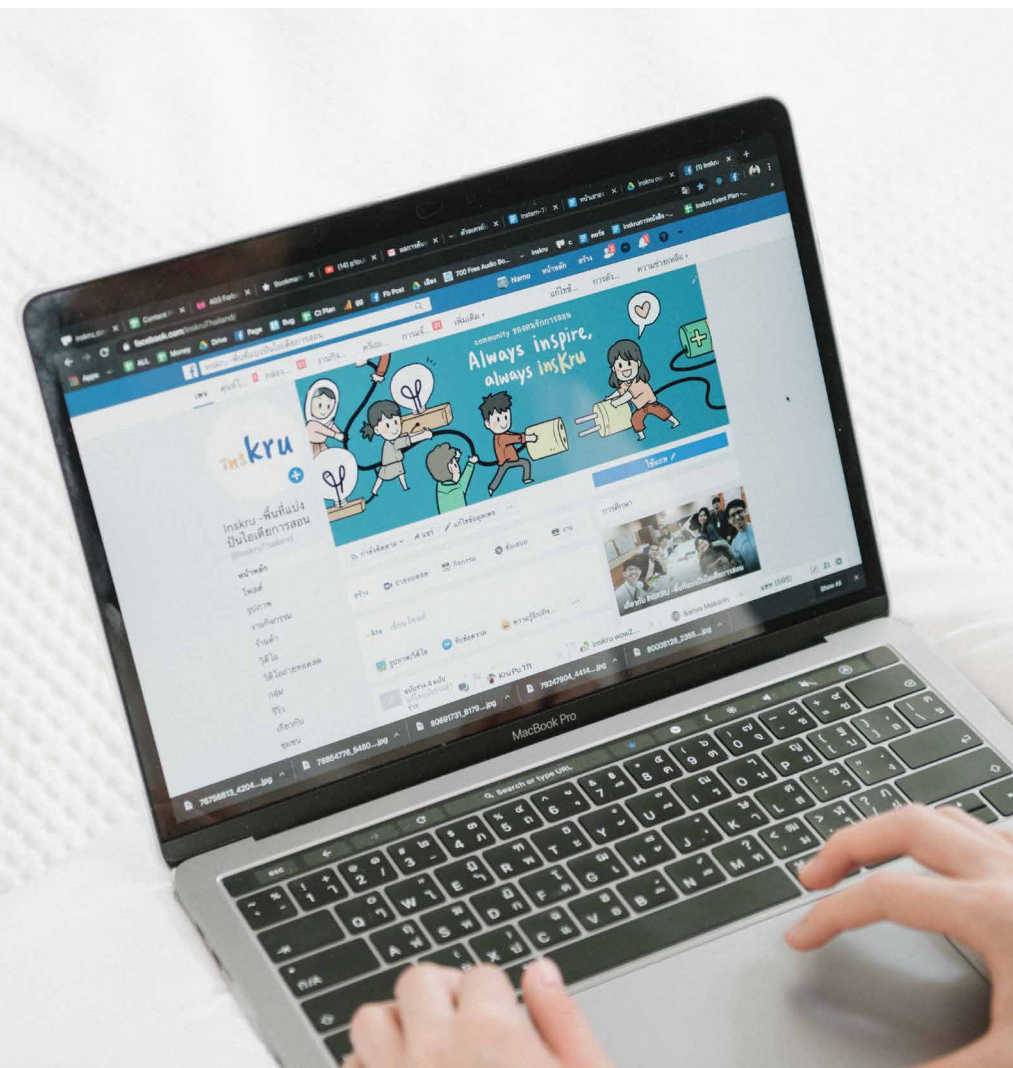
Her other lightbulb moment was when teaching a class of primary school students in Lopburi. She had tasked them with redesigning their student bags with easily-available materials. “One group of students created a hybrid between a bag and a foldable table out of a cardboard box. And these are primary school students we are talking about!” she says.

That’s when Chalipa decided that Thai students’ potential needed to be unleashed with creative courses. And that it was individual teachers, not the education system, who held the power to make this happen.

“If we can change just one teacher, they will go on to transform thousands of students. There are 500,000 teachers in the system, and now we have reached about 100,000 of them. If every teacher had access to INSKRU, millions of students would benefit.”

In 2018, the platform received 100,000 baht for reaching the final round of dtac Plikthai, a platform to crowd-source socially-conscious initiatives. Chalipa then used the money for creative thinking workshops with teachers.

“I obtained a lot of new ideas from that workshop and also noted a high demand in teaching workshops,” she says. “We are still here today thanks to dtac.”



This year, Chalipa reached a new turning point when dtac recruited INSKRU as a partner for the Safe Internet for Kids campaign, to tackle the problem of cyberbullying in school. INSKRU both promoted the program's curriculum via its channels and organized workshops to further improve the teaching materials.

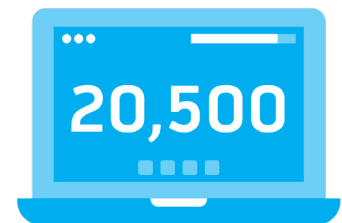
"The internet can bring threats, but it's also required to organize cool activities in class. Teachers often have to rely on their own personal mobile hotspot to make up for the lack of Wi-Fi in rural schools," Chalipa says. "Interactive learning can play a significant role in reducing the psychological distance between teachers and students."

This year was the first time INSKRU reached over one million students. In 2019, INSKRU collected 782 ideas, transforming 6,919 classrooms and 1.66 million students. And Chalipa plans to continue growing sustainably. "We may constitute only a small part of the change, but we will keep moving forward," she says.

BY THE NUMBERS



dtac customers who visited dtac shops for a free checkup to ensure their phones are 4G TDD-ready during the "Never Stop Caring" campaign.



Students and teachers trained on the safeinternetforkid.com curriculum, which boosts their resilience in the face of online threats.



Reduction in complaints linked to third-party content (Q1'19 vs 2018), thanks to a tightening of our standards that made billing more transparent.

MOVING IN AND MOVING UP

This year, Myo Min Oo became the first sous-chef from Myanmar at the Michelin Guide-listed restaurant Supanniga

Myanmar's migrant laborers often work the toughest, least paid jobs. They can at least take solace in knowing that, back home, the fruit of their hard work sends children to school and keeps aging parents in good health. But when Myo Min Oo left Myanmar, it was as a runaway teen. And his first years in Thailand offered no hint he would ever support his family, let alone become a sous-chef at Supanniga, a Thai restaurant which holds a plate in the Michelin Guide.

Myo Min Oo's family had wanted him to finish high school. But all his friends left for Thailand, and he decided to follow them. "It nearly broke my father's heart," he says. "I was still young back then and just wanted to be with my friends. I was also curious about life in Thailand. But my family didn't want me to go. The day I left, my dad cried."

His family are Tai Yai, the second largest ethnic group in Myanmar, and live near the Mae Sot Border, where they run a small grocery shop and shuttle goods to and from Mae Sot. But Myo Min Oo's mother is a 45-minute drive away and staying in touch proved harder than he had anticipated.



VIEWPOINT.

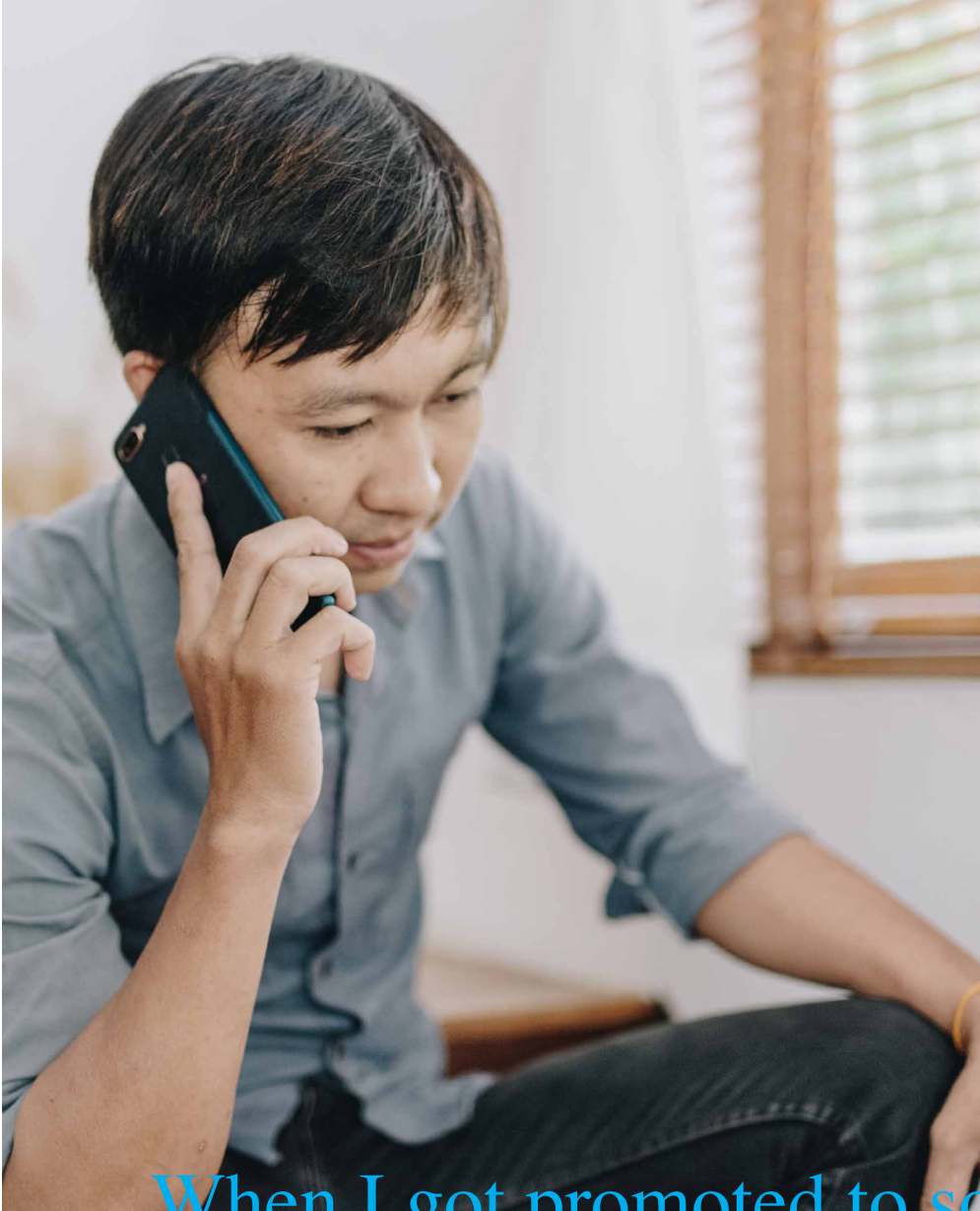
How Lih Ren

Chief Marketing Officer

"What we mean by 'never stop improving' is a relentless focus on winning back our customers, growing month on month, and improving our service. In my view, our turning point was mid-2019, when we crystalized that ambition into a very clear strategy and brand position, supported by a fully dedicated management team. We vowed to fix the network experience, win back customers and seize the opportunity on business customers. Moreover, we resolved to do so while ensuring we remain simple, honest and human in everything we do. That clear focus helped us a lot in prioritizing our resources. It's a collective effort by every group. Every one of us has a role to play to build back dtac and win back our customers' trust."







When I got promoted to sous chef,
I called my parents right away.

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"They're up in the mountains and there was no signal there. We had to write each other letters, or sometimes my mom would go to this place where you paid for a landline connection. It all made me terribly homesick," Myo Min Oo recalls.

He remembers his first job delivering merchandise all over Thailand as grueling work, made all the harder because he spoke no Thai and couldn't call home. But even when networks improved, he had other reasons to avoid getting in touch.

"I just wanted to hang out with friends. I spent a lot of my salary on drinking with them and had no money left for my parents. During those years I didn't want to talk to them, actually. One time, my mom wanted me to come home because she missed me, but I couldn't afford a bus ride. She had to send me the money. I felt so ashamed."

Myo Min Oo remembers the precise moment he decided to turn his life around. It was during Songkran and he was completely penniless, so he had to share a bowl of instant noodles with a friend. That's when he quit his job and managed to get into Supanniga as a steward—the lowest rank in the kitchen brigade system.

"When I received my first month's salary, I sent it back home," he recalls. "At first they couldn't believe it. They thought I did something illegal. Not only that, but over the next five years I moved up to kitchen assistant, cook and eventually sous chef."

Now Myo Min Oo and his family are in constant contact, either through status updates on Facebook or video calls. And he has been a dtac customer for almost a decade.

"Back home my family use Telenor. Here, I'm a dtac customer. All my friends also use dtac. I think dtac is always getting better. When I use it in Mae Sot, the signal works fine. They offer good promotions and packages, like free internet data and unlimited calls. It's easy to choose the right offer for me as all the information they send is in Burmese."

He also visits his family three times a year. Not only his mom isn't paying for the ticket anymore, but he cooks Thai food for everyone when he gets there.

"I make them creamy tom yum kung, stuffed omelets, or any other Thai dishes they've never tried. We are a big family, and they all love my food. And now my parents believe I actually work in a restaurant!" he adds with a laugh.

Although he still works hard, Myo Min Oo is thankful that his boss gave him the opportunity to prove himself in the kitchen. And his parents don't regret his life decision anymore.

"When I got promoted to sous chef, I called my parents right away. They were happy for me but also sad because we don't get to live together. When I've saved up enough money, I will go back to Myanmar and open my own restaurant there," he says. "I never thought I would have made it this far. And I don't know what the future will bring, but I'm trying my best. I just want to keep moving up and up."



BY THE NUMBERS



Growth in full year topping revenue from own digital channels.



Growth in daily active app users (Dec'19 vs Dec'18).



dtac market share of mobile users from Myanmar, thanks to a very data-driven and segmented approach.

THE SECRET SAUCE

Started from scratch by a husband and wife, healthy eating chain Jones' Salad opened its 10th branch in 2019.





Jones' Salad, which began as a tiny kiosk in the basement of Chamchuri Square, opened its 10th branch this year. All began with a tumor the size of an orange. At the time of the diagnosis, Ariya Kumpilo was at the helm of 10 bubble tea stalls. The tumor was removed and proved to be benign, but he was ordered to watch his diet. That's when he realized healthy eating options were all but inexistent around him.

"I wanted to open a health café of my own, but I didn't know how to cook," he says. "Still, the idea stayed in the back of my mind."

A couple years later, he met his future wife, Yanin, who is a food enthusiast. The couple started dating. Then she went to study in Australia and stayed with her uncle-in-law, Mr. Jones, who happened to be a particularly gifted maker of salad dressings. When she told Ariya about this, he flew to learn the recipes with her uncle before returning to Bangkok to open the first branch of Jones' Salad in 2013.

"I was running the restaurant by myself," says Ariya. "I was worried because there was no profit. But there were a lot of customers thanking us for the food. We had customers with weight problems and diabetes. By eating Jones' Salad every day, some said they lost 10 kg. I even met people who said they'd stopped eating vegetables until we came along. That feedback kept us going."

Yanin then came back from Australia to help him run the restaurant, get the balance sheet in order and expand to new locations. Just when things were looking up, they were told to surrender their kiosk at Chamchuri. It was Valentine's Day and the couple were about to go on a date.

"We felt crushed. But we kept fighting and convinced them to give us an even better, bigger spot," says Yanin.

As they grew, they started a Facebook page to educate people to lead a healthy lifestyle, acquiring over one million followers over three years. Recently, they also added more variety to their menu, from healthy side dishes like Thai-style spicy salad to steak and poke bowls.

We want to make sure our employees and customers stay happy.

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"With the new menu, we are gaining a wider customer base, including families. It makes us more confident in expanding to other locations than just downtown Bangkok," Ariya says.

They plan to open five more branches in 2020, while also exploring the catering business: "The year 2019 was a real turning point. We added four branches and saw dramatic sales growth through delivery channels. We see a strong future there," says Yanin.

"Attracting talented employees is a challenge for every SME. We want to become an organization that people want to work for," she adds. "We want to make sure our employees and customers stay happy. We have one employee who used to earn minimum wage and is now a manager."

VIEWPOINT.

Rajiv Bawa

Chief Business Officer

"A major turning point in 2019 was to give a bigger focus to the large and underserved B2B market, which is primarily driven by small and medium enterprises. We constantly listen to what these segments need, both informally and through focus groups. What we heard from them is that business owners want more simplicity, more transparency and no bill shocks. That became the DNA of what we did and we're now seeing early traction for our simple, transparent, worry-free product portfolio."





As a local chain restaurant, simplicity and connectivity are crucial in running business. That's why in 2019, every branch of Jones' Salad switched to dtac SME Worry Free.

"Previously we were on different mobile network operators at each branch. At the end of the month, we ended up with multiple bills, and keeping track of them was a headache. There was one time I forgot to pay one of the bills, and our phone got cut off. Now everything comes in a single bill. I don't have to worry anymore," Yanin says.

Ariya and his mother have also been dtac customers for years. "There was a rumor that dtac was going out of business in late 2018. I was a bit worried because I have used dtac for so long. Now that I see dtac fighting back, I've become confident and will keep using it," he says.

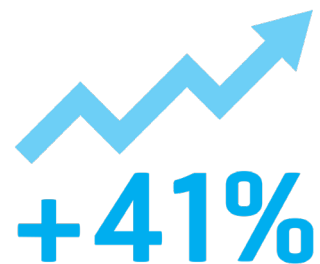
The couple is also going through another major life event; they are becoming first-time parents. It's another great turning point, especially for Yanin who normally works seven days a week.

"Now I'm trying to delegate my roles to others and do things more systematically," she says. "It's a new chapter of life. In the later months, I've become more excited. Every time the baby moves, I can feel the time is getting closer. I don't know exactly how, but for sure our lives will become more complete."

BY THE NUMBERS



Growth in gross adds for business customers



Overall subscriber base increase for business customers



Number of plans for SME customers, down from thousands

BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT



Boonchai Benjarongkul

Chair of the Board of Directors

Age: 65
Total Years of Directorship: 29 Years 2 Months
Number of shares held: 10 shares (0.00%)
Number of shares held by spouse and minor children: None (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 Chair Program (11/2005) by Thai Institute of Directors Association (IOD)

Positions in Listed Companies in SET

1990 – Present Chair of the Board of Directors, Total Access Communication PLC.

Positions in Other Companies or Organizations

1998 – Present Chair, Ruam Duay Chuay Kan Sam Nuek Rak Ban Kerd Foundation
1990 – Present Chair of the Board of Directors, Benchachinda Holding Co., Ltd.
1989 – Present Chair of the Board of Directors, Private Property Co., Ltd.

Past Experience

2002 – 2015 Director, United Distribution Business Co., Ltd.
2001 – 2006 Chair, 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 Chair of the Executive Committee, 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



Peter-Boerre Furberg

Vice Chair of the Board of Directors

Age: 52
Total Years of Directorship: 2 Years 5 Months
Number of shares held: None (0.00%)
Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Certified European Financial Analyst, Norwegian School of Economics (NHH) AFA/CEFA, Norway

Siviløkonom 4 year program in Economics and Business Administration, Norwegian School of Economics (NHH)

Positions in Listed Companies in SET

2017 – Present Vice Chair of the Board of Directors, Total Access Communication PLC.

Position in Other Companies or Organizations

2019 – Present Chief Executive Officer, Telenor Norway AS
2017 – Present Chair of the Board of Directors, Grameenphone Ltd.

Past Experience

2017 – 2019 Head of Emerging Asia Cluster, Telenor ASA
2017 – 2019 Chair of the Board of Directors, Telenor Myanmar Ltd.
2017 – 2019 Chair of the Board of Directors, Telenor Pakistan Ltd.
2017 – 2019 Chair of the Board of Directors, Telenor Microfinance Bank, Pakistan
2017 – 2019 Director, Telenor Health
2015 – 2019 Chair of the Board of Directors, Digital Money Myanmar Limited, Myanmar
2016 – 2017 Chief Executive Officer, Grameenphone Ltd.
2016 – 2016 Head of Digital Services Division, Telenor ASA
2016 – 2016 Senior Vice President, Digital Business Telenor
2013 – 2016 Chief Executive Officer, Telenor Myanmar Ltd.
2012 – 2013 Chief Financial Officer, Total Access Communication PLC.
2010 – 2012 Chief Commercial Officer, Total Access Communication PLC.



Chulchit Bunyaketu

Independent Director, Chair of the Remuneration Committee, Member of the Audit Committee, and Member of the Nomination Committee

Age: 76

Total Years of Directorship: 19 Years 8 Months

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: 15,000 shares (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

2017 – Present	Chair of the Remuneration Committee, Member of the Audit Committee, Total Access Communication PLC.
2015 – Present	Director, BTS Group Holdings PLC.
2014 – Present	Chair of the Board of Directors, WP Energy PLC.
2013 – 2017	Member of the Corporate Governance Committee, Total Access Communication PLC.
2006 – Present	Member of the Nomination Committee, Total Access Communication PLC.
2006 – 2017	Chair of the Audit Committee, Total Access Communication PLC.
2000 – Present	Independent Director, Total Access Communication PLC.

Positions in Other Companies or Organizations

2016 – Present	Advisor, King Power Group
2012 – Present	Chair of the Board of Directors, dtac TriNet Co., Ltd.
2004 – Present	Director, King Power Duty Free Co., Ltd.
2004 – Present	Director, King Power Development Co., Ltd.
2004 – Present	Director, King Power Marketing and Management Co., Ltd.
2004 – Present	Director, King Power Hotel Management Co., Ltd.
2004 – Present	Director, King Power Entertainment Co., Ltd.
2004 – Present	Director, King Power Suvarnabhumi Co., Ltd.
1996 – Present	Member of the Executive Committee, Royal Thai Army Radio and Television Channel 5

Past Experience

2004 – 2016	Group Vice Chair, King Power Group
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.



Kamonwan Wipulakorn

Independent Director, Chair of the Audit Committee, Member of the Remuneration Committee, and Member of the Corporate Governance Committee

Age: 57

Total Years of Directorship: 5 Years 1 Month

Number of shares held: None (0.00 %)

Number of shares held by spouse and minor children: 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
Certificate Stanford Executive Program, Stanford Center for Professional Development, Stanford University, USA

Training Program

Board that Make a Difference (BMD) (8/2018) by Thai Institute of Directors Association (IOD)
Advanced Audit Committee Program (AACP) (29/2018) by Thai Institute of Directors Association (IOD)
Strategic Board Master Class Retreat (SBM) (2/2017) by Thai Institute of Directors Association (IOD)
CMA-Capital Market Academy Alumni 19
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

2019 – Present	Independent Director and Member of the Audit Committee, Star Petroleum Refining Public Company Limited
2018 – Present	Director, Origin Property PLC.
2017 – Present	Chair of the Audit Committee, Total Access Communication PLC.
2014 – Present	Member of the Corporate Governance Committee and Member of the Remuneration Committee, Total Access Communication PLC.
2014 – 2017	Member of the Audit Committee and Member of the Nomination Committee, Total Access Communication PLC.
2014 – Present	Independent Director, Total Access Communication PLC.
2011 – 2017	Director and President, The Erawan Group PLC.

Past Experience

2009 – 2010	Chief Financial Officer, The Erawan Group PLC.
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Stephen Woodruff Fordham

Independent Director, Chair of the Nomination Committee, Member of the Audit Committee, and Member of the Corporate Governance Committee

Age: 68
Total Years of Directorship: 13 Years 1 Month
Number of shares held: 10,000 shares and 6,000 NVDRs (0.00%)
Number of shares held by spouse and minor children: None (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

2017 - Present Member of the Corporate Governance Committee, Total Access Communication PLC.
2012 - Present Chair of the Nomination Committee, Total Access Communication PLC.
2007 - Present Independent Director and Member of the Audit Committee, Total Access Communication PLC.

Position in Other Companies or Organizations

2017 - Present Director, High Arctic Energy Services (Singapore) Pte Ltd
2011 - Present Director, Ceona Pte. Ltd.
2008 - Present Chair, Gram Car Carriers Holdings Pte. Ltd.
2006 - Present Director, Klaveness Asia Pte. Ltd.
1998 - Present Director, Stockbridge Pte. Ltd.
1995 - Present Chair, Masterbulk Private Limited

Past Experience

2007 - 2017 Chair of the Remuneration Committee, Total Access Communication PLC.
2007 - 2012 Independent Director and Chair of the Nomination and Remuneration Committee, Thoresen Thai Agencies PLC.



Chananyarak Phetcharat

Independent Director, Chair of the Corporate Governance Committee, Member of the Nomination Committee, and Member of the Remuneration Committee

Age: 56
Total Years of Directorship: 8 Years 3 Months
Number of shares held: None (0.00 %)
Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Master Degree in MIS, West Virginia University, USA
Certificate, Berkeley Executive Coaching Leadership
Certificate, Special Management Program, Marshall University, USA
Bachelor Degree in Accounting, Ramkhamhaeng University

Training Program

Director Accreditation Program (DAP) (162/2019) by Thai Institute of Directors Association (IOD)
CMA - Capital Market Alumni 14
Director Certification Program (DCP) (49/2004) by Thai Institute of Directors Association (IOD)
Enhancing Strategic Competitiveness by IMD Switzerland

Positions in Listed Companies in SET

2019 - Present Director and Chief Executive Officer, Mc Group Public Company Limited
2017 - Present Member of the Nomination Committee and Member of the Remuneration Committee, Total Access Communication PLC
2013 - Present Chair of the Corporate Governance Committee, Total Access Communication PLC.
2011 - Present Independent Director, Total Access Communication PLC.

Position in Other Companies or Organizations

2015 - Present Director, TLCA Thai Listed Companies Association
2014 - Present Director, dtac TriNet Co., Ltd.

Past Experience

2008 - 2019 Managing Director, DHL Express International (Thailand) Ltd.
2004 - 2008 Managing Director, Mobile Devices Sector, Motorola (Thailand) Ltd.
1998 - 2002 General Manager, Oracle Cooperation (Thailand)



Tone Ripel

Director

Age: 49

Total Years of Directorship: 3 Years 8 Months

Number of shares held: None (0.00 %)

Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Master of Law, University of Oslo, Norway

Training Program

The Mandatory Accreditation Programme (MAP) by Bursa Malaysia Securities Berhad

Positions in Listed Companies in SET

2016 - Present Director, Total Access Communication PLC.

Position in Other Companies or Organizations

2015 - Present Director, Telenor Networks Holding AS

2013 - Present Attorney at Law, Telenor ASA

Past Experience

2018 - 2019 Director, DiGi.com Berhad and DiGi Telecommunications Sdn Bhd

2017 - 2019 Director, Telenor Norge AS

2015 - 2016 Director, Telenor Business Partner Invest AS

1999 - 2012 Associated attorney and senior attorney, Wiersholm Lawfirm

1996 - 1999 Higher executive officer, advisor and senior advisor, Norwegian Competition Authority



Sverre Pedersen

Director

Age: 56

Total Years of Directorship: 2 Years 1 Month

Number of shares held: None (0.00 %)

Number of shares held by spouse and minor children: None (0.00%)

Academic Background

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

MBA Norwegian School of Management (BI)

Positions in Listed Companies in SET

2017 - Present Director, Total Access Communication PLC.

Position in Other Companies or Organizations

2018 - Present Director, Canal Digital AS

2017 - Present Senior Vice President, Head of Strategy, Telenor Group

Past Experience

2016 - 2017 Director, TeleAssets Company Limited

2015 - 2017 Chief Financial Officer, Total Access Communication PLC.

2015 - 2017 Director, DTAC Broadband Co., Ltd.

2015 - 2017 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



Christian Wulff Soendergaard

Director, Member of Corporate Governance Committee, Member of the Nomination Committee, and Member of the Remuneration Committee

Age: 39
Total Years of Directorship: 0 Year 1 Month
Number of shares held: None (0.00 %)
Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Master in Political Science, University of Copenhagen
Bachelor in Political Science, University of Copenhagen

Positions in Listed Companies in SET

2019 – Present Director, Member of Corporate Governance Committee, Member of the Nomination Committee, and Member of the Remuneration Committee, Total Access Communication PLC.

Position in Other Companies or Organizations

2018 – Present Senior Vice President, Group Public and Regulatory Affairs, Telenor ASA

Past Experience

2017 – 2018 CCAO, Telenor Hungary
2016 – 2017 Vice President, Public and Regulatory Affairs, Europe, Telenor Group
2014 – 2016 Vice President, Public Affairs, Telenor Group
2013 – 2014 CEO, Radius Kommunikation
2012 – 2013 Director, Radius Kommunikation
2010 – 2012 Head of Corporate Communications, Telenor Denmark
2009 – 2010 Head of External Affairs, Telenor Denmark
2008 – 2009 Head of Public Affairs, Telenor Denmark
2007 – 2008 Assistant Political Advisor, Danish Embassy WDC
2004 – 2006 Senior Associate, Radius Kommunikation



Rakesh Jain

Director, Member of Corporate Governance Committee, Member of the Nomination Committee, and Member of the Remuneration Committee

Age: 45
Total Years of Directorship: 0 Year 1 Month
Number of shares held: None (0.00 %)
Number of shares held by spouse and minor children: None (0.00%)

Academic Background

B.Tech Electronics & Communications, R.E.C Kurukshetra, Kurukshetra University, Haryana

Positions in Listed Companies in SET

2019 – Present Director, Member of Corporate Governance Committee, Member of the Nomination Committee, and Member of the Remuneration Committee, Total Access Communication PLC.

Position in Other Companies or Organizations

2018 – Present Senior Vice President, Global Network, Telenor ASA

Past Experience

2014 – 2018 Senior Vice President, Network Asia, Telenor ASA
2013 – 2014 Chief Technology Officer/ Network Head, Uninor, India
2012 – 2013 Planning Head, Uninor, India
2008 – 2012 Head of Radio Frequency Planning, Uninor, India
2007 – 2008 T-Mobile USA 3G Network Design for IL State, USA., CellCite Inc, USA





Executive Management*



Alexandra Reich

Chief Executive Officer

Number of shares held: None (0.00 %)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Business Administration Degree, Vienna University of Economics and Business Administration

Past Experience

2018 – Present	Chief Executive Officer, Total Access Communication PLC.
2018 – Present	Director and Chief Executive Officer, dtac TriNet Co., Ltd.
2019	Acting Chief Marketing Officer, Total Access Communication PLC.
2018 – 2019	Director, Total Access Communication PLC.
2016 – 2018	Chief Executive Officer, Telenor Hungary
2014 – 2016	Head of Mobile Business & Digitalization – Enterprise Customers, Swisscom Switzerland AG
2011 – 2014	Head of Marketing & Sales for Consumer, Head of Mobile Business Consumer, Swisscom Switzerland AG
2009 – 2011	Head of Swisscom Omnichannel, Swisscom Switzerland AG
2007 – 2009	COO Consumer Customers, Sunrise Communications AG
2005 – 2007	COO, Hutchison 3G (HWL Group)
2004 – 2005	COO – Sales pitch, UTA – United Telecommunications Austria
2001 – 2004	General Manager Austria, T-Online (Deutsche Telekom Group)
2000 – 2001	General Manager Austria/Germany/Switzerland, Goyada – Swedish Startup
1997 – 2000	Product Marketing, Viag Interkom/Viag Telekom
1986 – 1997	Founder/General Manager, Communication Design



Prathet Tankuranun

Chief Technology Officer

Number of shares held: 10,000 shares (0.00%)

Number of shares held by spouse and minor children: 9,400 shares (0.00%)

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Academic Background

Master of Electrical Engineering, Massachusetts Institute of Technology
Master of Business Administration (Executive Program), Sasin Graduate Institute of Business Administration of Chulalongkorn University

Past Experience

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/Teles at Canada



Dilip Pal

Chief Financial Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Master's degree in Commerce, Calcutta University, India
Bachelor of Commerce (Hons), Goenka College of Commerce, India

Chartered Accountant, Institute of Chartered Accountants of India

Cost Accountant, Institute of Cost and Works Accountants of India

Past Experience

2017 – Present	Chief Financial Officer, Total Access Communication PLC.
2014 – 2017	Chief Financial Officer, Grameenphone Ltd.
2012 – 2014	Executive Vice President, Finance, Vodafone
2008 – 2010	Senior Vice President, Finance and Accounts, Vodafone
2006 – 2008	Assistant Vice President, Finance, Vodafone
2004 – 2006	General Manager, Finance, Hutchison Essar
1999 – 2004	Senior Finance Manager, Hindustan Coca-Cola Beverages
1993 – 1999	Finance Manager, TATA Tinplate

* Management under definition of SEC



Rajiv Bawa

Chief Business Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Masters in Computer Science, University of Maryland, USA

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

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

Past Experience

2019 – Present	Chief Business Officer, Total Access Communication PLC.
2018 – 2019	Acting Chief Sales Officer, Total Access Communication PLC.
2017 – 2019	Chief Corporate Affairs Officer, Total Access Communication PLC.
2016 – 2017	Head of Public & Regulatory Affairs, Telenor Group, Asia
2015 – 2016	Acting Chief Corporate Affairs Officer, Total Access Communication PLC.
2011 – 2015	Chief Representative Officer, Telenor Group, India
2008 – 2011	Chief Corporate Affairs Officer, Unitech Wireless Pvt Ltd, India
2009–2011	Chief Corporate Affairs Officer, Uninor (Telenor Group India)
2002–2008	Business Development Executive, IBM Corporation NY
2000–2001	Director Business Development, ExpertCommerce NY
1994–2000	Senior Engagement Manager, IBM Consulting Group, Philadelphia



Nardrerdee Arj-Harnwongse

Chief People Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Master of Arts in Human Resources Development, Webster University, Missouri, USA

Bachelor of Arts majoring in English, Chulalongkorn University

Past Experience

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.



Tipayarat Kaewsringarm

Chief Sales Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

Academic Background

Master's Degree in Business Administration, Saint Louis University, USA

Bachelor's Degree in Business Administration, Southern Illinois University, USA

Past Experience

2019 – Present	Chief Sales Officer, Total Access Communication PLC.
Feb 2018 – Jan 2019	Deputy Chief Executive Officer, Metro Wholesale Myanmar Ltd.
Aug – Dec 2016	Advisor, Banpu Power PLC.
Oct 2015 – May 2016	CEO Advisor, Total Access Communication PLC.,
Oct 2014 – Sep 2015	Interim Chief People Officer, Total Access Communication PLC.
Jul 2013 – Apr 2015	Chief People Officer, Telenor Myanmar
Jul 2011 – Mar 2013	Chief People Officer, Total Access Communication PLC.
Feb 2008 – June 2011	Chief Customer Officer, Total Access Communication PLC.



How Lih Ren

Chief Marketing Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Senior Executive Programme at the London Business School

Bachelor of Science (Honours) in Computer Science from Coventry University, UK

Past Experience

2019 – Present	Chief Marketing Officer, Total Access Communication PLC.
2011 – Mar 2019	Head of iTelco, Digi Telecommunications Sdn Bhd.
2002 – 2011	Senior Manager, Deloitte Consulting



Marcus Adaktusson

Chief Corporate Affairs Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Master of Science (M.Sc.), Business/Management, Stockholm School of Economics (SSE) Stockholm, Sweden

Past Experience

2019 – Present	Chief Corporate Affairs Officer, Total Access Communication PLC.
2017 – 2019	Vice President Public & Regulatory Affairs and Corporate Communication, Region Asia, Telenor Group (Singapore)
2015 – 2017	Vice President Communications, Region Asia, Telenor Group (Singapore)
2013 – 2015	Director Communications, Grameenphone Ltd. (Bangladesh)
2010 – 2013	Director Communications, Telenor Sweden AB (Sweden)
2008 – 2010	Press officer & Communications Strategist, Telenor Sweden AB (Sweden)
2005 – 2007	Communications Consultant, Diplomat Communications AB (Sweden)



Haakon Bruaset Kjoel

Chief Strategy and Transformation Officer

Number of shares held: None (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Master of Business Administration (Executive), BI Norwegian Business School

Public Relations, BI Norwegian Business School (Norges Markeds Høyskole)

Director Certification Program (DCP) (284/2019) by Thai Institute of Directors Association (IOD)

Director Course in 2018: INSEAD – Leading from the Chair Programme, Fountainebleau, France

Past Experience

2019 – Present	Chief Strategy and Transformation Officer, Total Access Communication PLC.
2019 – Present	Director, Telenor Health AS
2018 – Present	Senior Vice President, Partner and External Relations Asia, Telenor Group
2017 – Present	Chair of the Board of Directors, DiGi Telecommunications Sdn Bhd
2017 – Present	Chair of the Board of Directors, Member of Nomination Committee, Chair of Remuneration Committee, DiGi.Com Berhad
2016 – Present	Director and Member of the Audit Committee, Telenor Myanmar Ltd.
2016 – Present	Director and Member of the Audit Committee, Telenor Pakistan Ltd.
2011 – Present	Director and member of the Nomination and Remuneration Committee, Grameenphone Ltd.
2011 – Present	Director, Telenor Asia Pte. Ltd.
2018 – 2018	Acting Executive Vice President and Chief Corporate Affairs Officer, Telenor Group (July to November)
2016 – 2018	Senior Vice President, Head of Group Public and Regulatory Affairs, Telenor Group
2014 – 2019	Director, Member of the Remuneration Committee and Member of the Nomination Committee, Total Access Communication PLC.
2011 – 2013	Director, Total Access Communication PLC.
2008 – 2016	Senior Vice President, Corporate Affairs Asia, Telenor Group

CORPORATE INFORMATION

NAME	Total Access Communication Public Company Limited
SYMBOL	DTAC
REGISTERED NUMBER	0107538000037
TYPE OF BUSINESS	Operates telecommunication business and other related business
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, 41st Floor, Phayathai Road, Pathumwan Sub-district, Pathumwan District, Bangkok 10330
TEL:	(66 2) 202 8000
WEBSITE:	www.dtac.co.th

Mr. Sirawit Klabdee*

Company Secretary

Number of shares held: 300 shares (0.00%)

Number of shares held by spouse and minor children: None (0.00%)

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Academic Background

Master of Business Administration, major in Finance and Marketing (honors), Sasin Graduate Institute of Business Administration, Chulalongkorn University

Bachelor of Business Administration, major in Banking and Finance (second class honors), Chulalongkorn University

Past Experience

2019 – Present	Company Secretary and Investor Relations, Senior Vice President, Head of Investor Relations Division, Total Access Communication PLC.
2017 – 2019	Senior Vice President, Head of Corporate Development Division, Total Access Communication PLC.
2017	Senior Vice President, Head of Corporate Finance Division, Total Access Communication PLC.
2016	Senior Vice President, Head of Strategic Finance Department, Total Access Communication PLC.
2013 – 2016	Head of Financial Planning & Analysis Department, Telenor Myanmar Limited
2012 – 2013	Senior Vice President, Head of Financial Planning & Controlling Department, Total Access Communication PLC.
2011 – 2012	Senior Vice President, Head of Business Planning & Analysis Division, Total Access Communication PLC.
2011	Senior Vice President, Investment Banking Division, Wholesale Banking Group, The Siam Commercial Bank PLC.
2009 – 2011	Vice President, Corporate Finance Division, Wholesale Banking Group, The Siam Commercial Bank PLC.
2008 – 2009	Deputy Vice President, Corporate Finance Department, SCB Securities Co., Ltd.

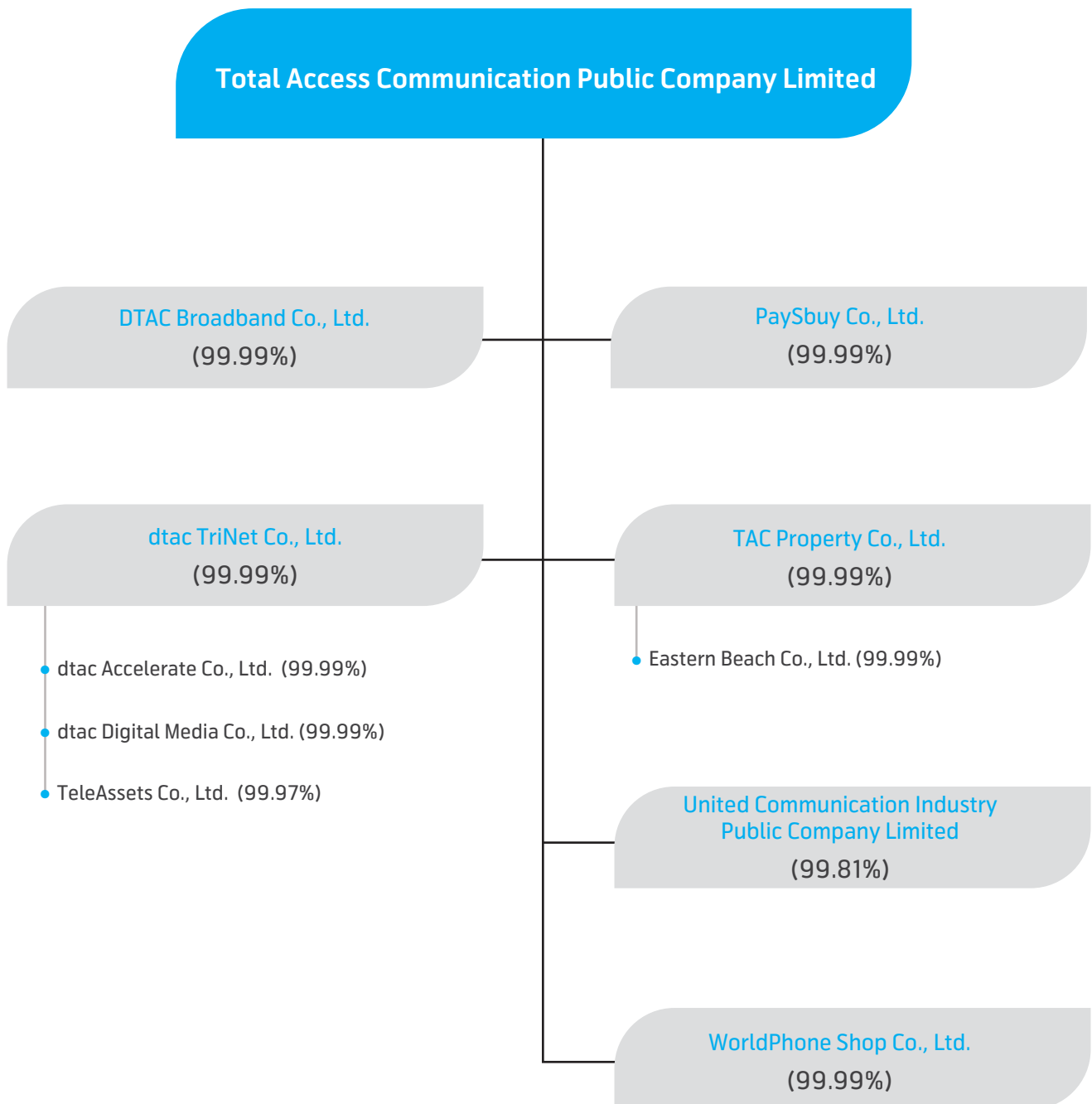
* Management under definition of SEC

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	Mrs. Gingkarn Atsawarangsalit
	Certified Public Accountant No. 4496
	EY Office Limited
	33rd Floor, Lake Rajada Office Complex, 193/136-137 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 OF DTAC TRINET CO. LTD. WHICH IS A WHOLLY OWNED SUBSIDIARIES OF THE COMPANY (99.99%)	Bangkok Bank Public Company Limited
	333 Silom Road, Silom Sub-district, Bangrak District, Bangkok 10500
	EY Office Limited
	Tel: (66 2) 230 1478
	Fax: (66 2) 626 4545-6
	Website: www.bangkokbank.com

GROUP STRUCTURE

Group Structure



dtac is one of the largest wireless communication service providers in Thailand. The Company was established in 1989 to operate telecommunication, mobile business, and internet Wi-Fi.

In December 2012, dtac TriNet Co., Ltd. "dtac TriNet" (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 2100 MHz and type III license for providing wireless communication services from the NBTC.

In 2018, TeleAssets Co., Ltd. (a subsidiary of dtac which its 99.99% shares held by dtac TriNet) and dtac TriNet have signed the Lease of Telecommunication Equipment Agreement and Domestic Roaming Service Agreement to launch the country's first 4G LTE-TDD network on the widest bandwidth of 60 MHz in 2300 MHz spectrum.

In December, 2018 dtac TriNet received spectrum licenses for the 900 MHz and 1800 MHz bands from NBTC and, in June 2019, dtac TriNet was a licensee of 700 MHz allocated by NBTC. dtac now provides service on a complete spectrum portfolio including both low-band and high-band frequencies, forming a total of 130 MHz bandwidth with 80 MHz used for downlink.

At the end of 2019, dtac had 10 subsidiaries, and 2 associated companies (under definition of the Notification of Office of Securities and Exchange Commission), namely, (1) United Distribution Business Co., Ltd. and (2) Clearing House for Number Portability Co., Ltd.*

During year 2019, there are 4 subsidiaries under the dissolution procedure, namely, (1) dtac Digital Media Co., Ltd. (2) Eastern Beach Co., Ltd. (3) DTAC Broadband Co., Ltd. And (4) PaySbuy Co., Ltd. Moreover, there are 2 subsidiaries which complete liquidation, namely, (1) dtac Next Co., Ltd. And (2) dtac Service 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.

Remark: *the Company does not have significant influence on this company and hence this company does not qualify as associate as presented in the Company's financial statements.

Details of Subsidiaries and Associated Companies as of 31 December 2019

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, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034424	Under liquidation process	175	Ordinary shares	99.99	1,750,000
dtac TriNet Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034548	Providing telecommunications services	1,160	Ordinary shares	99.99	11,600,000
dtac Digital Media Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105549034467	Under liquidation process	100	Ordinary shares	99.99 (through dtac TriNet Co., Ltd.)	1,000,000

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of each Company
dtac Accelerate Co., Ltd.	319 Chamchuri Square Building, 2 nd Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105557065767	Investment and support start-up companies to develop applications	15	Ordinary shares	99.99 (through dtac TriNet Co., Ltd.)	150,000
PaySbuy Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0125547001804	Under liquidation process	200	Ordinary shares	99.99	2,000,000
TeleAssets Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105559061246	Lease of telecommunication equipment and device	1	Ordinary shares	99.97 (through dtac TriNet Co., Ltd.)	10,000
TAC Property Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105539049038	Asset management	1	Ordinary shares	99.99	100,000
Eastern Beach Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105532038740	Under liquidation process	80	Ordinary shares	99.99 (through TAC Property Co., Ltd.)	800,000

Company's Name	Address	Nature of Business	Registered Capital (THB Million)	Share Types	Percentage of Shareholding (%)	Total Shares of each Company
United Communication Industry Public Company Limited	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0107536000871	Under liquidation process	313.55	Ordinary shares	99.81	434,668,207
WorldPhone Shop Co., Ltd.	319 Chamchuri Square Building, 41 st Fl., Phayathai Rd., Pathumwan, Bangkok 10330 Tel: +66 2202 8000 Registered number: 0105539069969	Under liquidation process	450	Ordinary shares	99.99	4,500,000
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 TThe remaining 75% of total shares are held by Benchachinda Holding Co., Ltd. Although Benchachida 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 connected party transactions that may lead to conflict of interests to ensure that they are in compliance with SET's rules and regulations concerning connected party transactions.

As of 30 April 2019, 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

Business Performance and Outlook

Operational Highlights

In FY19, dtac focused on continuation of network improvement and customer experience enhancement, with the rollout and optimization of 2300 MHz network in order to provide a consistent customer experience. Network NPS improved and network complaints reduced significantly in this year. At the end of FY19, a total of approximately 17,400 nodes of 4G-2300 MHz network were installed, an additional of approximately 4,700 during the year.

In FY19, dtac also participated in the 700 MHz allocation and got allocated 2x10 MHz of 700 MHz with validity of 15 years in which the license is scheduled to commence potentially in Q420. By acquiring the 700 MHz, dtac is also eligible for the 900 MHz payment term extension, and the adjustments in our booking related to the 900 MHz payment term extension has already been reflected in FY19.

The swapping of 850 MHz equipment with 900 MHz equipment is planned to be concluded in 2020 as some delays expected, pending filter installation by CAT and finalizing funding for cost of filter installation. Regulatory process is still ongoing, however, more clarity is expected in Q120.

Market was relatively rational both in prepaid segment and postpaid segment when compared with last year and growing overall driven by strong demand for data and shift towards postpaid. While competition in postpaid was relative stable in FY19, unlimited prepaid acquisition data packages were removed in Q219 and got replaced by aggressive fixed data volume packages with unlimited anynet voice in Q319 by all operators. Heightened activities were observed in Q419 with unlimited prepaid acquisition data package reintroduced nationwide by all operators.

At the end of FY2019, total subscriber base stood at 20.6 million, declining 560k from the end of last year, due to the decline in prepaid segment from end of concession and remedy period as well as seasonal and rotational churn, which was partly offset by growth in postpaid segment. Prepaid subscriber base was 14.2 million, declining 917k from FY2018 but increasing 181k QoQ in Q419. Postpaid subscriber base increased by 357k to 6.4 million. Average Revenue per User excluding IC (ARPU) for FY2019 was THB 254 per month, showing a growth of 5.0% YoY. At the end of FY2019, postpaid subscriber base accounted for approximately 31% of total subscriber base. Postpaid ARPU for FY2019 was THB 549 per month, increasing 3.1% YoY, while prepaid ARPU was THB 137 per month, dropped 4.1% YoY, driven by lower prepaid revenue.

Financial Highlight

Service revenues excluding IC in Q419 increased by 3.1% YoY, bringing a reduction of service revenues excluding IC in FY19 to 1.6% YoY. Core service revenues (defined by bundle of voice and data service revenues) in FY19 increased by 0.1% YoY.

EBITDA (before other items) dropped 9.3% YoY in FY19 primarily due to cost base reset from end of concession with higher network OPEX from expanded network, as well as CAT lease costs, partially offset by a reduction in regulatory costs. EBITDA margin for FY19 was 31.3%. However, excluding revenues from CAT lease agreements and TOT network rental, EBITDA margin stood at 35.6%. Net profit for FY19 amounted to THB 5,899 million.

In FY19, dtac made all payments under the Disputes Settlement Agreement with CAT, subsequent to relevant court orders for cases withdrawal.

At the end of FY19, total assets amounted to THB 143,049 million, decreasing from THB 150,958 million at the end of FY18. Cash and cash equivalent amounted to THB 8,528 million, decreasing from THB 14,090 million at the end of FY18 due mainly to one-off CAT settlement. Interest-bearing debt increased from THB 47,000 million at the end of FY18 to THB 49,000 million. Net debt to EBITDA was 1.6x, increasing from 1.2x at the end of FY18.

CAPEX in FY19 amounted to THB 13,006 million which reflected continue network rollout. Operating cash flow (defined by EBITDA-CAPEX) amounted to THB 12,735 million.

Overall Market Environment

Thai telecommunication market is complex, and technology driven. Customers need convenience, trust and individual appreciation from operators. In this regard, dtac commits to be Simple, Honest and Human, to be connected with what its customers want. In addition, dtac is positioned to provide unbuffered video experience nationwide. This means that dtac will plan its network capacity upgrades to guarantee at least unbuffered HD video quality in busy hours as well as improve its network coverage both indoor and outdoor nationwide. The acquisition of 900 MHz and 700 MHz spectrums, together with the densification of TOT's 2300 MHz network would help create the most enjoyable customer's experience and seamless usage.

The core commitment of dtac is to provide the best services to its customers with transparent communication and best care. Driving competitive market position, it has focused on three strategic areas 1) Consistent customer centric network experience 2) Win back B2C and 3) Address B2B opportunity.

1) Consistent customer centric network experience

Massive densification of network is part of dtac's core focus to provide the best service experience to its customers. In the past year, as a partner of TOT, dtac has been selectively densified TOT's 2300 MHz network and migrated customers to TDD network, a more advanced mobile network with more capacity for a smoother experience even in dense areas with many users. This partnership with TOT's 2300 MHz high-band spectrum, combined with existing 2100 MHz and 1800 MHz, and the latest secured spectrum license on 700 MHz and 900 MHz; will put dtac in a strong position in providing consistent data network experience to best serve the customer needs. By addressing this network gap towards competition, dtac believes it will be able to regain its market share.

2) Win back B2C

To win back the customers, dtac has emphasized keeping momentum on postpaid, stabilizing prepaid and enhancing customer experience across touchpoints. With the right offer and strong sales execution, dtac believes that it will be able to win back the customers resulting in positive results.

Postpaid Segment

Growing postpaid momentum in 2019 was mainly driven by differentiated offers in data and device as well as network experience improvement. Throughout the year, dtac continuously puts customer experience at the heart of the services to offer simple, easy and worry-free solutions.

In Q3 2019, dtac launched new postpaid portfolio called 'dtac GO' and 'GO Travel' topping to disrupt international roaming market, targeting occasional and frequent Thai travelers. This is the first time in Thailand that postpaid plan has bundled domestic package with roaming data to allow seamless connectivity locally and abroad with no sim change. Additionally, to differentiate and create easy device ownership, dtac has been piloting device financing campaign, an innovative device offer that customers can purchase top-tier smart phone with no credit card and prepayment upfront.

dtac also cares for its customers by investing in loyalty program with various lifestyle benefits, which helps sustaining high value customer segment. dtac customers can enjoy privileges in different tiers in an easy and simple redemption with no points needed.

Prepaid Segment

Amid fierce competition in prepaid market, dtac's prepaid daily revenue has been maintained since the beginning of 2019. To stabilize prepaid business, driving quality subscribers and engagement are its core focus. In this regard, dtac has maintained competitive offering and launched many consumer campaigns throughout the year.

To highlight this, dtac introduced Thailand's first CRM for prepaid customers called "Jaidee Jaek Suk" to retain customers in Q3 2019. Under this program, prepaid users are entitled to lucky draws worth 20 million baht and other benefits when they top-up and stay with dtac. Moreover, dtac also launched three new SIMs targeting different mass Thai segments; data sim for heavy internet usage, voice sim for heavy calling usage and sim for gamer segment. dtac has partnered with Garena, one of the biggest Online Games Providers, to offer this special package with zero rated data for Free Fire and gaming items exclusively for dtac customers.

Additionally, dtac has maintained its position as the market leader in two special segments, namely, Migrant and Tourist. It continuously offers the right SIM and prepaid package targeting migrant and tourist in different countries with on-ground activities to promote awareness and build strong engagement.

Enhance customer experience with data analytics and consistent communication

dtac has been combining digital and human touch embracing omni-channel approach by providing best experience in digital channels and digitizing processes and tools to amplify best service at physical channels. It continues to improve journey of dtac App (end consumer app) and dtac One (seller app for dtac partners) to enable dtac to directly connect with customer with seamless and consistent experience across channels.

Data analytics have also been used to provide more personalized offers along customers' lifetime for both prepaid and postpaid customers, by synchronizing offers to be seamless across channels. Each customer can see their relevant offers at the right moment and right channel. Not only used for personalized offer and service, dtac also used data analytics in many areas to improve efficiency, mitigate risk and create incremental value e.g. network value-based roll out, predictive network maintenance, lifestyle and rewards, and commission optimization, etc.

In terms of communication, dtac has strengthened its brand on “Never stop” through media communication and commercial activities to reflect what it does and what it says to customers. Its communication focused to drive emotional bonding and differentiation with Thais as the brand they love through relevance and consistent storytelling.

3) Address B2B opportunity

In 2019, dtac had put focus on the Business to Business segment as another strategic area. During the course of this year, strong steps were taken to develop more emphasis on this segment to improve the customer experience and simplify the product portfolio. The changes were mainly centered around promoting transparency and improving customer confidence and trust with dtac business offerings. dtac improved the customer journey; products and solutions offerings with a Worry-free portfolio for small and medium enterprises (SMEs), initiated advance business solutions investment, re-visited and launched many new sales channels to better serve the dtac business customers. With some of these changes already implemented and many under way dtac see good momentum in business performance. There is a significant increase of new acquisition across all channels and overall improvement in dtac business customer experience.

Competition and Business Outlook

Thailand’s telecom industry continues to grow, driven by increasing ARPU levels and a moderate increase in SIM penetration. Like in previous years, voice and messaging services continue to decline. Growth comes, for a large part, from prepaid to postpaid conversion that operators actively promote and growing data consumption. Competition is high – especially prepaid with aggressive acquisition price plans providing unlimited data and unlimited any net voice call and changing every month to attract customers. Marketing and advertising spending increased marginally versus 2018 with more efficiency thanks to a shift from traditional media to digital media. In addition, device proposition remained an important acquisition tool.

Despite high spectrum prices and intense competition, the telecom industry in Thailand remains a profitable market and revenue for the period 2019–2021 is expected to continue to grow. In 2019, dtac managed to stabilize and start to turn around from Q2 onward. This is mainly due to focused efforts to improve network NPS via a continued rollout of TOT’s 2300 MHz sites, the deployment of new sites and capacity upgrades. Furthermore, dtac simplified its product portfolio, optimized its distribution and made personalized offers to its customers based on data analytics.

dtac currently has one of the highest download bandwidths in the market and with the acquisition of 700 MHz, dtac has a strong low band spectrum position. In Q4 2019, it already started to swap 850 MHz equipment with 700/900 MHz equipment to prepare for the end of the 850 MHz grace period. Once the 700 MHz spectrum is ready for use, dtac 4G coverage position will improve significantly. Furthermore, dtac is well prepared for an upcoming 5G launch. dtac already has 100% virtualized data core, has completed a 5G EPC trial, more than 90% of its sites are fiberized, phase sync is in place. dtac is deploying 5G-ready equipment for its 700/900 MHz deployment.

Looking at 2020, some key challenges and opportunities may have a large impact on dtac performance:

- Customers increasing adoption of digital services and channels, which give dtac both new revenue from online sales and also cost savings from reduced physical sales and support. At the same time, it remains critical for dtac to keep a strong relationship with its customers through an omni-channel approach.
- Digitization of the core, which allows dtac to be much more efficient and provide more customized and relevant sales, marketing and care services to its customers
- Spectrum auctions in early 2020 of 700 MHz, 1800 MHz, 2600 MHz and mmWave band will shape how dtac can roll out 5G services to its customers

Given dtac’s network position, a strong emotional connect with its customers and continued efforts to provide seamless customer journeys and data-driven personalized offerings, dtac is confident it can continue to participate in market growth as well as deliver strong cash flows. This includes innovative growth opportunities that arise from 5G, IoT, Fixed Wireless, Data as a Service, AI & Machine Learning.

Long-term objectives over the next 3-5 years

dtac strives to open a whole world of amazing opportunities for its customers, based on a deep understanding of their needs. dtac believes in challenging the status quo, customer obsession, honesty, simplicity and fun.

Key focus areas over the next 3-5 years are:

1. Growth

The Company will continue to build strong and engaging customer relationships through digital and physical interactions. dtac's new network position, with 700 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz in partnership with TOT, and future 5G spectrum is the key platform of growth. With continued investments in network quality, dtac is in a position to provide its customers with unbuffered video experience nationwide at a competitive price point. As simple, honest and human operator, dtac will offer the most relevant, enriched and personalized products and engage in productive partnerships to enrich its product portfolio. dtac will continuously simplify customer journeys and scale personalized interactions thus providing a seamless experience across all touchpoints.

dtac will also explore growth opportunities in collaboration with Large Enterprises and leverage digital tools for SME journeys. dtac plans to be an early mover in 5G and focus on Internet of Things by launching a selected vertical and horizontal IoT offerings. dtac has already taken steps to be ready for 5G. dtac has a 100% virtualized data core, has completed a 5G EPC trial, more than 90% of its sites are fiberized, phase sync is in place and will use 5G-ready equipment for the 700/900 MHz deployment.

2. Efficiency and Simplification

dtac is the most efficient operator in Thailand and will continue to make improvements to remain so. Simplification and efficiency of systems and processes leads to simplified customer's journeys and products, enabling a faster time to market. This will further enable efficient growth, cash flow generation and make room for renewed technology and competence.

3. Winning Team

Within a rapidly changing industry landscape, dtac needs to ensure it stays relevant for its customers, reacts fast to their needs and serves them efficiently. Going forward, creating new services in an agile way of work will require more generalist capabilities and a strongly data-driven approach. dtac is therefore investing into upskilling employees in industry differentiator skills such as data analytics, digital marketing, product development and customer centricity. dtac continuously simplifies and modernizes the organization and prepare for a more agile way of work. dtac strives to challenge the status quo and build a work environment of customer obsession, simplicity, honesty and fun.

4. Responsible Business Conduct

dtac aspires to be a trusted company that empowers societies and contributes to the larger economic and social ecosystem in which it operates. dtac believes in scaling digital technologies to reduce inequalities and support policies for Thailand 4.0 that drive digital transformation such as E-KYC and data digitization, and deliver a "trusted and secured customer experience" via cyber security and data protection. dtac will continue to drive supply chain sustainability and e-waste management and support efforts that promote industry infrastructure to facilitate industry 5G rollouts. dtac will continue to ensure the highest standards of compliance and pro-active corporate governance through programs and activities that build "Do the Right Thing" culture.

SUSTAINREBILITY

Sustainability at dtac

dtac develops its sustainability policy with a view from international standards such as UN Global Compact, UN Universal Declaration of Human Rights and ILO Core Conventions in conjunction with findings in significant needs and concerns of stakeholders. This is to ensure that dtac's business operations truly contribute to desired impacts on Thailand's economic, social and environmental development. Aiming for strong sustainability practice, dtac sets up working principles as below.

1. Sustainability direction is implemented across the organization;
2. Responsible business and transparency practices;
3. Positive impact of the core business is leveraged for the benefit of society
4. Sustainability risks and opportunities are assessed and managed with a view to continuous improvement over time.

dtac's sustainability effort is a part of the Governance Committee's responsibility and driven by Sustainability Department, focusing on two following strategies.

1. Do the Right Thing

dtac profoundly values practice in anti-corruption of all forms, which refer to any action that is illegal and unethical. The Company also establishes a clear policy and guideline in personal data protection and supply chain management that reflects law-binding, fairness and transparency. Fair competition practice and human rights due diligence are also put in place to ensure business-operations risks are mitigated. dtac believes that "Do the Right Thing" strategy creates values to all stakeholders. Suppliers, for instance, benefit from the fair selection criteria and transparent assessment when engaging with dtac. Eventually, such practice will bring about significant development in telecommunication infrastructure for Thailand as a whole.

dtac strongly believes that good corporate governance should be reflected by openness, trustful disclosure and engagement with all internal and external stakeholders inclusively. And, to ensure that dtac's sustainability efforts are conducted internationally recognized framework, dtac upholds the Global Reporting Initiatives (GRI) Standards. For further details about dtac's sustainability performance, please refer to the 2019 Sustainability Report.

2. Empower Societies

dtac's vision, "Empower Societies," is reflected through the efforts of leveraging our digital technology expertise, innovations, partnerships and other resources to solve problems. dtac has scoped the social problem to focus on 'inequality reduction' as an approach to empower the Thai society. In the area of inequalities, dtac shapes working approach along with the "UN Sustainable Development Goals #10 Reduced Inequalities" by leveraging digital technology as a main tool.

MILESTONES

Milestones

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

1990

● **November**

The Company was granted a concession from CAT to operate wireless services under the term of "Build-Transfer-Operate".

1994

● **February**

The Company entered into an Access Charge Agreement with TOT Public Company Limited (formerly known as Telephone Organization of Thailand, "TOT")

1995

● **February**

The Company was registered as a public company.

● **October**

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

● **November**

The Company 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**

The Company commercially launched prepaid product, so-called "Prompt".

2000

● **May**

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

● **August**

The Company issued new 48.5 million shares and sold these shares to Telenor, as a result, Telenor held 29.94 percent of the paid-up capital of the Company.

2001

● **March**

The Company 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**

The Company launched GPRS-based data service.

2002

● **April**

The Company unlocked IMEI (International Mobile Equipment Identity) codes to allow all mobile handsets to use the Company's network.

2003

● **January**

Excise Tax was enforced.

● **October**

The Company won "Disclosure Report Award 2003" from the Securities and Exchange Commission.

2004

December

The Company 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

The Company won "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

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

November

The Company signed Interconnection Agreement with True Move and AIS.

December

The Company signed Interconnection Agreement with Triple T Broadband.

2007

June

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

August

The Company 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

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

2008

January

The Company took over "PaySbuy", a company operated online payment system.
The Company together with CAT tested 3G HSDPA technology on 850 MHz in Mahasarakham.

March

The Company 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.
- *1677 Farmer Information Superhighway Project was awarded the "Business Enabler" from Thailand ICT Excellence Awards 2008.

July

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

August

The Company 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.

November

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

2010

● March

dtac Internet was awarded “Commart Innovation Awards 2010”.

● July

The Company signed Interconnection agreement with CAT/Hutch.

● November

The Company was awarded the “Brand of the Year” in Mobile Operator category, from Excellent Brand Survey Awards 2010, organized by HWM Thailand magazine.

● December

- The Company 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

The Company launched 3G HSPA service on 850 MHz.

● October

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

● December

The Company’s CSR Project “Doing Good Deeds Everyday” won CSR Award from SET awards 2011 for 3 consecutive years.

2012

● March

The Company launched WiFi service with “Walk & Play” concept in community malls and on BTS stations.

● July

The Company 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

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

● September

The Company received the “Best Senior Management IR Support and Most Consistent Dividend Policy” awards from Alpha Southeast Asia, an institutional investment magazine.

● October

dtac Network (currently named as dtac TriNet) participated in the auction for spectrum licensing for International Mobile Telecommunications (IMT) in the frequency band 2100 MHz conducted by the NBTC and won 2 x 15 MHz of 2100 MHz spectrum license.

● December

- dtac Network (currently named as dtac TriNet) has been granted the 15-year spectrum license for IMT in the frequency band 2100 MHz and license type III for providing wireless communication services from the NBTC.
- The Company completed the entire network modernization and 3G 850 MHz rollout in all major cities nationwide.

2013

● May

The Company launched “dtac TriNet” with the concept of 3 combined networks: 1800 MHz, 850 MHz and 2100 MHz.

● July

The Company launched 3G HSPA service on 2100 MHz.

● August

The Company 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.

2013

● September

The Company 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

The Company launched 4G service in inner Bangkok.

● June

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

● December

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

2015

● April

The Company expanded 4G network to cover Bangkok and major 40 cities.

● June

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

● August

dtac TriNet and Awn mutually agreed on telecom tower sharing totaled 2,000 towers within year of 2015.

● September

- The Company introduced "Blue Member" customer relationship management program for premium customers.
- The Company 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 1800 MHz licence auction, arranged by NBTC.
- The Company expanded 4G services on 1800 MHz under CAT concession across Bangkok and Metropolitan Area.
- The Company received "Top 50 ASEAN Publicly Listed Companies" award from ASEAN Corporate Governance Conference and Awards.

● December

- dtac TriNet participated in 900 MHz licence auction, arranged by NBTC.
- The Company increased 4G bandwidth to 15 MHz on 1800 MHz spectrum with 2,200 base stations around Bangkok and Metropolitan Area.

2016

● February

The Company changed dividend policy to "To pay out dividend not less than 50% of the Company's net profits, depending on financial position and future business plans. The Company aims to pay dividend semi-annually".

● March

The Company introduced WiFi Calling or VoWiFi (Voice over WiFi) service, helping customers to make and receive voice calls over a WiFi network.

● May

The Company launched "dtac MUSIC INFINITE", a digital service that customers can play streaming music from leading applications with no data charge.

● June

- The Company introduced "dtac prepaid" brand for using in prepaid market.
- The Company launched "dtac Super 4G" prepaid SIM focusing on digital generation segment.

2016

July

- The Company implemented ISO 26000, an international standard for social responsibility.
- The Company increased bandwidth of 4G-1800 MHz to 20 MHz in Bangkok Metropolitan Area and completed the expansion of 4G-1800 MHz with 15 MHz bandwidth in every province throughout Thailand.

August

- The Company introduced the new flagship concept store “dInfinite” in order to build digital experience for our customers.
- The Company was certified as an anti-corruption organization from Thailand’s Private Sector Collective Action Coalition Against Corruption.

October

The Company launched cross-network VoLTE service with AIS.

2017

February

The Company received the Thailand Sustainability Investment 2016 Award as a recognition for its outstanding performance in sustainability development from the Stock Exchange of Thailand.

March

The Company Launched “dtac WiFi Calling App” for customers to enjoy the Wifi Calling feature on any smartphone.

May

- The company has been ranked as one of the best companies in Corporate Social Responsibility while Lars Norling has been recognized as the best CEO and Sverre Pedersen, as the best CFO in the Asia’s Best Companies 2017 Polled by FinanceAsia Magazine.
- Company’s subsidiaries enter into contract negotiation with TOT for the provision of wireless service on 2300 MHz.

June

The Frequency Allocation Act (No. 2) B.E.2560 was enforced.

July

Merging Paysbuy with Omise was announced.

September

- “LINE MOBILE” was launched.
- dtac launched “SIM GO! Inter” for customers travelling abroad.

November

The Company launched “dtac call”, an application that combines 5 telephone numbers in one smartphone.

2018

April

Company’s subsidiaries signed agreements with TOT for the provision of wireless services on 2300 MHz frequency band.

June

dtac TriNet launched wireless services on 2300 MHz frequency band under “dtac Turbo” brand, with a cooperation from TOT.

August

dtac TriNet won 2 x 5 MHz of 1800 MHz frequency band at the auction arranged by the NBTC.

September

- Concession Agreement to provide wireless services between dtac and CAT came to an end.
- An injunction was granted by the Administrative Court to the Company to continue providing wireless services to customers on spectrums under concession for another 90 days.

October

dtac TriNet won 2 x 5 MHz of 900 MHz frequency band at the auction arranged by the NBTC.

December

- Rights to provide services under concession, given by the Administrative Court came to an end.
- dtac TriNet has been granted the spectrum licenses in the frequency band 900 MHz and 1800 MHz from the NBTC.

2019

● January

The Company and dtac TriNet entered into the Disputes Settlement Agreement with CAT to settle the disputes arising from the operation of services under the Concession Agreement between the Company and CAT.

● April

The 2019 Annual General Meeting of Shareholders has approved the dispute settlement with CAT according to the Disputes Settlement Agreement.

● May

- The Central Administrative Court issued a verdict dismissing TOT's claim on access charges against the Company in its entirety.
- TOT did not submit its appeal within the timeframe, the case is final.

● June

dtac TriNet got 2 x 10 MHz of 700 MHz frequency band through an allocation by NBTC, the date of commencement of licensing is 1 October 2020 or until determined otherwise by the NBTC.

● September

- launched "dtac GO", the first mobile operator in Thailand to include international roaming in the main packs.
- changed the name of "Line Mobile" to "Finn Mobile", as a result of agreement ending with Line.

● October

- The Company is granted the Certificate of Membership of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).
- The Company signed a partnership agreement with Ericsson to launch an advanced, customer-centric network operations model starting from January 2020.

● December

- dtac TriNet entered into a strategic partnership with 3BB by signing on the MOU on Business Operation Framework.
- dtac TriNet signed Interconnection Agreement with TOT.

RISK FACTORS

Risk Factors

dtac risk management aims at identifying, assessing and treating all relevant, foreseeable risks in a way that is effective, proactive and fit-for-purpose. Risk Management supports the organization in achieving defined ambitions and goals by having a holistic and enterprise-wide perspective, linking to the relevant goals, maintaining risk exposure at acceptable levels and managing the significant threats and exploiting the significant opportunities.

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

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

1.1 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 organizing the spectrum auction, fixing service fees and tariff structure and issuing rules and measures for consumer protection, resolving frequency interference problems, 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, whereas the NBTC has announced various rules, however, the enforcement of such rules may not be clear in practice and causes delays, such as delays in the enforcement of rules governing the resolution of interference problems, etc. These may impede the operation of the Company. If this is the case, it may affect the ability of DTN for network rollout on the 900 MHz frequency band, as well as the existing spectrums that DTN is currently using.

b. 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;

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 Supreme 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, the NBTC may revoke dtac TriNet’s Type III telecommunications license. As a result, dtac TriNet may not be able to continue the telecommunications business.

c. 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 it has not acted in any way that conflicts with the Foreign Dominance Notification and, when obligated, the Company and dtac TriNet has always submitted letter of declaration to the NBTC indicating that the Company and dtac TriNet will comply with the NBTC’s Foreign Dominance Notification. The Company only holds a Type 1 Telecommunications Business License since September 2018.

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’s external lawyer opines 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.

d. 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 Central Administrative Court. The Central Administrative Court issued the verdict in favor of the Company and dismissed CAT’s petition. Currently, the case is under the consideration of the Supreme Administrative Court.

e. Risk from the disputes

The Company and its subsidiaries had a number of disputes, especially with CAT, which used to be a party of the Concessionary Agreement with the Company. These disputes are included in the notes to the consolidated financial statements. If the Company or subsidiary loses the case, it may affect the business, financial status, and performance of the Company.

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 SIM penetration is already very high, limiting the possibility to attract non-users. Data usage and smartphone penetration are also high, limiting the ability to increase revenue from existing base with voice and data. In 2018, fixed speed unlimited data package with low price have been used from time to time by the industry to attract customers, especially in prepaid. If this intensifies and the Company is 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 for the Company.

3. Operational Risks

3.1 Risks caused by the change of low band spectrum held by the Company

To deploy 900 MHz cell site, we need to switch off existing co-site 850 MHz and nearby 850 MHz cell sites in order to mitigate the interference to 900 MHz users. However, there may be also some risk of coverage and capacity reduction for a short period when there is no other signals to serve the customer. DTN is carefully planning to deploy 900 MHz system to mitigate the interference to the user. One more risk is associated with some of user device not supporting 900 MHz. In remote areas where there is no other signal other than 900 MHz, such user may experience no service. Such situation may affect operational ability of dtac TriNet to compete in the market and may affect the business and business opportunities of the Company.

3.2 Risks of technology and information security

The amount of data continues to grow exponentially, as does the rate at which organizations share data through online Network. There is also massive IoT coming into view as millions of machines-tablets, smartphones, ATM machines, sensors, and much more- are all linked together, increasing inter-dependencies exponentially. Organizations increasingly open their IT systems to a wide range of machines and lose direct control of data security. Cyber thread are very aware of these vulnerabilities. To cope with ever increasing cyber threads, DTN has been working to build up defendable architecture, developing security competency and continuously improving the Security Operation Center (SOC). However, risks of technology and information security are still factors that may affect the business and business opportunities of the Company.

3.3 Risk of interference from the spectrum

890-895 / 935-940 MHz (or 900 MHz band) spectrum that DTN won the auction on October 28, 2018, is a spectrum with small Guard Band, therefore, this may cause interference problems. If this happens, it will affect the quality of service of the 900 MHz band. Even though it is the responsibility of each licensee to install their own filters, as well as to prevent and to resolve the problem in order to prevent interference between spectrums, if the licensee fails to comply, it is the NBTC's authority

to enforce the law to resolve the interference problem. In this regard, DTN has coordinated with relevant authorities to prevent potential problems to ensure that the 900 MHz can be managed effectively and efficiently. However, if the risks of interference from the spectrums are not mitigated immediately, this will affect the quality of services and, then, impact to the business, and business opportunities of the Company.

3.4 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 and data services. The degrees of redundancy in our transmission network have been enhanced through addition of fiber routes and high capacity DWDM (Dense Wavelength Division Multiplexing) network. 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.

3.5 The Company has to rely on third parties for telecommunications equipment

Provides mobile phone service through complex telecommunication equipments, including mobiletelecommunication networks 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 2100 MHz services) depends on the effective maintenance and repair of the network and equipment.

At present, the Company and dtac TriNet engages third parties to provide maintenance and repair services for some base station equipments and transmission networks. These service providers had gone through thorough selection process and regular performance reviews to ensure that the service levels are in accordance with the standards. 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, which may affect the speed and quality of the services of the Company and dtac TriNet, the Company and dtac TriNet may choose to switch to alternative suppliers, albeit with potentially higher operating costs, to maintain quality of services.

In addition, dtac TriNet providing telecommunications services has to rely on basic network from CAT Public Company Limited and has to roam on 2300 MHz spectrum belonging to TOT. Problems related to network management by the contract partners may affect the ability to run the business, financial status, and business opportunities of the Company.

4. Risks from exchange rate fluctuation

The principal revenues of the company are denominated in Thai Baht currency, Capital expenditure constitutes the majority of the company's expenditure. For capital expenditures, the company has established an agreement with suppliers to pay the capital expenditure in Thai Baht.

For the remaining USD exposure, the Company utilizes USD revenue from International Roaming to partially match the USD expense (Natural Hedge) and entering into FX hedging transactions as deems appropriate.

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 65.05 per cent of the total issued shares of the Company (information as at 30 July 2019).

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

Management

The management structure of the Company comprises of 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 organization.

Board of Directors

During 2019, three directors resigned from their directorship and there were two new directors. Therefore, as of 31 December 2019, the Board of Directors of the Company consists of 10 directors:

- 10 directors are non-executive directors, 4 of them are independent directors representing 40% of the Board of Directors; and
- There is no executive director

Names of the directors and their share ownership in the Company as of 31 December 2019 are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 18	No. of Shares as of 31 Dec 19	Increase/ Decrease
1	Mr. Boonchai Bencharongkul	Chair	10 shares	10 shares	-
	Spouse		-	-	-
	Minor Child		-	-	-
2	Mr. Petter Boerre Furberg	Vice Chair	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
3	Mr. Chulchit Bunyaketu	Independent Director	-	-	-
	Spouse		15,000 shares	15,000 shares	-
	Minor Child		-	-	-
4	Mrs. Kamonwan Wipulakorn	Independent Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
5	Mr. Stephen Woodruff Fordham	Independent Director	10,000 shares 6,000 NVDR	10,000 shares 6,000 NVDR	-
	Spouse		-	-	-
	Minor Child		-	-	-
6	Mrs. Chananyarak Phetcharat	Independent Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
7	Mrs. Tone Ripel	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-

No.	Name	Position	No. of Shares as of 31 Dec 18	No. of Shares as of 31 Dec 19	Increase/ Decrease
8	Mr. Sverre Pedersen	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
9	Mr. Christian Wulff Soendergaard ⁽¹⁾	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
10	Mr. Rakesh Jain ⁽¹⁾	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-

Remark: (1) Mr. Christian Wulff Soendergaard and Mr. Rakesh Jain have been appointed as the new directors in replacement of Mr. Haakon Bruaset Kjoel and Mr. Gunnar Johan Bertelsen who resigned from their directorships with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019.

Names of the directors who resigned in 2019 and their share ownership in the Company are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 18	No. of Shares as of 31 Dec 19 ⁽¹⁾	Increase/ Decrease
1	Mrs. Alexandra Reich ⁽²⁾	Chief Executive Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
2	Mr. Gunnar Johan Bertelsen ⁽³⁾	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
3	Mr. Haakon Bruaset Kjoel ⁽⁴⁾	Director	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-

Remark: (1) There is no change in share ownership / no share sale and purchase during 2019.

(2) Mrs. Alexandra Reich expressed her intention not to be re-elected for another term; but would remain as the Chief Executive Officer of the Company pursuant to the resolution of Annual General Meeting of Shareholders for the year 2019 held on 4 April 2019.

(3) Mr. Gunnar Johan Bertelsen resigned from directorship on 9 December 2019

(4) Mr. Haakon Bruaset Kjoel resigned from directorship on 9 December 2019; but would remain as the Chief Strategy and Transformation Officer of the Company

Management

The Chief Executive Officer is the head of the management team. The Company's organization structure is divided into 8 groups, i.e. Finance Group, Technology Group, People Group, Business Group, Sales Group, Marketing Group, Corporate Affairs Group, and Strategy and Transformation Group. Names of the Management and their share ownership in the Company as of 31 December 2019 are as follows:

No.	Name	Position	No. of Shares as of 31 Dec 18	No. of Shares as of 31 Dec 19	Increase/ Decrease
1	Mrs. Alexandra Reich	Chief Executive Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
2	Mr. Dilip Pal	Chief Financial Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
3	Mr. Prathet Tankuranun	Chief Technology Officer	10,000 shares	10,000 shares	-
	Spouse		9,400 shares	9,400 shares	-
	Minor Child		-	-	-
4	Ms. Nardrerddee Arj-Harnwongse	Chief People Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
5	Mr. Rajiv Bawa	Chief Business Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
6	Miss Tipayarat Kaewsringarm ⁽¹⁾	Chief Sales Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
7	Mr. How Lih Ren ⁽²⁾	Chief Marketing Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
8	Mr. Lars Marcus Adaktusson ⁽³⁾	Chief Corporate Affairs Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-
9	Mr. Haakon Bruaset Kjoel ⁽⁴⁾	Chief Strategy and Transformation Officer	-	-	-
	Spouse		-	-	-
	Minor Child		-	-	-

Remark: In 2019, there were organizational changes that affected the change of Management's positions as follows:

(1) Miss Tipayarat Kaewsringarm was appointed as the Chief Sales Officer with effect from 1 February 2019.

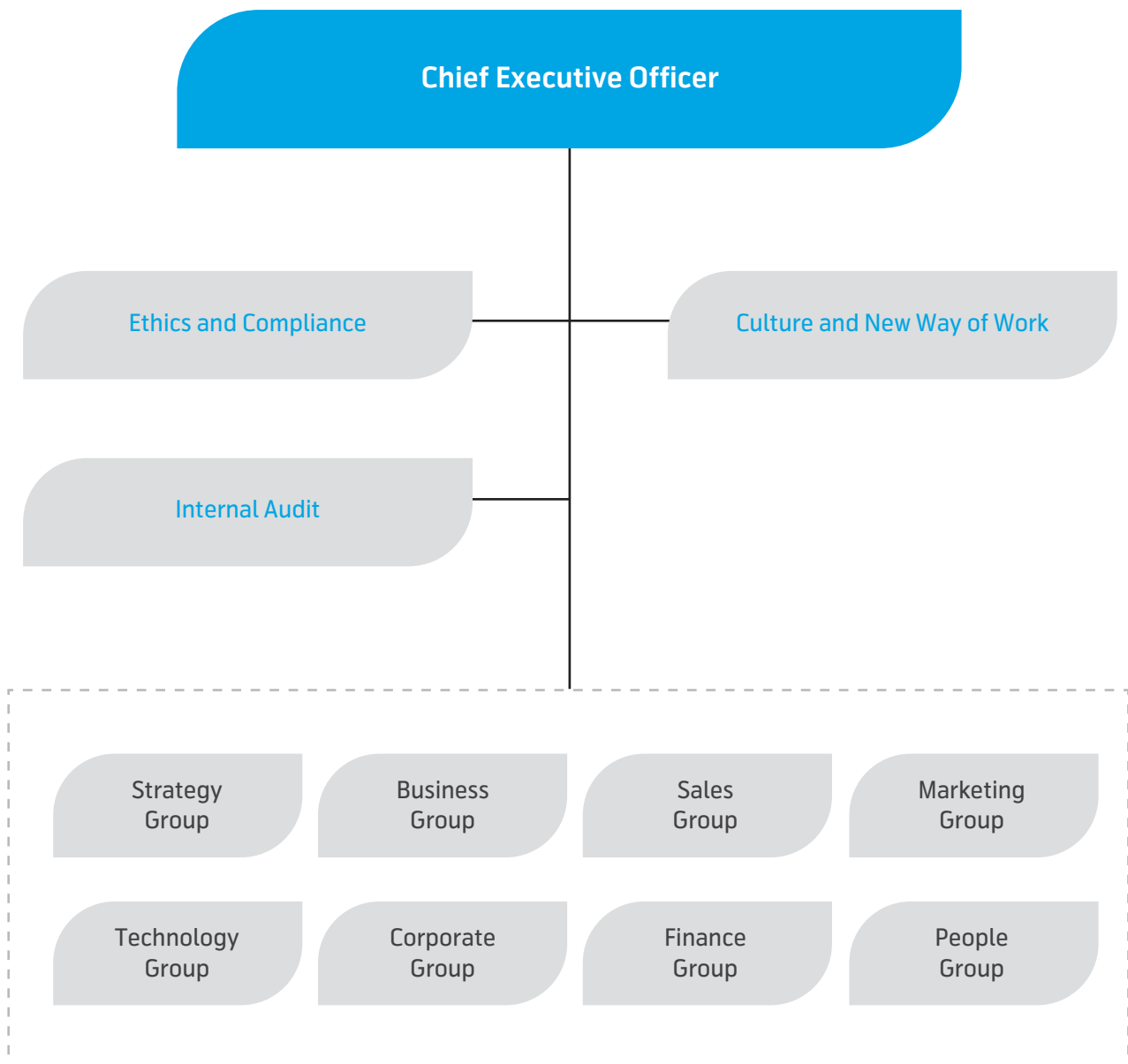
(2) Mr. How Lih Ren was appointed as the Chief Marketing Officer with effect from 1 April 2019.

(3) Mr. Lars Marcus Adaktusson was appointed as the Chief Corporate Affairs Officer with effect from 2 September 2019.

(4) Mr. Haakon Bruaset Kjoel was appointed as the Chief Strategy and Transformation Officer with effect from 1 December 2019.

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 2019



Company Secretary

The Board of Directors appointed Mr. Sirawit Klabdee, Head of Investor Relations 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 “Corporate Information”.

Further details relating to the authorities, duties and responsibilities of the Board of Directors, the sub-committees, 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 sub-committees 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 sub-committees. The Remuneration Committee will consider the remuneration of directors and propose 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 sub-committees 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. 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 sub-committees can be found under Section “Corporate Governance”.

In 2019, the total remuneration of directors of the Company was THB 13,572,000 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	3,840,000.00	-	-	-	-	3,840,000.00
Mr. Petter Boerre Furberg	-	-	-	-	-	-
Mr. Chulchit Bunyaketu	1,320,000.00	600,000.00	408,000.00	204,000.00	-	2,532,000.00
Mr. Stephen Woodruff Fordham	1,320,000.00	600,000.00	-	408,000.00	204,000.00	2,532,000.00
Mrs. Chananyarak Phetcharat	1,320,000.00	-	204,000.00	204,000.00	408,000.00	2,136,000.00
Mrs. Kamonwan Wipulakorn	1,320,000.00	804,000.00	204,000.00	-	204,000.00	2,532,000.00
Mrs. Alexandra Reich	-	-	-	-	-	-
Mr. Haakon Bruaset Kjoel	-	-	-	-	-	-
Mr. Gunnar Johan Bertelsen	-	-	-	-	-	-
Mrs. Tone Ripel	-	-	-	-	-	-
Mr. Sverre Pedersen	-	-	-	-	-	-
Mr. Christian Wulff Sondergaard	-	-	-	-	-	-
Mr. Rakesh Jain	-	-	-	-	-	-
Total	9,120,000.00	2,004,000.00	816,000.00	816,000.00	816,000.00	13,572,000.00

* The table shows the director’s remuneration with 2 decimal places.

Management Remuneration

The remuneration provided to CEO and Executives consists of the following components:

Element	Key purpose
Base salary	Provide a basis for competitive remuneration overall
Short-term incentive	Enhance leadership and deliver business result to achieve the Company's strategy.
Long-term incentive	Align the interests of the CEO, Executives with the interests of the shareholders for a long-term value creation.
Other Benefits	Offer insurance plans and other benefit to support in various life situations in light of economic conditions and standard of living.

1. Base salary

The level base compensation is reviewed annually based on the scope of the role, business environment, market position and performance. Key performance criteria are:

- Delivery according to business priorities
- Demonstrated leadership in accordance with the Company's values
- Building organization capabilities

2. Short-term incentive

The short-term incentive (STI) plan is designed to help drive the leadership behaviors and deliver the expected results. It is a cash-based variable pay plan based on following key performance indicators.

The key performance indicators below applied for all members:

- Financial KPIs to drive profitable growth and generation of cash flow; gross profit, opex and net cash flow;
- Operational KPIs to drive progress on the digital transformation objective; and
- Responsible Business Conduct – this is to drive the ethical and sustainable business operations

3. Long-term incentive

The long-term incentive plan reflects the long-term value creation of the Company. The participants receive a grant of long-term incentive which is subject to four years lock-in period. If the participants leave the Company during the lock-in period, the LTI will be forfeited. In case of retirement, disability or death of the participant, the LTI will be unlocked.

4. Other Benefits

The purpose of these benefits is to establish a level of security. The company's car, mobile package, provident fund, pension, insurance plan and other welfare provisions are in line with the market standards.

In 2019, the total remuneration of the Management of the Company was THB 82,258,221.

Human Resources

Reward Management of the Company

The objective of reward management is to attract, engage and retain the right employees to deliver sustainable value for shareholders in accordance with the Company's values. With this objective, reward philosophy in dtac has been designed to offer total reward packages that are fair, consistent and competitive both within and outside the organization.

Total reward packages are the sum of remuneration, employee recognition, benefits, development & career opportunities and employee recognition.

Remuneration

Remuneration is monetary compensation including fixed compensation and variable pay. Fixed compensation is linked to job value that reflects impact and contribution of that job to the Company. Jobs with similar values are structured together in the same pay scale of Company's pay structure which enable the Company to maintain internal equity and fairness of employees' pay in similar job values. In terms of external equity and competitiveness, compensation is regularly reviewed against other companies in the market through data obtaining from third-party survey, as well as taken into account macro-economic indicators and Company's business result.

Variable pay is based on pay for performance principle, connecting both individual performance and Company strategic targets which are set and communicated on an annual basis. This is to award achievement of employees on the short-term basis in relation to company achievement.

Employee recognition and benefits

Employee recognition is the timely, informal or formal acknowledgement of a person's or team's behavior, effort or business result that supports the Company's goals and values, and which has clearly been beyond normal expectations. Recognition program enable strong culture and building collaboration across all functions in the Company.

Benefits scheme are provided in the Company in alignment with prevalence practice in the market, which are regularly reviewed to ensure competitiveness of the scheme. Benefits scheme in the Company comprise of multiple elements and dimensions:

- Monetary as fixed allowance and non-monetary as well-being program, flexible office facility providing fitness center
- Work-related as travel expenses, uniforms and personal -related benefits as emergency loan, paternity and maternity leave which allows employees to apply for long leave days to take good care of new born baby
- Short-term basis as health care insurance, medical check-up and long-term basis as provident fund which is provided as a saving scheme for employee after retirement

As of 31 December 2019, the Company has 3,915 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 – Permanent – Expat (Persons)
Finance Group	181
Marketing Group	257
Sales Group	2,252
Technology Group	977
People Group	56
Corporate Affairs Group	53
Business Group	90
Strategy and Transformation Group	34
Office of CEO	15
Total	3,915

In 2019, the remuneration of the employees comprised of salary and bonus totaling THB 4,400,977,688. The Company has made contributions to the provident fund in an amount of THB 108,388,934.

Development & Career Opportunities

To enable the employee retention and engage employees to strive for delivering the best performance, career development is one of the critical enablers. In September 2019, the Company launched the new career management concept and platform. 'PromptGROW' has been initiated and deployed in the Company to facilitate employees to manage their own career to align with employees' career aspiration and business needs. The Company provides opportunities for employees to grow career in various roles e.g. professional individual contributor or managerial role, from vertical advancement to higher-responsibility role, horizontal or diagonal career move to other job functions or in different job scopes. Enlarge or enrich the responsibility and accountability in current position, across-BU/regional or global roles are also other career opportunities which employees can explore. The 4D-step of "PromptGROW" with essential facilities and tools are in place for employees in their career management.

1. Discover: Career Conversation with Line Manager and/or Career Coach will help employees to understand their self-insight on career planning and competency assessment will make employees realize their competency gaps need to be developed regarding competency framework/ business requirement
2. Design: Our Performance Management System which focuses on People Dialogue and Performance with Impact is provided for employees to design their own performance goals and Individual Development Plan (IDP) for both short-term in current role and future expected role as career goal.
3. Develop according to 3E+1 Development Approach: The 3E+1 Development Approach is deployed in the Company for continuous learning and development which are Education (10%), Exposure (20%), Experience (70%), and Ecosystem for learning and development, and included coaching made by Line Manager continuously.
4. Deploy: After competency assessment, employees would know their capability and develop themselves to be ready for the new job opportunities. Once there is a vacancy of their target jobs, an employee could simply apply for the job through online system. No need to inform his or her current line manager in this stage but the manager will know after an employee gets a job offer from other units. Candidate selection will be done through Selection Committee to ensure fair treatment and suitable candidate selected. The new career movement process is designed to promote job rotation and learning that aligned with employee's career self-planning

From business perspective, the Development and Career Management programs will also strengthen organization capability towards high performing organization with effective talent pipeline continuity aligned with business needs to drive business goals and ambition achievement.

“dtac Academy” – center of people development

dtac Academy provides learning opportunities and 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 explore their learning many ways including blended learning, online, training course, project based learning and etc. in accordance to their individual development plans, job requirements and their own aspiration.

dtac Academy has conducted Organization Capability Assessment to assess leaders against future capability model required to support future organization setup. The assessment covered 381 leaders in VPs level up and postpaid sales management team.

The assessment results were synthesized to identify development priorities including core, leadership and agility readiness and design 3-day extensive bootcamp with regular follow-up for Branded Retail. The bootcamp objectives were to communicate clearly defined sales management's roles and responsibilities and uplift sales capability towards organization future expectations and covered 127 participants from sales management team.

In addition to traditional classroom training, the Company provides a blended approach including enhanced e-learning options, 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 relevant topics. The Company deploys new technology in employee development by providing digital and mobile learning platforms that enable a more flexible learning experience for its employees where learning can happen anytime, anywhere with no fixed times and schedules.

Leadership & Talent Development Programs

Development of new generation of leadership and talents has always been the focus area of the Company. The Company provides comprehensive Leadership Development Programs 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, e-learning modules, workshops and 1-on-1 executive coaching on a continuous basis.

The Company has partnered with International Institute for Management Development (IMD), one of the world-class institutes, to co-design Future Leaders Program to develop leaders in SVP level and their direct reports through the training and coaching continuously during 3 months to enhance leadership capability, agility and cross-functional collaboration for future organization setup.

The Company also provides Talent Development Programs designed to develop full potential of employees with outstanding performance. The program comprises various blended learning courses covering both business management, specialized areas and driving transformation aligned with the Company's strategic business direction. These specific training courses are jointly developed and conducted in close collaboration with various institutions both in Thailand and internationally.

In 2019, the Company has a total budget for people development equal to THB 61.14 million (as of 31 December 2019), covering 100% of all employees with average learning hours at 61.5 per employee. (as of 31 December 2019).

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 components, which can be described as follows:

(1) Organizational Environment

The Company has established an organization 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 is committed to be extremely vigilant and proactive in adhering to our culture of conducting business the right way. The dtac's Code of Conduct has been established and enforced as our company's ethical standard, 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 Ethics and Compliance Officer. 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 also set up Ethics and Compliance Department 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), which follows the concept of ISO 14001 & OH SAS18001 international standards as its framework.

(2) Risk Management

Risk management in the Company aims at identifying, assessing and treating all relevant, foreseeable risks in a way that is effective, proactive and fit-for-purpose. The risk management processes feed in to a holistic and enterprise-wide risk management process, which is a continuous and iterative process, in order to:

- Support the Company in achieving defined ambitions and goals
- Maintain risk exposure of the Company at acceptable levels, managing significant threats and exploiting the significant opportunities
- Enable explicit consideration of risks in decision-making by having risk management as an integral part of the decision-making processes
- Ensure compliance with external risk requirements and standards
- Timely initiate actions to reduce significant threats and to enhance significant opportunities
- Raise awareness on risk management and enhance risk culture in the Company

The Company has put in place its risk management policy and manual with a regular review. The Company risk management is inspired by both the ISO 31000 and COSO II Enterprise Risk Management standards. Risks that may affect ambitions and goals of the Company shall be identified, assessed and responded to

line managers are responsible for ensuring that risk management is embedded into the strategic and day-to-day business processes. Each employee is responsible for managing the risks within his/her areas of responsibility. Company management team is an arena where the Company's risk picture is assessed regularly. Top risks in the Company are owned and managed by Company management team. The top risk picture will be reported to Board of Directors on a quarterly basis.

(3) Control Activities

The Company has set up appropriate control activities in response to specific risks regarding work processes, complexity, environment and entity-specific characteristics. The Company has developed policies and manuals for various management matters, including policies and manuals for entering into financial, procurement and general management transactions as well as information security management which in line with international standard ISO/IEC 27001. 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 segregation of duties has been appropriately established. For example, the approval function is segregated from the account and information recording function and also separated from the safeguarding of assets function for purpose of check and balance.

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 2018 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 at least twice a year;
- (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 regularly, at least on a quarterly 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 2019. 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. 2/2020, which was held on 28 January 2020, 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 provides report with respect to the internal audit directly to the Audit Committee.

The objectives, authorities, 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 Mr. Kiti Wichitsawangwong 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 quarterly 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 report the reviewed results to the Audit Committee on a quarterly basis. The Internal Audit Department also takes part in examining 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 Internal Audit Department is assessed through external consulting for conducting a Quality Assessment Review (QAR) every 5 years. The latest external assessment was reviewed in November 2016. The quality assessment result was that the activities of the Internal Audit Department generally conform to the International Standard for the Professional Practice of International Auditing as prescribed by the Institute of Internal Auditors.

CORPORATE GOVERNANCE

Corporate Governance

The Board of Directors and the Management of the Company are committed to the principles of good corporate governance pursuant to the Corporate Governance Code for listed companies 2017 of The Securities and Exchange Commission and the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand in order to sustain and maximize long term value of the shareholders.

The Board of Directors has established corporate governance policies, which set 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 “dtac Code of Conduct”, 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, labor, occupational health, safety, security, environment, conflicts of interests, use of inside information, internal control, disclosure of information, anti-corruption and etc. in accordance with the international standard.

The corporate governance policies 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 policies and the code of conduct on a regular basis, for instance, providing the code of conduct and 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. Furthermore, interactive e-learning programs are executed to increase awareness of employees over Code of Conduct and Anti-Corruption Policy. To monitor the compliance of the corporate governance policies, 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.

The Company has been emphasizing greatly on the principles of good corporate governance where the principles of good corporate governance of the Company are in line with the Principles of Good Corporate Governance for Listed Companies

of the SEC and the SET. 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 193 companies that were awarded a level of “excellent” (CG scoring equal or above 90%) among 677 listed companies which were assessed. This shows that the Company has been committed to the Principles of Good Corporate Governance for sustainability development. Details of the Company’s practices of the good corporate governance are set out in 5 categories as follows:

Section 1 – Rights of Shareholders

The Board of Directors realizes 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 (the Company has only one type of share that is ordinary share and one share has one voting right) so that the shareholders can participate in any decision-making that affects or relates 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. The Company announced the date of the meeting in advance via channel provided by the Stock Exchange of Thailand on 28 January 2019. The Company fixed the record date to collect the list of shareholders who have the right to attend the meeting on 18 February 2019. In order to facilitate shareholders, the Company selected the meeting venue where the mass transit system is available and sufficient for the shareholders to conveniently commute, as well as, intentionally arranged the meeting in the afternoon in order to provide shareholders enough time for preparation to attend the meeting. The Company provides opportunities for the shareholders to submit registration documents for attending the meeting in advance of the meeting date in order to minimize 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 verification mechanisms. The shareholders are provided with an opportunity to raise questions and express opinions relating to an agenda which then were summarized and recorded in the minutes. The directors, relevant 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 2019 Annual General Meeting of Shareholders on 4 April 2019 at the Athenee Crystal Hall, 3rd Floor, The Athenee Hotel, a Luxury Collection Hotel Bangkok, Thailand. There were 23 directors and senior Management attending the 2019 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 on 13 March 2019 or 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 on 4 March 2019 or 30 days prior to the meeting in order to facilitate the shareholders with an easy and prompt access to the information relating to the meeting. The invitation notice included details of each agenda, which clearly stated type of the agenda, be it for the acknowledgement or approval. The invitation notice was completed with the Meeting's agenda items, supplementary documents, the Board's opinions on each agenda item. A proxy form, which was stipulated by the Ministry of Commerce, was also included in the invitation notice, while 3 independent directors were available to act as shareholders' proxy.

The Company provided opportunities in advance for the shareholders to submit questions relevant to the meeting agenda, as well as to propose agenda item, and to nominate person to be appointed as the Company's director at the 2019 Annual General Meeting of Shareholders during 1 October - 31 December 2018 through channel provided by the Stock Exchange of Thailand and published on the Company's website at www.dtac.co.th on 28 September 2018. However, no question, agenda item, or nominated person were submitted.

Before the meeting began, the Company explained to all shareholders the criteria and the procedures for vote. Shareholders or proxy holders have voting right equal to number of shares they held, and such voting rights could not be split (with exception of the C-type proxy). The Company also provided an independent external legal advisor (inspector) to supervise 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 Chair 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 2019 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 2019 Annual General Meeting of Shareholders, the Chair 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.

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 outside experts who had experience working with 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 2019 Annual General Meeting of Shareholders and posted 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 realizes 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 realizes 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 the 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 by enhancing skills, knowledge and mindset of its employees, as well as providing every employee with an opportunity to manage and control their career progression on an equitable basis and offering appropriate remuneration to its employees. The Company has studied and reviewed the organization structure, role, and responsibility of each unit, evaluated the performance and work progress of employees regularly, in order to build internal potential and organization readiness for being the best organization. The Company also places an emphasis on employees' remuneration policy which is needed to align with the Company's performance both short-term and long-term.

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 including six-month maternity leave with pay and paternity leave, as well as social security, workmen 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 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 organization 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 complies 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 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 arranged workshops and activities on safety and working environment in order to promote a culture of safe working environment in the organization. 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 behavior.

In order to develop and improve the organization to truly meet the needs of its employees, the Company invites its employees to complete an online questionnaire on employees' opinions towards the organization (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 is strongly aware that it is a part of Thai society and had placed importance on responsibility towards community, society and environment. Hence, The Company has established a corporate responsibility framework that responds to concerns and expectations from this stakeholder group. The framework is based on the Company's policy and strategies in sustainability: 'Do the Right Thing' and 'Empower Societies to Reduce Inequalities and Raise Standards.' Results from social and environmental risk and impact assessments as well as from stakeholder engagements are also taken into account when designing and implementing the framework.

One of the most significant frameworks for social development is to promote safe and responsible use of Internet and communication technology, especially in children and youth which are considered a vulnerable group for such technology. The Company, therefore, has been implementing the Safe Internet Project where the goal is to increase digital resilience in children and youth. Key target groups are not only 5-16 year-old children and youth, but also parents and teachers.

In the environment area, the Company has implemented an effective environmental management system to ensure low environmental impacts to communities and Thailand in general. The system also allows the Company to control and manage business activities that may be risky to environment. The most significant aspect found is management of electronic and hazardous wastes that are generated by business operations, e.g. degraded batteries from base station towers, and by external parties, e.g. used mobile phones, SIM cards and accessories.

In addition, the Company promotes efficient energy consumption in the business process. Initiatives, for instance, include designing the office at Chamchuri Square Building with an energy-saving and eco-friendly features as well as reducing energy consumption in the office by promoting 'Digital Workplace', or use of communication technology at work, like e-conference, to reduce carbon emission from traveling.

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 for responding the customers inquiries conducting any transactions or making complaints. Customers can visit the Company's Service Centers which are located in prime locations of Bangkok, its vicinities and upcountry, or dial 1678 to the Call Center for 24 hours. The Company also implements digital channels such as, dtac application, website, email and social networks i.e.. Line dtac Connect and Facebook, for customer support.

The Company has a 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 for the best interest of the customers in accordance with the laws.

Rights of Business Partners

It is a policy of the Company to treat all business partners equitably and fairly. The Company has established written, easily understandable and standardized 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 a policy requiring its business partners to comply with the supplier code of conduct in relation to various matters, such as labor, 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 emphasizes 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 "dtac Code of Conduct".

Rights of Competitors

The Company encourages and supports fair and transparent competition. The Company will not perform any act which would violate or contradict 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 honor 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 years, the Company had been in compliance with the terms and conditions of the contracts it has with its creditors.

(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 "dtac Code of Conduct".

(3) Anti-corruption and Bribery Policy

The first dtac's Anti-Corruption Policy was implemented in 2006 and it has been revised from time to time. At the end of October 2018, the Company had announced the amended Code of Conduct that consisted of one significant issue which was Anti-Corruption section. The key message of this section was set to clearly enhance its best practices in doing business and to effectively gain its employee acknowledgement of the Company's policy. It was remarkably stated that "dtac has zero tolerance for corruption". This was the Company's commitment in conducting its business in an open and transparent manner. Therefore, dtac does not tolerate bribery or improper payments or advantages of any kind as the Company recognizes that bribery is illegal and exposes those involved and dtac to reputational and legal risk. Bribery may take many forms including facilitation payments, kick-back schemes. In this section, the Company expanded its corporate culture on Anti-corruption boundary to touch upon its key stakeholders-related matter such as "Public Officials" who were often subject to strict anti-corruption rules and so should be treated with extra caution. In addition, the Company had focused on corruption in its supply chain which might create significant risk for dtac even if it was not directly involved. The Company had to carefully select its Business Partners and monitor their commitment to ethical and lawful conducts same as what it did, since any breach of statutory duty by its business partner may cause material risks to dtac although it has not directly involved. In addition, the Company believes that business courtesies like gifts, hospitality and travel may create a conflict of interest or be considered bribery in certain circumstances. Last but not least the Company has paid more attention when it played the role as a donor. Even charitable donations or sponsorships can be seen as bribes if undertaken to secure a commercial advantage.

The Company's amended Anti-Corruption section as stated in the current Code of Conduct was also to be aligned with the national's strategy on Anti-corruption policy. However, in order to let all employees understand the impact of corruption and the importance of good governance and transparency in doing business, dtac's CEO, as a role model, initiated communication program to deliver tone from the top to its employees to ensure that they are fully committed to dtac's ethical corporate culture for sustainable development. Currently, dtac continues to implement strict sponsorship and donation policies to ensure that the Company contributes to Thailand in the responsible way. Moreover, the Company was certified as an anti-corruption organization by the Thai Institute of Directors under the Private Sector Collective Action Coalition Against Corruption. In year 2019, Company received certification renewal for a period of three more years.

(4) Measures on Whistleblowing and Protection for Whistleblowers

The Company has set up a communication channel through its website at www.dtac.ethicspoint.com 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. It is mandatory to all employees that he or she is required to report any act that is likely to constitute a breach of the Code of Conduct to the Integrity Hotline (<http://dtac.ethicspoint.com>). Employees can consult Ethics and Compliance Officer or his/her leader in case advice concerning the reporting breaches is necessary. The Integrity Hotline is a confidential web-based intake system. The Hotline is operated by an independent third party. The information of the whistleblower and other details are under supervision of the Investigation Officer of a new Investigation Department. Such information will be kept confidential for the confidence of the whistleblower. Furthermore, Ethics and Compliance Officer has regularly updated to Audit Committee at least once a quarter for updating compliance program and take consideration and recommendation from the Audit Committee if there is any concern.

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 realizes 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 Division to efficiently and regularly communicate with its shareholders and general investors. Any interested person can obtain the Company's information from the Investor Relations Division at telephone number +66-2202-8882 or email address IR@dtac.co.th.

In 2019, the Company had disclosed material information through the channel provided by the Stock Exchange of Thailand totaling 36 times, the Company also arranged relevant activities to visit and provide publicly disclosed information to shareholders, analysts, and investors from time to time, which could be summarized as follows;

Stakeholders	Engagement Channel	Frequency	Expectation	Response
Shareholders/ Investors	• Annual General Meeting (AGM)	• Once a year	• Fair treatment to all shareholders	• Compliance with guidance and regulation of the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand
	• Quarterly result announcement –Conference Call	• Once a quarter	• Disclosure with accuracy, punctuality and easy access	• Doing business with corporate governance and social responsibility
	• Roadshow and conference meeting both local and international shareholders/ investors	• 12 times in 2019	• Growth of business and profit for shareholders	• Making investments to support the Company's growth
	• Investor Company Visit/ Conference Call	• 60 times in 2019	• Consistent dividend payment	• Compliance with dividend policy
	• Investor Relations website	• Frequently update information on website		• Providing a variety of channels to communicate with shareholders and investors
	• Investor Relations email	• Daily		• Regularly participating in activities, including roadshow and conference, to meet investors both local and abroad

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 review 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 2019, 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 10 directors, all are non-executive directors. Four directors are independent directors, two of whom are female. In addition, there is another female director who is a non-executive director. In total, the Company has three female directors representing 30% of existing directors. No director or independent director holding more than 5 directorship positions in publicly listed companies. Currently, none of any director of the Company hold more than three (3) directorships in publicly listed companies. The Company has no policy which allow executive director to hold more than 2 directorship positions in 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. More than one non-executive directors have work experience in the business of the Company.

The Chair of the Board of Directors and the Chief Executive Officer have separate functions and responsibilities and are not the same person. The Chair has been elected by the directors of the Company and acts as the Chair of the meeting. The Chair has the responsibility to ensure that the meetings of the Board of Directors of the Company proceed in accordance with the agendas, encourage all directors to participate in the meeting (such as asking questions or making observation notes), give advices and recommendations to the Management and support

the business operation of the Company. However, the Chair 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 Article for Association, the resolutions of the shareholders' meetings, 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 Chair of the Board of Directors be an independent director, given that the telecommunications business has unique and complex nature and is subject to rigorous regulations. The Company believes that its Chair 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 Chair 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, and business direction and operational policy on an annual basis in order to adapt to the changing situation and business conditions. Further details on the authorities, 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 Interested Person Transactions to the Board of Directors for approval or reports the entries into such transactions to the Board of Directors for acknowledgement in accordance with its policy.

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 2019, the Board of Directors held 1 meeting without the presence of the executive director and the Management. Moreover, the Board of Directors holds a Board of Directors' meeting with the External Auditor without the presence of the executive director or member of the Management at least once a year. In 2019, the Board of Directors held 1 meeting with the External Auditor 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 2019, 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 percent or more = excellent, more than 75 percent = very good, more than 65 percent = good, more than 50 percent = average, and less than 50 percent = 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 "dtac Code of Conduct" of the Company with most of the performance in the level of excellent and having an average score of 95.53 percent.

Sub-Committee Self-Assessment

In 2019, 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, the scores of all sub-committees showed the improvement over the last year's scores.

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) foundational, (2) directors' citizenship, (3) directors' responsibilities, (4) directors' meetings, and (5) directors' overall performance. After the evaluation, the average results were 97.17 percent. 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 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 agendas 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, except for extraordinary meeting on specific purpose. The senior Management of the Company will join the meeting in order to clarify and answer the Board of Directors' queries. The Chair 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 records the minutes of the meetings in writing and keep 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.

Since the Company sometimes has a number of directors who are not in Thailand; the Company, therefore, has arranged facilities for these directors to attend the Board of Directors' meetings via video or teleconference, 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.

The Company imposes the policy with regard to the quorum of the Board of Directors that the quorum of each meeting must consist of no less than two-third of total directors. This policy is also applied to the vote of each agenda. However, in case that the quorum is less than two-third, it is the Chair's discretion to proceed with quorum prescribed in the Company's Articles of Association (no less than half of the total directors).

In 2019, the Company held 10 Board of Directors' meetings with the rate of attendance in person of the directors of 77 percent. The attendance of each director is as follows:

Name – Surname	Position	Date of First Appointment	Date of Last Appointment	Attendance		
				Total	In person	By electronics means
Mr. Boonchai Bencharongkul	Chair	29 October 1990	26 March 2015	10/10	10	-
Mr. Petter Boerre Furburg	Vice Chair	13 July 2017	13 July 2017	5/10	3	2
Mr. Chulchit Bunyaketu	Independent Director	6 March 2000	31 March 2017	10/10	10	-
Mrs. Kamonwan Wipulakorn	Independent Director	8 December 2014	26 March 2015	8/10	8	-
Mr. Stephen Woodruff Fordham	Independent Director	17 November 2006	26 March 2015	8/10	5	3
Mrs. Chananyarak Phetcharat	Independent Director	5 September 2011	26 March 2015	10/10	10	-
Mrs. Tone Ripel	Director	30 March 2016	30 March 2016	9/10	8	1
Mr. Sverre Pedersen	Director	8 December 2017	8 December 2017	8/10	3	5
Mr. Christian Wulff Sondergaard ¹	Director	9 December 2019	9 December 2019	1/1	1	-
Mr. Rakesh Jain ²	Director	9 December 2019	9 December 2019	1/1	1	-

Remark: ¹ Mr. Christian Wulff Sondergaard was appointed as a new director in replacement of Mr. Haakon Bruaset Kjoel (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019.

² Mr. Rakesh Jain was appointed as a new director in replacement of Mr. Gunnar Johan Bertelsen (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019.

The attendance of the directors who resigned during 2019 is as follows:

Name – Surname	Position	Date of First Appointment	Date of Last Appointment	Attendance		
				Total	By person	By electronics means
Mrs. Alexandra Reich ¹	Director	14 September 2018	14 September 2018	3/3	3	-
Mr. Gunnar Johan Bertelsen	Director	27 April 2010	1 February 2018	8/9	8	-
Mr. Haakon Bruaset Kjoel	Director	5 September 2011	30 March 2016	9/9 ²	8	1

Remark: ¹ Mrs. Alexandra Reich expressed her intention not to be re-elected for another term; but would remain as the Chief Executive Officer of the Company pursuant to the resolution of Annual General Meeting of Shareholder for the year 2019 held on 4 April 2019.

² Mr. Haakon Bruaset Kjoel attended the Board of Directors' Meeting No. 10/2019 held on 9 December 2019 until the agenda of the appointment of new director and had left the meeting after Mr. Christian Wulff Sondergaard was appointed as a new director on his replacement.

(4) Subcommittees

In 2019, the sub-committees have performed its duties as follows:

Audit Committee

The Audit Committee consists of 3 Independent Directors. The Chair of the Audit Committee of dtac has experiences and professional qualifications i.e. accounting and financial skills. Prior to her presidential role, she was a Chief Financial Officer of a leading company including the listed companies in Thailand and was a financial executive with several financial institutions. Her expertise is also valuable and supportive in the telecommunication industries.

A meeting of the Audit Committee is held approximately once a month. In 2019, the Company held 10 Audit Committee meetings, the attendance of which was as follows:

Name list	No. of attendance / No. of meetings in 2019		
	Total	In person	By electronics means
Mrs. Kamonwan Wipulakorn (Chair and Independent Director)	9/10	9	-
Mr. Chulchit Bunyaketu (Independent Director)	10/10	10	-
Mr. Stephen Woodruff Fordham (Independent Director)	8/10	7	1

In 2019, 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 2019 Annual General Meeting of Shareholders, which was held on 4 April 2019, Mrs. Gingkarn Atsawarangsali Certified Public

Accountant No. 4496, Ms. Sirirat Sricharoensup Certified Public Accountant No. 5419, Ms. Rungrana 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. Mrs. Gingkarn Atsawarangsali was the auditor in charge of auditing the Company and expressed opinions on the financial statements of the Company for the year ended 31 December 2019.

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, more than half are Independent Directors (3 persons) and 2 Non-Executive Directors. Chair of the Remuneration Committee is an independent director. A meeting of the Remuneration Committee is held at least twice a year. In 2019, the Company held 6 Remuneration Committee meetings, the attendance of which was as follows:

Name list	No. of attendance / No. of meetings in 2019		
	Total	In person	By electronics means
Mr. Chulchit Bunyaketu (Chair and Independent Director)	6/6	5	1
Mrs. Kamonwan Wipulakorn (Independent Director)	5/6	3	2
Mrs. Chananyarak Phetcharat (Independent Director)	6/6	5	1
Mr. Christian Wulff Sondergaard ¹ (Non-Executive Director)	0/0	-	-
Mr. Rakesh Jain ² (Non-Executive Director)	0/0	-	-

Remark: ¹ Mr. Christian Wulff Sondergaard was appointed as a new director in replacement of Mr. Haakon Bruaset Kjoel (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Remuneration Committee, there was no meeting of Remuneration Committee.

² Mr. Rakesh Jain was appointed as a new director in replacement of Mr. Gunnar Johan Bertelsen (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Remuneration Committee, there was no meeting of Remuneration Committee.

In 2019, the Remuneration Committee was responsible for considering and giving recommendation on remuneration of the Chair and other directors, reviewing and recommending the remuneration packages and bonus scheme for the Chief Executive Officer and reviewing the 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 2019 Annual General Meeting of Shareholders, the meeting approved the remuneration of the Board of Directors and the sub-committees for 2019 in the amount not exceeding THB 13,572,000, which is lower than the remuneration for the year 2018 as the representative director from CAT Telecom has resigned from the Board of Directors due to the termination of the Concession Agreement. The Company does not have any other form of remuneration for directors, details are as follows:

Position	Directors' Remuneration Structure (THB)
	Monthly Allowance
Chair	320,000
Independent director	110,000
Chair of the Audit Committee	67,000
Member of the Audit Committee	50,000
Chair of the Remuneration Committee / Chair of the Nomination Committee / Chair of the Corporate Governance Committee	34,000
Member of the Remuneration Committee / Member of the Nomination Committee / Member of the Corporate Governance Committee	17,000

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, majority is 3 Independent Directors and 2 Non-Executive Directors. Chair of the Nomination Committee is an independent director. A meeting of the Nomination Committee is held at least twice a year. In 2019, the Company held 7 Nomination Committee meetings, the attendance of which was as follows:

Name list	No. of attendance / No. of meetings in 2019		
	Total	In person	By electronics means
Mr. Stephen Woodruff Fordham (Chair and Independent Director)	7/7	2	5
Mr. Chulchit Bunyaketu (Independent Director)	6/7	4	2
Mrs. Chananyarak Phetcharat (Independent Director)	7/7	6	1
Mr. Christian Wulff Sondergaard ¹ (Non-Executive Director)	0/0	-	-
Mr. Rakesh Jain ² (Non-Executive Director)	0/0	-	-

Remark: ¹ Mr. Christian Wulff Sondergaard was appointed as a new director in replacement of Mr. Haakon Bruaset Kjoel (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Nomination Committee, there was no meeting of Nomination Committee.

² Mr. Rakesh Jain was appointed as a new director in replacement of Mr. Gunnar Johan Bertelsen (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Nomination Committee, there was no meeting of Nomination Committee.

In 2019, 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 subsidiaries. Additionally, the Nomination Committee has considered and made recommendation on the Board of Directors' self-assessment results, the restructure of the Board's seats and top executives' succession plan, etc.

Corporate Governance Committee

The Corporate Governance Committee consists of 5 directors, majority is 3 Independent Directors and 2 Non-Executive Directors. Chair of Corporate Governance Committee is an Independent Director. A meeting of Corporate Governance Committee is held at least once a year. In 2019, the Company held 3 Corporate Governance Committee meetings, the attendance of which was as follows.

Name list	No. of attendance / No. of meetings in 2019		
	Total	In person	By electronics means
Mrs. Chananyarak Phetcharat (Chair and Independent Director)	3/3	3	-
Mr. Stephen Woodruff Fordham (Independent Director)	2/3	2	-
Mrs. Kamonwan Wipulakorn (Independent Director)	3/3	3	-
Mr. Christian Wulff Sondergaard ¹ (Non-Executive Director)	0/0	-	-
Mr. Rakesh Jain ² (Non-Executive Director)	0/0	-	-

Remark: ¹ Mr. Christian Wulff Sondergaard was appointed as a new director in replacement of Mr. Haakon Bruaset Kjoel (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Corporate Governance Committee, there was no meeting of Corporate Governance Committee.

² Mr. Rakesh Jain was appointed as a new director in replacement of Mr. Gunnar Johan Bertelsen (who resigned from his directorship on 9 December 2019) with effect from 9 December 2019 pursuant to the resolution of the Board of Directors' Meeting No. 10/2019 held on 9 December 2019. After he has been seating as a member of Corporate Governance Committee, there was no meeting of Corporate Governance Committee.

In 2019, 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 familiarize 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 organized 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 5 directors of the Company who have attended the courses organized by the Thai Institute of Directors Association where 2 directors (including the director who resigned from directorship this year) attended the courses this year. 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 has appointed People Group to be responsible for setting up the succession plan for the Chief Executive 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.

Board of Directors and Subcommittee

The structure of the Board of Directors of the Company is comprised of the Board of Directors and the sub-committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Corporate Governance Committee.

The scope of authorities, duties and responsibilities of the Board of Directors and the sub-committees are as follows:

Board of Directors

The authorities, 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 authorities, 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.
- Reserved key matters for the Board's approval**
- (1) Strategy, business plan, key performance indicators
 - (2) Capital expenditure and expenses exceeding certain material limits
 - (3) Strategic investments in new business and divestments
 - (4) Organizational structure and the appointment of the CEO and senior executives
 - (5) CEO and senior executives' succession plan
 - (6) CEO's compensation
 - (7) Appointment of directors, CEO and CFO of all subsidiaries of the Company
 - (8) Important transactions and any other extraordinary matters having significant importance
 - (9) Litigation having significant impacts
 - (10) Significant policies
 - (11) Loan commitments and lines of credit from banks and other financial institutions
 - (12) Dividend policy, declaration of interim dividends and proposal of annual dividend for the annual general meeting of shareholders' approval.

Audit Committee

The Audit Committee consists of 3 independent directors, namely:

Names of Directors	Position
Mrs. Kamonwan Wipulakorn (Independent Director)	Chair of the Audit Committee
Mr. Chulchit Bunyaketu (Independent Director)	Member of the Audit Committee
Mr. Stephen Woodruff Fordham (Independent Director)	Member of the Audit Committee

The members of the Audit Committee have all the qualifications of an "Independent Director". They are not authorized 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 compliance 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 Head 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 the 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, under protection, 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 the 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 Chair 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. Chulchit Bunyaketu (Independent Director)	Chair of the Remuneration Committee
Mrs. Kamonwan Wipulakorn (Independent Director)	Member of the Remuneration Committee
Mrs. Chananyarak Phetcharat (Independent Director)	Member of the Remuneration Committee
Mr. Christian Wulff Sondergaard (Non-Executive Director)	Member of the Remuneration Committee
Mr. Rakesh Jain (Non-Executive Director)	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 Chair 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 shareholders' 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 and update the Remuneration Committee's charter to reflect any changes in the relevant laws and regulations 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 (Independent Director)	Chair of the Nomination Committee
Mr. Chulchit Bunyaketu (Independent Director)	Member of the Nomination Committee
Mrs. Chananyarak Phetcharat (Independent Director)	Member of the Nomination Committee
Mr. Christian Wulff Sondergaard (Non-Executive Director)	Member of the Nomination Committee
Mr. Rakesh Jain (Non-Executive Director)	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 subsidiaries to be proposed to Board of Directors' meeting for approval;
- (2) Making recommendations on qualified candidates for election as Chief Executive Officer and Chief Financial Officer of the Company and its 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 by take into account beneficial of all shareholders, expertise, capacity, and diversity as needed by the Company;
- (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 5 directors, namely:

Names of Directors	Position
Mrs. Chananyarak Phetcharat (Independent Director)	Chair of the Corporate Governance Committee
Mr. Stephen Woodruff Fordham (Independent Director)	Member of the Corporate Governance Committee
Mrs. Kamonwan Wipulakorn (Independent Director)	Member of the Corporate Governance Committee
Mr. Christian Wulff Sondergaard (Non-Executive Director)	Member of the Corporate Governance Committee
Mr. Rakesh Jain (Non-Executive Director)	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 authorities, 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 authorities, 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, the Company's Rules of Procedure for the Chief Executive Officer 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 therefrom;
- (6) Ensuring that risk management activities are in place within the organization to pro-actively identify and dealing with the business risks related to the Company;
- (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 2017 of the SEC. 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.

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 percent 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 40% 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 taking 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 and other diversities e.g. gender. This is in order to enable the Board of Directors to perform its duties effectively.

The Board recognizes the benefits of diversity and considers it as an important element in effective decision-making and management. The Corporate Governance Committee and Nomination Committee draw up guidelines regarding the diversity of other qualifications of nominated candidate as the position of director. Moreover, dtac used the Board Skill Matrix as supporting information in selecting of candidates with a focus on recruitment of versatility of expertise with appropriate mix of skills suitable for telecommunication industry. In 2017, dtac reviewed the Board Skill Matrix by classifying it to 10 subject matters including collaborative leadership and strategic planning, customers and marketing, account and finance, IT and technology, industry knowledge, legal, crisis and risk management and organization and human resources management.

The Nomination Committee is responsible for the selection and nomination of directors of the Company. In this regard, 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 or 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 casted 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 Chair 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 Director, Chief Executive Officer and Chief Financial Officer of its subsidiaries. In addition, the Company has taken actions to ensure that the authorities, duties and responsibilities of the directors and management of its 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 Inside Information

The Company is aware of an importance of handling of information of the Company in order to prevent unlawful use of inside 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 unauthorized 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 manual for directors, executives and employees on dealing in the Company's securities. The directors, executives and relevant employees 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) at least 1 day before dealing in the company's securities and inform 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.

The directors and executives of the Company are also 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 Company's code of conduct in relation to the usage of Inside Information can be found on the Company's website at www.dtac.co.th and on the Company's intranet.

Given the rising concerns of Thailand Data Protection Act, the company has placed an emphasis on its practices in all processing of personal information. And to ensure the best data protection possible for its customers, the company has referred to best practice in Data Protection from the European (GDPR). This includes Privacy by Design and technical measures to protect the personal data and programs to educate and give awareness among its employees regarding proper data protection and cyber security practices. And the Company ensures compliance of its employees with strict dtac Code of Conduct and Privacy Policy.

Remuneration for Auditors

The shareholders of the Company, at the 2019 Annual General Meeting of Shareholders, which was held on 4 April 2019, approved the remuneration of the auditors for 2019 in the amount not exceeding THB 4,170,000 (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 is lower than that of 2018. In 2018, the Company's total non-audit fees, 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 Company reviewed its corporate governance practice against the principles of the Corporate Governance Code for Listed Companies 2017 (the "CG Code") and proposed it to the Corporate Governance Committee on 14 September 2018 and later to the Board of Director on 16 October 2018. In summary, the Board had agreed with the Corporate Governance Committee that the Company's practices are aligned with the principles of the CG Code, while all the directors had a good understanding of them.

In addition, the Company has other good corporate practices as follows;

- 1 The Company has set out relevant policy and procedure for selection of knowledgeable and competent person to serve as the Company's directors. Shareholders have the right to propose candidates for directorship at the Annual General Meeting of Shareholders in accordance with the relevant rules and regulations of the Company. The candidates for Chairmanship and directorship shall possess necessary knowledge and experience in telecommunications business or related businesses which are beneficial to the Company's business. The Company also has a procedure for selection of the independent directors which ensures that the independent directors would function to the best interest of the Company and shareholders.

To this end, given the complicated and lengthy historical backgrounds of the telecommunications business sector, there is a need that directors have good understandings on relevant specific matters, including commercial (e.g. business transactions) and complicated technical matters (e.g. spectrum bands, telecommunications network, fiber optic, transmission equipment, mobile device, online business, internet, technological advancement, rules and regulations of the Office of The National Broadcasting and Telecommunications, etc.). Lengthy and complexity backgrounds make telecommunication sector very difficult to understand. However, understanding of these matters is quite essential for business analysis and planning. Thus, years of services is a key factor for a director to have in-depth knowledge and to provide valuable recommendations and directions to the Company. The Company's board of directors has well functioned in this respect.

The Company has planned ahead at least 6 Board of Directors' meetings in a year in order to consider regular agenda items. If there is any other important matter, the Chair of the Board is empowered to call meetings to consider such matter by giving advanced notice to all directors as required by the relevant laws. The number of Board of Directors' meetings in 2019 was 10.

- 2 The Company has set out remuneration policy for both executives and employees based on knowledge, duty and responsibility. The Company also has the procedure for performance assessment in accordance with the widely accepted standard. The remuneration policy of the Management has been disclosed. Moreover, the Company has urged all executives and employees to adhere to relevant widely accepted principles, for example, employee shall not disclose his/her remuneration to other persons. The Company would also treat employees' remuneration as a confidential matter and would respect the employees' right to privacy.
- 3 The Corporate Governance Committee had re-confirmed and the Board of Directors No. 10/2019 had approved the Inside Information Manual for the Directors, Executives and employees on dealing in securities of the Company. The underlying principal of the Manual is that the Directors and Executives are free to deal in the Company's securities or change of interests in the Company's securities but they are required to inform the Board or Company Secretary at least one day before dealing in the Company's securities and also inform of the result within 24 hours from the time of such dealing or change of interest.
- 4 The Company has not implemented a cumulative voting system as the Company's Articles of Association prescribes that a director is elected through the use of a majority vote. However, the Company has provided other mechanisms to protect the rights of minority shareholders by setting out relevant policy and procedure for selection of knowledgeable and competent person to serve as the Company's directors. Shareholders have the right to propose agenda and candidates for directorship at the Annual General Meeting of Shareholders in accordance with the relevant rules and regulations of the Company. The candidates for Chairmanship and directorship shall possess necessary knowledge and experience in telecommunications business or related businesses which are beneficial to the Company's business. The procedure for selection of the independent directors also ensures that the independent directors would function to the best interest of the Company and its shareholders.
- 5 The Company has set out new Governing Principles to improve and to strengthen Company's governance. For example, the introducing of 'Yearly Meeting Plan' for the Board of Directors, having a meeting (at least once a year) between the Board of Directors and the Company's external auditor without presence of the management. Also, the Board's duty is to review several reports such as Risk Management, Supply Chain Sustainability (at least twice a year) including reviewing internal audit report at all Board of Directors Meeting.

AUDIT COMMITTEE REPORT

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).

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 2019, the Company held 10 Audit Committee meetings. These meetings were attended by the relevant executive management, Head of Internal Audit 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 2019 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 developed based on the Risk Based Approach, and considered the audit reports of the internal audit unit;
- 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;
- 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 2020 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 2020 and proposes the annual audit fee to the Board of Directors for further approval by the shareholders of the Company



Ms. Kamonwan Wipulakorn
Chair of the Audit Committee

NOMINATION COMMITTEE REPORT


Nomination Committee Report

Dear Shareholders of Total Access Communication Public Company Limited,

The Nomination Committee currently consists of five members appointed by the Board of Directors, three of whom are independent directors. The Nomination Committee is tasked with the responsibilities of considering and nominating persons with proper qualifications and experiences to serve as directors of the Company and its subsidiaries as well as evaluating their performance.

In 2019, the Nomination Committee held seven meetings. The significant duties performed by the Committee included (i) a review of the structure and composition of the Board of Directors, (ii) recommendations to the Board of Directors on the results of the annual self-assessment of both individual and Board performance, (iii) recommendations on the election or re-election of directors of the Company and subsidiaries, (iv) acknowledgement of the new SET criteria for Chief Financial Officer and Chief Accountant, and (v) recommendations on succession plan for senior management positions.

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



Mr. Stephen Woodruff Fordham

Chair of the Nomination Committee

CORPORATE GOVERNANCE COMMITTEE REPORT

Corporate Governance Committee Report

Dear Shareholders of Total Access Communication Public Company Limited,

The Company is committed to the principles of good corporate governance pursuant to the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange of Thailand (SET), The Securities and Exchange Commission (SEC), and the Thai Institute of Directors Association (IOD) with a view to sustain and maximize the long-term value to shareholders.

The Board of Directors has always valued business conduct with integrity, transparency, accountability and with the highest ethical standard. To this end, the Corporate Governance Committee has reviewed and monitored, as well as given advice on the corporate governance practices of the Company in 2019 to ensure conformance to CG principles, SET's CG principles, SEC's CG Code, and the international principle of The Organisation for Economic Cooperation and Development (OECD), together with the ASEAN CG Scorecard.

The Committee held three meetings this year in order to raise the level of monitoring and compliance of all corporate governance policies and codes of conduct by directors, employees, and other relevant stakeholders. On 28 October 2019, the Company received the "Excellent CG Scoring" award of Five Stars for the fifth consecutive years by the Thai Institute of Directors Association. The CGR findings covered 677 listed companies in Thailand. This award genuinely reflects the Company's consistent effort to strive for better corporate governance and sustainable development.

The Corporate Governance Committee remains committed to improving the Company's good corporate governance practices based on the values of integrity, transparency and social responsibility for the best interests of all stakeholders as well as for better acceptance and recognition at the international level.



Mrs. Chananyarak Phetcharat

Chair of the Corporate Governance Committee

REMUNERATION COMMITTEE REPORT

Remuneration Committee Report

Dear Shareholders of Total Access Communication Public Company Limited,

The Company's Remuneration Committee currently consists of five members appointed by the Board of Directors, three of whom are independent directors. The Remuneration Committee has responsibilities of reviewing and recommending the remuneration of directors, as well as reviewing and approving the annual compensation review for the Chief Executive Officer of dtac.

In 2019, the Remuneration Committee held 6 meetings to consider various issues, including (i) Chief Executive Officer Bonus for 2018, (ii) review of an approach to the 2020 director remuneration structure, (iii) the remuneration of directors for 2019, and (iv) key performance indicator of Chief Executive Officer for 2019.

The Remuneration Committee undertook a review of its performance in the previous year and found that the Committee was working effectively in assisting and advising the Board on matters relating to the remuneration of the Board and senior managements.



Mr. Chulchit Bunyaketu

Chair of the Remuneration Committee

INTERESTED & CONNECTED PERSON TRANSACTION

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 9 of the notes to consolidated Financial Statements for the year ended 31 December 2019, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarized below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

All numbers shown below are based on the total amount of transactions done with respective entity in a respective year, regardless of whether such entity was considered connected entity of the Company or its subsidiaries for the whole year. The amount shown as zero in each respective year means there was no transaction with such entity during the year or such entity was not a connected entity for the whole year.

1. Transactions with BB Technology Co., Ltd.

Benchachinda Holding Co., Ltd. held 100% of shares in BB Technology Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Service fees for network maintenance and installation of telecommunications equipment	2,884.3	3,017.4	1,858.4
• Service fees of network operation and management	203.5*	417.8	442.0
• Trade payable	1,249.2	1,150.0	1,237.6

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.

* Service fees of network operation and management in 2017 as shown have not included the fee for July to December 2017 amounting to THB 203.4 million. Therefore, when combined with the fee for January to June 2017 amounting to THB 203.5 million, the total amount will be THB 406.9 million

2. Transactions with I.N.N. Group

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder of I.N.N. Group.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Marketing expense	3.2	0.3	-
• Information service fee	14.3	13.3	4.0
• Trade payable	0.2	1.9	1.0
• Other payable	0.2	-	-

Rationale for the transactions

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

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

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 25% shareholding in International Cold Storage and Agricultural Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rent for Land	0.9	1.0	1.0

Rationale for the transactions

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

4. Transactions with Private Property Co., Ltd.

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 25% shareholding in Private Property Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rent for space in Benchachinda Building	1.6	1.5	1.2

Rationale for the transactions

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

5. Transactions with Telenor Group

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

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Revenue from international roaming service	66.1	75.1	58.5
• Revenue from sales of mobile phone set	0.6	-	-
• Revenue from interconnection	272.7	191.1	130.0
• Revenue from management service	45.4	26.9	1.1
• Revenue from sales on assets	10.8	-	-
• Revenue from sales on assets	106.3	63.9	49.4
• Amount due from related party	35.5	6.1	1.2

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
2. Expenses and other payments			
• Fees to Telenor under a service agreement	611.0	1,247.6	1,045.0
• Software and system maintenance fee	316.8	226.0	229.2
• Purchase of Assets	51.4	-	-
• International roaming costs	21.2	19.0	13.3
• Interconnection costs	1,059.8	893.7	655.7
• Cost on international signaling	26.7	29.2	17.8
• Trade payable	260.2	221.5	192.5
• Other payable	680.7	144.3	208.6
• Borrowings	15.0	-	-

Rationale for the transactions

- During the operational process, Telenor provides secondments with appropriate experience and capacity as requested by the Company to jointly manage the business operations for the best interest of shareholders by charging an applicable service fee. The Company's Internal Audit Department submitted the opinion on this matter to the Audit Committee. The Audit Committee reviewed the Management's justification regarding the necessity, considered its reasonableness, and approved the transaction.
- Revenue from mobile phone service arose from the mobile phone services charged to Telenor Asia (ROH) Co., Ltd., the office of which locates in Thailand.
- Revenue from international roaming service arose from the usage of Telenor subsidiaries' customers who traveled to Thailand and used the roaming service on dtac's network. The fee was charged in accordance with the agreement.
- Revenue from and cost of interconnection, including cost of international signaling and international internet transit service, arose from the interconnection between dtac TriNet Co., Ltd. and Telenor Global Services AS.
- 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. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Sales of SIM cards, SIM card packages, refill vouchers and starter kits	6,702.4	2,953.2	2,013.0
• Dividend income	5.0	-	5.0
• Trade receivable	472.7	474.4	360.0
2. Expenses and other payments			
• Marketing expense	4.1	2.9	2.4
• Rental and service fee	307.1	157.2	133.5
• Trade payable	26.3	26.7	15.6
• Other payable	0.1	-	-

Rationale for the transactions

- In June 2002, the Company and United Communication Industry PLC. 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 and to be able to control the cost of distribution.
- The Company purchased handsets from UD for resale at dtac shops and service centers.

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

UIH is a subsidiary of Benchachinda Holding Co., Ltd. with 100% shareholding. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Revenue from base station sublease include electricity charge	47.7	36.3	22.3
• Trade receivable	4.2	3.7	16.0
2. Expenses and other payments			
• Rental expense for high speed leased circuit	17.8	7.0	5.8
• Cost of Wi-Fi equipment and service	11.2	4.4	-
• Trade payable	3.0	0.8	1
• Other payable	5.7	0.7	0.3

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 was beneficial to conduct business with UIH as the Company did not have such data communication networks. In addition, UIH has one of the most extensive and high quality fiber optic network coverage throughout Thailand.
- Sourcing 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 currently under liquidation, entered into an agreement for high speed circuit at a rate comparable with the market rate and an agreement for equipment and service of Wi-Fi with normal commercial terms. Such agreement was later novated to the Company following the entire business transfer from DTAC Broadband Co., Ltd. to the Company.

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

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 25% shareholding in Bang-san Townhouse Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rent for Land	0.7	0.7	-

Rationale for the transactions

- The Company leased a plot of land to build switching center on a 3-year term at a rate comparable with the market rate.
- The Company leased land and building to store the Company's assets and equipment on a 3-year term at a rate comparable with the market rate.

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

While conducting the transactions, Mr. Chulchit Bunyaketu, a director of the Company, was a director and a shareholder of King Power Suvarnabhumi Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rental and service expenses	34.1	32.7	38.1
• Trade payable	-	1.2	1.1

Rationale for the transactions

- The Company was granted the right from King Power Suvarnabhumi Co., Ltd. to provide sales of SIM card, monthly fee payment transactions, and other mobile phone services including refilling prepaid accounts. The right was charged in an appropriate amount (at one-time payment) and monthly revenue shares from services provided at the airports. This is for the convenience of customers at the airports.
- The Company leased the space for dtac shops and service centers at Suvarnabhumi Airport, Don Mueang Airport, and Phuket Airport at the rate comparable to the market rate. This is for the convenience of customers at the airports.

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

Benchachinda Holding Co., Ltd. holds 100% of shares in Top Up 4U Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Revenue from sales of top-up service	229.3	179.2	133.3
• Trade receivable	20.0	16.3	12.3
2. Expenses and other payments			
• Service expenses and commission expenses	11.4	9.2	6.5
• Trade payable	1.0	0.8	0.6

Rationale for the transactions

- The Company hired Top Up 4U Co., Ltd. to be an E-refill distributor. The fee was charged in accordance with the agreement. This is in order to enhance channels for E-refill service for customers of the Company.

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

Benchachinda Holding Co., Ltd. holds 100% of shares in BB Content & Multimedia Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Information service fee	2.7	0.6	-
• Trade payable	0.2	0.1	-

Rationale for the transactions

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

12. Transactions with Rakbankerd Co., Ltd.

Benchachinda Holding Co., Ltd. holds 100% of shares in Rakbankerd Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Information service fee	19.5	18.0	27.0
• Trade payable	4.8	1.6	1.6

Rationale for the transactions

- The Company entered into contract with Rakbankerd Co., Ltd. to provide agricultural information content service to farmers who are dtac customers via SMS and Farmer Info application. This is in order to support the Company's business.

13. Transactions with Y & Associate Co., Ltd.

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 25% shareholding in Y & Associate Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Service expense	53.2	1.4	-
• Trade payable	1.4	-	-

Rationale for the transactions

- The Company leased warehouse space and logistics management service from Y & Associate Co., Ltd. to store the Company's equipment. The transaction is considered as normal business or supporting normal business with general terms and conditions.

14. Transactions with BTS Group Holdings PLC. and affiliates

While conducting the transactions, Mr. Chulchit Bunyaketu, a director of the Company, was a director of BTS Group Holdings PLC.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Marketing expense	8.7	9.2	11.6
• Rental and service expenses	-	0.2	0.3
• Other payable	1.3	-	0.8

Rationale for the transactions

- The Company entered into contract with BTS Group Holdings PLC. to lease part of the building area to set up telecommunication equipment. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.
- The Company offered marketing campaign (dtac reward) to companies within BTS Group Holdings PLC. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

15. Transactions with entities within The Erawan Group PLC.

While conducting the transactions, Mrs. Kamonwan Wipulakorn, a director of the Company, was a director and president of The Erawan Group PLC.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rental and service expenses	1.0	-	-

Rationale for the transactions

- The Company entered into contract with The Erawan Group PLC. to lease part of the building area to set up telecommunication equipment. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

16. Transactions with entities within King Power International Co., Ltd.

King Power International Co., Ltd. holds 30% of shares in King Power Suvarnabhumi Co., Ltd. While conducting the transactions, Mr. Chulchit Bunyaketu, a director of the Company, was a director and a shareholder of King Power Suvarnabhumi Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rental and service expenses	1.4	0.8	1.2

Rationale for the transactions

- The Company entered into contract with King Power International Co., Ltd. to lease part of the building area to set up telecommunication equipment. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

17. Transactions with entities within Benchachinda Holding Co., Ltd.

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Rental and service expenses	0.1	0.3	0.2

Rationale for the transactions

- The Company entered into contract with Benchachinda Holding Co., Ltd. to lease part of the building area to set up telecommunication equipment. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

18. Transactions with entities within DHL Express international (Thailand) Ltd.

While conducting the transactions, Mrs. Chananyarak Phetcharat, a director of the Company, was the Managing Director of DHL Express international (Thailand) Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Service expenses	0.1	-	-

Rationale for the transactions

- The Company used the delivery services of DHL Express international (Thailand) Ltd. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

19. Transactions with BB Connect Co., Ltd.

United Information Highway Co., Ltd. ("UIH") holds 99% of shares in BB Connect Co., Ltd. UIH is a subsidiary of Benchachinda Holding Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Service revenue	6.1	8.3	0.8
• Trade receivable	1.2	1.2	-
2. Expenses and other payments			
• Service expenses	168.8	74.2	54.5
• Trade payable	31.3	10.0	7.3

Rationale for the transactions

- dtac TriNet Co., Ltd., which is a subsidiary of the Company, entered into contract with BB Connect Co., Ltd. to lease the International Internet Gateway services to BB Connect Co., Ltd. at a rate comparable with the market rate.
- BB Connect Co., Ltd. provides International Private Leased Circuit service (IPLC). dtac TriNet Co., Ltd., which is a subsidiary of the Company, entered into contract with BB Connect Co., Ltd. to lease the International Private Leased Circuit service (IPLC) to Singapore and Malaysia from BB Connect Co., Ltd. at a rate comparable with the market rate. The service fee is calculated based on actual usage. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

20. Transactions with YA Sales and Services Co., Ltd.

Benchachinda Holding Co., Ltd. holds 99% of shares in YA Sales and Services Co., Ltd. While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was a director and a shareholder with 40% shareholding in Benchachinda Holding Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Revenue from sales of mobile phone set	-	0.2	0.2
2. Expenses and other payments			
• Storage and Delivery Service expenses	48.3	125.0	111.0
• Trade payable	15.5	36.0	21.0
• Other payable	-	11.0	13.7

Rationale for the transactions

- The Company used the storage management and delivery services of YA Sales and Services Co., Ltd. The transaction is considered as normal business or supporting normal business with general term and condition comparable to what the Company could agree with any third party.

21. Transactions with Internet Thailand PLC.

While conducting the transactions, Ms. Tanwadee Wongterarit, a director of the Company (at that time), was a director of Internet Thailand PLC.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Revenue			
• Service revenue	-	0.6	-
• Trade receivable	-	0.3	-
2. Expenses and other payments			
• Service expenses	-	0.1	-

Rationale for the transactions

- The Company provided International Internet Gateway Services to Internet Thailand PLC. on a one-year term at a rate comparable with the market rate. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.
- The Company purchased Manage Link Service from Internet Thailand PLC. for the Company's customers at a rate comparable with the market rate. The transaction is considered as normal business or supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

22. Transactions with Thai Art Museum Co., Ltd.

While conducting the transactions, Mr. Boonchai Bencharongkul, Chair of the Board of Directors of the Company, was the Chairman of the Board of Directors and the Chief Executive Officer of Thai Art Museum Co., Ltd.

Principal Transactions	Total amount (THB million)		
	2017	2018	2019
1. Expenses and other payments			
• Marketing expenses	-	0.1	-

Rationale for the transactions

- The Company purchased King Rama IX banknote books which were manufactured by Thai Art Museum Co., Ltd. To provide as souvenirs to the press and stakeholders on New Year festival at a rate comparable with the market rate. The transaction is considered as supporting normal business with general terms and conditions comparable to what the Company could agree with any third party.

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 2019.

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-principle 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, but is less than THB 10 million 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, but is less than THB 100 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 & DIVIDEND POLICY

Shareholder Structure

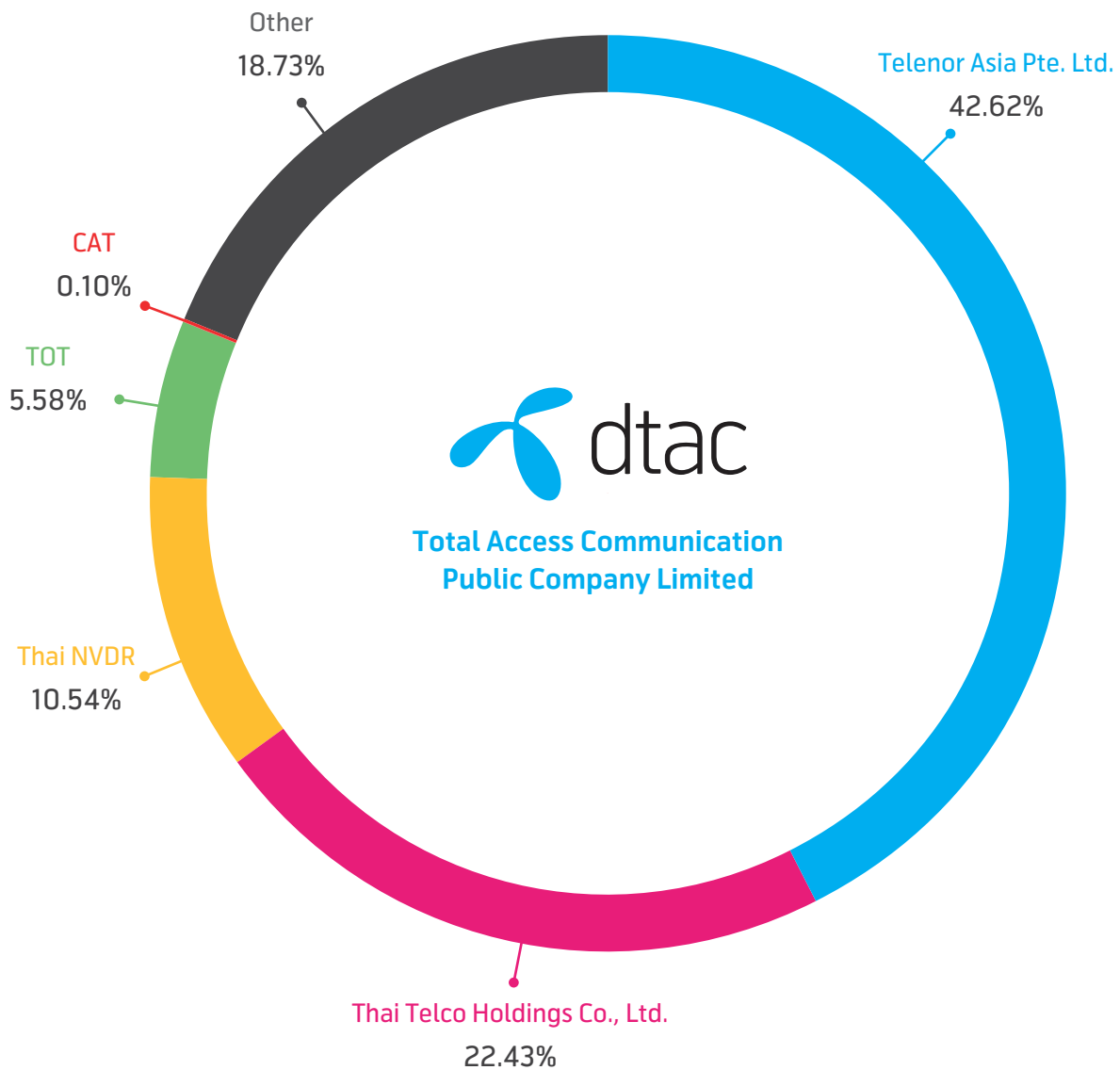
Total Access Communication Public Company Limited

Information on Share Capital and Shareholding

As of 30 July 2019

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



Top 10 Largest Shareholders

(from the shareholder registered book as of 30 July 2019)

Ranking	Name	Amount of Share	Percentage
1	TELENOR ASIA PTE LTD	1,009,172,497	42.62
2	Thai Telco Holdings Limited	531,001,300	22.43
3	Thai NVDR Company Limited	249,609,343	10.54
4	TOT Public Company Limited	132,145,250	5.58
5	Social Security Office	53,459,600	2.26
6	STATE STREET EUROPE LIMITED	22,898,098	0.97
7	Krungsri Dividend Stock LTF	19,368,700	0.81
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	11,777,344	0.50
9	Krungsri Dividend Stock Fund	10,387,700	0.44
10	Mr. Weerawat Chutichetpong	9,633,600	0.41

Remark (1) Telenor Asia Pte. Ltd. is a holding company and a subsidiary of Telenor ASA.

(2) Thai Telco Holdings Co., Ltd. is a holding company. Shareholder's list and shareholding structure of Thai Telco Holdings Co., Ltd. as of 18 April 2018 are as follows:

BCTN Holding Co., Ltd.	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 28 May 2019 are as follows:

BCTN Innovation Co., Ltd.	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 22 April 2019 are as follows:

BCH Holding Co., Ltd.	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 30 April 2019 are as follows:

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

Dividend Policy

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

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis

(Please note that all financial figures and analyses are based on the previous accounting policy (IAS 17 & 18) for both 2018 and 2019, unless otherwise stated.)

Executive Summary

In FY19, dtac focused on continuation of network improvement and customer experience enhancement, with the rollout and optimization of 2300 MHz network in order to provide a consistent customer experience. Network NPS improved and network complaints reduced significantly in this year.

At the end of FY19, a total of approximately 17,400 nodes of 4G-2300 MHz network were installed, an additional of approximately 4,700 during the year.

In FY19, dtac also participated in the 700 MHz allocation and got allocated 2x10 MHz of 700 MHz with validity of 15 years in which the license is scheduled to commence potentially in Q420. By acquiring the 700 MHz, dtac is also eligible for the 900 MHz payment term extension, and the adjustments in our booking related to the 900 MHz payment term extension has already been reflected in FY19.

The swapping of 850 MHz equipment with 900 MHz equipment is planned to be concluded in 2020 as some delays expected, pending filter installation by CAT and finalizing funding for cost of filter installation. Regulatory process is still ongoing, however, more clarity is expected in Q120.

Market was relatively rational both in prepaid segment and postpaid segment when compared with last year and growing overall driven by strong demand for data and shift towards postpaid. While competition in postpaid was relative stable in FY19, unlimited prepaid acquisition data packages were removed in Q219 and got replaced by aggressive fixed data volume packages with unlimited anynet voice in Q319 by all operators. Heightened activities were observed in Q419 with unlimited prepaid acquisition data package reintroduced nationwide by all operators.

At the end of FY2019, total subscriber base stood at 20.6 million, with positive net additional subscribers in Q419 (both prepaid and postpaid). Approximately 31 percent of total subscriber base were postpaid subscribers.

Service revenues excluding IC in Q419 increased by 3.1% YoY, bringing a reduction of service revenues excluding IC in FY19 to 1.6% YoY. Core service revenues (defined by bundle of voice and data service revenues) in FY19 increased by 0.1% YoY. Blended ARPU improved YoY in FY19, mainly driven by upsell and higher toppings. EBITDA (before other items) dropped 9.3% YoY in FY19 primarily due to cost base reset from end of concession with higher network OPEX from expanded network, as well as CAT lease costs, partially offset by a reduction in regulatory costs. EBITDA margin for FY19 was 31.3%. However, excluding revenues from CAT lease agreements and TOT network rental, EBITDA margin stood at 35.6%. Net profit for FY19 amounted to THB 5,899 million.

In FY19, dtac made all payments under the Disputes Settlement Agreement with CAT, subsequent to relevant court orders for cases withdrawal.

Our guidance for FY20 includes a low single-digit growth in service revenue (excluding IC), a mid single-digit growth in EBITDA and THB 13 – 15 billion CAPEX.

Operational Summary

At the end of FY2019, total subscriber base stood at 20.6 million, declining 560k from the end of last year, due to the decline in prepaid segment from end of concession and remedy period as well as seasonal and rotational churn, which was partly offset by growth in postpaid segment. Prepaid subscriber base was 14.2 million, declining 917k from FY2018 but increasing 181k QoQ in Q419. Postpaid subscriber base increased by 357k to 6.4 million.

Average Revenue per User excluding IC (ARPU) for FY2019 was THB 254 per month, showing a growth of 5.0% YoY. At the end of FY2019, postpaid subscriber base accounted for approximately 31% of total subscriber base. Postpaid ARPU for FY2019 was THB 549 per month, increasing 3.1% YoY, while prepaid ARPU was THB 137 per month, dropped 4.1% YoY, driven by lower prepaid revenue.

Traffics on TOT's 4G-2300MHz network continued to increase, driven by coverage expansion and higher number of users with 2300MHz-compatible device. No. of 4G-2300MHz installed base stations under the partnership with TOT reached approximately 17,400 at end of FY2019, increasing by approximately 4,700 base stations from FY2018. The number of 4G users was 11.7 million, representing approximately 57% of total subscriber base, while the number of 4G compatible device increased to 78% of total subs base. Smartphone penetration increased to 85%.

Active subscribers (in thousand)	FY2018	FY2019	%YoY
Postpaid (under concession from CAT)	-	-	n/a
Prepaid (under concession from CAT)	-	-	n/a
Postpaid (under licenses)	6,071	6,427	5.9%
Prepaid (under licenses)	15,131	14,214	-6.1%
Total active subscribers	21,202	20,642	-2.6%
Net additional subscribers (in thousand)	FY2018	FY2019	%YoY
Postpaid	434	357	-17.7%
Prepaid	(1,884)	(917)	-51.3%
Total net additional subscribers	(1,450)	(560)	-61.4%
MoU (minutes/sub/month)	FY2018	FY2019	%YoY
Postpaid	243	223	-8.3%
Prepaid	104	85	-18.4%
Blended MoU	140	124	-11.0%
Postpaid excluding Incoming minutes	172	156	-9.2%
Prepaid excluding Incoming minutes	80	62	-21.6%
Blended MoU excluding Incoming minutes	103	89	-13.6%
ARPU (THB/sub/month)	FY2018	FY2019	%YoY
Postpaid	552	567	2.9%
Prepaid	148	142	-4.3%
Blended ARPU	251	263	4.8%
Postpaid excluding IC	532	549	3.1%
Prepaid excluding IC	142	137	-4.1%
Blended ARPU excluding IC	242	254	5.0%

Financial Summary

Revenues

Total revenues in FY19 amounted to THB 82,146 million, increasing 9.1% YoY, due to higher core service revenues and TOT 2300 MHz network rental. Service revenues excluding IC decreased 1.6% YoY to THB 62,109 million.

Core service revenues (defined by bundle of voice and data service revenues) in FY19 amounted to THB 58,853 million, increasing 0.1% YoY, driven by improved prepaid subscriber development and continuous growth in postpaid.

International Roaming (IR) revenues in FY19 amounted to THB 831 million, decreasing 26.3% YoY mainly from the general trend, intense competition and lower traffic.

Other service revenues in FY19 amounted to THB 2,425 million, a reduction of 24.1% YoY, mainly due to continued declining trend in IDD revenues.

Handset and starter kit sales in FY19 amounted to THB 7,798 million, slightly increasing 0.4% YoY.

Cost of Services

Cost of services excluding IC in FY19 amounted to THB 44,550 million, decreasing 1.4% YoY mainly driven by lower regulatory and amortization expenses of assets under concession, which were partly offset by higher amortization expenses of 1800 MHz and 900 MHz spectrum licenses, lease expenses of assets under concession to CAT, and costs related to partnership with TOT on 2300 MHz wireless business.

Regulatory costs in FY19 amounted to THB 2,634 million, declining 57.9% YoY, after end of the concession and remedy period. As a result, regulatory costs in FY19 accounted for 4.2% of service revenue (excluding IC), which decreased significantly from 9.9% in FY18.

Network OPEX in FY19 amounted to THB 12,094 million, increasing 42.7% YoY due to network expansion and lease expenses to CAT. Furthermore, net CAT payment in FY19 amounted to THB 2,721 million, increasing 209.9% YoY.

Other operating costs of services in FY19 amounted to THB 15,279 million, increasing 144.6% YoY, due to the 2300 MHz roaming cost paid to TOT. Net YoY increase from TOT's 2300 MHz roaming cost, net of corresponding revenues, was approximately THB 1,729 million in FY19.

Depreciation and Amortization (D&A) of costs of services in FY19 amounted to THB 14,544 million, declining 39.9% YoY, mainly a result of concessionary asset being fully amortized after expiry of the concession in September 2018, partly offset by amortization expenses of the 1800 MHz and 900 MHz spectrum licenses and continuing network expansion.

Selling, General and Administrative Expenses (SG&A)

SG&A expenses in FY19 amounted to 15,317 million, increasing 3.1% YoY due to higher general administrative expenses and depreciation and amortization.

Selling and Marketing (S&M) expenses in FY19 amounted to THB 4,690 million, decreasing 1.9 YoY due to well-control spending.

General administrative expenses in FY19 amounted to THB 8,296 million, increasing 5.8% YoY primarily from one-off expenses network operating model transition cost and loss from sales of assets.

Provision for bad debt in FY19 amounted to THB 1,341 million, decreasing 2.2% YoY.

Depreciation and Amortization (D&A) of SG&A in FY19 amounted to THB 921 million, increasing 6.5% YoY.

EBITDA and Net Profit

EBITDA (before other items) in FY19 amounted to THB 25,741 million, declining 9.3% YoY mainly driven by higher network OPEX from expanded network, as well as CAT lease costs, partially offset by a reduction in regulatory costs. As a result, EBITDA margin (excluding revenues from CAT lease agreements and TOT network rental) was 35.6% in FY19, declining from 38.4% in FY18.

Net profit for FY19 amounted to THB 5,899 million, increasing 69.4% YoY excluding CAT settlement in Q418.

Income statement (THB million) - (Pre-TFRS 15 & 16)	FY2018	FY2019	%YoY
Core service revenues (Voice & Data)*	58,796	58,853	0.1%
IR revenues	1,127	831	-26.3%
Other service revenues	3,197	2,425	-24.1%
Service revenues ex. IC	63,120	62,109	-1.6%
IC revenue	2,204	2,102	-4.6%
Service revenues	65,325	64,211	-1.7%
Handsets and starter kits sales	7,769	7,798	0.4%
Other operating income	2,196	10,136	361.6%
Total revenues from sales and services	75,290	82,146	9.1%
Cost of services	(47,455)	(46,745)	-1.5%
Regulatory	(6,262)	(2,634)	-57.9%
Network	(8,475)	(12,094)	42.7%
IC	(2,275)	(2,195)	-3.5%
Others	(6,246)	(15,279)	144.6%
Depreciation and Amortization	(24,197)	(14,544)	-39.9%
Cost of handsets and starter kits	(9,825)	(10,549)	7.4%
Total costs	(57,280)	(57,294)	0.0%
Gross profit	18,010	24,852	38.0%
SG&A	(14,851)	(15,317)	3.1%
Selling & Marketing expenses	(4,778)	(4,690)	-1.9%
General administrative expenses	(7,844)	(8,296)	5.8%
Provision for bad debt	(1,371)	(1,341)	-2.2%
Depreciation and Amortization	(864)	(921)	6.5%
Loss from Asset Impairment	6	(69)	-100.0%
Gain/Loss on foreign exchange	7	(15)	-321.9%
Interest income	241	58	-76.0%
Other income & share of profit from investment in associated company	(4)	(6)	52.3%

Income statement (THB million) - (Pre-TFRS 15 & 16)	FY2018	FY2019	%YoY
EBIT	3,403	9,572	181.3%
Financial cost	(1,351)	(2,585)	91.3%
Corporate income tax	1,431	(1,088)	-176.1%
Non-controlling interest	(0)	0	n.m.
Net profit attributable to equity holders	3,482	5,899	69.4%

* Reclassification between core service revenues (voice & data) and other operating income. No impact to total revenues.

EBITDA (THB million)** - (Pre-TFRS 15 & 16)	FY2018	FY2019	%YoY
Net profit for the period	3,482	5,899	69.4%
Finance costs	1,351	2,585	91.3%
Income tax expenses	(1,431)	1,088	-176.1%
Depreciation & Amortization	25,061	15,465	-38.3%
Other items	(73)	704	-1066.7%
EBITDA	28,391	25,741	-9.3%
EBITDA margin	37.7%	31.3%	
EBITDA margin (based on total revenues excluding revenues from CAT lease agreement and TOT network rental in the denominator)	38.4%	35.6%	

** EBITDA herein is EBITDA before other incomes and other expenses. Please see more details in the note of the financial statement.

Balance Sheet and Key Financial Information

At the end of FY19, total assets amounted to THB 143,049 million, decreasing from THB 150,958 million at the end of FY18. Cash and cash equivalent amounted to THB 8,528 million, decreasing from THB 14,090 million at the end of FY18 due mainly to one-off CAT settlement. Interest-bearing debt increased from THB 47,000 million at the end of FY18 to THB 49,000 million. Net debt to EBITDA was 1.6x, increasing from 1.2x at the end of FY18.

CAPEX in FY19 amounted to THB 13,006 million which reflected continue network rollout. Operating cash flow (defined by EBITDA-CAPEX) amounted to THB 12,735 million.

Statement of financial position (THB million) (Pre-TFRS 15 & 16)	End of FY2018	End of FY2019
Cash and cash equivalent	14,090	8,528
Other current assets	14,427	14,619
Non-current assets	122,441	119,901
Total assets	150,958	143,049
Current liabilities	53,208	55,751
Non-current liabilities	75,820	62,379
Total liabilities	129,028	118,129
Total shareholders' equity	21,930	24,919
Total liabilities and equity	150,958	143,049

Cash flows statement (THB million) (Pre-TFRS 15 & 16)	FY2018	FY2019
Cash flows from operating activities	21,084	16,373
Cash paid for interest expenses and tax	(2,828)	(3,157)
Net cash flows from operating activities	18,256	13,216
Net cash flows from investing activities	(25,238)	(17,794)
Net cash receipt/(Repayment)	(2,015)	2,000
Dividend paid	(2,960)	(2,983)
Net cash flows from financing activities	(4,975)	(983)
Net change in cash	(11,957)	(5,562)

Debt repayment schedule (THB million), end of FY2019	Loan	Debenture
In 2020	12,000	4,000
In 2021	-	2,500
In 2022	1,333	3,000
From 2023	2,667	23,500
Total	16,000	33,000

Key Financial Ratio (Pre-TFRS 15 & 16)	FY2018	FY2019
Return on Equity (%)**	13.6%	25.2%
Return on Asset (%)***	2.6%	6.5%
Net debt to EBITDA (times)	1.2 x	1.6 x
CAPEX to Total Revenue (%)	25.9%	15.8%

** Net profit attributable to equity holder divided by average equity

*** EBIT divided by average assets

Outlook 2020

In FY2020, we aim to create YoY growth and setting the enablers for a 5G future. Our focuses will be “Never stop improving” the customer experience, getting the enablers ready for 2021 and beyond, and creating the new buckets of growth.

2020 guidance:

- Service revenue excluding IC: Low single-digit growth
- EBITDA: Mid single-digit growth
- CAPEX: THB 13 – 15 billion

We maintain our dividend policy which is to pay out dividend not less than 50% of the Company’s net profits, depending on financial position and future business plans, and aim to pay dividend semi-annually.

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORTS

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 2019 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 authorized 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 2019.

On behalf of the Board of Directors

Total Access Communication Public Company Limited

28 January 2019



Mr. Boonchai Bencharongkul

Chair of the Board of Directors



Mr. Rakesh Jain

Director

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Shareholders of Total Access Communication Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Total Access Communication Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Total Access Communication Public Company Limited for the same period.

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 2019, their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

My opinion is not modified in respect of these matters.

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

1. Significant legal cases and commercial disputes

- a. As discussed in Note 36 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. So from 8 November 2007 to 31 December 2019 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 at the access charge rates 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 ("CAT") 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 filed an additional petition to amend the complaint, adjusting the amount of damages claimed up to 10 July 2014 to Baht 245,638 million, including VAT and default interest. On 31 May 2019, the Central Administrative Court issued a verdict dismissing TOT's claim on access charges against the Company on the basis that the method of calculating the access charges contravened NTC Interconnection Notification 2549. Therefore, the relevant telecommunication operators are required to proceed the interconnection charge calculation in accordance with the said NTC Notification. TOT did not appeal this decision within the stipulated timeframe and the case is thus final, as per the letter from the Central Administrative Court dated 19 July 2019. Currently, the Company and TOT are negotiating interconnection settlement that are in accordance with such NTC Notification.

Based on advice from the Company's legal counsel, the Company's management believes that the Company is not obliged to make payment of access charge at the access charge rates under the agreements because the calculation of access charges under such agreements does not comply with current legal principles (NBTC notification) requiring the charges should be performed on the basis of interconnection charge. Currently, the Company is in process of discussions on the interconnection charge settlement with TOT which have not been finalised or clearly concluded and related litigation is under court proceedings. The outcome depends on the results of future legal, negotiation, and judicial processes.

- b. As discussed in Note 38 to the consolidated financial statements, the Company is involved in a dispute regarding additional revenue sharing payment (Excise Tax) under the Concession Agreement and disputes regarding revenue share calculation in relation to Interconnection Charge (“IC”) revenue after the enforcement of the IC Notification with CAT, as well as other litigation cases. At present, these disputes and litigation cases are under formal arbitration and court proceedings. The outcome cannot be determined and depend on future judicial proceeding.

2. Regulatory risks concerning the telecommunications business

As discussed in Note 39 to the consolidated financial statements, the Company and its subsidiaries are exposed to certain significant regulatory risks related to the telecommunications business, including those related to the management under the spectrum licenses at appropriate costs for use in the operation of the mobile telecommunication business, which is significant to the Group’s operation of its telecommunication business at present.

3. Legal cases and commercial disputes under Disputes Settlement Agreement

As discussed in Note 37 to the consolidated financial statements, the Company and dtac TriNet Co., Ltd. (“dtac TriNet”), which is a subsidiary, signed the Disputes Settlement Agreement with CAT to settle numbers of disputes between the Company and CAT, including disputes being litigated and disputes or claims related to the concession agreement that may be raised by CAT in the future, but excluding the disputes between the Company and CAT regarding additional revenue sharing payments (Excise Tax) under the Concession Agreement and the dispute between the Company and CAT regarding the revenue sharing calculation in relation to Interconnection Charge (“IC”) revenue after the enforcement of the IC Notification. This Disputes Settlement Agreement was binding upon the parties, subject to the terms and conditions specified, and takes effect when the Company obtained approval from a meeting of its shareholders. On 4 April 2019, the 2019 Annual General Meeting of the Company’s Shareholders had approved the dispute settlement with CAT under such Disputes Settlement Agreement including the implementation under such Agreement. The Arbitral Tribunal and Administrative Court provided the orders to dispose of disputes or cases as requested by the Company, dtac triNet and CAT.

4. The early adoption of new financial reporting standard

As described in Note 4 to the consolidated financial statements, during the current year, the Company and its subsidiaries have early adopted TFRS 16 Leases.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Contingent liabilities arising from significant litigation and commercial disputes

As discussed in emphasis of matters regarding significant litigation and commercial disputes, and as described in Note 36 and 38 to the consolidated financial statements, the Company involved in legal cases and commercial disputes.

Currently, the commercial disputes are in legal processes, and litigation is the subject of court proceedings, which mean that their outcomes cannot be determined and depend on the results of future legal and judicial proceedings. In addition, the timing and amount of any impact is uncertain. The management needs to exercise significant judgement and take into account related laws and regulations to assess the outcomes of the litigation and commercial disputes in order to determine the corresponding liabilities. Due to the inherent uncertainty and complexity of these cases, this is a key audit matter.

I inquired with the management about the procedures relevant to the collation, monitoring and assessment of pending significant legal cases and commercial disputes, and assessed the judgement exercised by the management in evaluating the legal cases and commercial disputes. The audit procedures included, among others, the following:

- a) I enquired with the management and obtained related information from them in relation to these significant legal cases and commercial disputes.
- b) I reviewed the letters of confirmation relevant to the significant legal cases and commercial disputes received from the external legal counsels who have been retained by the Company, and evaluated their responses. I also discussed the matters with the internal legal counsels and enquired with management with respect to details and the progress of these cases and disputes, and the methods applied by the management in assessing and estimating the liabilities arising from these legal cases and commercial disputes. I have also reviewed the legal opinions provided by the external legal counsels of the Company that were used to support management's evaluations.
- c) I assessed the disclosure of information relating to significant legal cases and commercial disputes in the notes to the consolidated financial statements.

Impairment evaluation of equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation

As discussed in Note 14 to the consolidated financial statements, in evaluating impairment for the equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation of the Company and its subsidiaries, management had to exercise judgement with respect to its projections of future operating performance, plans for management and use of those assets, future maintenance and investment, and determination of an appropriate discount rate and key assumptions. There is considerable uncertainty related to projections of future cash flows for the impairment loss assessment on that assets.

In order to assess the management's evaluation of impairment on equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation, I evaluated the management's identification of the cash generating units and the selection of a financial model, by gaining an understanding of management's decision-making process and ascertaining whether it is consistent with how assets are expected to be utilised including to gain an understanding and assess the following:

- a) The assumptions applied in preparing cash flow projections for the Company and its subsidiaries, based on the understanding I gained of the process by which the estimated future cashflows were determined; comparison of the assumptions with external and internal sources of information where available, and management's approved forecasts and business plan, taking into account the accuracy of past cash flow projections in comparison to actual operating results.
- b) The discount rate, based on comparison of the average cost of capital of the Company and its subsidiaries to that of comparable organisations in the industry.
- c) The assumptions and approaches used by management in calculating the recoverable amount of assets.

In addition, I assessed the information disclosed by the Company's and subsidiaries' management with respect to impairment evaluation of equipment, including right-of-use assets - cost of spectrum licenses and other related right-of-use assets, for mobile telecommunication services operation.

Revenue recognition from provision of mobile telecommunication services

As described in Note 5.1 to the consolidated financial statements, accounting policies of revenue recognition, the Company and its subsidiaries have variety of mobile telephone service tariff structures, charging conditions offered in response to subscriber needs and the significant number of service transactions. In addition, there is more intense competition in the mobile telecommunication industry. I have therefore determined as a key audit matter by focusing on the amount and timing of the recognition of revenue from the provision of mobile telecommunication services.

The audit procedures included, among others, an assessment of the Company and its subsidiaries' accounting policies, an assessment of the effectiveness of the Company and its subsidiaries' general controls over their IT systems and their internal controls with respect to the processing and timing of recognition for mobile telecommunication service charges.

On a sampling basis, I examined supporting documents for actual revenue transactions occurring during the year and near the end of accounting period. I also performed analytical review procedures on disaggregated revenue data and examined the related accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Gingkarn Atsawarangsalit

Certified Public Accountant (Thailand) No. 4496

EY Office Limited

Bangkok: 28 January 2020

FINANCIAL STATEMENTS

Total Access Communication Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	8,528,384,697	14,090,265,602	4,573,891,195	7,133,761,421
Trade and other receivables	8	9,791,135,793	7,831,396,854	5,431,592,717	3,200,994,313
Lease receivable - current portion	22.3	382,096,000	-	-	-
Inventories	10	1,087,833,918	2,128,407,237	20,510,605	3,013,260
Other current assets	11	2,806,990,099	4,466,978,160	300,151,422	842,821,421
Total current assets		22,596,440,507	28,517,047,853	10,326,145,939	11,180,590,415
Non-current assets					
Restricted bank deposits	35.3	139,527	139,527	-	-
Investment in associated company	12	250,149,029	263,979,767	50,000,000	50,000,000
Investments in subsidiaries	13	-	-	1,613,914,716	1,953,917,315
Other investments		43,224,286	30,755,539	1,800,000	1,800,000
Amount due from related parties	9	-	196,295	-	217,366,362
Loans to subsidiary	9	-	-	10,500,000,000	10,000,000,000
Property, plant and equipment	14	53,894,383,048	53,853,929,407	1,988,255,912	2,329,952,112
Deposits and prepayment for purchase and installation of equipment		244,617,026	498,625,298	-	1,237,365
Prepaid expenses and deferred expenses		123,600,791	2,883,930,568	123,600,791	145,253,485
Cost of spectrum licenses	15	-	54,219,217,735	-	-
Right-of-use assets - cost of spectrum licenses	15	50,234,964,493	-	-	-
Right-of-use assets	22.1	23,663,543,275	-	803,490,865	-
Other intangible assets	16	1,664,471,637	1,289,958,880	291,258,949	229,527,298
Deferred tax assets	28	5,596,325,069	6,600,313,770	4,582,921,334	6,070,865,594
Lease receivable - net of current portion	22.3	6,102,075,282	-	-	-
Other non-current assets	17	2,924,882,179	2,799,560,374	1,807,151,494	2,292,784,784
Total non-current assets		144,742,375,642	122,440,607,160	21,762,394,061	23,292,704,315
Total assets		167,338,816,149	150,957,655,013	32,088,540,000	34,473,294,730

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	18	26,690,315,933	39,899,479,900	10,530,128,083	20,075,541,385
Long-term loans - current portion	19	12,000,000,000	7,875,000,000	-	-
Debentures - current portion	20	4,000,000,000	1,500,000,000	-	-
Unearned revenue from telephone service		1,856,229,515	2,322,686,629	658,338,123	-
Income tax payable		69,379	559,240,154	-	-
Accrued cost of spectrum licenses - current portion		10,526,950,000	-	-	-
Lease liabilities - current portion	22.2	4,453,563,921	-	446,364,947	-
Assets retirement obligation - current portion	21	61,966,163	57,149,228	3,556,218	6,735,517
Other current liabilities		591,741,698	993,989,802	173,887,843	415,772,858
Total current liabilities		60,180,836,609	53,207,545,713	11,812,275,214	20,498,049,760
Non-current liabilities					
Long-term loans - net of current portion	19	4,000,000,000	9,625,000,000	-	-
Debentures - net of current portion	20	29,000,000,000	28,000,000,000	-	-
Provision for long-term employee benefits	23	711,242,517	734,605,891	711,242,517	734,605,891
Accrued cost of spectrum licenses - net of current portion		25,487,908,841	36,103,517,682	-	-
Accrued cost of spectrum licenses - deferred		1,198,695,076	-	-	-
Lease liabilities - net of current portion	22.2	20,103,334,287	-	271,977,470	-
Assets retirement obligation - net of current portion	21	1,685,315,375	1,157,478,821	212,661,102	157,078,165
Other non-current liabilities		5,071,310	199,828,278	1,319,027	159,142,891
Total non-current liabilities		82,191,567,406	75,820,430,672	1,197,200,116	1,050,826,947
Total liabilities		142,372,404,015	129,027,976,385	13,009,475,330	21,548,876,707

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
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	42	6,541,658,660	6,927,789,290	6,541,658,660	6,927,789,290
Other surplus		1,647,137,361	1,647,137,361	1,647,137,361	1,647,137,361
Retained earnings					
Appropriated - statutory reserve	42	453,646,244	465,929,718	453,646,244	465,929,718
Unappropriated (deficits)		(6,061,783,086)	(9,497,550,192)	5,701,000,405	(852,060,346)
		(5,608,136,842)	(9,031,620,474)	6,154,646,649	(386,130,628)
Other components of shareholders' equity					
		17,650,130,955	17,650,130,955	-	-
Equity attributable to owners of the Company					
		24,966,412,134	21,929,059,132	19,079,064,670	12,924,418,023
Non-controlling interest of the subsidiaries					
		-	619,496	-	-
Total shareholders' equity					
		24,966,412,134	21,929,678,628	19,079,064,670	12,924,418,023
Total liabilities and shareholders' equity					
		167,338,816,149	150,957,655,013	32,088,540,000	34,473,294,730

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 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues from sales and services					
Revenue from telephone services		63,332,725,238	65,324,577,061	4,332,197,275	8,366,725,399
Revenue from sales of telephone sets and starter kits		8,628,584,371	7,769,100,931	91,108,962	4,909,184,881
Other operating income		9,205,826,793	2,195,987,303	14,499,584,274	16,509,781,497
Total revenues from sales and services	25	81,167,136,402	75,289,665,295	18,922,890,511	29,785,691,777
Cost of sales and services					
Cost of telephone services		45,564,991,966	47,454,838,455	2,456,007,552	13,996,420,996
Cost of sales of telephone sets and starter kits		10,548,824,108	9,824,777,184	78,924,579	4,478,957,102
Total cost of sales and services		56,113,816,074	57,279,615,639	2,534,932,131	18,475,378,098
Gross profit		25,053,320,328	18,010,049,656	16,387,958,380	11,310,313,679
Interest income		57,838,760	241,121,805	169,000,486	461,228,394
Other income		3,224,922	8,465,836	3,054,114,049	6,566,370,678
Income before expenses		25,114,384,010	18,259,637,297	19,611,072,915	18,337,912,751
Selling, distribution and service expenses		(4,716,984,368)	(4,778,367,391)	(2,217,250,655)	(3,174,140,924)
Administrative expenses	37	(10,644,567,707)	(17,930,159,646)	(6,745,137,126)	(14,637,050,335)
Gain (loss) on foreign exchange		(15,140,069)	6,823,626	(1,208,879)	6,431,489
Loss from assets impairment	13, 14	(68,840,989)	6,230,000	(68,840,989)	6,230,000
Total expenses		(15,445,533,133)	(22,695,473,411)	(9,032,437,649)	(17,798,529,770)
Profit (loss) before share of loss from investment in associate, finance cost and income tax expenses					
		9,668,850,877	(4,435,836,114)	10,578,635,266	539,382,981
Share of loss from investment in associated company	12	(8,830,739)	(12,147,716)	-	-
Profit (loss) before finance cost and income tax expenses					
		9,660,020,138	(4,447,983,830)	10,578,635,266	539,382,981
Finance cost	27	(3,269,350,258)	(1,351,242,097)	(43,262,341)	(342,249,400)
Profit (loss) before income tax expenses					
		6,390,669,880	(5,799,225,927)	10,535,372,925	197,133,581
Income tax expenses	28	(968,871,154)	1,430,536,469	(1,470,200,349)	1,286,308,004
Profit (loss) for the year					
		5,421,798,726	(4,368,689,458)	9,065,172,576	1,483,441,585
Profit (loss) attributable to:					
Equity holders of the Company		5,421,893,006	(4,368,692,047)	9,065,172,576	1,483,441,585
Non-controlling interests of the subsidiaries		(94,280)	2,589		
		5,421,798,726	(4,368,689,458)		
Earnings per share	29				
Basic earnings (loss) per share					
Profit (loss) attributable to equity holders of the Company		2.29	(1.85)	3.83	0.63

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 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit (loss) for the year	5,421,798,726	(4,368,689,458)	9,065,172,576	1,483,441,585
Other comprehensive income				
<i>Other comprehensive income not to be reclassified to profit and loss in subsequent periods</i>				
Actuarial gains	90,646,827	23,197,860	90,646,827	23,197,860
Less: income tax effect	(17,743,911)	-	(17,743,911)	-
Other comprehensive income not to be reclassified to profit and loss in subsequent periods				
- net of income tax	72,902,916	23,197,860	72,902,916	23,197,860
Other comprehensive income for the year	72,902,916	23,197,860	72,902,916	23,197,860
Total comprehensive income for the year	5,494,701,642	(4,345,491,598)	9,138,075,492	1,506,639,445
Total comprehensive income attributable to:				
Equity holders of the Company	5,494,795,922	(4,345,494,187)	9,138,075,492	1,506,639,445
Non-controlling interests of the subsidiaries	(94,280)	2,589		
	5,494,701,642	(4,345,491,598)		

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 2019

(Unit: Baht)

Consolidated financial statement										
	Note	Equity attributable to owners of the Company					Other components of equity			
		Issued and paid-up share capital	Premium on ordinary shares	Other surplus Capital surplus from restructuring	Retained earnings		Adjustment resulting from reduction of legal reserve and premium on ordinary share to offset the 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
					Appropriated - statutory reserve	Unappropriated (deficits)				
Balance as at 1 January 2018		4,735,622,000	6,927,789,290	1,647,137,361	56,545,457	(1,782,926,412)	17,650,130,955	17,650,130,955	29,234,298,651	616,907
Loss for the year		-	-	-	-	(4,368,692,047)	-	-	(4,368,692,047)	2,589
Other comprehensive income for the year		-	-	-	-	23,197,860	-	-	23,197,860	-
Total comprehensive income for the year		-	-	-	-	(4,345,494,187)	-	-	(4,345,494,187)	2,589
Dividend paid	24	-	-	-	-	(2,959,745,332)	-	-	(2,959,745,332)	-
Transfer retained earnings to legal reserve	42	-	-	-	409,384,261	(409,384,261)	-	-	-	-
Balance as at 31 December 2018		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(9,497,550,192)	17,650,130,955	17,650,130,955	21,929,059,132	619,496
Balance as at 1 January 2019		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(9,497,550,192)	17,650,130,955	17,650,130,955	21,929,059,132	619,496
- as previously reported		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(9,497,550,192)	17,650,130,955	17,650,130,955	21,929,059,132	619,496
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standard	4	-	-	-	-	525,985,925	-	-	525,985,925	-
Balance as at 1 January 2019 - as restated		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(8,971,564,267)	17,650,130,955	17,650,130,955	22,455,045,057	619,496
Profit for the year		-	-	-	-	5,421,893,006	-	-	5,421,893,006	(94,280)
Other comprehensive income for the year		-	-	-	-	72,902,916	-	-	72,902,916	-
Total comprehensive income for the year		-	-	-	-	5,494,795,922	-	-	5,494,795,922	(94,280)
Dividend paid	24	-	-	-	-	(2,983,428,845)	-	-	(2,983,428,845)	-
Reduction of legal reserve and premium on ordinary shares to offset the deficits	42	-	(386,130,630)	-	(465,929,718)	852,060,348	-	-	-	-
Transfer retained earnings to legal reserve	42	-	-	-	453,646,244	(453,646,244)	-	-	-	-
Equity distribute to non-controlling interests from subsidiary's liquidation	13	-	-	-	-	-	-	-	-	(525,216)
Balance as at 31 December 2019		4,735,622,000	6,541,658,660	1,647,137,361	453,646,244	(6,061,783,086)	17,650,130,955	17,650,130,955	24,966,412,134	-

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 (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements							
	Note	Issued and paid-up share capital	Premium on ordinary shares	Other surplus		Retained earnings		Total shareholders' equity
				Capital surplus from restructuring	Appropriated - statutory reserve	Unappropriated (deficits)		
Balance as at 1 January 2018		4,735,622,000	6,927,789,290	1,647,137,361	56,545,457	1,010,429,802	14,377,523,910	
Profit for the year		-	-	-	-	1,483,441,585	1,483,441,585	
Other comprehensive income for the year		-	-	-	-	23,197,860	23,197,860	
Total comprehensive income for the year		-	-	-	-	1,506,639,445	1,506,639,445	
Dividend paid	24	-	-	-	-	(2,959,745,332)	(2,959,745,332)	
Transfer retained earnings to legal reserve	42	-	-	-	409,384,261	(409,384,261)	-	
Balance as at 31 December 2018		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(852,060,346)	12,924,418,023	
Balance as at 1 January 2019		4,735,622,000	6,927,789,290	1,647,137,361	465,929,718	(852,060,346)	12,924,418,023	
Profit for the year		-	-	-	-	9,065,172,576	9,065,172,576	
Other comprehensive income for the year		-	-	-	-	72,902,916	72,902,916	
Total comprehensive income for the year		-	-	-	-	9,138,075,492	9,138,075,492	
Dividend paid	24	-	-	-	-	(2,983,428,845)	(2,983,428,845)	
Reduction of legal reserve and premium on ordinary shares to offset the deficits	42	-	(386,130,630)	-	(465,929,718)	852,060,348	-	
Transfer retained earnings to legal reserve	42	-	-	-	453,646,244	(453,646,244)	-	
Balance as at 31 December 2019		4,735,622,000	6,541,658,660	1,647,137,361	453,646,244	5,701,000,405	19,079,064,670	

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

Total Access Communication Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before income tax expenses	6,390,669,880	(5,799,225,927)	10,535,372,925	197,133,581
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on foreign exchange	52,990,066	(40,302,784)	22,418,584	24,302,507
Share of loss from investment in associated company	8,830,739	12,147,716	-	-
Dividend received from subsidiaries	-	-	(2,984,295,080)	(6,529,636,190)
Dividend received from associated company	-	-	(5,000,000)	-
Dividend received from other investments	(375,000)	(375,000)	(375,000)	(375,000)
Allowance for inventory obsolescence (reversal)	12,354,632	(276,789,049)	(6,000,317)	(313,113,990)
Reversal of allowance for doubtful accounts - trade and other receivables	(233,845,005)	(42,885,475)	(16,358,623)	(40,459,677)
Allowance for impairment on assets/investment in subsidiary	68,840,989	-	68,840,989	-
Allowance for impairment of investment in other investment	250,000	250,000	-	-
Reversal of allowance for impairment of property, plant and equipment	-	(6,230,000)	-	(186,367,898)
Depreciation and amortisation (Note 30)	20,013,150,347	25,104,570,775	1,057,369,495	6,856,273,835
Write-off of property, plant and equipment	43,034,300	52,783,356	12,874,549	26,228,181
Effect from adjustment of right-of-use assets	56,315,229	-	258,967	-
Loss (gain) from sales of equipment	39,112,645	250,244	(31,682,761)	(2,691,553)
Gain from disposal of other intangible assets	-	-	(2,501,311)	-
Provision for long-term employee benefits	68,083,500	60,321,723	68,083,500	60,321,723
Disputes settlement agreement expenses	-	7,850,854,127	-	7,850,854,127
Amortisation on cost to obtain contracts	215,106,556	-	-	-
Interest expenses	3,236,607,874	1,293,071,212	26,982,426	327,200,713
Profit from operating activities before changes in operating assets and liabilities	29,971,126,752	28,208,440,918	8,745,988,343	8,269,670,359
Decrease (increase) in operating assets				
Trade and other receivables	(1,610,841,182)	382,953,473	(2,223,067,495)	3,770,936,791
Inventories	1,028,218,687	101,915,128	(11,497,029)	2,222,861,661
Other current assets	207,752,291	(1,842,926,278)	501,164,789	300,759,037
Prepaid expenses and deferred expenses	429,902,693	(2,883,930,568)	21,652,693	(145,253,485)
Other non-current assets	(262,400,222)	(355,307,885)	45,461,740	(32,788,739)
Increase (decrease) in operating liabilities				
Trade and other payables	(8,182,764,641)	(2,044,372,457)	(9,498,592,789)	(3,728,513,111)
Other current liabilities	(785,401,696)	(409,116,427)	413,273,804	(418,888,501)
Deposit guarantee on domestic roaming agreement	-	-	-	(3,750,763,651)
Other non-current liabilities	(41,067,086)	(73,622,896)	(447,196)	(50,467,737)
Cash flows from operating activities	20,754,525,596	21,084,033,008	(2,006,063,140)	6,437,552,624
Cash paid for interest expenses	(2,275,565,358)	(1,313,111,947)	(23,817,391)	(427,143,144)
Cash paid for income tax	(1,931,894,270)	(2,690,415,573)	(624,143,356)	(862,695,843)
Tax refund	1,050,316,443	1,175,154,338	1,050,316,443	1,165,781,605
Net cash flows from (used in) operating activities	17,597,382,411	18,255,659,826	(1,603,707,444)	6,313,495,242

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

Total Access Communication Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Increase in other investments	(12,718,722)	(4,720,306)	-	-
Proceeds from sales of other investments	-	670,676	-	-
Cash receipt from loan to subsidiary	-	-	5,500,000,000	15,500,000,000
Cash paid to loan to subsidiary	-	-	(6,000,000,000)	(10,000,000,000)
Dividend received from subsidiaries	-	-	2,984,295,080	6,529,636,190
Dividend received from associated company	5,000,000	-	5,000,000	-
Dividend received from other investments	375,000	375,000	375,000	375,000
Cash receipt from subsidiary's liquidation	-	-	271,161,610	-
Cash paid to non-controlling interests from subsidiary's liquidation	(525,216)	-	-	-
Decrease (increase) in amounts due from related parties	-	-	217,366,362	(8,432)
Acquisition of building and equipment	(17,053,121,095)	(13,422,869,437)	(711,038,533)	(187,440,510)
Proceeds from sales of building and equipment	22,668,091	23,331,365	380,003,462	30,450,967
Decrease in equipment under installation	-	251,725,596	-	252,675,245
Acquisition of deferred right to use of equipment	-	(887,580,513)	-	(991,974,172)
Decrease (increase) in deposits and prepayment for purchase and installation of equipment	254,008,272	(115,193,127)	1,237,365	58,585,901
Acquisition of cost of spectrum licenses	-	(10,276,500,000)	-	-
Acquisition of other intangible assets	(991,317,020)	(807,510,057)	(193,225,469)	(178,306,225)
Proceeds from sales of other intangible assets	-	-	9,538,990	-
Acquisition of right-of-use assets	(18,630,000)	-	(4,860,375)	-
Proceeds from sales of right-of-use assets	-	-	42,988,533	-
Net cash flows from (used in) investing activities	(17,794,260,690)	(25,238,270,803)	2,502,842,025	11,013,993,964
Cash flows from financing activities				
Repayment of short-term loan from related company	-	(15,000,000)	-	-
Cash receipt from long-term loan	38,000,000,000	-	-	-
Repayment of long-term loans	(39,500,000,000)	-	-	-
Repayment of long-term loans from subsidiary	-	-	-	(23,000,000,000)
Cash receipt from debentures	5,000,000,000	-	-	-
Repayment of debentures	(1,500,000,000)	(2,000,000,000)	-	-
Cash paid for lease liabilities	(4,381,573,781)	-	(475,575,962)	-
Dividend paid	(2,983,428,845)	(2,959,745,332)	(2,983,428,845)	(2,959,745,332)
Net cash flows used in financing activities	(5,365,002,626)	(4,974,745,332)	(3,459,004,807)	(25,959,745,332)
Net decrease in cash and cash equivalents	(5,561,880,905)	(11,957,356,309)	(2,559,870,226)	(8,632,256,126)
Cash and cash equivalents at beginning of year	14,090,265,602	26,047,621,911	7,133,761,421	15,766,017,547
Cash and cash equivalents at end of year	8,528,384,697	14,090,265,602	4,573,891,195	7,133,761,421

Supplemental cash flow information:

Non-cash items:

Accounts payable for purchase of equipment	6,152,494,740	11,261,698,423	55,683,069	130,101,862
Accounts payable for purchase of other intangible assets	192,952,793	140,705,336	39,307,045	25,299,634
Accrued cost of spectrum licenses	36,054,739,370	36,054,739,370	-	-
Lease liabilities	24,556,898,208	-	718,342,417	-

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Total Access Communication Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

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 Thailand in 2007.

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, 41st Fl., Phayathai Road, Pathumwan, Bangkok.

The Company operated cellular telephone services in 800 MHz and 1800 MHz frequency bands under the agreement with CAT Telecom Public Company Limited (CAT) (Concession agreement) during 16 September 1991 and ended at 15 September 2018.

At present, the Company was awarded an Internet Service Business Type 1 license by The National Broadcasting and Telecommunications Commission (“NBTC”) to provide retail WiFi internet services for a duration of 5 years (starting from 13 June 2018 and expiry on 12 June 2023).

1.2 Corporate 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 (starting from 6 February 2007 and expiry on 5 February 2027). 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 5 years (current license for a period as from 30 August 2006 (renovate on 30 August 2019) and expiry on 29 August 2024).dtac TriNet has to pay the license fee and fee for Universal Basic Telecommunications and Social Services (USO) as specified by law and to renew the license in every 5 years.
- c) Spectrum Licensing and a type three telecommunication business license (authorisation to use the spectrum license) by NBTC for the validity period of 15 years (starting from 7 December 2012 and expiry on 6 December 2027) for operating telecommunication business for International Mobile Telecommunication (IMT) 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 paid for the winning bid price of the authorization to use spectrum license in total Baht 14,445 million (VAT included) and 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 50,000 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 totaling 5.25% per annum which subsequently NBTC announced the reduction of USO fee to be 2.5% per annum effective on 30 May 2017 onward. Accordingly, the total fee is currently 4% per annum.

- d) A type two telecommunication business license by NBTC for International Internet Gateway (ITG) service and National Internet Exchange (NIE) service. dtac TriNet has to pay the license fee and fee for Universal Basic Telecommunications and Social Services (USO) as specified by law and to renew the license in every 5 years (current license for a period as from 26 June 2015 and expiry on 25 June 2020).
- 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) which the operation has been commenced since March 2017.

- f) A type three telecommunication business license by NBTC for International Private Leased Circuit (IPLC) for period of 11 years (starting from 12 July 2016 and expiry on 5 February 2027) which the operation has been commenced since November 2016.
- g) A type one telecommunication business license for resale of Leased Circuit/Channel Service for period of 5 years (starting from 22 March 2017 and expiry on 21 March 2022) which the operation has been commenced since April 2017.
- h) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 16 December 2018 and expiry on 15 December 2033) for operating telecommunication business for International Mobile Telecommunication in the frequency band 1800 MHz ("Spectrum license") for 2x5 MHz covered the range of 1745 - 1750 MHz paired with 1840 - 1845 MHz under the scope of the license throughout the Kingdom of Thailand.

dtac TriNet is required to make payment for the winning bid price of the authorization to use the spectrum license in the total amount of Baht 13,386.77 million (including VAT) under the following payment conditions:

First installment: To pay 50% of the winning bid price, equivalent to Baht 6,693.39 million and to submit a letter of guarantee from a commercial bank to guarantee the remaining payment for the winning bid price within 90 days of the receipt of the notice of the bidders on 23 August 2018 to NBTC which NBTC will issue the spectrum license. dtac TriNet has already paid first installment for spectrum license on 19 November 2018.

Second installment: To pay 25% of the winning bid price, equivalent to Baht 3,346.69 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. NBTC will return the letter of guarantee that firstly submitted within 15 days from the date the licensee pays the second installment.

Third installment: To pay 25% of the winning bid price, equivalent to Baht 3,346.69 million within 15 days after the lapse of 3 years from the date of obtaining the license. NBTC will return the letter of guarantee that secondly submitted within 15 days from the date the licensee pays the third installment.

- i) Spectrum Licensing by NBTC for the validity period of 15 years (starting from 16 December 2018 and expiry on 15 December 2033) for operating telecommunication business for International Mobile Telecommunication in the frequency band 900 MHz ("Spectrum license") for 2x5 MHz covered the range of 890 - 895 MHz paired with 935 - 940 MHz under the scope of the license throughout the Kingdom of Thailand.

dtac TriNet is required to make payment for the winning bid price of the authorization to use the spectrum license in the total amount of Baht 40,728.48 million (including VAT) under the payment conditions specified in the NBTC's announcement regarding rules and procedures for the Spectrum Licensing for Telecommunications Business in spectrum band of 890-895/935-940 MHz as follows:

First installment: To pay Baht 4,301.40 million and to submit a letter of guarantee from a commercial bank to guarantee the remaining payment for the winning bid price within 90 days of the receipt of the notice of the bidders on 1 November 2018 to NBTC which NBTC will issue the spectrum license. dtac TriNet has already paid first installment for spectrum license on 12 December 2018.

Second installment: To pay Baht 2,150.70 million and to submit a letter of guarantee from a commercial bank to guarantee the third and fourth installment within 15 days after the lapse of 2 years from the date of obtaining the license. NBTC will return the letter of guarantee that firstly submitted within 15 days from the date the spectrum licensee pays the second installment.

Third installment: To pay Baht 2,150.70 million and to submit a letter of guarantee from a commercial bank to guarantee the fourth installment within 15 days after the lapse of 3 years from the date of obtaining the license. NBTC will return the letter of guarantee that secondly submitted within 15 days from the date the spectrum licensee pays the third installment.

Fourth installment: To pay Baht 32,125.68 million within 15 days after the lapse of 4 years from the date of obtaining the license. NBTC will return the letter of guarantee that thirdly submitted within 15 days from the date the spectrum licensee pays the fourth installment.

On 10 May 2019, dtac TriNet sent a letter to the Office of NBTC requesting to divide the payment for 900 MHz spectrum in accordance with the Order of the Head of the National Council for Peace and Order No. 4/2562 dated 11 April 2019 Re: Measure of problem solving for television and telecommunications business operations (“NCPO Order No. 4/2562”) which specified that NBTC is to consider dividing the total amount of auction payment which the licensee of 900 MHz spectrum is required to pay into ten installments, one installment payment per year, in equal amount. The request for the installment payment is under the condition that the licensee must be the applicant who has the right to receive a license to use the 700 MHz spectrum. Later, on 19 June 2019, dtac TriNet participated in the 700 MHz spectrum allocation and has been allocated one block of 700 MHz spectrum under the conditions as described in Note 1.2 j) to the consolidated financial statements. Subsequently, dtac TriNet received the letter from Office of NBTC confirming that dtac TriNet has complied with the conditions determined by NCPO Order No.4/2562. As a result, dtac TriNet is entitled to divide the payment for 900 MHz spectrum into ten installments, in equal amount, as specified by NCPO Order No.4/2562, by considering that the year in which dtac TriNet won the 900 MHz spectrum auction (December 2018) is regarded as the first installment and the details of remaining payment for 900 MHz spectrum (included VAT) are as follows:

Second and third installments: To pay Baht 7,917.14 million in 2020

Fourth installment to tenth installment: To pay 10% of the cost of license spectrum or Baht 4,072.85 million in equal amount for each installment.

While paying the installment payment, dtac TriNet has obligations to submit bank guarantee to guarantee the remaining payment and to comply with regulations and conditions specified by NCPO Order No.4/2562.

Since, dtac TriNet received a confirmation letter from NBTC for the compliance with the requirements as specified in the NCPO Order No.4/2562, it has the right to divide the payment term of the 900 MHz spectrum license mentioned above. dtac TriNet’s management considered the relevant information including the substance of transaction and reckoned that the receipt of the said payment conditions for 900 MHz spectrum directly related to the participation in 700 MHz spectrum application to the NBTC office, thus after that, dtac TriNet has been allocated the bandwidth. Therefore, the difference between the present value (calculated as of the date dtac TriNet being allocated the 700 MHz bandwidth) of the 900 MHz spectrum liability that dtac TriNet must pay in accordance with the new payment terms and the original payment terms would be reclassified from the “Accrued cost of spectrum license” to “Accrued cost of spectrum license - deferred” which will be recorded as part of the cost of spectrum license of the 700 MHz spectrum when dtac TriNet receives a license to use the 700 MHz spectrum in accordance with the rules, procedures and conditions as described in Note 1.2 j) to the consolidated financial statements.

- j) On 19 June 2019, dtac TriNet has been allocated the frequency band 700 MHz (“Spectrum license”) for covered the range of 713-723 MHz paired with 768-778 MHz Spectrum Licensing by NBTC for the validity period of 15 years starting from 1 October 2020 or until the NBTC will determine otherwise in operating telecommunication business for International Mobile Telecommunication under the scope of the license throughout the Kingdom of Thailand. However, the applicant requesting for the frequency spectrum license the applicant must be the licensee of the 890-915 MHz / 935-960 MHz spectrum, and must have the qualifications required by the NBTC announcement. Re: Permission to use spectrum for telecommunication businesses in the area 703-733 / 758-788 MHz, dated 4 June 2019 (“NBTC announcement”) as well including placing a bank guarantee of Baht 880 million in order to proceed with the application for a license.

dtac TriNet is required to make payment for the winning bid price of the authorisation to use the spectrum license in the total amount of Baht 18,815 million (including VAT). Under the terms of the permission to use the spectrum, certain important conditions that need to be fulfilled before receiving the spectrum license have been determined including the payment of the first installment in accordance with specified conditions. The payment conditions for the spectrum for obtaining a license are as follows:

First installment: To pay 10% of the cost of the spectrum or Baht 1,881.5 million including submission of bank guarantee for the remaining payments within 15 days before the starting date of the permission to use the 700 MHz frequency.

Second installment to tenth installment: To pay 10% of the cost of spectrum license or Baht 1,881.5 million each, including each submissions of bank guarantee for the remaining payments within 15 days from the date of the anniversary of the permission to use the spectrum each year.

In case of the applicant who obtained the right to be granted the spectrum license fails to completely and correctly comply with the conditions precedent within the prescribed period, the applicant shall be deemed to have waived the right to be granted the spectrum license. As well, such applicant has to pay for penalties consisting of the preliminary damages at least of Baht 2,638 million and other damages caused by the recall of spectrum according to the NCPO's Order No. 4/2562 including the voiding of permission to divide the payment as mentioned above which must be returned to pay in accordance with conditions for payment of 900 MHz spectrum and the additional spectrum auction in accordance with the regulations specified in the NBTC's announcement regarding rules and procedures for the Spectrum Licensing for Telecommunications Business in the spectrum band of 890-895 / 935-940 MHz.

1.3 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 received approvals under the Interconnection Notification 2549 from NTC for Reference of Interconnect Offering (RIO) on 29 August 2006 and under the Interconnection Notification 2556 from NBTC for RIO on 30 April 2015. However, the right to operate the telecommunications business of the Company's concessionary right has ended on 15 September 2018. The Company has sent a notice to other licensees who are the interconnection partners with the Company to acknowledge the termination of the concession agreement and the termination of the interconnection of the telecommunication network.

Pursuant to the Concession Agreement which ended on 15 September 2018, 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 38 (b) to the consolidated financial statements for more details).

For the interconnection arrangement of dtac TriNet, dtac TriNet has 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.	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
j) Otaro World Corporation Co., Ltd.	20 August 2018 onwards
k) TOT Plc.	18 December 2019 onwards

1.4 Transfer of all business of subsidiaries

On 11 December 2018, a meeting of the Extraordinary General Meeting of the Company's shareholders No. 1/2018 approved the transfer of the entire business of DTAC Broadband Co., Ltd. and Eastern Beach Co., Ltd. ("subsidiaries"). The Company entered into an agreement to transfer the entire business on 12 December 2018. The Company executed the transfer of all assets and liabilities of the subsidiaries as at 1 January 2019 ("transferred date"). The subsidiaries ceased all operations and registered the dissolution with the Ministry of Commerce. Currently, the Company submitted the notification to the Revenue Department in order to request the tax privileges available for an entire business transfer and has completed the process of legal registration regarding the transfer of ownership of real estate and other assets from the subsidiaries.

Details of the fair value and book value of the net assets of DTAC Broadband Co., Ltd. as at the transfer date (1 January 2019), are as follows:

(Unit: Thousand Baht)		
	Fair value	Book value
Assets		
Cash and cash equivalents	861,727	861,727
Trade and other receivables - net	367,706	367,706
Equipment - net	182,631	182,631
Intangible assets - net	8,851	8,851
Other assets	22,585	22,585
Total assets	1,443,500	1,443,500
Liabilities		
Trade and other payables	35,172	35,172
Other liabilities	211	211
Total liabilities	35,383	35,383
Net asset value from the business transfer (Transfer price)	1,408,117	1,408,117

Details of the fair value and book value of the net assets of Eastern Beach Co., Ltd. as at the transfer date (1 January 2019), are as follows:

(Unit: Thousand Baht)		
	Fair value	Book value
Assets		
Cash and cash equivalents	1,774	1,774
Investment property - land	371,175	46,492
Other assets	4	4
Total assets	372,953	48,270
Net asset value from the business transfer (Transfer price)	372,953	48,270

Subsequently, a meeting of the 2019 Annual General Meeting of the Company's shareholders, held on 4 April 2019, approved the transfer of the entire business of Paysbuy Co., Ltd. ("subsidiary"). The Company entered into an agreement to transfer the entire business on 31 May 2019. The Company executed the transfer of all assets and liabilities of the subsidiary as at 1 June 2019 ("transferred date"). The subsidiary ceased all operation and to register the dissolution with the Ministry of Commerce. On 3 September 2019, the Company submitted the notification to the Revenue Department in order to request the tax privileges available for an entire business transfer.

Details of the fair value and book value of the net assets of Paysbuy Co., Ltd. as at the transfer date (1 June 2019), are as follows:

(Unit: Thousand Baht)		
	Fair value	Book value
Assets		
Cash and cash equivalents	787,577	787,577
Trade and other receivables - net	1,128,831	1,128,831
Inventories	2,638	2,638
Equipment - net	20,359	20,359
Total assets	1,939,405	1,939,405
Liabilities		
Deposits from customers	715,731	715,731
Trade and other payables	679,716	679,716
Total liabilities	1,395,447	1,395,447
Net asset value from the business transfer (Transfer price)	543,958	543,958

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 11 October 2016, 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 Total Access Communication Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries"):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019	2018
			Percent	Percent
Subsidiaries directly held by the Company				
WorldPhone Shop Company Limited	Under liquidation process of payment to creditors	Thailand	100	100
TAC Property Company Limited	Asset management	Thailand	100	100
dtac TriNet Company Limited	Providing telecommunications services	Thailand	100	100
DTAC Broadband Company Limited	Under liquidation process	Thailand	100	100
United Communication Industry Public Company Limited	Under liquidation process equity distribute to shareholders	Thailand	-	99.81
PaySbuy Company Limited	Under liquidation process	Thailand	100	100
Subsidiary held through TAC Property Company Limited				
Eastern Beach Company Limited	Under dissolution process	Thailand	100	100
Subsidiary held through dtac TriNet Company Limited				
dtac Accelerate Company Limited	Investment and support start-up companies to develop applications	Thailand	100	100
dtac Service Company Limited	Dissolution and liquidation	Thailand	-	100
dtac Next Company Limited	Dissolution and liquidation	Thailand	-	100
dtac Digital Media Company Limited	Under dissolution process	Thailand	100	100
TeleAssets Company Limited	Lease of telecommunication equipment and device	Thailand	100	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

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The Company and its subsidiaries adopted TFRS 15 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2019, and the comparative information was not restated. The Company and its subsidiaries elect to apply the practical expedients by not restate completed contracts as at 1 January 2019 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.

The cumulative effect of the change is described in Note 4 to the consolidated financial statements.

(b) Early adoption of new financial reporting standard

During the year, the Company and its subsidiaries have early adopted TFRS 16 Leases which is effective for fiscal periods beginning on or after 1 January 2020. According to the announcement of Federation of Accounting Professions no. 14/2562, the TFRS 16 is allowed to apply before the effective date if an entity adheres to TFRS 15 Revenue from Contracts with Customers at or before the date of adoption of the TFRS 16. The TFRS16 involves changes to key principles, which are summarised below:

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company and its subsidiaries have recognised the effect of initial applying TFRS 16 and the comparative information was not restated. The Company and its subsidiaries elects to apply TFRS 16 to leases previously classified as an operating leases by recognised lease liabilities as of 1 January 2019 at the present value of lease payment to be made over the remaining lease term which is discounted by the Incremental Borrowing Rate of the Company and subsidiaries as of the initial application date and recognised right-of-use assets at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position before the date of initial application.

The effect of the change is described in Note 4 to the consolidated financial statements.

(c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries expect that the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Company and its subsidiaries are to measure investments in equity instruments of non-listed companies at fair value and elect to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Company and subsidiaries elect to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Company and its subsidiaries are to recognise an allowance for expected credit losses on its financial assets, and they are no longer necessary for a credit - impaired event to have occurred. The Company and its subsidiaries apply simplified approach to consider impairment of trade receivables.
- Recognition of derivatives - The Company and its subsidiaries are to initially recognise derivative at their fair value on the contract date and subsequently measure them at their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. However, the Company and its subsidiaries are currently considering application of hedge accounting for certain derivatives.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the consolidated financial statements, during the current year, the Company and its subsidiaries have adopted TFRS 15 and TFRS16 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 and TFRS16 is recognised. Therefore, the comparative information was not restated.

The effect of the changes in accounting policies due to the adoption of TFRS 15 Revenue from contracts with customers on the beginning balance of retained earnings for 2019 comprises:

(Unit: Million Baht)

	Consolidated financial statements
Impact on retained earnings as at 1 January 2019	
Unbilled revenue	231
Costs to obtain contracts	426
Related tax expenses	(131)
Total	526

There is no effect of the changes in accounting policies due to the early adoption of TFRS 16 Leases on the beginning balance of retained earnings for 2019.

The amounts of adjustments affecting the statements of financial position as at 31 December 2019 and the income statements for the year ended 31 December 2019 due to the adoption of TFRS 15 and TFRS16 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements			
	Previous accounting policy	Increase (decrease)		As reported
		TFRS 15	TFRS16	
Statement of financial position				
Assets				
Trade and other receivables	9,615	176	-	9,791
Lease receivable - current portion	-	-	382	382
Other current assets	3,916	189	(1,298)	2,807
Property, plant and equipment	55,400	-	(1,506)	53,894
Prepaid expenses and deferred expenses	2,455	-	(2,331)	124
Cost of spectrum licenses	50,235	-	(50,235)	-
Right-of-use assets - cost of spectrum licenses	-	-	50,235	50,235
Right-of-use assets	-	-	23,664	23,664
Other intangible assets	1,699	-	(35)	1,664
Deferred tax assets	5,607	(109)	98	5,596

(Unit: Million Baht)

	Consolidated financial statements			
	Previous accounting policy	Increase (decrease)		As reported
		TFRS 15	TFRS16	
Lease receivable - net of current portion	-	-	6,102	6,102
Other non-current assets	3,966	178	(1,219)	2,925
Liabilities				
Trade and other payables	26,708	-	(18)	26,690
Unearned revenue from telephone service	1,861	(5)	-	1,856
Lease liabilities - current portion	-	-	4,454	4,454
Lease liabilities - net of current portion	-	-	20,103	20,103
Other non-current liabilities	295	-	(290)	5
Shareholders' equity				
Equity attributable to owners of the Company	24,920	439	(393)	24,966
Income statement				
Revenue from telephone services	64,213	(880)	-	63,333
Revenue from sales of telephone sets and starter kits	7,799	830	-	8,629
Other operating income	10,137	-	(931)	9,206
Other income	36	-	-	36
Cost of sales and services	(57,294)	-	1,180	(56,114)
Selling, distribution and services expenses	(4,689)	(59)	31	(4,717)
Administrative and other expenses	(10,627)	-	(86)	(10,713)
Finance costs	(2,584)	-	(685)	(3,269)
Income tax expense	(1,089)	22	98	(969)
Profit for the year	5,902	(87)	(393)	5,422
Attributable to:				
Profit attributable to equity holders of the Company	5,902	(87)	(393)	5,422
Profit attributable to non-controlling interests	-	-	-	-
Earnings per share (Baht):				
Basic earnings per share	2.49	(0.03)	(0.17)	2.29

(Unit: Million Baht)

	Separate financial statements			
	Previous accounting policy	Increase (decrease)		As reported
		TFRS 15	TFRS16	
Statement of financial position				
Assets				
Other current assets	348	-	(48)	300
Property, plant and equipment	2,121	-	(133)	1,988
Right-of-use assets	-	-	803	803
Deferred tax assets	4,581	-	2	4,583
Other non-current assets	1,808	-	(1)	1,807
Liabilities				
Lease liabilities - current portion	-	-	446	446
Lease liabilities - net of current portion	-	-	272	272
Other non-current liabilities	88	-	(87)	1
Shareholders' equity				
Equity attributable to owners of the Company	19,087	-	(8)	19,079
Income statement				
Revenue from telephone services	4,332	-	-	4,332
Revenue from sales of telephone sets and starter kits	91	-	-	91
Other operating income	14,499	-	-	14,499
Other income	3,222	-	-	3,222
Cost of sales and services	(2,540)	-	5	(2,535)
Selling, distribution and services expenses	(2,223)	-	6	(2,217)
Administrative and other expenses	(6,817)	-	3	(6,814)
Finance costs	(19)	-	(24)	(43)
Income tax expense	(1,472)	-	2	(1,470)
Profit for the year	9,073	-	(8)	9,065
Attributable to:				
Profit attributable to equity holders of the Company	9,073	-	(8)	9,065
Earnings per share (Baht):				
Basic earnings per share	3.83	-	-	3.83

The nature of these adjustments are described below:

TFRS 15

- Revenue allocation of sales of goods and services – The Company and its subsidiaries consider the income component of the sale of products and services, by allocating revenues in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.
- Commission paid to obtain a contract – The Company and its subsidiaries have determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses at the same time as the revenue under the contract is recognised.

TFRS 16

- Leases previously accounted for as operating leases – The Company and its subsidiaries recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option) and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right-of-use assets were recognised base on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. The right-of-use assets include the assets retirement obligation which were reclassified from the property, plant and equipment to this right-of-use assets.
- Cost of spectrum licenses – The Company and its subsidiaries have determined to apply TFRS16 on cost of spectrum licenses under the specified frequency bands, which have been allocated for the Company and its subsidiaries' operations and has been considered as identified assets, by reclassify the cost of spectrum licenses to right-of-use assets – cost of spectrum licenses.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments disclosed applying TAS 17 as of 31 December 2018, as follows:

(Unit: Million Baht)		
	Consolidated financial statements	Separate financial statement
Operating lease commitments as at 31 December 2018	3,526	707
Adjusted for:		
Commitments relating to short-term leases and leases of low-value assets	(161)	(7)
Net	3,365	700
Weighted average incremental borrowing rate as at 1 January 2019	3.53%	2.82%
Discounted adjusted operating lease commitments as at 1 January 2019	2,761	643
Commitment relating to space on cell site and other lease arrangement	14,797	119
Renewal option reasonably certain to be exercised	10,048	290
Lease liabilities as at 1 January 2019	27,606	1,052

5. Significant accounting policies

5.1 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 from voice services

Revenue from voice services, including domestic calls, international calls and roaming service calls, is recognised when the telephone services have been rendered.

Revenue from international data transit and internet service

Revenue from international data transit and internet service are recognised on an accrual basis over the service period and the rates agreed by counterparties.

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.

Cost to obtain a contract

The Company and its subsidiaries recognise commission paid to obtain a customer contract as an asset and amortised to expenses on a systematic basis according to the estimation of benefit period receive from the customer based on the Company and its subsidiaries' past experience in relating to customer retention, which is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs. Provided that the amortisation period of the asset that the Company and its subsidiaries otherwise would have used is one year or less, costs to obtain a contract are immediately recognised as expenses.

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 at the point in time when control of the asset is transferred to the customer. 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 in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to other receivables when the Company's and its subsidiaries' right to consideration is unconditional.

The obligation to provide to a customer for which the Company and its subsidiaries have received from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Company and its subsidiaries perform under the contract.

Revenue from Reference Access Offer

Revenue from Reference Access Offer derived from other operators in compensation of the utilisation of the Company's and subsidiaries' network elements is recognised 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 utilisation of the Company's and its subsidiaries' telecommunication infrastructure is recognised 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.

5.2 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.

5.3 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.

5.4 Inventories

Inventories are finished goods valued at the lower of cost (under the weighted average method) and net realisable value.

5.5 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 non-marketable equity securities 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.

5.6 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 and office improvements	5 - 20 years
Leasehold improvements	3 - 12 years
Equipment for mobile telecommunication services operation	3 - 15 years, the remaining of concession period
Telephone transmission station improvements	20 years
Furniture, fixtures and office equipment	5 years
Machinery and equipment	3 years and 5 years
Advertising and communication equipment	2 - 5 years
Others	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.

5.7 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.

5.8 Leases

At inception of contract, the Company and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company and its subsidiaries assess the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases at the date of initial application (1 January 2019) together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

Group as a lessee

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of the lease term and the estimated useful lives for each of right-of-use assets, as follows:

Land for tower	3 years, plus renewal option reasonably certain to be exercised
Space on tower under CAT agreement	8 years
Office buildings	3 years
Customer service center	3 years, plus renewal option reasonably certain to be exercised
Vehicle	2-3 years
Space on towers under infrastructure sharing and access offer	3 years, plus renewal option reasonably certain to be exercised

Right-of-use assets – cost of spectrum licenses

The Company and its subsidiaries have chosen to apply TFRS 16 on cost of spectrum licenses which was earlier accounted for under IAS 38 intangible assets.

Right-of-use assets – cost of each spectrum license for International Mobile Telecommunication in the Frequency Band 2.1 GHz, 1800 MHz and 900 MHz was capitalised, 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 and the subsidiary is ready to provide commercial service.

Depreciation is calculated by reference to cost on a straight-line basis over the term of the license.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiaries exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiaries uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company and its subsidiaries apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognised as expense in profit and loss on a straight-line basis over the lease term.

Group as a lessor

The Company and its subsidiaries classify each of its leases as either a finance lease or an operating lease.

To classify each lease, the Company and its subsidiaries make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company and its subsidiaries consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company and its subsidiaries recognize lease payments received under operating leases as income on a straight-line basis over the lease term.

Sub lease

When the Company and its subsidiaries is an intermediate lessor, it accounts for its interests in the head lease and sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to underlying asset. If a head lease is a short-term lease to which the Company and its subsidiaries apply the exemption described in "Short-term leases and leases of low-value asset, then it classifies the sub-lease as an operating lease.

The Company and its subsidiaries as an intermediate lessor accounts for the sublease as follow:

- (i) If the sublease is classified as an operating lease, the Company and its subsidiaries continue to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- (ii) If the sublease is classified as a finance lease, the Company and its subsidiaries derecognise the right-of-use asset on the head lease at the sublease commencement date and continue to account for the original lease liability in the head lease.

5.9 Intangible assets 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.

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.

5.10 Related party transactions

Related parties comprise individuals or enterprises 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 or enterprises 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.

5.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the property, plant and equipment, right-of-use assets – cost of spectrum licenses, other related right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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.

5.12 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.

5.13 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 defined benefits plans are recognised immediately in other comprehensive income.

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs.

5.14 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.

5.15 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. Unrealised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised 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.

5.16 Provisions

Provisions are recognised when the Company and its subsidiaries have 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.

5.17 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.

6. 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:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Company and its subsidiaries recognise revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

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.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiaries determine the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiaries reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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.

Depreciation of property, plant and equipment and right-of-use assets and amortisation of intangible assets

In determining depreciation of plant and equipment and right-of-use assets and amortisation of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets 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, right-of-use assets 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 disclosed in the financial statements 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 disclosed in the financial statements 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 is set by using estimates of the present value of such expenses, based on the average of actual retirement expenses incurred in the past. Such provision is recorded as part of right-of-use assets and amortised over the estimated useful lives. 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 provision are recorded as at the end of reporting period.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash	5,509	5,409	5,509	5,404
Bank deposits	8,522,876	14,084,857	4,568,382	7,128,357
Total	8,528,385	14,090,266	4,573,891	7,133,761

As at 31 December 2019, bank deposits in saving accounts and fixed deposits carried interests between 0.05 percent per annum and 1.00 percent per annum (2018: between 0.05 percent per annum and 1.00 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Trade receivables - related parties	440,541	564,949	1,756,492	458,405
Less: Allowance for doubtful accounts	(2,830)	(5,101)	(2,830)	(2,830)
Total trade receivables - related parties, net	437,711	559,848	1,753,662	455,575
<u>Trade receivables - unrelated parties</u>				
Trade receivables - telephone services	5,996,610	5,660,275	17,723	82,446
Trade receivables - international telephone roaming services	834,647	1,240,447	74,897	138,348
Trade receivables - sales of E-Refill telephone sets and starter kits	888,657	742,205	495,839	101,231
Trade receivables - others	2,749,876	1,218,116	7,670	67,261
Total	10,469,790	8,861,043	596,129	389,286
Less: Allowance for doubtful accounts	(1,442,481)	(1,672,642)	(171,588)	(188,508)
Total trade receivables - unrelated parties, Net	9,027,309	7,188,401	424,541	200,778
Total trade receivables - net	9,465,020	7,748,249	2,178,203	656,353
<u>Other receivables</u>				
Other receivables - related parties	14,394	18,771	3,231,116	2,555,282
Others	324,910	78,979	35,462	1,986
Total	339,304	97,750	3,266,578	2,557,268
Less: Allowance for doubtful debts	(13,188)	(14,602)	(13,188)	(12,627)
Total other receivables, net	326,116	83,148	3,253,390	2,544,641
Total trade and other receivables - net	9,791,136	7,831,397	5,431,593	3,200,994

The aging of the outstanding balances of trade receivables - related parties as at 31 December 2019 and 2018, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Aged on the basis of due dates				
Not yet due	390,283	520,801	1,693,067	386,643
Past due				
Up to 1 month	47,428	35,923	46,668	1,505
1 - 3 months	-	2,899	-	804
3 - 6 months	-	-	-	-
Over 6 months	2,830	5,326	16,757	69,453
Total	440,541	564,949	1,756,492	458,405
Less: Allowance for doubtful accounts	(2,830)	(5,101)	(2,830)	(2,830)
Total trade receivables - related parties, net	437,711	559,848	1,753,662	455,575

The aging of the outstanding balances of trade receivables - telephone services as at 31 December 2019 and 2018, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Aged on the basis of due dates				
Not yet due	3,618,602	3,339,193	-	9,553
Past due				
Up to 1 month	864,252	752,487	-	2,770
1 - 3 months	394,912	333,348	-	7,222
3 - 6 months	403,966	360,001	-	7,226
Over 6 months	714,878	875,246	17,723	55,675
Total	5,996,610	5,660,275	17,723	82,446
Less: Allowance for doubtful accounts	(1,246,827)	(1,426,693)	(17,719)	(70,322)
Trade receivables - telephone services, net	4,749,783	4,233,582	4	12,124

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 receivables - international telephone roaming services as at 31 December 2019 and 2018, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Aged on the basis of due dates				
Not yet due	677,685	980,490	17,813	98,064
Past due				
Up to 1 month	13,050	28,186	-	7,564
1 - 3 months	20,119	65,689	-	5,413
3 - 6 months	16,446	125,368	-	5,723
Over 6 months	107,347	40,714	57,084	21,584
Total	834,647	1,240,447	74,897	138,348
Less: Allowance for doubtful accounts	(96,895)	(37,398)	(57,508)	(21,726)
Trade receivables - international telephone roaming services, net	737,752	1,203,049	17,389	116,622

The aging of the outstanding balances of trade receivables - sales of E-Refill, telephone sets and starter kits as at 31 December 2019 and 2018, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Aged on the basis of due dates				
Not yet due	718,005	550,436	404,859	7,280
Past due				
Up to 1 month	60,883	42,272	-	67
1 - 3 months	13,170	5,625	-	71
3 - 6 months	3,911	3,250	-	2,514
Over 6 months	92,688	140,622	90,980	91,299
Total	888,657	742,205	495,839	101,231
Less: Allowance for doubtful accounts	(94,334)	(140,601)	(92,521)	(92,615)
Trade receivables - sales of E-Refill, telephone sets and starter kits, net	794,323	601,604	403,318	8,616

The aging of the outstanding balances of trade receivables - others as at 31 December 2019 and 2018, based on due date, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Aged on the basis of due dates				
Not yet due	2,716,669	1,069,768	3,269	31,247
Past due				
Up to 1 month	4,228	12,294	561	12
1 - 3 months	2,407	16,153	-	-
3 - 6 months	39	190	-	-
Over 6 months	26,533	119,711	3,840	36,002
Total	2,749,876	1,218,116	7,670	67,261
Less: Allowance for doubtful accounts	(4,425)	(67,950)	(3,840)	(3,845)
Trade receivables - others, net	2,745,451	1,150,166	3,830	63,416

9. 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
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Sales of goods and equipment	-	-	1	4,045	at agreed price
Service income	-	-	14,526	24,110	as per agreement
Rental and service expenses	-	-	737	1,499	as per agreement
Interest income	-	-	150	292	as per agreement
Interest expense	-	-	-	406	as per agreement
Dividend income	-	-	2,984	6,530	as declared
Purchase of goods	-	-	70	27	as agreed price
Sales of assets	-	-	417	8	as agreed price
Purchase of assets	-	-	583	104	as agreed price
<u>Transactions with associated company: United Distribution Business Co., Ltd.*</u>					
Sales of goods	2,013	2,953	1,172	-	selling price less a certain margin, as per agreement

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2019	2018	2019	2018	
Dividend income	5	-	5	-	as declared
Rental and service expense	134	157	88	-	as per agreement
<u>Transactions with other related companies</u>					
International roaming service income	59	75	-	18	as per agreement
Service income	154	263	11	71	as per agreement
Sale on right of online refill service	133	179	83	-	as per agreement
Service expenses	2,665	3,131	1,092	1,379	as per agreement
Service fees for installation of cell site equipment	1,858	3,022	-	68	as per agreement

* The Company paid marketing support expense for year ended 31 December 2019 at Baht 2 million (2018: Baht 3 million) to dealers through United Distribution Business Co., Ltd.

During the year 2018, the Company entered into additional agreement with its subsidiary on an annual basis in that the Company agreed to provide management services and the subsidiary has to pay the fees to the Company as stipulated in the agreement. The fee have already included in the disclosure of transaction with subsidiary above.

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties</u> (Note 8)				
<u>Trade receivables - related parties</u>				
Subsidiaries	-	-	1,388,667	447,466
Associated company (Note 9.1)	360,016	474,428	345,636	(4)
Related companies ⁽¹⁾	80,525	90,521	22,189	10,943
Total	440,541	564,949	1,756,492	458,405
Less: Allowance for doubtful accounts	(2,830)	(5,101)	(2,830)	(2,830)
Total trade receivables - related parties, net	437,711	559,848	1,753,662	455,575
<u>Other receivables - related parties</u>				
Subsidiaries	-	-	3,216,722	2,536,511
Related companies ^{(1), (2)}	14,394	18,771	14,394	18,771
Total	14,394	18,771	3,231,116	2,555,282
Less: Allowance for doubtful accounts	(13,188)	(12,628)	(13,188)	(12,627)
Total other receivables - related parties, net	1,206	6,143	3,217,928	2,542,655
Total trade and other receivables - related parties, net	438,917	565,991	4,971,590	2,998,230

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Amounts due from related parties</u>				
Subsidiary (Note 9.2)	-	-	-	217,366
Related companies ^{(1), (2)}	-	26,539	-	-
Total	-	26,539	-	217,366
Less: Allowance for doubtful accounts	-	(26,343)	-	-
Total amounts due from related companies - net	-	196	-	217,366
<u>Loans to subsidiary</u>				
Subsidiary (Note 9.3)	-	-	10,500,000	10,000,000
Total loans to subsidiary	-	-	10,500,000	10,000,000
<u>Trade and other payables - related parties</u> (Note 18)				
<u>Trade payables - related parties</u>				
Subsidiaries	-	-	1,055,534	571,406
Associated company	15,630	26,730	15,245	1
Related companies ^{(1), (2)}	1,460,466	1,423,402	3,737	19,596
Total trade payables - related parties	1,476,096	1,450,132	1,074,516	591,003
<u>Other payables - related parties</u>				
Subsidiaries	-	-	82,804	43,831
Associated company	-	30	-	30
Related companies ^{(1), (2)}	229,419	160,564	226,698	157,646
Total other payables - related parties	229,419	160,594	309,502	201,507
Total trade and other payables - related parties	1,705,515	1,610,726	1,384,018	792,510
Relationship with the related companies				
⁽¹⁾ Common ultimate shareholder				
⁽²⁾ Common directors				

9.1 The aging of trade receivables - associated company as at 31 December 2019 and 2018 based on due date, is as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Age of receivables				
Not yet due	316,885	442,123	303,264	-
Past due less than 1 month	43,131	32,305	42,372	(4)
Trade account receivable - associated company	360,016	474,428	345,636	(4)

- 9.2 As at 31 December 2018, amount due from related party was amount due from TAC Property Co., Ltd. (a subsidiary), which arising from sales of equipment to support cellular telephone services. The Company already received the payment during the current year.
- 9.3 The loan of Baht 10,500 million (2018: Baht 10,000 million) to dtac TriNet (subsidiary) is to be used in making an application for a spectrum license and using for operation under such license which carries interest at an average rate of fixed deposits 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 2019 and 2018, 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 1 January 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2018
Subsidiary				
dtac TriNet Co., Ltd.	10,000,000	6,000,000	(5,500,000)	10,500,000
	10,000,000	6,000,000	(5,500,000)	10,500,000

9.4 Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2019	2018
Short-term employee benefits	95,077	94,385
Post-employment benefits and other long-terms benefits	2,347	2,914
Total	97,424	97,299

10. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	1,146,481	2,174,700	(58,647)	(46,293)	1,087,834	2,128,407
Total	1,146,481	2,174,700	(58,647)	(46,293)	1,087,834	2,128,407

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2019	2018	2019	2018	2019	2018
Finished goods	20,580	9,083	(69)	(6,070)	20,511	3,013
Total	20,580	9,083	(69)	(6,070)	20,511	3,013

During the current year, the Company and its subsidiary reduced cost of inventories by Baht 130 million (2018: Baht 333 million) (The Company only: Nil, 2018: Nil), 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 117 million (2018: Baht 610 million) (The Company only: Baht 6 million, 2018: Baht 313 million), and reduced the amount of inventories recognised as expenses during the year.

11. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Value added tax suspension	1,620,048	2,567,518	185,635	695,428
Prepaid expenses and deferred expenses	1,005,051	1,082,419	114,448	130,199
Prepaid rental - land for cell sites	-	827,074	-	16,930
Cost to obtain contracts - current portion	180,964	-	-	-
Others	927	1,187	68	264
Total	2,806,990	4,478,198	300,151	842,821
Less: Provision for impairment of assets	-	(11,220)	-	-
Total other current assets - net	2,806,990	4,466,978	300,151	842,821

12. Investments in associated company

12.1 Details of associate:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements			
					Cost		Carrying amounts based on equity method	
			2019 Percent	2018 Percent	2019	2018	2019	2018
United Distribution Business Co., Ltd.	Sale of simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	250,149	263,980

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Separate financial statements					
					Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2019 Percent	2018 Percent	2019	2018	2019	2018	2019	2018
United Distribution Business Co., Ltd.	Sale of simcards, voucher cards and supplementary equipment	Thailand	25	25	50,000	50,000	-	-	50,000	50,000

12.2 Share of loss and dividend received

During the year, the Company has recognised its share of loss 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 loss from investments in associate during the year		Dividend received during the year	
	2019	2018	2019	2018
United Distribution Business Co., Ltd.	(8,831)	(12,148)	5,000	-

12.3 Summarised financial information of associate

Financial information that base on management's account of the associated company is summarised below.

(Unit: Thousand 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		Loss for the years ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
United Distribution Business Co., Ltd.	200	200	1,403	1,579	403	522	178	243	(35)	(44)

13. 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		Dividend received for the year	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Million Baht	Million Baht	Percent	Percent	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Million Baht	Million 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	1,923	2,946
DTAC Broadband Co., Ltd.	175	175	-	100	175,000	175,000	-	-	175,000	175,000	737	2,049
United Communication Industry Plc. (UCOM)	-	272	-	99.81	-	271,161	-	-	-	271,161	-	-
Paysbuy Co., Ltd.	200	200	100	100	236,756	236,756	(68,841)	-	167,915	236,756	325	1,534
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	15	100	100	-	-	-	-	-	-	-	-
dtac Digital Media Co., Ltd.	26	26	100	100	-	-	-	-	-	-	-	-
dtac Service Co., Ltd.	-	0.25	-	100	-	-	-	-	-	-	-	-
dtac Next Co., Ltd.	-	0.25	-	100	-	-	-	-	-	-	-	-
TeleAssets Co., Ltd.	75	75	100	100	-	-	-	-	-	-	-	-
Total investments in subsidiaries, net					2,132,756	2,403,917	(518,841)	(450,000)	1,613,915	1,953,917	2,985	6,529

- a) As stipulated under the Master Sale and Purchase Agreement dated 26 February 2006, UCOM has the right to claim any amount to which UCOM becomes liable in respect of the former operations from the purchaser company. All contingent liabilities (if any) are thus transferred to the purchaser company, with no limit on their amount, within two years from the asset transfer date, or until UCOM's obligations and responsibilities end.

On 26 July 2017, the Extraordinary General Meeting of the UCOM's shareholders No. 1/2017 passed a resolution to approve the dissolution. UCOM registered its dissolution with the Ministry of Commerce on 31 July 2017. During the current year, the Company had already received the capital return at the rate of Baht 0.6451 per share on 2 December 2019.

- b) As discussed in Note 1.4 to the consolidated financial statements, the Company entered into an agreement to transfer the entire business of DTAC Broadband Co., Ltd. and Eastern Beach Co., Ltd. on 12 December 2018. Such transfer of business includes the transfer of all assets and liabilities as at 1 January 2019.

In addition, the Extraordinary General Meeting of the shareholders No.1/2019 of Paysbay Co., Ltd. ("subsidiary") and the 2019 Annual General Meeting of the Company's shareholders passed a resolution to transfer the entire business of subsidiary to the Company. Such transfer of business includes the transfer of all assets and liabilities at the net book value as at 1 June 2019.

- c) During the year 2019, the Extraordinary General Meeting of the shareholders of the subsidiaries passed a resolution to approve the dissolution of the companies and the subsidiaries registered their dissolution with the Ministry of Commerce as follows:

Company's name	Approved by	Dissolution registered date
Eastern Beach Co., Ltd.	Extraordinary General Meeting of shareholders on 25 January 2019	31 January 2019
dtac Digital Media Co., Ltd.	Extraordinary General Meeting of shareholders on 25 January 2019	31 January 2019
dtac Service Co., Ltd.	Extraordinary General Meeting of shareholders on 25 January 2019	31 January 2019
dtac Next Co., Ltd.	Extraordinary General Meeting of shareholders on 25 January 2019	31 January 2019
DTAC Broadband Co., Ltd.	Extraordinary General Meeting of shareholders on 25 February 2019	27 February 2019
Paysbay Co., Ltd.	Extraordinary General Meeting of shareholders on 30 August 2019	3 September 2019

At present, dtac Service Co., Ltd. and dtac Next Co., Ltd. were dissolved and liquidated and Eastern Beach Co., Ltd., dtac Digital Media Co., Ltd., DTAC Broadband Co., Ltd., and Paysbay Co., Ltd. are in the process of liquidation.

Consolidated financial statements

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Consolidated financial statements

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for mobile telecommunication services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Cost											
31 December 2018	989,556	1,650,870	1,394,671	77,258,673	213,011	714,381	7,140,789	140,043	2,206,251	265,422	91,973,667
Reclassification to right-of-use assets due to the adoption of TFRS 16	-	-	(120,992)	(1,037,997)	-	-	-	-	-	-	(1,158,989)
1 January 2019	989,556	1,650,870	1,273,679	76,220,676	213,011	714,381	7,140,789	140,043	2,206,251	265,422	90,814,678
Purchases	2,800	-	6,905	5,131,820	-	201	3,023	61,977	6,747,284	-	11,954,010
Disposals/written-off	(524)	(1)	(59,830)	(557,735)	-	(7,715)	(139,616)	(33,298)	(3,178)	(2,560)	(804,457)
Reclassification	-	-	-	(170,345)	-	170,345	-	-	-	-	-
Transferred in (out)	-	331	162,928	6,276,406	-	29,276	164,854	93	(6,633,893)	5	-
31 December 2019	991,832	1,651,200	1,383,682	86,900,822	213,011	906,488	7,169,050	168,815	2,316,464	262,867	101,964,231
Accumulated depreciation											
31 December 2018	-	1,376,705	814,358	28,132,506	201,355	654,185	6,606,085	71,996	-	176,573	38,033,763
Reclassification to right-of-use assets due to the adoption of TFRS 16	-	-	(32,996)	(33,882)	-	-	-	-	-	-	(66,878)
1 January 2019	-	1,376,705	781,362	28,098,624	201,355	654,185	6,606,085	71,996	-	176,573	37,966,885
Depreciation for the year	-	39,122	183,294	10,168,963	4,498	42,432	216,979	57,049	-	4,293	10,716,630
Depreciation - disposal/written-off	-	(1)	(36,147)	(482,295)	-	(7,699)	(138,614)	(32,326)	-	(2,560)	(699,642)
Reclassification	-	-	-	(120,375)	-	120,375	-	-	-	-	-
31 December 2019	-	1,415,826	928,509	37,664,917	205,853	809,293	6,684,450	96,719	-	178,306	47,983,873
Allowance for impairment loss											
31 December 2018	3,000	-	-	-	-	-	-	-	-	82,975	85,975
1 January 2019	3,000	-	-	-	-	-	-	-	-	82,975	85,975
31 December 2019	3,000	-	-	-	-	-	-	-	-	82,975	85,975
Net book value											
31 December 2018	986,556	274,165	580,313	49,126,167	11,656	60,196	534,704	68,047	2,206,251	5,874	53,853,929
1 January 2019	986,556	274,165	492,317	48,122,052	11,656	60,196	534,704	68,047	2,206,251	5,874	52,761,818
31 December 2019	988,832	235,374	455,173	49,235,905	7,158	97,195	484,600	72,096	2,316,464	1,586	53,894,383
Depreciation included in the income statements for the years											
2018											9,418,310
2019											10,716,630

As at 31 December 2019, 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 12,701 million (2018: Baht 10,804 million).

Separate financial statements

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for mobile telecommunication 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 2018	723,040	1,661,038	1,312,597	5,136,365	93,979	690,438	5,864,484	131,225	75,915	157,806	15,846,887
Purchases	-	998	14,341	12,468	-	258	496	6,777	308,509	985	344,832
Disposals/written-off	(14,260)	(5,931)	(154,351)	(380,863)	-	(52,644)	(9,041)	(56,675)	(10,624)	(13,562)	(697,951)
Transferred in (out)	-	(5,687)	123,857	(2,503,495)	-	32,166	70,056	309	(311,919)	-	(2,594,713)
31 December 2018	708,780	1,650,418	1,296,444	2,264,475	93,979	670,218	5,925,995	81,636	61,881	145,229	12,899,055
Accumulated depreciation											
1 January 2018	-	1,346,317	731,952	2,466,257	77,613	637,588	5,651,929	79,310	-	66,791	11,057,757
Depreciation for the year	-	35,866	167,865	322,007	4,710	35,938	150,912	38,627	-	4,809	760,734
Depreciation - disposals/ written-off	-	(5,931)	(134,633)	(374,631)	-	(52,165)	(8,622)	(55,250)	-	(12,732)	(643,964)
Transfer out	-	-	-	(691,399)	-	-	-	-	-	-	(691,399)
31 December 2018	-	1,376,252	765,184	1,722,234	82,323	621,361	5,794,219	62,687	-	58,868	10,483,128
Allowance for impairment loss											
1 January 2018	9,230	-	-	1,409,647	-	-	-	-	-	82,975	1,501,852
Impairment transfer out	-	-	-	(1,229,509)	-	-	-	-	-	-	(1,229,509)
Reversal of impairment	-	-	-	-	-	-	-	-	-	-	-
loss for the year	(6,230)	-	-	(180,138)	-	-	-	-	-	-	(186,368)
31 December 2018	3,000	-	-	-	-	-	-	-	-	82,975	85,975
Net book value											
31 December 2017	713,810	314,721	580,645	1,260,461	16,366	52,850	212,555	51,915	75,915	8,040	3,287,278
31 December 2018	705,780	274,166	531,260	542,241	11,656	48,857	131,776	18,949	61,881	3,386	2,329,952
Depreciation included in the income statements for the years											
2017											964,983
2018											760,734

Separate financial statements

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for mobile telecommunication services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Cost											
31 December 2018	708,780	1,650,418	1,296,444	2,264,475	93,979	670,218	5,925,995	81,636	61,881	145,229	12,899,055
Reclassification to right-of-use assets due to the adoption of TFRS 16	-	-	(118,293)	(12,949)	-	-	-	-	-	-	(131,242)
1 January 2019	708,780	1,650,418	1,178,151	2,251,526	93,979	670,218	5,925,995	81,636	61,881	145,229	12,767,813
Purchases	373,974	-	2,976	176,295	-	4,363	2,675	4,264	82,165	-	646,712
Disposals/ written-off	(524)	(1)	(552,560)	(193,020)	-	(145,437)	(167,128)	(45,501)	-	(2,560)	(1,106,731)
Reclassification	-	-	-	(170,345)	-	170,345	-	-	-	-	-
Transferred in (out)	-	331	18,568	19,875	-	13,181	17,967	12	(69,939)	5	-
31 December 2019	1,082,230	1,650,748	647,135	2,084,331	93,979	712,670	5,779,509	40,411	74,107	142,674	12,307,794
Accumulated depreciation											
31 December 2018	-	1,376,252	765,184	1,722,234	82,323	621,361	5,794,219	62,687	-	58,868	10,483,128
Reclassification to right-of-use assets due to the adoption of TFRS 16	-	-	(32,996)	-	-	-	-	-	-	-	(32,996)
1 January 2019	-	1,376,252	732,188	1,722,234	82,323	621,361	5,794,219	62,687	-	58,868	10,450,132
Depreciation for the year	-	39,122	91,271	280,752	4,498	19,915	77,293	13,480	-	2,636	528,967
Depreciation - disposals/ written-off	-	(1)	(279,357)	(193,019)	-	(74,034)	(156,075)	(40,490)	-	(2,560)	(745,536)
Reclassification	-	-	-	(120,375)	-	120,375	-	-	-	-	-
31 December 2019	-	1,415,373	544,102	1,689,592	86,821	687,617	5,715,437	35,677	-	58,944	10,233,563

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Leasehold improvement	Equipment for mobile telecommunication services	Telephone based station improvement	Furniture, fixtures and office equipment	Machinery and equipment	Advertising and communication equipment	Work in progress	Others	Total
Allowance for impairment loss											
31 December 2018	3,000	-	-	-	-	-	-	-	-	82,975	85,975
1 January 2019	3,000	-	-	-	-	-	-	-	-	82,975	85,975
31 December 2019	3,000	-	-	-	-	-	-	-	-	82,975	85,975
Net book value											
31 December 2018	705,780	274,166	531,260	542,241	11,656	48,857	131,776	18,949	61,881	3,386	2,329,952
1 January 2019	705,780	274,166	445,963	529,292	11,656	48,857	131,776	18,949	61,881	3,386	2,231,706
31 December 2019	1,079,230	235,375	103,033	394,739	7,158	25,053	64,072	4,734	74,107	755	1,988,256
Depreciation included in the income statements for the years											
2018											760,734
2019											528,967

As at 31 December 2019, 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 8,969 million (2018: Baht 8,502 million).

The Company and its subsidiary evaluated impairment of equipment, including right-of-use assets - cost of spectrum licenses as described in Note 15 to the consolidated financial statement and the other related right-of-use assets as described in Note 22.1 to the consolidated financial statement, for mobile telecommunication services of the Company and its subsidiaries by comparing the carrying amount of the cash generating unit to its recoverable amount at both the consolidated and separated financial statements levels. The recoverable amounts are the value in use which is determined by using cash flow projections approved by the management based on the assumptions by considering the scope of the spectrum licensing and telecommunication business license period of the subsidiary, and discounted to their present value using the pre-tax discount rate reflecting specific risks relating to the Group.

15. Right-of-use assets – cost of spectrum licenses/cost of spectrum licenses

The net book value of right-of-use assets – cost of spectrum licenses as at 31 December 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
As at 31 December 2019:	
Cost	59,244,237
Less: Accumulated amortisation	(9,009,273)
Net book value	50,234,964

The net book value of cost of spectrum licenses as at 31 December 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
As at 31 December 2018:	
Cost	59,244,237
Less: Accumulated amortisation	(5,025,019)
Net book value	54,219,218

A reconciliation of the net book value of right-of-use assets – cost of spectrum licenses/cost of spectrum licenses in consolidated financial statements for the years 2019 and 2018 are presented below.

(Unit: Thousand Baht)

Net book value at beginning of year 2018	8,921,036
Increase during the year	46,331,239
Amortisation	(1,033,057)
Net book value at end of year 2018 – reclassify to right-of-use assets	54,219,218
Increase during the year	-
Amortisation	(3,984,254)
Net book value at end of year 2019	50,234,964

Right-of-use assets – cost of spectrum licenses are the cost in acquisition the licenses for operating telecommunication business for International Mobile Telecommunication (IMT) as described in Note 1.2 c), h) and i) to the consolidated financial statements.

16. Other intangible assets

The net book value of other intangible assets as at 31 December 2019 and 2018 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 2019:						
Cost	14,065,723	339,232	14,404,955	10,101,685	30,319	10,132,004
Less: Accumulated amortisation	(12,740,483)	-	(12,740,483)	(9,840,745)	-	(9,840,745)
Net book value	1,325,240	339,232	1,664,472	260,940	30,319	291,259
As at 31 December 2018:						
Cost	13,086,906	325,062	13,411,968	9,912,245	62,721	9,974,966
Less: Accumulated amortisation	(12,122,009)	-	(12,122,009)	(9,745,439)	-	(9,745,439)
Net book value	964,897	325,062	1,289,959	166,806	62,721	229,527

A reconciliation of the net book value of other intangible assets for the years 2019 and 2018 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	1,289,959	1,182,908	229,527	189,153
Reclassification to right-of-use assets due to the adoption of TFRS 16	(39,401)	-	(39,183)	-
Acquisition of computer software	1,043,564	769,267	207,234	162,110
Amortisation	(629,650)	(662,462)	(106,262)	(121,736)
Transfer in	-	246	-	-
Loss from written-off of intangible assets	-	-	(57)	-
Net book value at end of year	1,664,472	1,289,959	291,259	229,527

17. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred underwriting fees / arrangement fees for loans and debentures - net	80,668	40,880	-	-
Deposits	534,036	484,536	322,622	368,160
Leasehold rights	-	15,003	-	13,998
Withholding tax deducted at source	2,122,603	1,914,319	1,483,922	1,910,096
Cost to obtain contracts - net of current portion	186,968	-	-	-
Others	607	344,822	607	531
Total other non-current assets	2,924,882	2,799,560	1,807,151	2,292,785

- As at 31 December 2019, the Company and its subsidiaries were in the process of requesting the refund of withholding tax deducted at source amounting to Baht 864 million (The Company only: Baht 860 million) (2018: Baht 1,050 million (the Company only: Baht 1,050 million)) from the Revenue Department. The recoverability of the amount depended upon the results of a tax audit.
- During the year, the Company's subsidiary had addition cost to obtain contracts totaling Baht 156.6 million and amortised as expense totaling Baht 215.1 million.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables for the purchase of equipment for providing telephone services, telephone sets and starter kits	6,263,346	11,782,447	47,933	41,747
Trade payables - related parties (Note 9)	1,476,096	1,450,132	1,074,516	591,003
Trade payable - CAT*	5,694,953	14,674,067	4,960,210	14,128,883
Trade payable - TOT	4,839,355	2,497,470	1,249,318	1,249,343
Accrued license fees	2,210,633	2,195,266	132,270	-
Trade payables - interconnection charge	55,811	44,451	-	6,592
Trade payables - international telephone roaming services	390,491	610,120	113,158	213,585
Other trade payables	741,497	1,522,533	229,869	829,935
Other payables - related parties (Note 9)	229,419	160,594	309,502	201,507
Other payables	1,387,728	1,026,013	486,540	621,584
Accrued expenses	3,034,684	3,603,556	1,926,812	2,191,362
Interest payables	366,303	332,831	-	-
Total trade and other payables	26,690,316	39,899,480	10,530,128	20,075,541

* Trade payable - CAT had included the expenses under the Disputes Settlement Agreement and such amounts have been paid during 2019.

19. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
The subsidiary's loan facilities from local financial institutions	16,000,000	17,500,000	-	-
Less: Current portion	(12,000,000)	(7,875,000)	-	-
Long-term loans - net of current portion	4,000,000	9,625,000	-	-

The movement of subsidiary's long-term loans are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	Balance as at 31 December 2018	Increase during The year	Decrease during the year	Balance as at 31 December 2019
The subsidiary's loan facilities from local financial institutions	17,500	38,000	(39,500)	16,000
	17,500	38,000	(39,500)	16,000

Subsidiary's long-term loans

- 1) 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 conditions in the agreements
Principal repayment schedules	: As per conditions specified in the agreements

As at 31 December 2019 and 2018, the Company was unable to drawdown additional credit facilities because the Facility Agreements expired.

- 2) In December 2018, the subsidiary entered into additional Facilities Agreements (revolving facilities) for 3 years availability period with financial institutions. The principal terms of these facilities are:

Facilities	: Baht 21,000 million
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in each agreement)
Interest period	: One month, three months, or six months depending on certain conditions in the agreements
Principal repayment schedule	: The last day of each interest payment period
Right to renew the contract	: The subsidiary has a right to extend the availability period with the same conditions as considered by financial institution

- 3) In December 2019, the subsidiary entered into Facility Agreement with the financial institution. The principal terms of the facility are:

Facility	: Baht 15,000 million
Interest rate	: BIBOR plus a margin (the margin depending on certain conditions as stipulated in the agreement)
Interest period	: Every three months or every six months depending on conditions in the agreements
Principal repayment schedules	: As per conditions specified in the agreements

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.

As at 31 December 2019, the subsidiary has the credit facilities, which have not yet been drawn down, amounted to Baht 26,000 million (2018: Baht 21,000 million).

20. Debentures

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Thai Baht debentures	33,000	29,500	-	-
Less: Current portion	(4,000)	(1,500)	-	-
Thai Baht debentures - net of current portion	29,000	28,000	-	-

The movements of debentures for the year ended 31 December 2019 are as follows:

(Unit: Million Baht)

	Interest rate (per annum)	Tenor	Balance as at 1 January 2019	Addition: debentures issued	Less: debentures repayment	Balance as at 31 December 2019
Subsidiary						
Debentures of Baht 4,000 million (issued on 29 July 2015)	2.92	5 years	4,000	-	-	4,000
Debentures of Baht 3,000 million (issued on 29 July 2015)	3.52	7 years	3,000	-	-	3,000
Debentures of Baht 6,000 million (issued on 29 July 2015)	3.98	10 years	6,000	-	-	6,000
Debentures of Baht 1,500 million (issued on 22 July 2016)	1.98	3 years	1,500	-	(1,500)	-
Debentures of Baht 1,000 million (issued on 22 July 2016)	2.44	5 years	1,000	-	-	1,000
Debentures of Baht 1,500 million (issued on 22 July 2016)	3.01	7 years	1,500	-	-	1,500

(Unit: Million Baht)

	Interest rate (per annum)	Tenor	Balance as at 1 January 2019	Addition: debentures issued	Less: debentures repayment	Balance as at 31 December 2019
Debentures of Baht 1,000 million (issued on 22 July 2016)	3.19	10 years	1,000	-	-	1,000
Debentures of Baht 500 million (issued on 28 April 2017)	3.65	7 years	500	-	-	500
Debentures of Baht 5,000 million (issued on 28 April 2017)	4.04	10 years	5,000	-	-	5,000
Debentures of Baht 1,500 million (issued on 21 September 2017)	2.25	3.5 years	1,500	-	-	1,500
Debentures of Baht 2,000 million (issued on 21 September 2017)	3.58	10 years	2,000	-	-	2,000
Debentures of Baht 2,500 million (issued on 21 September 2017)	3.78	12 years	2,500	-	-	2,500
Debentures of Baht 1,500 million (issued on 5 July 2019)	2.84	5 years	-	1,500	-	1,500
Debentures of Baht 500 million (issued on 5 July 2019)	3.13	7 years	-	500	-	500
Debentures of Baht 3,000 million (issued on 5 July 2019)	3.50	9 years	-	3,000	-	3,000
Total			29,500	5,000	(1,500)	33,000

The subsidiary's debentures, as provided above, are the registered, unsubordinated, and unsecured debentures with a debentureholders' representative, to institutional and/or high net worth investors.

On 5 July 2019, the subsidiary issued 3 tranches of registered, unsubordinated, and unsecured debentures with a debenture holders' representative to institutional and/or high net worth investors amounting to Baht 1,500 million Baht 500 million and Baht 3,000 million which bear interest at 2.84% 3.13% and 3.50% per annum and are redeemable in full in 2024, 2026 and 2028, respectively. The subsidiary entered into interest rate swap agreements with financial institutions to partially swap interest of the debentures issued.

As at 31 December 2019, the subsidiary entered into interest rate swap agreements with financial institutions, to swap interest of the debentures issued, totaling in notional amount of Baht 28,500 million (2018: Baht 27,000 million) to swap fixed Baht interest rates for floating Baht interest rates plus margins as specified in agreements.

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.

21. Assets retirement obligation

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Assets retirement obligation at beginning of year	1,214,628	887,726	163,814	190,985
Decrease from payment	(38,188)	(35,172)	(2,813)	(33,584)
Increase during the year	570,842	362,074	55,216	6,413
Assets retirement obligation at end of year	1,747,282	1,214,628	216,217	163,814

Assets retirement obligation is substantially the provision for expenses to be incurred with respect to the retirement of network located on leased areas.

22. Leases

The Company and its subsidiaries have lease contracts related to office building, vehicle, land for tower, space on tower, equipment for mobile telecommunication services and others.

22.1 Right-of-use assets

The net book value of right-of-use assets related to land, building, leasehold and equipment lease contracts and the movement for the year 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land for tower	Buildings and building improvement	Equipment for mobile telecommunication services	Leasehold	Other	Total

Cost

31 December 2018	-	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2019	7,240,263	1,361,218	17,757,289	104,840	91,936	26,555,546
1 January 2019	7,240,263	1,361,218	17,757,289	104,840	91,936	26,555,546
Addition	1,743,263	330,581	280,965	18,630	30,056	2,403,495
Written-off	(150,668)	(98,819)	(487,234)	-	(16,081)	(752,802)
31 December 2019	8,832,858	1,592,980	17,551,020	123,470	105,911	28,206,239

Accumulated depreciation

31 December 2018	-	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2019	33,882	32,996	-	50,436	-	117,314
1 January 2019	33,882	32,996	-	50,436	-	117,314
Depreciation for the year	1,349,224	641,025	2,587,801	24,409	63,695	4,666,154

(Unit: Thousand Baht)

	Consolidated financial statements					
	Land for tower	Buildings and building improvement	Equipment for mobile telecommunication services	Leasehold	Other	Total
Depreciation - written-off	(94,302)	(69,849)	(61,499)	-	(15,122)	(240,772)
31 December 2019	1,288,804	604,172	2,526,302	74,845	48,573	4,542,696
Net book value						
31 December 2018	-	-	-	-	-	-
1 January 2019	7,206,381	1,328,222	17,757,289	54,404	91,936	26,438,232
31 December 2019	7,544,054	988,808	15,024,718	48,625	57,338	23,663,543

(Unit: Thousand Baht)

	Separate financial statements				
	Land for tower	Buildings and building improvement	Leasehold	Other	Total

Cost

31 December 2018	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2019	207,400	807,349	102,383	52,102	1,169,234
1 January 2019	207,400	807,349	102,383	52,102	1,169,234
Addition	41,220	148,128	4,860	28,454	222,662
Written-off	(17,121)	(41,841)	(80,530)	(15,936)	(155,428)
31 December 2019	231,499	913,636	26,713	64,620	1,236,468

Accumulated depreciation

31 December 2018	-	-	-	-	-
Effects of the adoption of TFRS16 as at 1 January 2019	-	32,996	49,202	-	82,198
1 January 2019	-	32,996	49,202	-	82,198
Depreciation for the year	66,747	310,770	7,042	37,582	422,141
Depreciation - written-off	(12,644)	(13,180)	(30,560)	(14,978)	(71,362)
31 December 2019	54,103	330,586	25,684	22,604	432,977

Net book value

31 December 2018	-	-	-	-	-
1 January 2019	207,400	774,353	53,181	52,102	1,087,036
31 December 2019	177,396	583,050	1,029	42,016	803,491

22.2 Lease liabilities

The carrying amounts of lease liabilities and the movement for the year 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2018	-	-
Effects of the adoption of TFRS16	27,606,401	1,051,914
As at 1 January 2019	27,606,401	1,051,914
Addition	1,832,191	147,180
Accretion of interest	903,519	23,817
Payments	(5,285,093)	(499,392)
Decrease from contract cancellation	(500,120)	(5,177)
As at 31 December 2019	24,556,898	718,342
Less: current portion	(4,453,564)	(446,365)
Lease liabilities - net of current portion	20,103,334	271,977

The following are the amounts recognised in profit or loss:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Depreciation of right-of-use assets	4,666,154	422,141
Interest expense on lease liabilities	903,519	23,817
Expense relating to short-term lease	83,712	73,620
Leases of low - value assets	146,618	164,947
Total	5,800,003	684,525

The Company and its subsidiaries had total cash outflows for leases of Baht 5,515 million (the Company only: Baht 738 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 1,832 million (the Company only: Baht 147million).

22.3 Lease receivables

During the year 2018, the Company and dtac TriNet entered into the Disputes Settlement and Tower Service Agreement with CAT. Under the agreement, the Company transferred to CAT for the disputed towers that the Company has procured under the agreement to operate and to provide cellular telephone services between CAT and the Company. In light of this, CAT agreed to settle disputes related to ownership of all towers and allowed the Company and dtac TriNet to use the towers to operate business based on an 8-year period. dtac TriNet itself shall procure the land for tower and provide maintenance service to the towers and shall receive the compensation in accordance with the terms and conditions as stipulated in the agreements.

The net book value of lease receivables as at 31 December 2019 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements
Receivables under lease agreements	7,414,660
Less: Deferred interest income	(930,489)
Total	6,484,171
Less: Portion due within one year	(382,096)
Lease receivables - net of current portion	6,102,075

As at 31 December 2019, the subsidiary has future minimum lease payment to be received under leases contracts as follows:

(Unit: Million Baht)

	Consolidated financial statements
To be received:	
Year 2020	382
Year 2021	1,158
Year 2022	1,192
Year 2023	1,228
Year 2024	1,265
Year 2025 onwards	2,189
Receivables under lease agreements	7,414
Less: Deferred interest income	(930)
Receivables under lease agreements - net	6,484

23. 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	
	2019	2018
Provision for long-term employee benefits at beginning of year	734,606	698,592
Included in profit or loss:		
Current service cost	51,047	50,858
Previous service cost	757	(5,585)
Interest cost	16,280	15,049

(Unit: Thousand Baht)

	Consolidated/Separate financial statements	
	2019	2018
Included in other comprehensive income:		
Actuarial (gains) losses arising from		
Financial assumptions changes	(29,195)	-
Demographic assumptions changes	(50,995)	156
Experience adjustments	(10,457)	(23,354)
Benefits paid during the year	(800)	(1,110)
Provision for long-term employee benefits at end of year	711,243	734,606

Line items in profit or loss under which long-term employee benefit expenses are recognised entirely in administrative expenses.

As at 31 December 2019, the Company expect to pay Baht 4 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2018: Baht 1 million, separate financial statements: Baht 1 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 13 years (Separate financial statements: 13 years) (2018: 14 years, separate financial statements: 14 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated/Separate financial statements	
	2019	2018
Discount rate	1.8	2.9
Salary increase rate	4	5.5
Turnover rate	0 - 15	0 - 15

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

	Consolidated/Separate financial statements			
	2019		2018	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(43)	47	(36)	40
Salary increase rate	46	(43)	38	(36)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Voluntary turnover rate of employees	(40)	44	(31)	33

On 13 December 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act, which was announced in the Royal Gazette on 5 April 2019. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company and its subsidiaries have additional liabilities for long-term employee benefits. The Company and its subsidiaries have recorded the effect of the change by recognising past service costs as expenses in the income statement for the year 2018.

24. Dividends

Dividends	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Interim dividend announced from operating result for the period as from 1 January 2019 to 30 June 2019	Board of Directors' Meeting on 15 July 2019	2,983	1.26
Total dividend for 2019		2,983	
Dividend announced from retained earnings as at 31 December 2017	Annual General Meeting of Shareholder on 4 April 2018	568	0.24
Interim dividend announced from operating result for the period as from 1 January 2018 to 30 June 2018	Board of Directors' Meeting on 16 July 2018	2,391	1.01
Total dividend for 2018		2,959	

25. Revenue from sales and services

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue from telecommunication business				
• Revenue under the type one license	4,287,988	3,938,597	4,286,565	-
• Revenue under the type two license	23,437	40,227	-	-
• Revenue under the type three license	63,551,741	62,230,061	-	-
Total	67,863,166	66,208,885	4,286,565	-
Other income	13,303,970	9,080,780	14,636,326	29,785,692
Total revenue from sales and services	81,167,136	75,289,665	18,922,891	29,785,692

26. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Salaries and wages and other employee benefits	4,736,088	4,188,097	4,711,514	4,237,106
Depreciation	10,716,630	9,418,310	528,967	760,734
Amortisation	4,630,366	15,686,261	106,261	6,095,540

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation right-of-use assets	4,666,154	-	422,141	-
Rental expenses from operating lease agreements	459,081	3,380,799	337,141	974,762
Purchases in inventories	9,491,913	9,982,669	94,958	2,567,478
Changes in inventories of finished goods	1,028,219	99,170	(11,497)	2,222,862
Disputes settlement agreement expenses	-	7,850,854	-	7,850,854

27. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Interest expense	2,541,266	1,236,305	19,445	342,249
Interest expense on lease liabilities	903,519	-	23,817	-
Less: Interest income on lease receivables	(219,202)	-	-	-
Net interest expense - lease liabilities	684,317	-	23,817	-
Amortisation on deferred financial cost	16,462	43,123	-	-
Other finance cost	27,305	71,814	-	-
Total finance cost	3,269,350	1,351,242	43,262	342,249

28. Income tax

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current income tax:				
Current income tax charge	105,335	1,565,595	-	-
Adjustment in respect of income tax of previous year	8,788	60,884	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	854,748	(3,057,015)	1,470,200	(1,286,308)
Income tax expense reported in the income statement	968,871	(1,430,536)	1,470,200	(1,286,308)

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	2019	2018
Deferred tax relating to the actuarial gains or losses	17,744	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	6,390,670	(5,799,226)	10,535,373	197,134
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	1,278,134	(1,159,845)	2,107,074	39,427
Adjustment in respect of current income tax of previous year	8,788	60,884	-	-
Effects of:				
Tax exempted revenue	(1,075)	(75)	(597,934)	(1,306,002)
Non-deductible expenses	59,754	60,481	18,817	16,938
Additional capital expenditure deductions allowed	(357,305)	(369,093)	(33,865)	(40,689)
Effects of adjustment deferred tax	(23,892)	(30,210)	(23,892)	4,018
Others	4,467	7,322	-	-
Income tax expenses reported in the income statement	968,871	(1,430,536)	1,470,200	(1,286,308)

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018

Deferred tax assets

Allowance for doubtful accounts - trade receivables	289,945	318,031	35,766	39,002
Allowance for diminution in value of investment/loss on the subsidiary	31,855	89,704	31,463	89,704
Allowance for diminution in value of inventories	11,729	8,425	14	1,210
Accrued expenses	78,308	8,954	78,308	7,575

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Amortisation of intangible assets	187,502	24,007	-	-
Sales of prepaid voucher cards	196,632	210,695	204	1,076
Lease agreement	115,545	-	19,473	-
Disputes Settlement Agreement expenses	-	1,895,792	-	1,895,792
Tax losses carried forward	4,691,191	3,974,109	4,359,582	3,974,109
Others	174,008	118,707	81,513	88,564
Total	5,776,715	6,648,424	4,606,323	6,097,032

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax liabilities				
Unrealised gain on derivative instruments for debentures	(14,842)	(8,176)	-	-
License on mobile money business (premium from subsidiary acquisition)	-	(13,768)	-	-
Contract assets	(35,070)	-	-	-
Cost to obtain contracts	(73,586)	-	-	-
Others	(56,892)	(26,166)	(23,402)	(26,166)
Total	(180,390)	(48,110)	(23,402)	(26,166)
Deferred tax assets - net	5,596,325	6,600,314	4,582,921	6,070,866

Details of expiry date of the above tax losses carried forward are summarised as below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
31 December 2020	996,556	996,556	996,556	996,556
31 December 2021	4,614,973	4,614,973	4,614,973	4,614,973
31 December 2022	6,555,113	6,555,113	6,555,113	6,555,113
31 December 2023	7,756,167	7,769,480	7,756,167	7,769,480
31 December 2024	3,533,147	-	1,875,104	-
	23,455,956	19,936,122	21,797,913	19,936,122

As at 31 December 2019 the Company has deductible temporary differences of Baht 1,425 million (2018: Baht 1,425 million) on which deferred tax assets have not been recognized because the Company considers that it might be uncertain to mortiz these temporary differences in the future.

29. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) 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	
	2019	2018	2019	2018
Profit (loss) attributable to equity holders of the Company (Thousand Baht)	5,421,893	(4,368,692)	9,065,173	1,483,442
Weighted average number of ordinary shares (Thousand shares)	2,367,811	2,367,811	2,367,811	2,367,811
Basic earnings (loss) per share (Baht/share)	2.29	(1.85)	3.83	0.63

30. Depreciation and amortisation

Depreciation and amortisation for the years ended 31 December 2019 and 2018 comprised:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Depreciation				
Building and equipment	10,716,630	9,418,310	528,967	760,734
Right-of-use assets	4,666,154	-	422,141	-
Amortisation				
Deferred right to use of equipment	-	13,945,356	-	5,971,683
Cost of spectrum licenses	3,984,254	1,033,057	-	-
Other intangible assets and other non-current assets				
• group as selling and administration expenses	629,650	664,725	106,261	123,857
• group as finance cost	16,462	43,123	-	-
Total depreciation and amortisation	20,013,150	25,104,571	1,057,369	6,856,274

31. 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	
			2019	2018
Profit (loss) for the year			5,421,799	(4,368,689)
Add	: Finance cost	27	3,269,350	1,351,242
	: Income tax expenses	28	968,871	(1,430,536)
	: Depreciation expense	30	10,716,630	9,418,310
	: Amortisation expense	30	4,613,904	15,643,138
	: Depreciation - right-of-use assets	30	4,666,154	-
EBITDA			29,656,708	20,613,465
Add	: Disputes settlement agreement expenses		-	7,850,854
EBITDA before disputes settlement agreement expenses			29,656,708	28,464,319
Add (less)	: Interest income		(57,839)	(241,122)
	: (Gain) loss on foreign exchange		15,140	(6,824)
	: Other expenses related to employees		548,457	127,232
	: Penalty from contract cancellation (reversal)		40,000	(2,852)
	: Share of loss from investment in associated company		8,831	12,148
	: Dividend received from other investments		(375)	(375)
	: (Gain) loss from sales of other investments		1,542	(4,441)
	: Allowance for impairment and loss from disposal/write-off of equipment and other intangible assets		207,303	46,804
	: Allowance for diminution in value of other investments		250	250
	: Other incomes		(2,850)	(3,650)
Operating income before interest, taxes, depreciation, amortisation, other incomes and other expenses (EBITDA before other incomes and other expenses)			30,417,167	28,391,489

32. Financial instruments

32.1 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.

32.2 Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relate primarily to their deposits at banks, debentures, short-term loan and long-term loans.

The significant financial assets and liabilities (part of these are under derivative instruments as described in Notes 20 to the consolidated financial statements) are classified by type of interest rate as follows:

(Unit: Million Baht)

Items	Note	Consolidated financial statements as at 31 December 2019			
		Floating interest rate	Fixed interest rate	Zero interest rate	Total
Financial assets					
Cash and cash equivalents	7	8,493	-	35	8,528
Trade and other receivables	8	-	-	9,791	9,791
Lease receivables	22.3	-	6,484	-	6,484
Financial liabilities					
Trade and other payables	18	-	-	26,690	26,690
Long-term loans	19	16,000	-	-	16,000
Debentures	20	-	33,000	-	33,000
Lease liabilities	22.2	-	24,557	-	24,557

(Unit: Million Baht)

Items	Note	Consolidated financial statements as at 31 December 2018			
		Floating interest rate	Fixed interest rate	Zero interest rate	Total
Financial assets					
Cash and cash equivalents	7	12,016	2,000	74	14,090
Trade and other receivables	8	-	-	7,831	7,831
Financial liabilities					
Trade and other payables	18	-	-	39,899	39,899
Long-term loans	19	17,500	-	-	17,500
Debentures	20	-	29,500	-	29,500

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)

Items	Note	Consolidated financial statements as at 31 December 2019			
		Within 12 months	Over 12 months	Total	Interest rate
Financial assets					
Lease receivables	22.3	382	6,102	6,484	3.64%
Financial liabilities					
Debentures	20	4,000	29,000	33,000	2.25% - 4.04%
Lease liabilities	22.2	4,182	20,375	24,557	2.08% - 3.84%

(Unit: Million Baht)

Items	Note	Consolidated financial statements as at 31 December 2018			
		Within 12 months	Over 12 months	Total	Interest rate
Financial assets					
Cash and cash equivalents		2,000	-	2,000	0.05% - 1.00%
Financial liabilities					
Debentures	20	1,500	28,000	29,500	1.98% - 4.04%

32.3 Foreign currency risk

The Company and its subsidiaries' exposure to foreign currency risk arises mainly from trade receivables/payables - international telephone roaming services, and purchasing of equipment transactions that are denominated in foreign currencies. The Company and its subsidiaries primarily utilise forward exchange contracts to manage the exchange rate risk arising from these instruments.

As at 31 December 2019 and 2018 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	
	2019	2018	Foreign currency	2019	2018
	(Million)	(Million)		Baht per foreign currency	
Assets					
Deposits at banks	4.65	12.31	USD	29.8855	32.1924
Trade receivables - other companies	20.77	27.51	SDRs	41.6521	45.0853
	1.02	1.55	USD	29.8855	32.1924
	0.01	0.13	EUR	33.2713	36.6577
Trade receivables -	0.85	0.75	SDRs	41.6521	45.0853
related companies	0.59	2.96	USD	29.8855	32.1924

	Consolidated financial statements as at 31 December			Exchange rate as at 31 December	
	2019	2018	Foreign currency	2019	2018
	(Million)	(Million)		Baht per foreign currency	
Liabilities					
Trade payables	4.51	6.82	USD	30.3313	32.6148
	0.20	0.16	EUR	34.0846	37.4884
	12.54	5.68	NOK	3.4637	3.7449
	0.16	-	GBP	39.9523	41.5216
	0.07	0.01	SGD	22.5935	23.9720
	0.13	-	SEK	3.2711	3.6428
	8.78	12.31	SDRs	41.6521	45.0853
Related parties payables	46.58	36.04	NOK	3.4637	3.7449
	0.75	0.53	SDRs	41.6521	45.0853
	0.06	0.01	SGD	22.5935	23.9720
	2.70	5.19	USD	30.3313	32.6148
Total net assets (liabilities)	(0.95)	4.81	USD		
	(0.19)	(0.03)	EUR		
	(0.16)	-	GBP		
	12.09	15.42	SDRs		
	(59.12)	(41.72)	NOK		
	(0.13)	-	SEK		
	(0.13)	(0.02)	SGD		

32.4 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.

32.5 Fair value of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, 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 and fair value of long-term financial liabilities and the fair value of derivative instruments as at 31 December 2019 and 2018 are presented below.

(Unit: Million Baht)

	Consolidated financial statements as at 31 December			
	2019		2018	
	Carrying value	Fair value	Carrying value	Fair value
Hedged				
Thai Baht debentures	28,500	31,732	27,000	29,157
Unhedged				
Thai Baht debentures	4,500	5,064	2,500	2,682
Derivative instruments				
Interest rate swaps	-	1,227	-	262

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 debentures are presented based on 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 current year, there were no transfers within the fair value hierarchy.

33. Fair value hierarchy

As at 31 December 2019 and 2018, 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 as at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	36,796	-	36,796
Interest rate swaps (favourable)	-	1,227	-	1,227

(Unit: Million Baht)

	Consolidated Financial Statements as at 31 December 2018			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	31,839	-	31,839
Interest rate swaps (favourable)	-	262	-	262

34. 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 before other incomes and other expenses ratio in order to comply with a condition in long-term loan agreements with financial institutions. As at 31 December 2019, the aforementioned ratio in the consolidated financial statements is 1.58:1 (2018: 1.16:1).

The Group's capital structure consist of debts that includes long-term loans and debentures disclosed in Note 19 and 20 to the consolidated financial statements, cash and cash equivalents disclosed in Note 7 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 2019 and 2018.

35. Commitments and contingent liabilities

35.1 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 1 year (2018: 1 – 3 years and 12 years).

As at 31 December 2019 and 2018, future minimum lease payments under these operating leases contracts were as follows.

(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable within:				
In up to 1 year	21	1,566	4	334
In over 1 and up to 5 years	-	1,938	-	371
In over 5 years	-	22	-	2

During the year 2019, the Company and its subsidiaries recognised rental expenses of Baht 230 million (the Company only: Baht 238 million) in the income statement (2018: Baht 3,094 million the Company only: Baht 772 million)).

During the year 2019, the Company and its subsidiaries recognised right-of-use assets from lease agreements as illustrated in Note 22 to the consolidated financial statements.

35.2 Capital commitments

As at 31 December 2019, the Company and its subsidiaries had capital commitments of Baht 1,054 million and USD 2 million (2018: Baht 3,273 million and USD 4 million) mainly in respect of the purchase of tools and equipment for providing telecommunication services and Baht 146 million and USD 3 million (2018: Baht 93 million, USD 3 million and EUR 0.3 million) relating to the construction of cell sites and acquisition of software for the Company and its subsidiaries' operations.

35.3 Restricted bank deposits

As at 31 December 2019, deposits at banks of a subsidiary amounting to Baht 0.1 million (2018: Baht 0.1 million) are pledged with the bank to secure facilities granted by the bank.

35.4 Bank guarantees

As at 31 December 2019, there were outstanding bank guarantees of Baht 46,638 million (2018: Baht 47,440 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 NBTC to guarantee the payment for the winning bid price of the spectrum licenses, and issued to TOT and CAT to guarantee the compliance with the agreements as discussed in Note 35.6 (c), (d) and (e) to the consolidated financial statements.

35.5 Agreement to install cell site equipment and maintain transmission networks

As at 31 December 2019, the Company and its subsidiary 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 and its subsidiary are committed to pay service fees at the rate specified in the agreement.

35.6 Long-term agreement commitment

- a. The Company and its subsidiary entered into a purchase and resale agreement with a company that granted the right to distribute products, equipment and support services in Thailand related to that company's mobile phones and tablet computer. The Company and its subsidiary are 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 for 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. On 23 April 2018, the Board of Directors' Meeting of the Company passed a resolution to approve dtac TriNet Company Limited ("dtac TriNet"), a subsidiary of the Company, to enter into the Domestic Roaming Agreement with TOT Public Company Limited ("TOT") to utilize the domestic data roaming on TOT's 2300 MHz network, who has been granted a license from the National Broadcasting and Telecommunications Commission, to provide the domestic roaming on TOT's 2300 MHz Spectrum to its customers. In this regard, dtac TriNet shall pay monthly roaming charges to TOT in accordance with details and conditions as specified in the Domestic Roaming Agreement dated on 23 April 2018. The agreement period is until on 3 August 2025. dtac TriNet provided a bank guarantee of Baht 715 million issued by a bank to guarantee the performance of such agreement.
- d. The Board of Directors' Meeting of the Company passed a resolution to approve TeleAssets Co., Ltd. ("TeleAssets"), a subsidiary of the Company, to enter into the Telecommunications Equipment Lease Agreement with TOT. TeleAssets agrees to procure, install, and maintain the Telecommunications Equipment (the "Telecommunications Equipment") and agrees to lease such Telecommunications Equipment to TOT, so that TOT is entitled to utilise such Telecommunications Equipment in the provision of the telecommunications services of the 2300 MHz Spectrum. TeleAssets will receive rental and service fees from TOT in accordance with the details and conditions specified in the Telecommunications Equipment Lease Agreement dated on 23 April 2018. The agreement period is until on 3 August 2025. TeleAssets provided a bank guarantee of Baht 470 million issued by a bank to guarantee the performance of such agreement.
- e. On 14 September 2018, the Board of Directors' Meeting of the Company passed a resolution to approve the Company and dtac TriNet to enter into the Disputes Settlement and Tower Service Agreement with CAT. Under the Disputes Settlement and Tower Service Agreement dated on 14 September 2018, the Company transferred to CAT for the disputed towers that the Company has procured under the agreement to operate and to provide cellular system radio communications services between CAT and the Company. In light of this, CAT agreed to settle disputes related to ownership of all towers and allowed the Company and dtac TriNet to use the towers to operate business based on an 8 year lock-up period which dtac TriNet provided the compensation in accordance with the terms and conditions as stipulated in the agreement, and has the right to renew the agreement period up to 3 years with no limitation. dtac TriNet itself shall procure the land for tower and provide maintenance service to the towers. The Company and dtac TriNet provided a bank guarantee of Baht 516 million issued by a bank to guarantee the performance of such agreement.

dtac TriNet also leases telecommunication equipment from CAT under Fiber and other Facilities Service Agreement dated 14 September 2018 with CAT. The duration of each device varies from one year to three years depending on the type and nature of the device. dtac TriNet has the right to renew the agreement period up to 1 year at a time. The Company and dtac TriNet provided a bank guarantee of Baht 794 million issued by a bank to guarantee the performance of such agreement.

35.7 NBTC letter requesting the Company to pay an additional payment for Remedy period

On 18 December 2019, the NBTC issued an order requesting the Company to make an additional payment for the usage of 850 MHz and 1800 MHz, amounting of Baht 264 million, during Remedy period. Under section 7 of NBTC notification Re: Remedial Measure in case of Concession Expiration, B.E. 2556 (2013), the Company is required to pay actual profit during the remedy period or 30% of the revenue during the remedy period whichever is higher. Therefore, on 10 April 2019, the Company made a minimum rate payment amounting of Baht 603 million to NBTC. Nevertheless, NBTC claimed the additional payment by rejecting some deducted costs and expenses.

As at 31 December 2019, the Company has not accrued such addition payment claimed by NBTC in the financial statements.

Based on the Company's external legal counsel opinion, the Company believes that it has no liability to pay such additional payment to NBTC. Currently, the Company is preparing to file a lawsuit with the Central Administrative Court requesting to revoke such NBTC order.

36. Court proceedings and commercial dispute 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 charge 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 Reference of Interconnect Offer (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 charge 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 charge 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 together with the notice to cancel the both 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 based on the view that the obligation to pay the Access Charge was ended.
- 4) On 9 May 2011, TOT filed a complaint (black case no. 1097/2554) with the Central Administrative Court and a petition to amend the complaint 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 complaint) 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 complaint) 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 complaint to adjust the amount of damages claimed up to 10 July 2014 from Baht 113,319 million to Baht 245,638 million (calculated to 10 July 2014). The other disputed issues remain the same.

On 31 May 2019, the Central Administrative Court issued a verdict dismissing TOT's claim on access charges against the Company in its entirety. The Central Administrative Court ruled that the method for calculation by using the access charge rates is no longer valid as it is against with NTC Notification on Interconnection. Therefore, the relevant telecommunication operators are required to calculate the interconnection charge rates in accordance with the said NTC Notification. As TOT did not submit its appeal within the timeframe, the case is final. On 8 July 2019, the Company submitted the petition to the Central Administrative Court requesting for a letter confirming that the case is final. The Central Administrative Court issued a letter dated 19 July 2019 confirming that the case is final.

On 28 June 2019, the Company received the letter from TOT specifying that CAT and the Company must pay the access charge to TOT according to the Access Charge Agreement. CAT, the Company and TOT shall negotiate the access charge payment in accordance with the Interconnection Notification and TOT request the Company to notify the date for negotiating such access charge payment for the avoidance of the future dispute. The Company, then, on the same day, sent the letter to TOT specifying that the Central Administrative Court ruled that the access charge rates under the Access Charge Agreement are no longer valid after NTC Notification on Interconnection became effective. CAT and the Company, then, are not obliged to pay such access charge to TOT and did not owe any debts to TOT. Later, the Company has met TOT on 30 July 2019, in objective to confirm and explain that the Company are not obliged to pay such access charge to TOT and did not owe any debts to TOT.

In addition, the Company has filed 3 lawsuits before the Central Administrative Court requesting TOT to pay Interconnection charges to the Company for the period of 18 November 2006 to 31 July 2013. The Central Administrative Court issued its verdicts in all 3 cases ordering TOT to pay Interconnection charges to the Company in the amount totalling of Baht 1,220 million. In such 3 cases, including one case which has been filed before the Central Administrative Court requesting True Corporation Public Company Limited (as the second defendant) to pay Interconnection charges to the Company for the period of 18 November 2006 to 31 December 2010. The Central Administrative Court issued its verdict ordering that company to pay Interconnection charges to the Company in the amount of Baht 1,832 million. However, the above cases are not yet final. Currently, two cases are under the consideration of Supreme Administrative Court. For one case, the parties still have the right to appeal the verdict of Central Administrative Court in the timeframe specified by law.

- 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 charge 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 per day until completion) enforcing TOT to enter into an interconnection charge 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 2012, 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 calculation of the access charge under Access Charge Agreement is against the current legal principles (in particular the Interconnection Notification). The calculation, however, shall be made on Interconnection rate. As a result, the Company's management believes that the outcome of the dispute, the negotiation process and the judicial process would not have an adverse impact on the Company's financial position in a material respect.

Currently, the Company and TOT are discussing about the Interconnection settlement which have not been finalised. However, the Company has made provision, under the conservatism assumption, for expenses that may arise from this issue, in an amount that the Company deems appropriate.

37. Significant commercial disputes, litigation cases and other related issues in relation to revenue sharing from service provided under the agreements to operate cellular telephone services (Concession Agreement) under Disputes Settlement Agreement between CAT the Company and dtac TriNet dated 10 January 2019

On 10 January 2019, the Board of Directors passed a resolution approving the Company and dtac TriNet entering into the Disputes Settlement Agreement to settle the disputes arising from the operation of services under the Concession Agreement between Company, dtac TriNet and CAT. In this regard, the Company, dtac TriNet and CAT also entered into signing the Disputes Settlement Agreement on 10 January 2019. The Dispute Settlement Agreement is binding upon the parties, subject to the terms and conditions specified, and takes effect when the Company obtains approval from a meeting of its shareholder. On 4 April 2019, the 2019 Annual General Meeting of Shareholders has approved the dispute settlement with CAT according to the settlement Agreement dated 10 January 2019 including the implementation under such Agreement. With the approval from the shareholders, the Company, dtac TriNet and CAT jointly submitted the petition for withdrawal cases and disputes under the Disputes Settlement Agreement with the Arbitral Tribunal and Administrative Court.

The Disputes Settlement Agreement results in the settlement numbers of the disputes between the Company and CAT, including disputes that are being litigated and disputes or claims that may be raised by CAT in the future under the Concession Agreement. This does not include the dispute between the Company and CAT regarding additional revenue sharing payments (Excise Tax) under the Concession Agreement and the dispute between the Company and CAT regarding the revenue sharing calculation in relation to Interconnection Charge revenue after the enforcement of the IC Notification, as described in Note 38 (a) and 38 (b) to the consolidated financial statements.

Under the agreement, the Company paid to CAT a consideration totaling Baht 9,510 million (excluding VAT) to settle the disputes. The first payment of Baht 6,840 million (excluding VAT) was made on 4 April 2019 and payments of the remaining balance were made during the year 2019 upon the relevant disputes and/or court cases were withdrawn from the arbitration and the court in accordance with the Disputes Settlement Agreement.

The detail of the disputes, cases and other related issues under this Disputes Settlement Agreements are 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 which subsequently the Central Administrative Court dismissed CAT's lawsuit due to statute of limitation. On 9 November 2017, the Company is allowed by the Supreme Administrative Court to make the copy of such verdict which appeared that the Supreme Administrative Court confirmed the Central Administrative Court's verdict.

During 2018, the Company directly received the letter from the Central Administrative Court confirming that the case was final. The Company's management also considered the legal opinion from external legal counsel which determined that the Company has no further obligation on this case.

- (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. 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. 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.

- (c) Dispute between the Company and CAT regarding revenue share calculation in relation to Interconnection Charge ("IC") revenue received from other telecom operators before 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.

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 to 2015, CAT submitted several statements of claim in the same matter in the approximate amount of Baht 5 million for all cases, together with penalty.

- (d) 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 including VAT but excluding interest. 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. 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. Subsequently, the Company appealed the verdict of the Central Administrative Court with the Supreme Administrative Court. Later, on 7 June 2017, the Supreme Administrative Court issued a verdict dismissing the Company's petition. The case is final.

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 (including VAT) 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 (including VAT). In total, CAT claimed the additional revenue sharing for the 15th - 20th in the amount of Baht 491 million including VAT and interest calculated until the dispute filing date.

- (e) Dispute between the Company and CAT regarding addition revenue sharing from prepaid service revenue on 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 (including VAT). 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. 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 including VAT and interest calculated until the dispute filing date.

- (f) 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 2015, CAT submitted several disputes to the Arbitration Institute requesting for additional revenue sharing in total amount of Baht 52 million (including VAT) together with penalty. CAT argued that the Company did not make the revenue sharing payment for the 11th-20th 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.

- (g) Other disputes in relation to revenue sharing from service 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 and Court demanding the Company to pay additional revenue sharing to CAT in total amount of Baht 263 million together with penalty.

- (h) 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 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.

On 30 August 2018, the Company received the claim that CAT filed before the Arbitral Tribunal claiming that the Company is in breach of clause 14.8 of Concession by holding 99.99% of shareholding of dtac TriNet and transferring subscriber

by violating the NBTC Notification on Mobile number portability and its manual. CAT claimed that Company's action damage CAT by reducing the revenue sharing received from the Company. CAT request the Company to compensate for the period of September 2013 to May 2015 in the amount of Baht 3,506 million, with 7.5% of interest per annum starting from June 2015 onward.

(i) 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, prohibited to install devices and equipment of dtac TriNet on the Company's concessionary asset, 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. On 20 March 2018, the Central Administrative Court rendered its decision ruling that dtac TriNet has not violated CAT and dismissed CAT's claim. CAT has already appealed the Central Administrative Court's decision with the Supreme Administrative Court.

(j) 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 37 (h) to the 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, commercial disputes and legal cases are final by the order of Arbitral Tribunal, Central Administrative Court or Supreme Administrative Court to dispose of disputes or cases as requested by the Company, dtac TriNet and CAT.

In addition, the Disputes Settlement Agreement will result in settlement of other issues related to the operations under the Concession Agreement between the Company and CAT which have not yet given rise to litigation, such as the 3rd amendment of Concession Agreement as described in Note 39.3 to the consolidated financial statements and disputes or claims that CAT may potentially raise with the Company in the future under the Concession Agreement.

38. Significant commercial disputes and litigation cases in relation to the revenue sharing according to the agreements to operate cellular telephone services (Concession Agreement) between CAT and the Company which are not included in the Disputes Settlement Agreement, and other litigation cases

- (a) 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 value added taxes and 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 2012 in favor of the Company and dismissed CAT's claim. On 31 August 2012, 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. CAT appealed the Central administrative Court's decision with the Supreme Administrative Court. Currently, the case is under the consideration of Supreme administrative Court.

On 29 September 2017, the Company received a notice from CAT informing that the Company had to pay VAT on the reduction of revenue sharing from the deduction of excise tax. CAT claimed that the Company has liability for any taxes and/or fees under laws, which are incurred by Concession. According to the notice, CAT requested the Company to pay VAT to CAT for an amount of Baht 2,756 million with interests. In case of non-compliance, CAT reserves the rights to proceed with the law.

However, based on the Company's legal counsel opinion, the Company's management believes that the Company does not have any duty under tax law or Concession to pay such VAT to CAT. Therefore, as at 31 December 2019, the Company has not accrued the said VAT in its financial statement.

- (b) Dispute between the Company and CAT regarding revenue share calculation in relation to Interconnection Charge ("IC") revenue after the enforcement of the IC Notification

In 2011, CAT submitted several statements of claim to the Arbitration Institution 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 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.

In addition, 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.

In 2019, CAT also filed a statement of claim to the Arbitration Institution requesting for additional revenue sharing for the 21st-27th concession year in the amount of Baht 15,879 million together with penalty. The Company is in the process of submitting the defense to the Arbitration.

On 25 December 2019, the Company has received the award of arbitral tribunal, dismissing CAT's claim for additional revenue sharing on IC for the 16th concession year. Later, on 26 and 27 December 2019, the Company has received the awards of arbitral tribunal, deciding that the Company has to pay for additional revenue sharing on IC for the 18th concession year Baht 3,957 million with interest at 7.5 percent per annum and to pay for additional revenue sharing on IC for the 17th concession year Baht 3,438 million with interest at 7.5 percent per annum. However, CAT and the Company have right to seek the revocation of Arbitration awards to the Central Administrative Court within 90 days from the date of receiving the award.

Based on the Company's legal counsel opinion, the Company's management deems that the Arbitration awards for the 17th and 18th concession year are inconsistent with the principles of Administrative Law and the relevant regulations of NBTC. Therefore, the Company is preparing to submit a petition to seek the revocation such Arbitration awards to the Central Administrative Court. In addition, such awards only have legal effect for specific case. It does not have any legal and binding effect on the other cases of dispute.

As at 31 December 2019, the Company has not accrued the said additional revenue sharing requested by CAT because, based on the Company's legal counsel 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.

(c) Other litigation cases

The Company has several cases regarding the employment and other commercial agreements total amount of Baht 93 million. The cases are currently under the consideration of Court.

The Company's management believes that the outcomes of the disputes and cases as referred above will have no significant impact to the Company's financial position.

39. Regulatory risks concerning the telecommunication business

39.1 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 Group in several aspects, both in implementing its business strategies and adjustment to any changes in market conditions including the management under spectrum licenses at appropriate costs which is significant to the Group's current operations in the mobile telecommunication business and will impact their business strategy including the amount of additional investment required to enable them to derive maximum benefit from their utilisation of existing spectrums.

39.2 Operational costs of interconnection between the Company and TOT before the end of Concession Agreement

Pursuant to the telecommunication act, an operator who wishes to interconnect with the network of another operator must enter into an interconnection agreement. At present, the concession agreement was ended but the operation cost of interconnection arisen before the end of concession is unclear since TOT refused to enter into interconnection agreement with the Company. In particular TOT who had entered into an Access Charge Agreements with the Company in 1994 and 2001 required the Company 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 determined under the old regulatory regime is no longer valid as it is not in compliance with the Telecommunications Act and the Interconnection Notification.

39.3 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.

Nevertheless, as a result of the Disputes Settlement Agreement between CAT, the Company and dtac TriNet, the risk from being requested by CAT for the revision of the revenue sharing in relation to the 3rd Concession Amendment is eliminated.

39.4 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 could not operate telecommunications businesses.

However, 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 2012, 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.

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, these two cases are under proceedings of the Royal Thai Police and 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 of the company and its subsidiaries.

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 NBTC to revoke the Company and its subsidiary's right to operate telecom business.

39.5 The NBTC Notification on Foreign dominance, B.E. 2555 (2012)

NBTC has issued the NBTC Notification on Foreign Dominance, B.E. 2555 (2012) ("FD Notification") which became effective on 24 July 2012. 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; 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 900 MHz, 1800 MHz and 2.1GHz spectrum licensee 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 2012, 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.

40. 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 2019 and 2018 by segments.

(Unit: Thousand Baht)

	For the year ended 31 December 2019				
	Mobile telephone service and related services			Sales of handsets and starter kits	Consolidated
	Mobile telephone service	Other	Total		
Revenues					
External customers	63,332,725	9,205,827	72,538,552	8,628,584	81,167,136
Total revenue	63,332,725	9,205,827	72,538,552	8,628,584	81,167,136
Operating result					
Gross profit (loss) of segments			26,973,560	(1,920,240)	25,053,320
Other incomes					37,093
Selling, distribution and service expenses					(4,716,984)
Administrative expenses					(10,713,409)
Finance cost					(3,269,350)
Profit before income tax expenses					6,390,670
Income tax expenses					(968,871)
Profit for the year					5,421,799
Segment total assets					
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets			15,348,822	-	15,348,822

(Unit: Thousand Baht)

	For the year ended 31 December 2019				
	Mobile telephone service and related services			Sales of handsets and starter kits	Consolidated
	Mobile telephone service	Other	Total		
Revenues					
External customers	65,324,577	2,195,987	67,520,564	7,769,101	75,289,665
Total revenue	65,324,577	2,195,987	67,520,564	7,769,101	75,289,665
Operating result					
Gross profit (loss) of segments			20,065,725	(2,055,676)	18,010,049
Other incomes					244,264
Selling, distribution and service expenses					(4,778,367)
Administrative expenses					(17,923,930)
Finance cost					(1,351,242)
Loss before income tax expenses					(5,799,226)
Income tax expenses					1,430,537
Loss for the year					(4,368,689)
Segment total assets					
Additions to non-current assets other than financial instruments, deferred tax assets, and other non-current assets			20,185,869	-	20,185,869

The following table presents segment assets of the Company and its subsidiaries' operating segments as at 31 December 2019 and 2018:

(Unit: Thousand Baht)

Segment assets	Mobile telephone service and related services	Sales of handsets and starter kits	Total segments	Unallocated assets	Consolidated
At 31 December 2019	126,297,627	1,484,708	127,782,335	39,556,481	167,338,816
At 31 December 2018	115,265,455	2,398,770	117,664,225	33,293,430	150,957,655

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 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

41. 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 2 - 15 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 2019, Baht 108 million (2018: Baht 96 million) has been contributed to the fund by the Company.

42. Premium on ordinary share/Legal reserve

42.1 Reduction of legal reserve and premium on ordinary shares to offset the deficits

On 28 January 2019, the Company's Board of Directors' Meeting passed a resolution to propose for the Annual General Shareholders' Meeting of 2019 for approval the reduction of legal reserve amounting to Baht 466 million and premium on ordinary shares amounting to Baht 386 million so as to reduce the deficits in the Company's separate financial statements which, subsequently, on 4 April 2019, the Annual General Shareholders' Meeting passed a resolution for the aforementioned reduction of legal reserve and premium on ordinary shares.

42.2 Appropriation of legal 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.

43. Event after the reporting period

At the Company's Board of Directors' Meeting, held on 28 January 2020, the Board passed a resolution proposing the payment of dividend of Baht 1.61 per share from the retained earnings as of 31 December 2019, for approval by the Annual General Meeting of the Company's shareholders.

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 January 2020.

GLOSSARY

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 per month
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 between CAT and the Company (as amended)
DPC	Digital Phone Company Limited
DTN, dtac TriNet	dtac TriNet Company Limited
EDGE	Enhanced Data-Rates for GSM Evolution
Foreign Business Act	Foreign Business Act B.E. 2542 (1999)
Free cash flow	EBITDA-CAPEX
FY	Fiscal year
GB	Giga byte, which is a measurement of data volume
GPRS	General Packet Radio Service
GSM	Global System for Mobile Communications
GHz	Giga 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
IVR	Interactive Voice Response System
LTE	Long-Term Evolution, a 4G technology
MB	Mega Byte, which is a measurement of data volume
MHz	Mega Hertz, which is a measurement of frequency

MMS	Multimedia Messaging Service
MNP	Mobile Number Portability
MOU	Minute of use per user per month
MVNO	Mobile Virtual Network Operator
NBTC	National Broadcasting and Telecommunications Commission
NTC	National Telecommunications Commission, in accordance with the Act on Organization to Assign Radio Frequency and to Regulate the Broadcasting and Telecommunications Services 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
OPEX	Operating expenses, primarily consisting of network operating expenses, sell & marketing expenses and general administrative expenses
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
Telecommunications Act	Telecommunication Business Operation Act B.E. 2544 (2001) (as amended)
TOT	TOT Public Company Limited (formerly Telephone Organization of Thailand)
True Move	True Move Co., Ltd.
TSD	The Thailand Securities Depository Co., Ltd.
UCOM	United Communication Industry Public Company Limited
USO	Universal Service Obligation
VAS	Value Added Services
VoIP	Voice over Internet Protocol
WiFi	Wireless Fidelity, a type of wireless networking protocol
YoY	Year on Year



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