

(Translation)

Annual Registration Statement

(Report form 56-1)

For the Year 2009

True Corporation

Public Company Limited

true

Contents

Topic - Page

Part I	
1. Corporate Information	
1.1 Information of True Corporation Public Company Limited	1 - 1
1.2 Information of its subsidiaries, associated companies and other investments	1 - 2
1.3 References	1 - 8
2. Risk Factors	2 - 1
3. Nature of Business	3 - 1
4. Details of each Business Line	
4.1 Products and Services	4 - 1
4.2 Marketing Strategy	4 - 16
4.3 Distribution and sales	4 - 16
4.4 Procurement of Products and Services	4 - 17
4.5 Thai Telecom Industry	4 - 18
4.6 Regulatory update	4 - 22
5. Operating Assets	5 - 1
6. Legal Disputes	6 - 1
7. Capital Structure	
7.1 Company's Securities	7 - 1
7.2 Shareholders	7 - 12
7.3 Dividend Policy	7 - 13
7.4 Liabilities Structure	7 - 13
8. Management	
8.1 Management Structure	8 - 1
8.2 Election of Directors	8 - 6
8.3 Remuneration of the Company's Directors and the Executive Officers	8 - 9
8.4 Corporate Governance Report	8 - 12
8.5 Insider Trading Policy	8 - 24
8.6 Personnel	8 - 24
9. Internal Controls	9 - 1
10. Connected Transactions	10 - 1
11. Financial Status and Performance	
11.1 Summary of Financial Statements	11 - 1
11.2 Management's Discussion and Analysis	11 - 6
11.3 Auditor	11 - 23
11.4 Audit Fees	11 - 23
12. Other Related Information	12 - 1
Part II Acknowledgement of the correctness of the information	1
Appendix 1: Information of Directors and Executive Officers	1
Appendix 2: Information of Directors of Subsidiaries/Associated Companies	1

PART I**1. CORPORATE INFORMATION****1.1 Information of True Corporation Public Company Limited**

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

As at 31st December 2009, the Company's authorized capital is Baht 153,332,070,330.- consisting of 14,633,873,051 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share. The Company's paid-up capital is Baht 77,757,424,030.- comprising of 7,076,408,421 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share.

The Company's head office is located at:

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

In this Form 56-1, "TRUE", "Company", "Affiliates", and "Subsidiaries" refer to True Corporation Public Company Limited and/or its affiliates and/or its subsidiaries. In case of uncertainty of which company is responsible or execute and of which businesses appeared in the Form 56-1, you may send your questions to

IR Office
True Corporation Public Company Limited
18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310
Telephone 66 (0) 2699-2515 Fax 66 (0) 2643-0515
E-mail: ir_office@truecorp.co.th

1.2 Information of its subsidiaries, associated companies and other investments

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Asia DBS Public Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	DBS system operator	THB 100 million divided into 10 million ordinary shares with a par value of Baht 10 each and fully paid up.	89.99
Asia Infonet Company Limited	1 Fortune Town, 14th, 17th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet services provider	THB 15 million divided into 1.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	65.00
Asia Wireless Communication Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	PCT operator	THB 10,441.85 million divided into 1,044.18 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
Bangkok Inter Teletech Public Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 82,678 million divided into 33,071 million ordinary shares with a par value of Baht 2.50 each and fully paid up.	98.91
BeboydCg Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production of animation	THB 16.52 million divided into 1.65 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
Cineplex Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Program production	THB 1,283.43 million divided into 128.34 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.79
Click TV Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Interactive TV business	THB 46 million divided into 4.6 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.79
Channel [V] Music (Thailand) Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Music and sound	THB 110 million divided into 1.1 million ordinary shares with a par value of Baht 100 each and fully paid up.	23.87

Company Name	Address	Type of Business	Paid-up Capital	% of investment
IBC Symphony Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Dormant	THB 30 million divided into 3 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.79
Internet Knowledge Service Center Company Limited	2/4 Siam Commercial, Samaggi Insurance tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000	Non-government telecommunication services	THB 50 million divided into 12 million ordinary shares with a par value of Baht 10 each, 2.67 ordinary shares fully paid up and 9.33 ordinary shares call-up Baht 2.50 each	56.93
K.I.N. (Thailand) Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 352.50 million divided into 11.75 million ordinary shares with a par value of Baht 30 each and fully paid up.	99.99
KSC Commercial Internet Company Limited	2/4 Siam Commercial, Samaggi Insurance tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000	Internet services provider	THB 153 million divided into 15.30 million ordinary shares with a par value of Baht 10 each and fully paid up.	56.83
MKSC World Dot Com Company Limited	2/4 Siam Commercial, Samaggi Insurance tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000	Internet services and distributor	THB 200,000 divided into 9,800 ordinary shares with a par value of Baht 10 each and 10,200 preference shares with a par value of Baht 10 each and fully paid up.	91.05
Panther Entertainment Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 725-7400 Fax. (662) 725-7401	Artist management and related business	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.79
Samut Pakan Media Corporation Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	98.85
Sattellite Service Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Sales and rental of equipment related to Pay Television	THB 2,880 million divided into 480 million ordinary shares with a par value of Baht 6 each and fully paid up.	91.79

Company Name	Address	Type of Business	Paid-up Capital	% of investment
Song Dao Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Collection agent	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	98.84
Tele Engineering and Services Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
Telecom Holding Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 18,598.25 million divided into 1,895.52 million ordinary shares with a par value of Baht 10 each, 1,674.52 million ordinary shares fully paid up, 21 million ordinary shares call-up Baht 3.57 each and 200 million ordinary shares call-up Baht 8.89 each.	99.99
Telecom International Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Holding Company	THB 300 million divided into 30 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
Telecom KSC Company Limited	2/4 Siam Commercial, Samaggi Insurance tower, 10 th Floor, Vibhavadee-Rangsit Road, Thungsonghong, Laksi, Bangkok 10210 Tel. (662) 979-7000	Non-government telecommunication services	THB 250,000 divided into 100,000 ordinary shares with a par value of Baht 10 each and call-up Baht 2.50 each	34.39
True Digital Content & Media Company Limited (Formerly "Future Gamer Company Limited")	1035/22 Soi Khunvijit Sukhumvit 71 Road, Klongton-nua, Wattana, Bangkok 10110 Tel. (662) 382-1543 Fax. (662) 382-1545	Digital content and marketing media	THB 16 million divided into 1.6 million ordinary shares with a par value of Baht 10 each and fully paid up.	90.00
True Digital Media Company Limited (Formerly "Red Media Company Limited")	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Advertising sale and agency	THB 25 million divided into 2.5 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.79
True Digital Plus Company Limited ("Formerly "Online Station Company Limited")	121/72 RS Tower, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 686-2255	Online game	THB 1 million divided into 100,000 ordinary shares with a par value of Baht 10 each and fully paid up.	90.00

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Distribution and Sales Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Retail services	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	98.76
True Information Technology Company Limited (Formerly "Telecom Training and Development Company Limited")	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	IT service and training	THB 192 million divided into 38 million ordinary shares with a par value of Baht 10 each, 5 million ordinary shares fully paid up, 8 million ordinary shares call-up Baht 8.75 each. and 25 million ordinary shares call-up Baht 2.88 each.	99.99
True International Communication Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 22 million divided into 850,000 ordinary shares with a par value of Baht 100 each 10,000 ordinary shares fully paid up and 840,000 ordinary shares call-up Baht 25 each up.	99.99
True Internet Company Limited	1 Fortune Town, 14 th , 27 th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Internet solution provider	THB 602.80 million divided into 60.28 million ordinary shares with a par value of Baht 10 each, and fully paid	99.99
True Internet Data Center Company Limited	18 True Tower, 14 th Floor, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Internet data center	THB 149.59 million divided into 14.96 million ordinary shares with a par value of Baht 10 each and fully paid up.	70.00
True Internet Gateway Company Limited	1 Fortune Town Building, 15 th Floors, Ratchadapisek Road, Din Dang, Bangkok 10400 Tel. (662) 641-1800	Telecommunication and internet services	THB 51 million divided into 510,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.99
True Leasing Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Rental services	THB 1,285 million divided into 128.50 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Life Plus Company Limited (Formerly "True Digital Entertainment Company Limited")	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommuni- -cation services reseller	THB 1,775 million divided into 257.5 million ordinary shares with a par value of Baht 10 each, 97.5 million ordinary shares fully paid up and 160 million ordinary shares call-up Baht 5 each	99.99
True Lifestyle Retail Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Internet cafe and related services	THB 131 million divided into 13.1 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
True Magic Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Production and distribution of movies film	THB 3.5 million divided into 350,000 ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
True Money Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Payment service centre and electronic card services	THB 200 million divided into 20 million ordinary shares with a par value of Baht 10 each and fully paid up.	99.99
True Move Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Cellular operator	THB 37,281 million divided into 3,728 million ordinary shares with a par value of Baht 10 each and fully paid up.	98.83
True Multimedia Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	NON-POTS and multimedia services	THB 6,562 million divided into 656.2 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.08
True Music Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Content provider	THB 200,000 divided into 20,000 ordinary shares with a par value of Baht 10 each and fully paid up.	98.79
True Music Radio Company Limited	23/6-7, 2 nd - 4 th Floor, Soi Soonwijai, Rama 9 Road, Bangkapi, Bangkok Tel. (662) 641-4838-9 Fax. (662) 641-4840	Trading and production of advertising media	THB 1 million divided into 10,000 ordinary shares with a par value of Baht 100 each and fully paid up.	69.94
True Properties Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Rental services	THB 3,008 million divided into 30.08 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.99

Company Name	Address	Type of Business	Paid-up Capital	% of investment
True Public Communication Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 86 million divided into 860,000 ordinary shares with a par value of Baht 100 each and fully paid up.	99.99
True Touch Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Call centre services	THB 193 million divided into 1.93 million ordinary shares with a par value of Baht 100 each and fully paid up.	99.99
True Universal Convergence Company Limited	18 True Tower, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Telecommunication services	THB 1,685 million divided into 27.51 million ordinary shares with a par value of Baht 10 each, 11.50 million ordinary shares fully paid up and 16 million shares call-up Baht 33.375 each.	99.99
True Visions Public Company Limited	118/1 Tipco Building, Rama VI Road, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay Television	THB 2,266.72 million divided into 755.57 million ordinary shares with a par value of Baht 3 each and fully paid up.	91.79
True Visions Cable Public Company Limited	118/1 Tipco Tower, Rama VI Road, Samsen Nai, Phayathai, Bangkok 10400 Tel. (662) 615-9000 Fax. (662) 615-9900	Pay television via cable system	THB 7,608.65 million divided into 760.86 million ordinary shares with a par value of Baht 10 each and fully paid up.	91.19
Wire & Wireless Company Limited	54 W&W Building, Soi Pattanakarn 20, Pattanakarn Road, Suanluang, Bangkok 10250 Tel. (662) 717-9000 Fax. (662) 717-9900	Construction	THB 100 million divided into 10 million ordinary shares with a par value of Baht 10 each and fully paid up.	87.50
NC True Company Limited	18 True Tower, 18th Floor, Ratchadapisek Road, Huai Khwang, Bangkok 10310 Tel. (662) 643-1111 Fax. (662) 643-1651	Developer and service provider of games online	THB 241.58 million divided into 11.84 million ordinary shares and 12.32 million preference shares with a par value of Baht 10 each and fully paid up.	51.00 Share-holding but 40.00 Voting Rights
Asia Remanufacturing Industries Company Limited	102, 15 th Floor, Na Ranong Road, Klongtoey, Bangkok 10110	Modification, repair and maintenance services	THB 5.6 million divided into 56,000 ordinary shares with a par value of Baht 100 each and fully paid up.	20.00
Thai Smart Card Company Limited	191 Silom Complex Building, 27 th Floor, Room No. 2, Silom Road, Bangrak, Bangkok	Central Service Bureau for clearing electronic payment transactions	THB 1,200 million divided into 160 million ordinary shares with a par value of Baht 10 each, 80 million ordinary shares fully paid up and 80 million shares call-up Baht 5 each.	15.76

Company Name	Address	Type of Business	Paid-up Capital	% of investment
NEC Corporation (Thailand) Company Limited	159 Sermmit Tower, 2 nd , 24 th Floor, Sukumvit 21, Klongtoey Nua, Wattana, Bangkok	Telecommuni-cation equipment manufacturer	THB 343 million divided into 343,000 ordinary shares with a par value of Baht 1,000 each and fully paid up.	9.62
International Broadcasting Corporation (Cambodia) Company Limited	8 Lenine Blvd. Phnom Penh City, Cambodia	Dormant	USD 1 million divided into 1 million ordinary shares with a par value of USD 1 each and fully paid up.	64.25
K.I.N. (Thailand) Company Limited	P.O. Box 957, Offshore Incorporation, Road Town, Tortola, British Virgin Island	Holding Company	USD 1 divided into 1 ordinary share with a par value of USD 1 each and fully paid up.	99.99
Nilubon Company Limited	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Island	Holding Company	USD 8,000 divided into 8,000 ordinary shares with a par value of USD 1 each and fully paid up.	99.99
TA Orient Telecom Investment Company Limited	21 st Far East Finance Centre, 16 Harcourt Road, Central, Hong Kong	Holding Company	USD 15 million divided into 15 million ordinary shares with a par value of USD 1 each and fully paid up.	99.99
Chongqing Communication Equipment Company Limited	140 Daping Zhengjie Chongqing, People's Republic of China	Telecommuni-cation equipment manufacturer	RMB 292 million	38.21

1.3 References

Registrar : Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building,
Rachadapisek Road, Klongtoey, Bangkok 10110
Telephone: (662) 229-2800
Fax: (662) 359-1259
Call center: (662) 229-2888
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Auditor : Mr. Pisit Thangtanagul
Certified Public Accountant (Thailand) No. 4095
PricewaterhouseCoopers ABAS Limited
179/74-80 Bangkok City Tower, 15th Floor,
South Sathorn Road, Sathorn, Bangkok 10120
Telephone: (662) 286-9999, (662) 344-1000
Fax: (662) 286-5050

Debenture Registrar/ : TMB Bank Public Company Limited
Debentureholders'
Representative 393 Silom Road, Bangrak, Bangkok 10500
Telephone: (662) 230-5575, (662) 230-5487,
(662) 230-5731
Fax: (662) 266-8150

2. RISK FACTORS

True Group considers that 2010 will offer a wide range of opportunities for business expansion however it is recognized that at the same time True and/or its subsidiaries possibly face a variety of risks that may impact operations.

Risks relating to operations

Risk related to macroeconomic factors

Thailand's macro conditions have been gradually improving with positive economic growth seen in the fourth quarter of 2009 despite political uncertainties. In 2010, there is optimism that the nation's economy will improve further and that the telecom sector will continue to evolve, though conditions may remain challenging.

The impact on the telecom industry as a whole in 2009 was less than expected with a slight negative growth in industry service revenue, excluding Interconnection revenues. This can in part be attributed to the evolution of mobile services into an everyday utility. Non-voice, especially mobile Internet, showed good growth in 2009 driven by the affordability and popularity of smartphones while fixed Broadband continued to grow at a double-digit rate. We expect these segments to continue performing well in 2010. True's convergence platform should ensure our differentiation and drive revenues as well as subscriber numbers.

Risk related to market competition

The Company and its group of businesses, especially TrueMove, fixed-line, Internet and Broadband, will continue to face intensifying competition. The cellular market is close to saturation while Broadband operators can now offer services nationwide following industry deregulation by the National Telecommunications Commission ("NTC"). From 2009, competition risk for the pay-TV business, TrueVisions, will be higher. The enactment of the Radio and Television Broadcasting Act B.E. 2551 in March 2008 will see the issuance of one-year temporary licenses for non-frequency operators (e.g. cable). However, until the National Broadcasting Commission ("NBC") under the new constitution B.E. 2550 is established no frequency licenses will be issued to new operators nationwide. The Broadcasting Act B.E. 2551 allows pay TV (cable and satellite TV) operators to advertise which will add value to TrueVisions' existing businesses. Advertising revenues could also strengthen the financial position of small pay TV operators and help them to compete more aggressively with TrueVisions. However, we believe that the impact will be slight and that the superior content quality of our pay-TV operation provides a strong advantage. Once granted licenses, all operators will have to engage in business under the same regulatory framework as TrueVisions and comply with strict regulations which include active consumer protection provisions. They will also be required to legally purchase content, which will reduce their competitiveness.

The Thai mobile communications sector experienced intense price competition in 2005 and 2006, resulting in tariff reductions and declines in ARPU and margin. Our blended ARPU for TrueMove declined by 10 percent in 2005 (from Baht 437 in 2004 to Baht 393) and by 26 percent in 2006 (to Baht 292). Meanwhile, our EBITDA margin in 2006 declined to 21.4 percent (from 23.4 percent in 2005). Moreover, the increase in subscribers and usage we experienced following this period of intense price competition required us to make additional capital expenditures to alleviate congestion and expand our network capacity.

However, since 2007 the industry moved towards more rational competition as operators entered into the interconnection ("IC") regime which requires them to pay for access to

other networks (Baht 1 per minute on average), putting a floor on prices, especially off-net calls. Operators have recently offered price differentials between on-net calls (which bear no IC cost) and off-net calls. In addition, small operators are able to offer low-tariff promotions, as while they have been in dispute with other operators over IC payment they have had no IC burden. However, in early 2010 the NTC approved the IC rate between Hutch and DTAC at Baht 0.50 per minute. As a result, Hutch will need to enter into the IC regime. We expect price competition will ease once industry-wide IC implementation takes place.

Competition could increase as the NTC grants telecom licenses to new operators or allows telecom operators to launch additional services such as mobile number portability ("MNP"). MNP allows subscribers to switch operators without changing their number. It is possible that MNP would be implemented by the end of 2010 following the enactment of the MNP regulation by the NTC in August 2009. However, MNP could also present True with the opportunity to increase its high-ARPU, post-paid subscribers. TrueMove faces further risks due to the change in the holding structure of certain operators to accommodate foreign partners who have considerable capital and mobile experience.

In the Broadband Internet market, we face intense competition after the NTC granted licenses for nationwide fixed line and Broadband Internet services to Triple-T Broadband Company Limited (now called 3BB) which has expanded its services into the BMA since 2008. The NTC also granted fixed-line (including Broadband) nationwide licenses to AIS's subsidiary, Super Broadband Network Company Limited. Competition has intensified after these operators launched their services. True Group's Broadband business may also face competition from TOT's 3G network which was initially launched in Bangkok in December 2009 and through which the TOT and five MVNOs offer mobile Internet services. There remains considerable scope for growth in the Thai Broadband market with the penetration rate estimated at 9 percent of total households as at the end of 2009. We believe TOT's 3G service will complement rather than replace Broadband services. We will also place emphasis on the quality and efficiency of services as well as customer care to retain our existing customer base. In addition, the Company's wireline business will face indirect and growing competition from mobile phone businesses and Voice over Internet Protocol (VoIP) services, whose tariffs are lower than those for traditional wireline services although the quality of such services is not comparable.

We expect competition to remain intense, but believe True Group is well positioned to meet this challenge given our ability to provide fully integrated brands and services. TrueMove has captured close to one third of subscriber additions in the Thai mobile market every year since 2004 and True Group still maintains Internet and Broadband market leadership due to the advantages of our network quality and customer service.

The Company's subsidiaries have applied for additional licenses to take advantage of new opportunities offered by regulatory liberalization and to compete fairly with other operators.

Risk of technological change

The communications industry is characterized by rapid changes in technology, evolving customer needs and new products and services. These changes are, in some cases, brought about by regulators opening up the market. Key emerging technologies for the Thai communications industry in the near future are expected to include 3G, WiMAX and number portability services. In order to respond successfully to emerging industry trends and given the industry's capital-intensive nature, we may be required to make substantial investment to maintain competitiveness and customer satisfaction.

However, we believe that integrated operators, such as ourselves with diversified services, products, revenue and customer bases are in a better position to cope with these rapid changes than are 'pure play' operators. We also believe that we have the versatility to cope with potential revenue cannibalization from new technologies.

Risks unique to TrueVisions

Key risks relating to TrueVisions' operations include relying on third-party suppliers for the majority of programming and unauthorized access to its programming signals.

TrueVisions relies on third-party suppliers for most of its programming. If TrueVisions is unable to obtain attractive programming or if the cost of this programming substantially increases in the future, its performance would be adversely affected. Subscribers who are interested in overseas programs are mostly subscribers to premium packages (Platinum, Gold and Silver). In 2009, there were 458,538 subscribers for these packages representing 27.6 percent of TrueVisions' subscriber base, including free view and free-to-air packages. In addition, the cost of imported programming in 2009 was around 22 percent of TrueVisions' service revenue.

Unauthorized access to TrueVisions' programming signals is difficult to prevent and will adversely affect its operational results, cash flow and programming arrangements. The issuance of new licenses by the NTC to existing and new operators following the issuance of new regulations with strict consumer protection procedures in November 2009 will reduce this risk as all operators will be on the same regulatory framework. In addition, TrueVisions is in the process of changing analog set-top boxes to digital ones at customers' premises which will also help reduce piracy.

Risks relating to the regulatory environment

Thailand's communications industry is in a state of transition and a significant degree of uncertainty exists regarding the regulatory environment.

In accordance with Thailand's commitment to the World Trade Organization ("WTO") to liberalize its telecommunications sector by 2006, the Thai government embarked on a reform of the country's telecommunications regulatory regime with the passage of two major legislative acts: the Frequency Allocation Act, in March 2000; and the Telecommunications Business Act, in November 2001.

In October 2004, the NTC was established as the independent regulator of the telecommunications industry, assuming the regulatory functions previously exercised by the Telephone Organization of Thailand, as of July 31, 2002 transformed into TOT Public Company Limited ("TOT"); the Communications Authority of Thailand, as of August 14, 2003 transformed into CAT Telecom Public Company Limited ("CAT") and the Thailand Post Company Limited.

Since its establishment, the NTC has issued a number of additional policies and regulations that may have a significant impact on our business. It also has plans to issue several new regulations in 2010 including the regulation concerning the granting of 3G mobile licenses. Section 47 of the new Constitution enacted in August 2007 indicates that a new regulatory body, the National Broadcasting and Telecommunication Commission ("NBTC") will be set up, and will be the only independent body to regulate the telecom and broadcasting industry. Up until the beginning of 2010, the NBTC and a new Frequency Allocation Act as required by the Constitution under Section 305(1) had not yet been established. Likewise, certain regulations required under Section 8 of the Telecommunication Business Act B.E. 2544 regarding indirect foreign shareholdings and its amendment in B.E. 2549 under Section

3 regarding the NTC's authority to regulate the indirect foreign shareholding issue in accordance with Section 47 of the Constitution, had not been implemented. The above are considered conditions precedent that if not implemented may affect the NTC's authority to grant 3G licenses and possibly lead to any decision to grant the licenses being overruled by the courts.

However, in 2009, the NTC made some progress towards the granting of 3G 2.1 GHz licenses by trying to formulate an Information Memorandum on a 3G Licensing Framework, and by holding public hearings to gather opinions/comments on this issue from all interested parties. It is hoped that the NTC may, with all its vacant seats filled by four newly appointed commissioners, be able to grant 3G 2.1 GHz licenses around the end of 2010, subject however to the final settlement of certain unresolved legal entanglement surrounding this issue.

The Radio and Television Broadcasting Act B.E. 2551 Section 78 has given authority and power for the existing NTC to act as a temporary NBTC to issue regulations and grant (one-year) temporary licenses for community radio and other services that do not require radio frequencies before the NBTC can be set up. The past delays in the establishment of the NBC (according to the Broadcasting Act) and of the NBTC (according to the Constitution and the Radio and Television Broadcasting Act) may hinder opportunities for True's growth.

In addition, the NTC's interim telecommunications license fee regulation sets out a considerably lower tariff structure for new entrants that operate under the licensing regime than the tariffs that are applicable to incumbents including existing network operators, such as True, that are operating businesses under the Agreement for Joint Operation and Joint Investment for Expansion of Telephone Services ("Joint Operation Agreement") or the Agreement to Operate and to Provide Cellular System Radio Telecommunications Services ("Agreement to Operate") with either TOT or CAT. This could disadvantage existing participants to the agreements against new entrants. In addition, the participants to the above agreements have been in dispute, seeking a final resolution concerning the new regulations, which contradict conditions indicated in their agreements. As a result, related parties may have to adjust or amend the agreements to be in line with international practice on free competition. However, the outcome cannot be anticipated.

Apart from the above risks, the Agreement to Operate may be cancelled prior to the expiry date. In January 2007 the Cabinet approved a proposal made to the Council of State to consider legal issues regarding the Private-Public Joint Venture Law B.E. 2535: whether agreements to operate are in compliance with the law or not.

On May 18, 2007, the Council of State issued its opinion that CAT's actions regarding certain processes were not in line with Private-Public Joint Venture Law B.E. 2535 and that the Agreement to Operate between CAT and TrueMove remains in effect as long as it does not expire and is not cancelled by the Cabinet or by other conditions. Therefore, CAT and TrueMove will have to comply further with the Agreement to Operate.

However, the Council of State also considers that the Agreement to Operate's co-owners, as well as the co-ordination committee, according to Section 22 of Private-Public Joint Venture Law B.E. 2535, should negotiate with all parties to the joint venture and propose the result of the negotiations to the Cabinet. The Cabinet will have authority to give a final decision (according to Private-Public Joint Venture Law B.E. 2535) to cancel or approve the amendment of the agreement.

The Cabinet may allow the Company to continue its operations considering the benefits to the government and public interest, as well as continuity of public service. Negotiations

between the parties to the Agreements are currently ongoing in line with the Council of State's opinion.

Furthermore, the Council of State's ruling and the Cabinet's decision can only be binding to state enterprises, not TrueMove. However, TrueMove can bind itself by accepting the Cabinet's resolution. In addition, TrueMove and the State enterprise will only conclude negotiations when both parties have a mutual agreement, otherwise the dispute will be settled by the Court. As a result, if TrueMove loses the court case before the Agreement expires, it may not be able to operate its telecommunications business or may have an additional burden to pay to the State enterprise.

In January 2007, the Cabinet endorsed the zero-rate excise tax, ending the 2003 resolution that imposed an excise tax of 2 percent and 10 percent for fixed-line phones and mobile phones respectively. The resolution stated that the state enterprises, namely TOT and CAT, were responsible for the excise tax and not the private operators, in order to avoid negative consumer impact. According to the 2003 Cabinet resolution, private telecom operators were instructed to deduct part of revenue sharing payable to TOT and CAT to be paid as excise tax directly to the government (Ministry of Finance or "MOF") before remitting the remainder to the state counter parties. This resulted in a decrease in revenue sharing during that period payable to, and as agreed by, related state enterprises in line with the Cabinet resolution. Following changes in the government in 2007, zero-rate excise tax was implemented allowing TOT and CAT to receive full revenue share. During the implementation of the excise tax regime the total amount paid by the private operators to government agencies (MOF and CAT) remained the same. There are currently a number of disputes between private telecom firms and state counter parties relating to this issue including the shortfall in revenue sharing payable to CAT and TOT. CAT has notified TrueMove on a number of occasions to reimburse the shortfall in revenue sharing. In January 2008, CAT filed an arbitration case against TrueMove to settle the dispute claiming (as of the filing date) approximately Baht 9 billion, including interest. CAT has to prove and justify its claim in the arbitration proceedings. The arbitration panel is currently in the process of being set up.

A court judgment in a case not related to the telecom business ruled that a contract between the government and a private operator which failed to comply with the Private-Public Joint Venture Law B.E. 2535 was not binding upon the relevant parties. Section 145 of the Civil Procedural Code lays a principle that, save for certain exceptions which were inapplicable to TrueMove, a judgement is binding upon only parties to the relevant case, the mentioned judgement therefore had no effect upon TrueMove's Agreement to Operate. In any case, even if this court ruling is applied to TrueMove's Agreement to Operate, the Agreement may be interpreted as not binding, and under this scenario, TrueMove would have the right to claim back from CAT reimbursement of revenue sharing paid and the transferred assets. However the Council of State ruled on May 18, 2007 that the Agreement to Operate between CAT and TrueMove remains in effect as long as it does not expire and is not cancelled by the Cabinet or by other conditions.

In addition, on February 26, 2010 the Supreme Court's Criminal Division for Person Holding Political Positions rendered a judgement on a case concerning the actions of an individual exercising his political authority to benefit his telecom business. The government is subsequently considering whether to take action to recoup losses to the state. The said

court judgement relates to an individual judgment concerning the abused authority affecting a state agency and has no effect on other telecom companies or TrueMove being non parties to such court case. As a private operator, TrueMove has at all times maintained its operations in line with government policy and specifically in line with its Agreement to Operate.

True Group will continue to play an active role in discussions with the NTC and the ICT Ministry as well as MOF (CAT's and TOT's shareholder) regarding the telecommunication industry's regulatory environment and to advocate free-and-fair competition on a level playing field.

Risk from the dispute with TOT regarding TOT's call for TrueMove and CAT to pay access charges. This may result in an increase in our expenses.

TrueMove operates under the Agreement to Operate and Provide Services under the Digital PCN 1800 System with CAT and was signatory to an access charge agreement among TOT, CAT and TrueMove under which TrueMove and CAT paid Baht 200 per subscriber per month and half of the revenue sharing that CAT receives from TrueMove, directly to TOT for postpaid subscribers and 18 percent of revenue for prepaid subscribers. In addition, it has to make a revenue-sharing payment of 25 or 30 percent (depending on the time frame specified in the agreement) of net revenue, after the access charge payment, to CAT.

In May 2006, the NTC announced its Interconnection Regulation which stipulated that telecommunications operators who have telecommunication networks allow other operators to access their networks on an equal basis. Should any conflicting agreement exist prior to such Regulation, the Interconnection Regulation shall prevail. The Regulation sets a new interconnection system whereby interconnection charges will reflect actual network usage by each operator. Under the Regulation, operators are also required to enter into agreements with one another to establish interconnection charge rates, based on cost. On November 17, 2006 TrueMove signed an interconnection contract with DTAC (Total Access Communications) with the contract taking immediate effect. On January 16, 2007 TrueMove signed an interconnection contract with AIS (Advanced Info Service).

Following the entry into the interconnection charge ("IC") agreement with DTAC, and in compliance with the said regulations, TrueMove ceased paying access charges under the access charge ("AC") agreement with CAT and TOT which conflicted with the IC regulation in terms of equal treatment of AC payment (TOT being the only beneficiary of AC). TrueMove and CAT believe that this is in line with the law and the IC regulation introduced by the NTC. In addition, TrueMove cancelled its AC agreement, therefore it is no longer bound by, or legally able to make payments under the access charge agreements.

On November 17, 2006 TrueMove notified CAT and TOT informing them that it would cease paying access charges on the basis that the rate and collection of access charges under the agreement were contrary to the law. TrueMove also asked TOT to enter an IC agreement in compliance with the law, or to temporarily apply the provisional rate announced by the NTC, while negotiations on an agreement with TOT proceeded.

As a result of the cessation of access charge payments by TrueMove, on November 23, 2006, TOT issued a letter stating that TrueMove was not entitled to connect its network with TOT's because it was not a telecommunications licensee, as granted by the NTC, and did not have its own telecommunications network. TOT also disputed that the AC agreement violated any law and that the rate and collection of access charge under the Access Charge Agreement continued to apply. However, TrueMove considers that TOT's claim is not in line with the Telecommunication Act B.E. 2544.

In addition, TOT has threatened not to integrate TrueMove's 1.5 million new phone numbers, allocated by the NTC to its system, meaning that TOT subscribers would not be able to call TrueMove subscribers with those 1.5 million phone numbers. TrueMove filed a lawsuit with the Central Administrative Court requesting an injunction and on January 26, 2007 the Court granted an injunction ordering TOT to include new TrueMove numbers and data translation on its network so that subscribers of TOT and TrueMove could communicate with each other. This was in line with the NTC's regulation and public interest. On January 30, 2007, TOT appealed the injunction to the Supreme Administrative Court, which later confirmed the Central Administrative Court's ruling. However, since March 2, 2007, TOT was forced to make a permanent connection to new TrueMove numbers following the Administrative Court injunction. On February 26, 2009 the Central Administrative Court finally ruled that TOT must make the connection permanent and compensate TrueMove Baht 1,000,000 as claimed. TOT subsequently appealed this decision to the Supreme Administrative Court with the final verdict still pending as of the time of writing. In addition, on October 9, 2009, the Central Administrative Court ruled against TOT in its dispute with the NTC who ordered TOT to allow 1.5 million new DTAC and TrueMove numbers to connect to its network. TOT also appealed this case to the upper court. On March 2, 2010, TrueMove submitted information to the Supreme Administrative Court to support the NTC's order. Therefore, the rulings on the two cases as mentioned herein are still not final.

In June 2007, TrueMove brought the said issue to the NTC's Dispute Resolution Committee. On November 28, 2007 the NTC issued its final decision, confirming that TrueMove has the same rights, duties and responsibilities in relation to the interconnection regime as the licensee (who has been granted the NTC's license). The NTC unanimously ordered TOT to negotiate with TrueMove on the IC agreement. On June 23, 2008 TOT agreed to negotiate with TrueMove concerning IC on the condition that the agreement will only cover new numbers issued by the NTC. TrueMove agreed with this proposal but negotiations have yet to be concluded. With regards to the old numbers, TrueMove is still in dispute and is awaiting the court ruling.

On November 16, 2007 TOT filed a lawsuit against TrueMove with the Civil Court, claiming violation of the AC Agreement and requesting access charge payments of Baht 4,508.1 million with related interest and value-added tax. On September 16, 2009, it was ruled that the case was not under Civil Court jurisdiction and thus dismissed from the Civil Court. Therefore at the time of writing the case is not yet final. If we are not successful in resolving this issue in our favor, in addition to a penalty equal to 100 percent of any access charges CAT may have paid to TOT on our account and interest thereon, we may be required to pay both new interconnection charges as well as existing access charges, which will result in a material increase in our costs.

If a final court order requires TrueMove to pay access charges it would record additional expense and be liable to accrue additional access charges of Baht 9,144.1 million (or Baht 6,827.3 million, net of revenue sharing paid to CAT) for the period from November 18, 2006 to December 31, 2008; Baht 5,447.7 million (or Baht 4,071.7 million, net of revenue sharing to CAT) for the year ended December 31, 2009 (see details in Note 42.2 to the Consolidated and Company Financial Statements for the year ended 31 December, 2009).

Risks related to the expiry in 2013 of TrueMove's Agreement to Operate and the official launch of 3G services on 850 MHz yet to receive government approval

TrueMove's Agreement to Operate will expire in 2013. However, in January 2009 a Memorandum of Agreement (MOA) was signed between TrueMove and CAT for the right to use the network and equipment which TrueMove built and transferred to CAT for a further five years following the expiry of the Agreement to Operate in 2013. This will allow TrueMove to continue its operations until 2018, similar to DTAC.

Concerning 3G services on 850 MHz, the trial launch was approved by CAT in January 2009 pending official approval for full commercial launch. We have incurred minimal additional investment for this service. In addition this technology will benefit consumers and we will possibly receive official approval.

We compete with the grantors of the Joint Operation Agreement and the Agreement to Operate and this has led to and could continue to lead to disputes with them, which could affect our operations.

The Company and its subsidiaries operate under the "Joint Operation Agreement" and/or the Agreement to Operate, granted by TOT or CAT. A dispute with either TOT or CAT over compliance with either the agreements themselves or NTC's regulations could affect the ability of the Company and its subsidiaries to conduct business. If the final outcome is not in favor of the Company, it could also affect the ability of the Company and its subsidiaries to conduct business. Our Joint Operation Agreement could be cancelled by the TOT if True violates certain laws, is placed under receivership by a court in a bankruptcy case, or willfully and continually breaches the agreements in any material respect.

Under the revenue-sharing provisions of the Company's Joint Operation Agreement, TOT collects all fixed-line revenues from subscribers within True's network and makes payment to True of its proportion stipulated by the Joint Operation Agreement. TOT may withhold or delay payments of revenues to the Company to offset any obligations it believes it is legally owed (although this has not occurred to date).

As well as the Company being a party to the Joint Operation Agreement and the Agreement to Operate with TOT and CAT respectively they are also our competitors. This has led, and could continue to lead, to disputes between the Company and TOT and between TrueMove and CAT. Previously TOT and True brought certain disputes to the courts and the Arbitration Tribunal for adjudication. We may not be able to successfully resolve any of these disputes in our favor, and if we were unsuccessful, our business and financial situation could be affected. As of the date specified herein, judgments have been issued both in favor and against cases brought by the Company, most of which are not yet final.

See note 41 to the Consolidated and Company Financial Statements for the year ended December 31, 2009 related to "Litigation and Arbitration Disputes and Contingent Liabilities".

Risks relating to the financial situation***Risk related to highly-leveraged position and restrictions from financial agreements***

The Company and its subsidiaries have high debt levels and may be at risk of failing to find funding each year to repay principal and interest. However, we would be able to negotiate with our creditors or raise new loans to repay existing loans and adjust our principal repayments to suit our cash flow.

True Group's operation is limited by a number of debt and other financial agreements. These agreements could prohibit True Group from exploiting business opportunities or lead to accelerated debt repayment if some of the debt covenants are not in line with those indicated by the financial agreements, or if TOT cancels the Joint Operation Agreement with the Company. However, TOT must seek an arbitration decision in order to cancel the Joint Operation Agreement and a final court decision be implemented as such.

Risk from foreign exchange rate, interest rate movements, and reduced liquidity of global financial markets stemming from the recent financial crisis

True Group is subject to exchange rate fluctuations, which could increase principal, interest payments and capital expenditure. As of December 31, 2009 approximately 52.7 percent of True Group's consolidated liabilities were denominated in foreign currencies, most of which was denominated in US Dollars. In the year 2009, True Group had consolidated capital expenditure of approximately Baht 5.3 billion, 11.9 percent of which was in foreign currencies.

True Group has put in place hedging tools to reduce its exposure to exchange rate fluctuations, for approximately 97.5 percent of our total foreign debt outstanding. This covers TrueMove's USD 62.1 million loan from Kreditanstalt für Wiederaufbau ("KfW") and a USD 186.1 million long-term loan for the TrueVisions acquisition as well as a USD 690 million TrueMove bond. In addition, the Company had also entered into an interest rate swap to reduce interest rate exposure. For example, the Company converted the interest rate for TrueVisions' foreign denominated loans into Thai Baht fixed rates. However, there is no hedging in place for the Japanese Yen-denominated deferred payment note of Baht 4.1 billion, which matures from 2014 to 2017.

As at the end of December 2009, of True Group's total consolidated debt (excluding finance leases), approximately 21.5 percent was subject to floating interest rates, excluding a portion that has been hedged to fixed interest rates. However, interest rates on part of TrueMove's and TrueVisions' debts will reduce over time if it is able to achieve conditions set out in loan agreements.

The impact of the global financial crisis on the liquidity of money and capital markets has eased recently, however, it has not yet fully recovered thus may still impact the Company and its subsidiaries' future refinancing and funding plans. However, in 2009 the Company was able to tap the local bond market which saw little impact from the global financial crisis via the issuance of two tranches of debentures totaling Baht 13.2 billion. In addition, Baht 6.4 billion was raised via rights offering.

No dividend payment in the near future

At the end of 2009, the Company reported a net profit of Baht 1.2 billion with a deficit of Baht 46.0 billion. In accordance with Thailand's Public Company Limited Act, the Company is able to pay dividends to its shareholders only from profits earned, after provision has been made for a legal reserve, and after deficit have been depleted.

Therefore, shareholders may not receive a dividend in the near future, as stated in the law.

Risk according to the conditions stated in the shareholders' agreement

The shareholders agreement dated December 22, 1999 by KfW, Nynex Network Systems (Thailand) Company ("Verizon") and Charoen Pokphand Group ("Shareholders' Agreement") does not allow the Company to take certain actions that may affect the Company's operations as follows.

After the first three years from the date of KfW's subscription of the shares in the Company, for so long as KfW holds shares in the Company directly or indirectly, not less than 5% of the total voting share capital of the Company, the Company needs to get consent from KfW to the following matters:

- (1) merge or consolidate with another person or juristic entity;
- (2) dissolve, liquidate or wind-up the Company.

From the above reasons, minor shareholders may not have the full opportunities to consider the aforesaid matters. Nevertheless, practically, KfW always acts in good faith and realizes the reason, necessity and the overall benefit of the Company including the Good Corporate Governance principle.

As of March 15, 2010, the latest closing date of the share register, KfW is the second-largest shareholder holding 8.99 percent of total voting share capital of the Company (including shares held by Thai Trust Fund).

3. NATURE OF BUSINESS

Company Background

True Corporation Plc is one of Thailand's strongest and most recognizable brands, and the only fully-integrated, nationwide telecom operator providing services to some 21 million subscribers.

True's strength is its ability to offer the convergence benefits of its networks, products and services. Our five key business segments are: **TrueMove**, Thailand's third-largest mobile operator; **TrueOnline**, the largest Broadband and fixed-line phone provider in the Bangkok Metropolitan Area (BMA) as well as the leading data communications service provider nationwide and operator of the country's most extensive Wi-Fi network; and **TrueVisions**, the only nationwide pay-TV operator. We offer payment and booking solutions under **TrueMoney** and digital content and lifestyle services under the **TrueLife** banner. We furthermore operate a chain of True Coffee shops in which our convergence products and services are showcased.

We report our financial results in three business segments: TrueMove, TrueOnline and TrueVisions. Results for TrueMoney and TrueLife are included in TrueOnline.

True seeks to promote the development of the country through innovation and technology. We work to bridge the digital divide and to build a sustainable knowledge-based society by bringing the possibilities and opportunities offered by the digital revolution to every household, and especially the youth of Thailand. Four key brand values - credible, creative, caring and courageous - guide our work as we seek to enhance value for shareholders, customers, the organization, society and employees alike.

Our convergence strategy allows us to meet lifestyle choices by building upon the complementary strengths of our communications services and solutions. This in turn helps drive subscriber growth and loyalty. Packages bundling Broadband with TrueMove or TrueVisions services or TrueVisions with TrueMove services have proven highly successful. Meanwhile our digital content and e-commerce offerings provide added value across the Group.

True Group backed by the Charoen Pokphand Group (CP Group) - Asia's largest agro-conglomerate - with a shareholding of 58.2 percent of the total registered and paid-up capital of Baht 77,757 million as of March 15, 2010.

At the end of 2009, True Group had an annual turnover of Baht 63 billion (including interconnection revenue), infrastructure investments of Baht 200 billion, and employed 14,641 permanent staff.

Business background

We were incorporated in November 1990 as a fixed-line phone service provider under a build-transfer-operate ("BTO") concession with TOT Corporation Public Company Limited ("TOT") to build, install, jointly operate and maintain a 2.6 million-line wireline network in the BMA for a period of 25 years, ending in October 2017.

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

In addition to our traditional fixed-line phone, value-added, public phone and other services, we launched a WE PCT (personal communication telephone) service in 1999, hi-speed data transmission services including ADSL and cable modem in 2001, Wi-Fi services in 2003, International Internet Gateway service in 2007, and International Data Gateway and International Direct Dialing services in 2008. Meanwhile, in 2009 True Internet Gateway (now know as True International Gateway) became the first private operator granted a license by the NTC for submarine cable landing rights.

We extended our services into the mobile telecommunications segment through a subsidiary, Bangkok Inter Teletech Public Company Limited ("BITCO") (the parent company of TA Orange), by acquiring a 41.1 percent equity interest in BITCO in October 2001. Full commercial launch of TA Orange's mobile services took place in March 2002. TA Orange was rebranded "TrueMove" at the beginning of 2006. We gradually increased our shareholding in BITCO to 93.4 percent by the end of 2006. In December 2007, a rights offering of BITCO shares saw CP Group increase its shareholding in BITCO to 23.9 percent, leaving True's shareholding at 75.3 percent. In 2009, True purchased the aforementioned BITCO shares from CP Group and injected Baht 2.6 billion into BITCO. This resulted in True's ownership in BITCO increasing to 98.9 percent.

In January 2006, True purchased UBC shares from MIH and completed the tender offer for UBC shares held by the public in March 2006, allowing True to own 91.8 percent (effective holding) of UBC. UBC was renamed TrueVisions at the beginning of 2007.

TrueMoney was established on December 15, 2003 as the payment gateway for True Group. It received a 10-year license from the Electronic Transactions Commission in July 2009 to operate electronic payment services.

TrueLife, the digital content segment, consists mainly of a wholly-owned subsidiary True Digital Entertainment ("TDE") and NC True, a joint venture with NCsoft, Korea's largest developer and publisher of online games. Through a business alliance with Dragonfly GF, Korea's leading game software developer, TDE launched "Special Force" in 2006 which has been the No.1 casual online game for three consecutive years. Apart from online games, we also provide digital content services such as music downloads, web portals, publications and application development. In June 2009, we launched the True App Center, an application training center to stimulate content development and help drive mobile non-voice revenue.

Major developments in 2009 included:

True Group

- February: A rights offering raised approximately Baht 6,381 million. The offering was strongly supported by CP Group, True's majority shareholder. The rights offering comprised ten billion shares priced at Baht 1.95 per share. The entitlement was set at 2.22 new shares for each existing share. True undertook this recapitalization to strengthen its balance sheet and pursue future growth opportunities such as 3G.
- April: Secured debentures with five years maturity were issued carrying a fixed interest rate of 6.5 percent per annum. The issuance enjoyed a strong public response with subscriptions totaling some Baht 6,183 million.
- June: True purchased six billion shares in TrueMove's parent company (BITCO) from CP Group. This was made possible by True's stronger financial position, due largely to TrueMove's sustained recovery since mid 2008. The purchase, for Baht 3.5 billion, was in line with approval given in April 2008 by True's shareholders. Post purchase, True's ownership in BITCO/TrueMove increased to 98.9 percent.

- August: Secured debentures with five years and five months maturity were issued carrying a fixed interest rate of 6.7 percent per annum. The debentures were fully-subscribed, raising Baht 7,000 million. This issue completed the refinancing at TrueOnline, allowing the focus to move to refinancing opportunities in other segments, particularly TrueVisions and TrueMove.

TrueOnline

- March: An 8 Mbps hi-speed Internet package was launched in the BMA, including unlimited 2 Mbps Wi-Fi. A 3 Mbps hi-speed Internet package was offered for consumers surfing mainly local websites.
- April: The 8 Mbps hi-speed Internet package made its provincial debut in Pattaya.
- June: Wi-Fi was launched in Chiang Mai, Hatyai, Phuket, Nakon Ratchasima and Khon Kaen.
- July: The Green Bangkok Wi-Fi initiative, run in collaboration with the Bangkok Metropolitan Administration, entered its second year with a new option providing 256 Kbps wireless Internet access for free for an hour per month.
- July: The latest "006" international call promotion for True fixed-line and TrueMove customers was launched offering calls at Baht 3 per minute to 13 popular destinations.
- August: True Internet Data Center obtained ISO 20000 and ISO 27001 certifications for the 2nd consecutive year.
- October: A 16 Mbps hi-speed Internet package with Wi-Fi at speeds of up to 3 Mbps was launched under a "New Hi-Speed Internet Plus 40 Free TV Channels from TrueLife Freeview" campaign. Customers subscribing to hi-speed Internet packages with speeds ranging from 3-16 Mbps could also enjoy watching 40 TrueVisions channels for 18 months.
- October: 30 Mbps hi-speed Internet plus 3.6 Mbps TrueMove 3G + Wi-Fi was launched in collaboration with Sansiri at a 460-unit premium condominium "SIRI at Sukhumvit".
- November: True Internet Gateway (now known as True International Gateway) became the first private operator to be granted a license for submarine cable landing rights by the NTC.

TrueMove

- January: TrueMove launched the iPhone 3G in Thailand.
- January: A Memorandum of Agreement was signed with CAT for the right to use the network and equipment which TrueMove built and transferred to CAT for a further five years following the end of its concession in 2013. TrueMove also received approval from CAT Telecom to run test services in Bangkok based on HSPA technology on the 850 MHz frequency.
- February: A new "Data Roaming Flat Rate" campaign was launched for postpaid subscribers to use the international data roaming service via EGDE and GPRS on the Conexus Mobile Alliance network for a maximum charge of Baht 399 per day.
- April: A new mobile portal, m.truelife.com, made its debut.

- June: True purchased six billion shares in TrueMove's parent company (BITCO) from CP Group for Baht 3.5 billion. Post-purchase, True's ownership in BITCO rose to 98.9 percent.
- August: A new "Within a Group" promotion entitled "24-hour free call" was launched.
- August: A "Postpaid Inter SIM" package was introduced offering one baht per minute VoIP calls (24 hours a day) via the 00600 prefix to 14 countries.
- September: TrueMove launched the iPhone 3G S nationwide.
- September: TrueMove teamed up with Settrade and 26 brokerage houses to provide "Settrade Streaming", Thailand's first iPhone stock-trading application.
- October: A new International Roaming promotion for postpaid subscribers was launched, offering discounts of up to 70 percent when receiving calls overseas.
- December: Promotions to celebrate the sale of 100,000 iPhone 3G/3G S units and three new prepaid BlackBerry packages, offering BlackBerry service and unlimited data usage via EDGE and GPRS, were launched.
- December: 7.2 Mbps hi-speed Internet via TrueMove 3G was launched in Hua Hin.

TrueVisions

- January: "The Master", a 24-hour reality show featuring "Academy Fantasia" artists from seasons 1-5, was launched exclusively for premium subscribers.
- February: Promotions targeting the mass market were launched. Baht 7 per day or Baht 199 per month packages gave access to 54 TrueVisions' channels while a FreeView package (no monthly fee) allowed TrueMove subscribers (who top up at least Baht 300/month) to watch 39 channels.
- June: TrueVisions launched "Academy Fantasia" season 6 (AF6) in 3D on TrueVisions and ModernNine (MCOT) channels.
- October: True announced its cooperation with the Zoological Park Organization under the Royal Patronage of HM the King to launch a new 24-hour reality program "Lin Ping family" via all convergence channels. Throughout the year, TrueVisions launched four new channels namely Panda Channel, Phoenix InfoNews, T Sports Channel and Shopping Network, a 24-hour TV shopping channel in collaboration with TV-shopping operator TV Direct.
- October: MCOT's Board of Directors gave its approval for TrueVisions to begin airing paid advertisements. TrueVisions will pay MCOT 6.5 percent of the gross revenue earned from advertisements before the deduction of expenses.

TrueMoney

- April: TrueMoney and the Government Housing Bank launched a mortgage payment service via True partners and TrueMoney Express counters nationwide.
- July: TrueMoney received a 10-year license to operate electronic payments from the Electronic Transactions Commission.
- July: A home payment system, Touch@Home, was launched, allowing online transactions such as bill payments and content downloads to be made safely and securely from home.

TrueLife

- April: True joined hands with nine major online game companies to launch "Gameinw" offering gamers special privileges and value-added services from True Group.
- June: True launched the True App Center, an application training center to help produce application developers for all operating systems including iPhone, Windows Mobile, Symbian, Blackberry and Android.
- June: A new-look weloveshopping.com was unveiled. The site includes a variety of new features as well as an English-language version.
- July: True Digital Entertainment was appointed exclusive provider of Dragonfly GF games in Thailand.

Awards received in 2009

- April: True received the "**Sama Kunupakarn Award 2009**" from the Ministry of Education for promoting a knowledge-based society and helping develop the intellect of young people who will be the driving force for the sustainable development of Thai society. The award was conferred on the 117th anniversary of the Ministry's establishment.
- July: True received an award in the "**Marketing Excellence**" category at the Thailand Corporate Excellence Awards 2008 held by the Thailand Management Association and Sasin Graduate Institute of Business Administration. The awards form part of the "Thailand Corporate Excellence Survey" of top executives from over 1,000 organizations. True Corp was also the only Thai telecom company out of the top five companies nominated in the "Innovation Excellence" category.
- October: True was named "**Thailand's Most Innovative Company 2009**" in the service category during the Thailand Tomorrow event. Organized by Chulalongkorn University in collaboration with Krungthep Turakij newspaper, the awards honor Thai companies which excel in innovation.
- True received the national "**Outstanding Skills Development Workplace Award 2009**" at the Thai Skills Standard Expo 2009 organized by the Department of Skills Development, the Ministry of Labor and Social Welfare. The award recognizes companies with outstanding human resource development which can be role models for others.

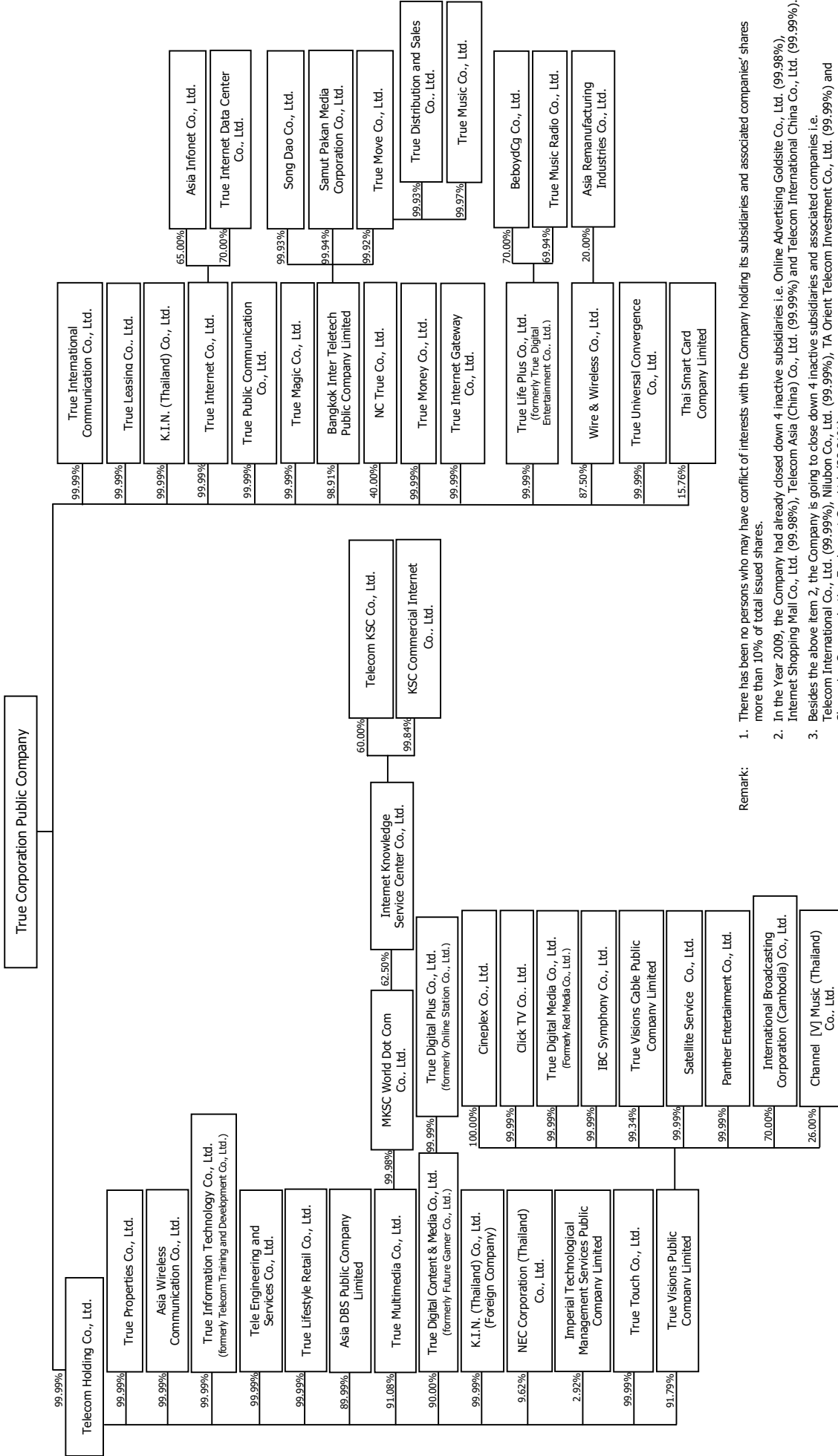
Business Profile of the Company, Subsidiaries and Associated Companies

The Company group report our financial results in three segments: TrueMove, TrueOnline, and TrueVisions. Results for TrueMoney and TrueLife are included in TrueOnline business.

- 1) TrueOnline consists of the Company and its 28 active subsidiaries, 3 joint venture and 1 associate
- 2) TrueMove consists of 5 active subsidiaries
- 3) TrueVisions consists of 7 active subsidiaries and 1 Associate.

GROUP INVESTMENT STRUCTURE

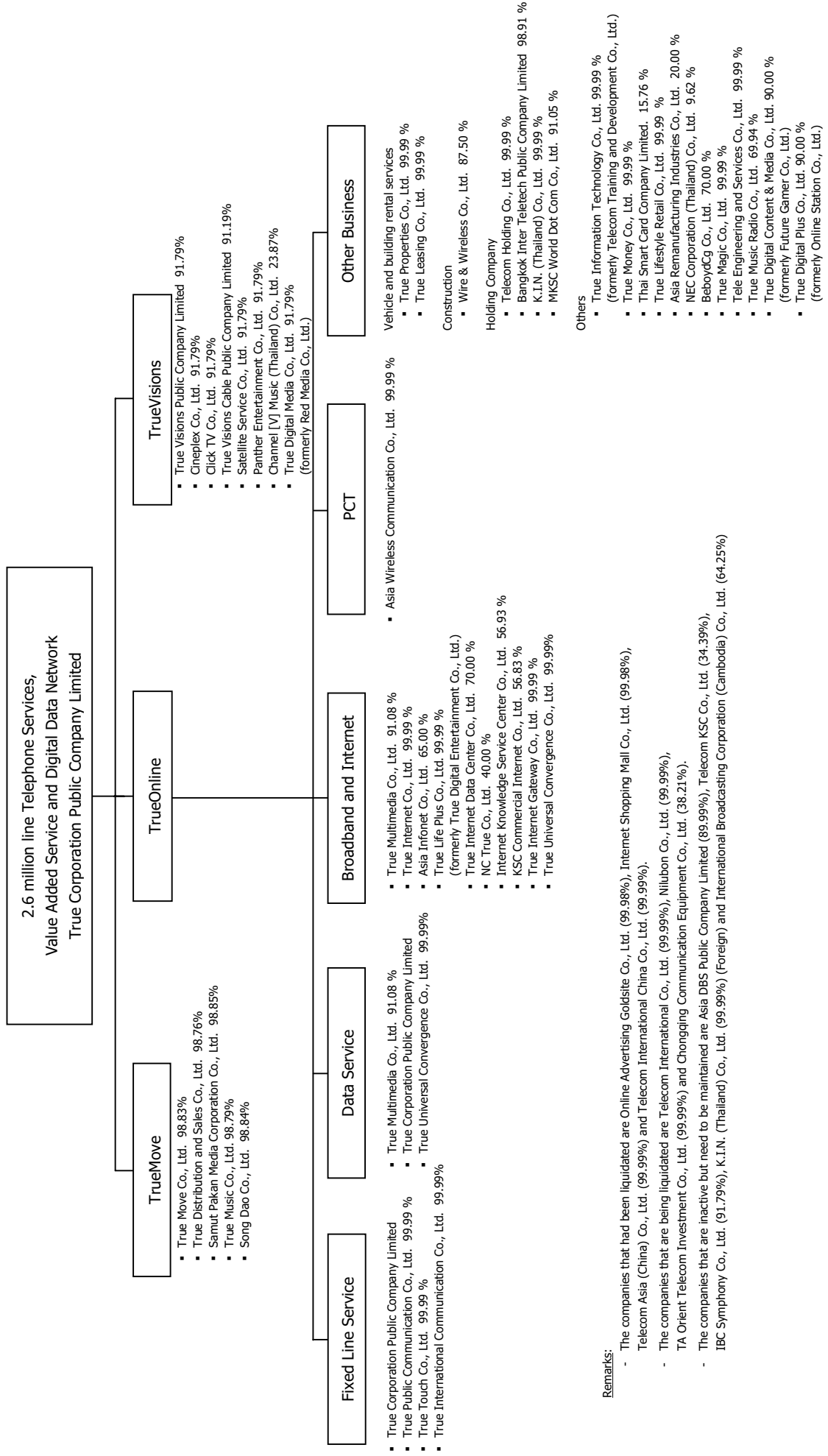
As of 31st December 2009



Remark: 1. There has been no persons who may have conflict of interests with the Company holding its subsidiaries and associated companies' shares more than 10% of total issued shares.
 2. In the Year 2009, the Company had already closed down 4 inactive subsidiaries i.e. Online Advertising Goldsite Co., Ltd. (99.98%), Internet Shopping Mall Co., Ltd. (99.98%), Telecom Asia (China) Co., Ltd. (99.99%) and Telecom International China Co., Ltd. (99.99%).
 3. Besides the above item 2, the Company is going to close down 4 inactive subsidiaries and associated companies i.e. Telecom International Co., Ltd. (99.99%), Nilubon Co., Ltd. (99.99%), TA Orient Telecom Investment Co., Ltd. (99.99%) and Chongching Communication Equipment Co., Ltd. (38.21%).

INVESTMENT STRUCTURE BY BUSINESS GROUP

As at 31st December 2009



Remarks:

- The companies that had been liquidated are Online Advertising Goldsite Co., Ltd. (99.98%), Internet Shopping Mall Co., Ltd. (99.98%), Telecom Asia (China) Co., Ltd. (99.99%) and Telecom International China Co., Ltd. (99.99%).
- The companies that are being liquidated are Telecom International Co., Ltd. (99.99%), Nilubon Co., Ltd. (99.99%), TA Orient Telecom Investment Co., Ltd. (99.99%) and Chongging Communication Equipment Co., Ltd. (38.21%).
- The companies that are inactive but need to be maintained are Asia DBS Public Company Limited (89.99%), Telecom KSC Co., Ltd. (34.39%), IBC Symphony Co., Ltd. (91.79%), K.I.N. (Thailand) Co., Ltd. (99.99%) (Foreign) and International Broadcasting Corporation (Cambodia) Co., Ltd. (64.25%)

Revenues breakdown by business group

Business Group	2009		2008		2007	
	Baht Million	%	Baht Million	%	Baht Million	%
1. TrueOnline						
Revenues	21,784	34.9%	21,646	35.4%	20,490	33.2%
2. TrueMove						
Revenues	31,312	50.1%	30,224	49.3%	32,366	52.5%
3. TrueVisions						
Revenues	9,378	15.0%	9,395	15.3%	8,785	14.3%
Total Revenues	62,474	100%	61,265	100%	61,641	100%

Revenues for the year ended 31 December 2009 breakdown by

Business Group / Operation by	Baht Million	%
1. TrueOnline		
True Corporation Public Company Limited	8,705	13.9%
True Multimedia Co., Ltd.	1,045	1.7%
True Internet Co., Ltd.	5,833	9.3%
True Leasing Co., Ltd.	926	1.5%
True Life Plus Co., Ltd.	2,240	3.6%
KSC Commercial Internet Co., Ltd.	375	0.6%
Wire & Wireless Co., Ltd.	545	0.9%
Asia Wireless Communication Co., Ltd.	299	0.5%
True Public Communication Co., Ltd.	167	0.3%
True Touch Co., Ltd.	229	0.4%
True Digital Content & Media Co., Ltd.	148	0.2%
True International Communication Co., Ltd.	129	0.2%
True Internet Gateway Co., Ltd.	176	0.3%
True Lifestyle Retail Co., Ltd.	173	0.3%
True Money Co., Ltd.	150	0.2%
True Universal Convergence Co., Ltd.	531	0.8%
True Internet Data Center Co., Ltd.	66	0.1%
Others	47	0.1%
Revenues	21,784	34.9%
2. TrueMove		
BITCO Group of companies		
Revenues	31,312	50.1%
3. TrueVisions		
True Visions Group of companies		
Revenues	9,378	15.0%
Total Revenues	62,474	100.0%

4. DETAILS OF EACH BUSINESS LINE

4.1 Products and Services

True Corporation Public Company Limited is Thailand's only integrated communications solutions provider. True facilitates subscriber lifestyles through the convergence of its voice (fixed-line and mobile), video and data services. By embracing innovation and by offering a comprehensive selection of networks, services and content True is also well placed to seize future growth opportunities.

True's convergence lifestyle strategy is unique within the Thai market. It focuses on providing customers with their preferred combinations of content and services from our integrated platform. It also helps us to differentiate ourselves from the competition, drive subscriber growth and customer loyalty as well as maximize the full potential of our services. We believe convergence enhances value for our customers and delivers significant benefits in the medium and long term.

Since the beginning of 2007, True has been organized into five core businesses (this document follows this category format):

- Online business under TrueOnline, consisting of fixed-line phone and value-added services, business data services, Internet and consumer Broadband services, WE PCT (Personal Communication Telephone) plus the lifestyle venture, True Coffee;
- Cellular business under TrueMove (formerly TA Orange);
- Pay-TV business under TrueVisions (formerly UBC);
- Digital commerce under TrueMoney;
- Digital content business under TrueLife.

However, we report our financial results in three main business segments: TrueOnline, TrueMove, and TrueVisions. The performances of the digital (commerce and content) businesses (under the TrueMoney and TrueLife brands) are presented under the TrueOnline segment.

The tables below present our Group revenue^{1/} and EBITDA^{2/} profile

Service revenue^{1/}:

<i>Unit: Baht million</i>	2007	%	2008	%	2009	%
TrueOnline	20,194	39	20,996	40	21,245	44
TrueMove (excluding IC)	22,993	44	21,652	42	22,055	40
TrueVisions	8,631	17	9,273	18	9,305	16
Total	51,818	100	51,921	100	52,605	100

EBITDA^{2/}:

<i>Unit: Baht million</i>	2007	%	2008	%	2009	%
TrueOnline	9,670	49	10,195	55	9,804	50
TrueMove	7,566	38	5,691	31	7,226	37
TrueVisions	2,527	13	2,666	14	2,622	13
Intersegment elimination	(9)	-	(80)	-	(70)	-
Total	19,754	100	18,472	100	19,582	100

Remark: ^{1/}After intersegment elimination; ^{2/}Before intersegment elimination

4.1.1 TrueOnline

TrueOnline comprises fixed-line telephone and its value-added services such as public phones, as well as Internet and Broadband, data communications services, WE PCT, and new businesses such as International Direct Dialing ("IDD"), as well as the International Internet and data gateways. Our Internet and Broadband businesses have been growing rapidly and help to maintain overall revenue generated by TrueOnline.

i) Fixed-line phone services

True is the largest fixed-line telephone service provider in the Bangkok Metropolitan Area ("BMA") with a fixed-line capacity of 2.6 million and approximately 1.8 million lines in commercial use.

In August 1991, True signed a 25-year Agreement for Joint Operation and Joint Investment for Expansion of Telephone Service ("Joint Operation Agreement") under Build Transfer Operate ("BTO") terms with the Telephone Organization of Thailand (later renamed "TOT") to construct, install, maintain and jointly operate a two million-line wireline network in the BMA which will expire in 2017. The agreement was subsequently extended to cover an additional 600,000 lines. We have transferred our fixed-line network to TOT which collects revenues from subscribers and makes payment to True of its proportion stipulated by the Joint Operation Agreement at the rate of 84 percent for two million lines and 79 percent for 600,000 lines. The Company receives an 82 percent share of revenue from each value-added service and 76.5 percent from the public phone service.

In addition, we have been granted licenses from the National Telecommunications Commission ("NTC") to provide Internet services, voice communications over IP network (Voice over Internet Protocol – VoIP), fixed-line phone services, public phone services, IDD, and international Internet and data gateway services

Value-Added Services

In addition to fixed-line phone services, the Company offers a range of value-added services to meet customers' needs, including:

- A 26,000-telephone public phone service in the BMA under the approval of TOT;
- Voice Mailbox, Call Waiting, Conference Calling, Call Forwarding, Hot Line, Abbreviated Dialing, Automatic Call Repetition and Outgoing Call Barring;
- Caller ID displaying the incoming call number on Call ID phones.

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

- Direct Inward Dialing ("DID"), which automatically directs incoming calls to a specified party, providing direct access to each internal telephone number;
- Hunting Lines service, which bundles two or more telephone lines at one location into a single number;
- Integrated Service Digital Network ("ISDN"), which enables a telephone network to handle all forms of voice, data and image communications simultaneously on the same telephone line;
- Televoting, a special service for companies with peak periods of short message traffic. It enables companies to perform many marketing activities without investing in infrastructure. Voting results are available in as little as five seconds;

- Free Phone 1-800, allowing businesses to provide their customers with a free contact call service. The cost of customer Free Phone calls is automatically billed to the business. Customers can call from any telephone by dialing 1-800 followed by six digits;
- Voice Conferencing, a service that enables customers to participate in conferences via telephone lines from wherever they are at any time;
- VoIP services, called NetTalk by True.

Network

Our core fixed-line network is Thailand's most modern and fiber-rich, including more than 176,000 kilometers of fiber-optic cables, covering 4,200 square kilometers in the BMA. This enables us to minimize the use of copper cables (averaging three to four kilometers) and provide high-quality voice and data communications services.

At the end of 2009, the Company had 1,858,310 fixed-line subscribers comprising 1,246,288 residential subscribers and 612,022 business customers. This reflected a 2.3 percent decline from 2008. The average revenue per user ("ARPU") declined 8.7 percent from a year ago to Baht 303 per month with continued migration of customers to mobile services. The majority of revenue (56 percent) came from business customers.

The following table shows the number of fixed-line subscribers and ARPU for the periods indicated:

Fixed Line	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers	1,989,664	1,976,965	1,955,410	1,902,507	1,858,310
ARPU (Baht/month)	493	414	362	331	303

ii) Broadband and Internet services

Broadband

True Group is Thailand's leading Broadband operator with an estimated 72 percent share of the market value of ADSL (Asymmetric Digital Subscriber Line) services in the BMA. We provide the service using cable modem and DSL technologies at speeds of up to 16 Mbps.

In 2003, the Company and certain other service providers, such as KSC, started offering wireless Broadband services or Wireless Fidelity ("Wi-Fi"). Our extensive Wi-Fi network is a key differentiator for the Group and helps drive Broadband growth. With 18,000 hotspots in the Bangkok Metropolitan Area and key provinces by the end of 2009, our network is unmatched by the competition. Our Wi-Fi hotspots cover prime locations including coffee shops, restaurants, hotels, hospitals, department stores, movie theaters, convention centers and office buildings.

In April 2005, we also launched Thailand's first Pre Pay high-speed Internet service, providing an alternative for high-speed Internet customers seeking value-for-money and convenience.

True's subsidiary, True Universal Convergence Co., Ltd. ("TUC"), has been granted a Type Three license from the NTC to provide fixed-line telephone, Broadband and data services nationwide using new infrastructure and technology such as NGN (next generation network), xDSL, and Gigabit Ethernet. TUC provides data and Broadband circuits as well as data network services to True's subsidiaries including True Internet Co., Ltd. ("TI"), and True

Multimedia Co., Ltd. ("TM"). These provide hi-speed Internet and data services to end-customers and non-voice services to consumers and business customers, respectively.

Our modern fixed-line network allows us to provide a faster, more stable Broadband service and to realize lower installation, operating and maintenance costs. The network not only provides ADSL, but also ADSL2+, G.SHDSL and Gigabit Ethernet, and is well positioned for eventual evolution into an IP-based NGN.

We also offer rich content catering for consumer lifestyles, including music, gaming, sports and E-books, as well as a variety of value-added services, including IPTV (Internet protocol TV), WhiteNet filtering (allowing parents to control their children's Internet access) and Norton Anti-Virus (to automatically detect and eliminate computer viruses).

In October 2009, we relaunched our hi-speed Internet packages as part of a "New hi-speed Internet plus 40 TV channels from TrueLife Freeview" campaign. The minimum speed was upgraded to 3 Mbps to most areas where the network supports speeds of over 1 Mbps. We also introduced a new high speed of 16 Mbps to meet growing demand for high-definition content. All of these packages are bundled with free Wi-Fi service with the speed of up to 3 Mbps. In addition, subscribers are eligible for free viewing of 40 TrueVisions channels when they pay a Baht 1,990 installation fee, of which Baht 1,500 is refundable after 18 months on return of the set-top box.

In early January 2010, we launched a new promotion, "Hi-speed Internet LITE Pack", offering 4 Mbps as the minimum speed but without Wi-Fi service for a Baht 599 monthly fee. Subscribers will be credited the same amount as the monthly fee as an "All Together Bonus" for making free calls on TrueMove from 5 a.m. to 5 p.m. from the second minute and onwards at the rate of Baht 5 per min.

Later in 2009, we launched the "Ultra Broadband" service to the hi-end segment. The first project was at a Sansiri project, "SIRI at Sukhumvit", and offered up to 30 Mbps hi-speed Internet connection plus a Wi-Fi service at the speed of 3.6 Mbps.

Our Broadband business is growing rapidly. At the end of 2009 we had 690,519 Broadband subscribers and 262,554 Wi-Fi subscribers (139 percent higher than the 109,655 the year before).

The following table shows the number of Broadband subscriber and ARPU for the periods indicated:

Broadband	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers	300,322	442,728	548,285	632,461	690,519
ARPU (Baht/month)	739	721	709	711	723

Internet

The Company provides Internet (including content and applications) services through:

- (1) Asia Infonet Co., Ltd. ("AI"), in which the Company has a 65.0 percent equity interest, under an Agreement to Operate whereby CAT Telecom Plc or CAT (previously the Communications Authority of Thailand) granted a non-exclusive right to provide commercial Internet services to users throughout Thailand until 2006 over facilities leased from CAT or any entity approved by CAT. In February 2010, Asia Infonet's Type One ISP license, granted by the NTC, was extended for another five years and will expire on February 4, 2015. The license is renewable every five years; and

- (2) True Internet Co., Ltd. ("TI"), in which the Company has a 99.99 percent equity interest. In August 2009, True Internet's Type One ISP license, granted by the NTC, was extended for another five years to expire on August 17, 2014. The license is renewable every five years.

In terms of our overall Internet business, we are Thailand's no.1 Internet Service Provider ("ISP") with over 1.4 million subscribers, including Broadband subscribers. We offer Internet access to both consumers and business customers, along with a range of value-added services, including an Internet Data Center, providing security services for corporate customers.

Our Internet and Broadband services took full advantage of the international Internet gateway license granted at the end of 2006 which has allowed us to provide a better quality and less costly service to our customers.

The following table shows the number of certain Internet/Broadband subscribers, during the periods indicated:

Internet/Broadband	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers ^{1/}	716,703	849,007	1,104,586	1,274,802	1,437,680

^{1/} Including Broadband subscribers

iii) Business Data Services ("BDS") and multimedia

True's business data services offer converged data and voice communication solutions, and managed services to business customers through various technologies. These include: Digital Data Network ("DDN") or Leased-Line; Multiprotocol Label-Switching ("MPLS"); Metro Ethernet (a fiber-to-the-building technology designed specifically for business customers); and IP-Lease Line (a hybrid between an IP-based data service and a lease line service which improves the quality of connection beyond standard IP-based services). In addition, the Company offers a Managed Network Service (a combination of three network operation services including network performance management, fault management and configuration management). Furthermore, our Internet Data Center offers a full network redundancy support service.

True Group is one of the major players in the data transmission business in Thailand. True's modern network gives it a competitive advantage. We seek to differentiate ourselves from competitors through a focus on service quality and by meeting customer needs. We also benefit by combining our various products and services (e.g. content, VoIP and Internet) as well as by providing services with our business partners (e.g. the collaboration with Cisco to roll out a high quality IP network). As a result, we do not have to compete solely on price.

We were the first network provider in Thailand to earn the "Cisco Powered" designation in 2007, joining an elite group of around 300 similarly certified users worldwide. In 2008, True's service quality to our partner, Cisco, was rated "excellent" by Cisco customers.

Beside large corporate clients, True aims to expand its business customer base more aggressively into the SME segment, particularly in the provinces. Significant growth opportunity exists in the provinces where overall penetration and True's market share remain relatively low. True plans to utilize its wide selection of products and services (e.g., data services, VoIP, Internet), to secure and expand provincial market share through convergence and bundling strategies.

At the end of 2009, there were 19,940 circuits under our service, a 12.4 percent increase from a year ago. Average revenue per circuit was Baht 8,696 a month, a 11.3 percent decrease from 2008 mainly from the continued migration of customers from traditional services such as DDN to newer, lower-priced technologies such as MPLS.

The following table shows the number of circuits and ARPU:

	As of December 31,				
	2005	2006	2007	2008	2009
No. of circuits	10,216	12,033	13,976	17,741	19,940
Average revenue per circuit (Baht/month)	10,411	11,106	11,253	9,808	8,696

iv) WE PCT (Personal Communication Telephone)

The Company operates WE PCT through its subsidiary, Asia Wireless Communication ("AWC"), in which it holds 99.99 percent equity interest. Together with AWC, the Company officially launched its Personal Communication Telephone ("PCT") service in November 1999 as a value-added service of our traditional fixed-line services.

WE PCT is a cordless fixed-phone service. A subscriber's PCT phone number is the same as his or her fixed-line number. Up to nine PCT handsets can be used with one fixed-line number, with each handset holder assigned an individual access code so callers to the fixed line number can direct their calls to a specific person.

The Company is entitled to 82.0 percent of the revenue generated from such service and AWC is entitled to approximately 70 percent of this amount. The PCT service is also available to TOT subscribers. TOT shares with True approximately 80 percent of revenue received from its subscribers as a PCT network rental fee.

The WE PCT service covers 2,500 square kilometers of the inner area of the BMA. In September 2004, the PCT brand was repositioned as "WE PCT" to reflect the strategy of building communities and bringing together people via free calls within the PCT network targeted at students and the young. At the end of 2009, WE PCT had 197,216 subscribers, 27.9 percent less than the year before due to continued impact from mobile competition.

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

WE PCT	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers	469,125	347,099	390,609	273,623	197,216
ARPU ^{1/}	318	257	172	171	153

^{1/} including PCT Buddy (prepaid service)

v) International Gateway services

True International Gateway Co., Ltd. ("TIG", previously known as True Internet Gateway), a subsidiary of True Corp, received an International Internet Gateway and Domestic Internet Exchange License (Type Two with Network) from the NTC on May 19, 2006, and an International Data Gateway License (Type Two with Network) on October 21, 2008.

The two aforementioned licenses allow TIG to provide Internet and international data services. Currently, TIG has Points of Presence ("PoPs") in Bangkok, Singapore, Hong Kong, the UK and the USA which enhance the efficiency of the connection and service quality.

Since its launch, TIG has considerably expanded its capacity to support the growth of Internet and international data services which have doubled annually. Approximately 90 percent of TIG's total bandwidth under service was provided within the True Group. The other 10 percent was utilized by external customers including local ISPs, local and multinational corporations as well as international telecom operators.

TIG offers three types of international data services – International Private Leased Circuit ("IPLC"), Internet Protocol Virtual Private Network ("IP VPN") and Virtual Node. Currently, we are focusing and serving a number of major international carriers who have a presence in the Asia Pacific region and demand a large amount of bandwidth as well as a reliable network and high quality services. To facilitate corporate customers requiring a variety of bandwidth sizes and international destinations, TIG continues to partner with global international carriers to reach countries beyond Singapore and Hong Kong where TIG already has its own facilities.

In November 2009, TIG was the first private operator to be granted a license for submarine cable landing rights by the NTC. The license gives TIG the right to lay new submarine cable of its own as well as access submarine cable capacity currently available in the market. The submarine cable capacity combined with its existing terrestrial connectivity gives TIG a competitive advantage. It can offer enhanced network reliability through both terrestrial and submarine connectivity at prices lower than services provided solely through submarine cables.

vi) International Direct Dialing ("IDD") service

After being granted a Type Three license from the NTC to provide overseas call services, True's subsidiary, True International Communication ("TIC"), officially launched its IDD service via Time Division Multiplexing ("TDM") technology with the "006" dialing prefix on July 8, 2008. Currently, True's IDD services are available only to True's fixed-line and TrueMove's mobile subscribers due to regulatory restriction.

TrueMove subscribers can dial "+" instead of "006" to automatically access our services. Since its inception, True's IDD service has grown well, generating revenue of Baht 446 million (before inter-segment elimination) in 2009, a 39 percent increase from Baht 320 million the year before.

In July 2009, TIC introduced a new IDD service via VoIP technology with the "00600" prefix to TrueMove's prepaid subscribers under TrueMove's "Inter SIM" promotion. This offers cheaper rates than the "006" service, with VoIP calls costing one Baht per minute (24 hours a day) to 14 countries. In August 2009 the "Inter SIM" package was also offered to TrueMove's postpaid subscribers.

4.1.2 TrueMove

The Company operates a mobile telecommunications business through its subsidiary, TrueMove (previously TA Orange), in which the Company indirectly holds an equity interest through a subsidiary, Bangkok Inter Teletech Public Company Limited ("BITCO"). True's shareholding in BITCO/TrueMove was 98.9 percent at the end of 2009 (from 77.2 percent as at the end of 2008) after a capital increase of approximately Baht 2.6 billion in March 2009 and the purchase of BITCO shares from CP Group of Baht 3.5 billion in June 2009.

TrueMove operates under the Agreement to Operate and Provide Services under the Digital PCN 1800 System ("Agreement to Operate"), dated June 20, 1996, granted by CAT Telecom PLC or CAT (previously the Communications Authority of Thailand). This allows for the provision of services until September 2013. Under the agreement, TrueMove shares 25 percent of its revenue, after deducting access charge ("AC") payments and other deductible expenses (e.g. content), with CAT until 2011. This then increases to 30 percent until the end of the agreement.

In June 2008, CAT allowed TrueMove to use 5 MHz of the 850 MHz frequencies to develop a HSPA (High Speed Package Access) service. This came under the existing Agreement to Operate between CAT and TrueMove. In this regard, TrueMove will use CAT's gateways and is willing to allow CAT to jointly use its base stations. The collaboration will also include co-branding.

In January 2009, TrueMove signed a Memorandum of Agreement with CAT to use the transferred network and equipment for another five years following the end of its concession in 2013. As a result, TrueMove can operate its business on equal terms to other operators. CAT also granted TrueMove permission to trial-launch 3G services on 850 MHz on a non-commercial basis. This will prepare TrueMove for full commercial launch in the future.

By the end of 2009, our 3G 850 MHz cell sites covered a 2-km radius of most BTS and MRT routes in the BMA as well as key provincial areas including Cha-Am, Hua Hin, Phuket (chiefly the International Airport and Patong Beach), Koh Samui and Chiang Mai (mainly the International Airport and surrounding areas).

Subscribers

TrueMove has grown rapidly since it launched full commercial operations in March 2002 and has been successful in acquiring close to one-third of the market's net additional subscribers each year since 2004. At the end of 2009, TrueMove was Thailand's third-largest mobile operator, with 15.8 million subscribers, an increase of 7.1 percent on the 14.8 million of a year before. This was driven mainly by strong growth in postpaid subscribers due to the Group's convergence strategy and sales of premium handsets such as iPhone and Blackberry. TrueMove's postpaid subscribers accounted for 7.8 percent of its total mobile subscribers, up from 6.6 percent the year before.

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

TrueMove	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers					
- Prepaid	4,009,470	7,031,289	11,362,331	13,786,283	14,575,094
- Postpaid	449,173	546,453	717,758	970,551	1,226,070
Total Subscribers	4,458,643	7,577,742	12,080,089	14,756,834	15,801,164
Subscriber Growth (%)	31.9	70.0	59.4	22.2	7.1
Blended ARPU	393	292	191	130	115
- Prepaid ARPU	321	250	158	105	90
- Postpaid ARPU	911	772	676	510	428

Services

Pre Pay

Most of TrueMove's revenue is derived from sales of prepaid airtime, which do not require a monthly subscription fee. Subscribers purchase a SIM card with an initial credit balance and can top-up their credit balance through various means, including purchase of top-up cards, transfer of funds through ATMs, transfer of credit balances from other mobile phone accounts, and "over-the-air" top-ups.

TrueMove was the first telecommunications operator in Thailand to provide "over the air" top-up services through 80,000 airtime resellers such as individuals or small shops who register with TrueMove and are eligible to transfer airtime to subscribers via SMS. TrueMove prepaid subscribers can top-up with as little as Baht 10 at over 18,000 public phone booths in the BMA. TrueMove also provides subscribers a mobile payment channel via TrueMoney services to meet a new generation of lifestyle needs.

Post Pay

TrueMove's postpaid service allows customers to choose a monthly service plan, priced from Baht 129 to Baht 1,300. Subscribers are billed monthly for subscription fees, airtime and the use of other voice and non-voice services.

Voice Services

Our subscribers have access to local, domestic and international long-distance dialing. In addition, we offer a variety of value-added services in different combinations according to the airtime package selected. These services include call waiting, call forwarding, call conferencing and caller identification. We also offer our voice subscribers roaming services, which enable them to make and receive calls when outside Thailand.

Non-Voice Services

TrueMove provides a range of non-voice services to enhance customer lifestyles. Content is delivered through various channels covering all mobile-accessible channels and web-based services through the www.trueworld.net portal. Non-voice services comprise a variety of popular content, including photo-based communication, financial information services, games, cartoons, screen savers and ring tones, music and sports content. Our subscribers are increasingly using our non-voice services, in particular ring-back tones, messaging and downloadable pictures, images and audio through mobile Internet services.

We currently group non-voice services into three main categories:

Messaging:

- Short Messaging Service ("SMS"): allows subscribers to send short text messages to other mobile users;
- Voice SMS: Thailand's first voice short-messaging service allows subscribers to send audio messages to fixed-line and mobile handsets;
- Multimedia Messaging Service ("MMS"): allows subscribers to send pictures, text and sound/voice in a single-packet message.

Mobile Internet service:

- EDGE/GPRS and 3G/HSPA*: provide mobile data communications with GSM-based technology and "push" e-mail (**TrueMove's 3G/HSPA service on the 850 MHz frequency is available in main business districts of Bangkok and key provincial/tourist areas such as Chonburi, Phuket, and Chaing Mai on a trial basis*);

- Mobile Chat: a WAP-based instant-messaging service that allows subscribers to engage in online and mobile chat;
- Mobile Web: allows subscribers with compatible mobile handsets to access the Internet, including through available Wi-Fi connections;
- Blackberry and iPhone services: including Blackberry Messenger, chat, push-mail, and Internet surfing.

Content:

- Ring-back Tones: offers personalized ring-back tones and exclusive song selections;
- Voicemail: enables subscribers to retrieve audio message recordings;
- Multimedia Content Services: allow subscribers to access content such as music, sports, news and finance (through True Music, True Sport, TV, movies and others).

For 2009, non-voice services contributed 13.3 percent to TrueMove's service revenue (excluding IC), compared with 11.8 percent in the same period the previous year. Service revenue from mobile Internet, messaging and content contributed 44.0, 30.3 and 25.7 percent respectively of total non-voice revenue. This was compared to 37.1, 30.1 and 32.8 percent in the previous year. TrueMove is able to use content as a growth driver by leveraging the exclusive content assets of TrueMusic, TrueOnline and TrueVisions.

Mobile Handset and Accessories Sales

We offer a broad range of mobile handsets and related accessories. Our key handset products are high-quality smartphones including iPhone 3G and iPhone 3G S as well as Blackberry. Handsets are either sold outright (untied to any service) or tied with TrueMove's monthly (postpaid) packages.

International Roaming Services

We allow people whose network operators have international roaming agreements with TrueMove to use TrueMove's cellular network when traveling in Thailand. TrueMove subscribers may also use the networks of international operators with whom TrueMove has entered into international roaming agreements. The roaming services include voicemail, SMS, MMS, mobile Internet (via EDGE/GPRS), Email, Caller Identification, Missed Call Alert, Short Code, BlackBerry roaming and Wi-Fi.

In June 2008, TrueMove joined Conexus Mobile Alliance, increasing the Conexus Mobile subscriber base using roaming services (both voice and non-voice) to 210 million. As a result, these subscribers can use roaming services in Thailand on TrueMove's network. TrueMove subscribers will also have more options when traveling in the Asia Pacific region. TrueMove and Conexus Mobile Alliance furthermore announced a regional rollout of a mobile data roaming plan for BlackBerry smartphones among Alliance members. The new plan offers a high mobile data access ceiling in most markets, allowing corporate email access and convenient wireless Internet access as well as providing cost benefit to active business travelers who use the services of Conexus Mobile Alliance.

In February 2009, TrueMove launched a new promotion "Data Roaming Flat Rate" offering TrueMove subscribers mobile data roaming on the Conexus Mobile network for a maximum charge of Baht 399 per day. Subscribers are charged according to their actual usage if using less than the Baht 399 limit.

Network

TrueMove was the last of the three major Thai mobile operators to launch commercial operations, and as such has been able to take advantage of the latest technical developments for our GSM network rollout, which has made our network relatively more efficient and cost-effective. We now cover approximately 93 percent of Thailand's population, putting us on a par with other major mobile operators.

Bundled Packages

TrueMove features as a key part of bundling packages with other Group services, including:

- TrueOnline's hi-speed convergence packages (launched October 2009), offer TrueMove or TrueVisions customers who subscribe to the hi-speed Internet basic package (any speed from 3 Mbps to 16 Mbps) a free upgrade to the premium package which offers double upload speed and unlimited 3 Mbps Wi-Fi services.
- TrueMove was a major part of the bundling promotion with TrueVisions and True Internet for the sixth season of the highly popular Academy Fantasia (AF) reality TV show. From 2006, voting has been restricted to TrueMove subscribers only;
- The TrueVisions–UBC TrueMove Free View mass market promotion – (see "TrueVisions" section for more details); and
- The All Together Bonus – True's first bundled package launched in 2004 offers a combination of True services and remains popular among TrueMove subscribers. A new "Hi-speed Internet LITE Pack" promotion launched in January 2010 offered a minimum 4 Mbps for Baht 599 per month fee with subscribers credited the same amount as an "All Together Bonus" for making calls on TrueMove.

We have consistently sought to develop and market innovative non-voice products and services. For example, we were the first in Thailand to offer voice SMS, remixable ring tones (through the IRemix service), and "over-the air" top-ups to our subscribers. We also provide EDGE (Enhanced Data rates for GSM Evolution) and other multimedia content-based services, along with comprehensive wireless Internet services using Wi-Fi technology. In 2008, TrueMove launched the Game SIM to attract online gamers as well as the INTERSIM for customers who make frequent international calls. It also launched the world's first Touch SIM using RFID (radio-frequency identification) technology. This allows for payments to be made from the E-wallet and E-Purse payment services with a single swipe of any mobile handset.

In 2009, TrueMove successfully launched the Apple iPhone 3G and 3G S models in the Thai market. Meanwhile, the roll out of 3G services on 850 MHz on a non-commercial basis also took place, allowing TrueMove customers to experience the potential of True's convergence strategy in the run up to a full commercial launch.

4.1.3 TrueVisions

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

TrueVisions was formed in 1998 by a merger of UBC (formerly IBC) and UBC Cable (formerly UTV). TrueVisions operates pay-TV services under a 25-year Agreements for Joint Venture in the Membership Television (and Cable Television) Services with the Mass Communications Organization of Thailand ("MCOT") which is due to end on September 30, 2014 for services via satellite and on December 31, 2019 for services via cable.

TrueVisions provides its DStv (digital direct to home satellite) service using Ku-band transmission and MPEGII video compression. This enables TrueVisions to increase the number of channels, improve sound and picture quality, control access to its signal, and distribute its service everywhere in Thailand. This service is now transmitted via the Thaicom 5 satellite.

TrueVisions provides its cable TV services, both digital and analogue, in the BMA using the HFC network of True Multimedia (a True subsidiary) which passes approximately 800,000 homes.

At the beginning of 2006, we successfully integrated TrueVisions into the Group following the acquisition of TrueVisions shares which increased True’s effective shareholding to 91.8 percent. TrueVisions has since shifted its marketing strategy to penetrate the mass market. As a result, TrueVisions was able to almost double its subscriber base after becoming a subsidiary of True Group.

Following the entry into force of the Broadcasting Act in March 2008, TrueVisions commenced negotiations with MCOT to carry advertising similar to other pay TV operators. On October 8, 2009, the MCOT Board of Directors approved for TrueVisions to air advertising subject to revenue sharing of 6.5 percent. Following this decision, TrueVisions began gradually introducing paid advertising while ensuring viewer experience was not impacted. In 2010 we will gradually increase the number of channels carrying advertising, including both local and turnaround channels.

At the end of 2009 TrueVisions had 1,663,407 subscribers, of which 928,556 subscribed to normal packages while the rest were Free View and Free-to-Air subscribers.

The following table sets forth certain information concerning pay-TV subscribers and ARPU during the periods indicated:

TrueVisions	As of December 31,				
	2005	2006	2007	2008	2009
Subscribers – normal package					
- Cable TV	133,055	133,977	132,868	129,659	123,349
- DSTV	350,761	424,883	496,920	670,178	805,207
Total normal packages	483,816	558,860	629,788	799,837	928,556
Free View ^{1/}	-	64,647	318,758	527,096	536,324
Free to air ^{2/}	-	-	90,374	142,538	198,527
Total subscribers	483,816	623,507	1,038,920	1,469,471	1,663,407
Blended ARPU ^{3/}	1,291	1,217	1,104	1,104	806

^{1/} Excluding up-sellers who already converted to normal packages

^{2/} Free to air representing satellite disc sale with 32 free-to-air channels and no monthly charge

^{3/} Excluding free view and free to air subscribers

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

Our four TrueVisions’ packages along with the number of non-standard channels (standard channels include six Free TV channels and 15 educational channels) included in each package are presented below.

Package:	No. of non-standard channels	Monthly fee (Baht)
Platinum	86	2,000
Gold	77	1,413
Silver	63	750
True Knowledge	54	340

In addition to the above packages, TrueVisions provides three A-La-Carte packages (ten further channels) from HBO, Disney and Discovery. Subscribers to our Platinum packages are able to choose their preferred packages at a discount rate, while the Discovery and Disney packages are also available to our Silver subscribers.

TrueVisions has expanded into the mass market, offering Free View packages via bundling with TrueMove. We also sell satellite discs outright, offering free viewing of 32 channels (self-produced or aggregated by TrueVisions) and an option to view seven additional channels from TrueVisions when topping up the prepaid balance on a TrueMove mobile phone. The mass market strategy helped lift total subscribers to 1,663,407 at the end of 2009 (including Free View and Free-to-Air subscribers), a 13.2 percent increase from 2008. During 2009, the upselling rate (the ratio of Free View or Free-to-Air subscribers who upgrade to higher packages to the total number of Free View and Free-to-Air subscribers) increased to 38.5 percent from 30.4 percent the year before. The mass market strategy has played an important role in increasing penetration of the provincial market, which now accounts for 52 percent of total subscribers.

There has been an increase in the number of non-Free View subscribers through Free View subscribers upgrading to our premium packages. We expect this trend to continue as Free View subscribers learn to enjoy the benefits of pay-TV.

Our exclusive PL rights are key to subscriber attraction and retention. Free View subscribers can buy PL coverage on an A-La-Carte basis. This is one of the main factors behind the 27 percent growth in the number of non-free view subscribers during 2008. Our new sports channel, True Sport 5, broadcasts certain PL matches and provides A-La-Carte options. True Group also has the right to provide PL and PL-related content through other platforms, including True IPTV, TrueMove and TrueOnline.

In 2010, we will be offering two new channels in a High Definition (HD) format offering enhanced viewing experience for our premium subscribers who pay additional fees.

Other key products/services include:

- Personal Video Recorder (PVR): providing advanced features (e.g, recording, zooming, instant-replay) that enhance subscriber convenience and viewing experience;
- DsTV dish as part of the SSK promotion: allowing subscribers to watch TrueVisions' 32 channels with no monthly fee. This promotion allows customers who use a TrueMove SIM and top-up every month to watch seven more channels from TrueVisions;
- The popular reality TV show, Academy Fantasia, which runs once a year (normally from May to September) has helped retain subscribers during the low-season period while generating key content for other parts of True Group.

TrueVisions remains committed to building on its content leadership. Our premium packages offer access to highly popular and almost entirely exclusive international programming (only three of our 43 turnaround channels are non exclusive). Meanwhile, we continue to cater to local audiences by providing Thai-language dubbing and subtitles, and in-house content to match local tastes.

4.1.4 TrueMoney

TrueMoney has received approval from the Bank of Thailand to offer an electronic cash service and also acts as a payment agent with the approval of the Revenue Department.

TrueMoney Cash Card

The TrueMoney Cash Card allows TrueMove and True customers to top up their selected True Group services, including TrueMove Pre Pay, WE PCT Buddy, Prepay hi-speed Internet, Internet Kit, Wi-Fi, True World, True e-book and many online games. Top-ups are made using the cash card's PIN code.

Payment and Collection Service

By the end of 2009 TrueMoney had around 10,000 counters (including True and TrueMove shops and TrueMoney Express) able to accept payment for 23 services. Payments are processed off a bar-coded statement and can be made by cash, check or credit card, either in full or partially. Customers can make payments online, without statements, for certain services. Overdue payments can also be made.

TrueMoney Express offers various payment services such as bill payment, E-Cash Card sales and direct top-up to True prepay products.

In addition, the launch of the innovative WeBooking by TrueMoney offers a convenient and fast way to book and pay via all channels and covers various lifestyle activities such as entertainment, travel and accommodation, education, sports and health.

TrueMoney services via TrueMove

This service, launched at the beginning of 2006, allows TrueMove subscribers to perform commercial and financial transactions using their mobile, anytime and anywhere, under a high-security system to international standards. Using TrueMoney, TrueMove subscribers can:

- Top-up their credit balance for many prepaid services from the True Group, such as TrueMove Pre Pay, Internet airtime, online gaming, PCT services;
- Top up their TrueVisions-TrueMove Free View package, with the fee automatically deducted each month from subscribers' TrueMoney accounts. Subscribers can also upgrade to higher-tier TrueVisions' A-La-Carte packages or buy TrueVisions' prepaid programs using TrueMoney, which has proved to be of great value for TrueVisions;
- Pay bills and merchants for True Group products and services as well as for services outside the Group, such as electricity and water supply bills, insurance bills, many e-commerce merchants, taxi fares, online purchases of movie tickets, and bowling fees. TrueMoney also has a system to alert customers to pay electricity and water supply bills before due date;
- Transfer funds from their TrueMoney account to another TrueMoney account, or transfer funds from their bank account to their TrueMoney account;
- Withdraw money from their TrueMoney account using a TrueMoney Card at ATMs nationwide; and
- Keep amounts of up to Baht 30,000 in each TrueMoney account. Customers can top up their TrueMoney account from many sources by using a TrueMoney Cash Card, a registered bank account or credit card.

In 2007 TrueMoney opened TrueMoney Express, a payment agent offering many payment services such as bill payment, E-Cash Card sales and direct top-up to True prepay products, at around 2,000 locations throughout the country. In November we announced the successful development of the world's first intelligent contactless mobile payment system using a TrueMoney RFID (radio-frequency identification) SIM, in collaboration with China's Watchdata Technologies Co Ltd. The system became operational early in 2008.

By the end of 2009, TrueMoney was being used by around 5.7 million TrueMove subscribers, up from 4.2 million a year earlier. We expect further growth in 2010.

4.1.5 TrueLife

TrueLife provides digital content and access to both mobile and online digital communities. It also acts as a digital convergence and communicator platform for consumer-to-consumer, business-to-consumer and business-to-business transactions.

TrueLife has three main components: Digital content and community services; TrueLife Shops; and TrueLife Plus (our convergence bundling packages).

Online portal Truelife.com provides an online community and communicator platform – e.g., minihome, Club, Chatroom and instant messaging – which allows users to interact, communicate and share. It also offers content which brings together people with similar lifestyles or interests. Main content categories are Music, Sport, TV and Movies. Launched in 2006, Truelife.com has more than 1.6 million registered members.

In 2007 True Digital Entertainment's online game "Special Force" quickly became popular with Thai gamers, and has now been the number one "casual" online game in Thailand for three consecutive years. A strategic alliance made with leading Korean games provider Dragonfly in 2009 should also provide exciting new games for the Thai market.

True Group is also an online games provider through NC True, a joint-venture between True and NC Soft, a world-class online game maker from South Korea. NC True's leading games include Lineage II, Guild Wars, and recently Point Blank which became increasingly popular during 2009 and is expected to grow in significance in terms of revenue generation in 2010.

TrueLife Shops bring together the full range of True products and services, including True Coffee, True Music and True Broadband under one roof. Their purpose is to provide first-hand experience of the convergence lifestyle. Shops are located in areas within the BMA frequented by trendsetters and the younger generation.

TrueLife Plus represents our bundling of True products and services, offering customers greater value through packages that suit their lifestyles.

TrueLife has revamped its online shopping service, www.weloveshopping.com after its merger with www.marketathome.com in 2007. By the end of 2009 it featured more than 170,000 online stores with over 2.3 million product and service categories.

In June 2009, True launched the "True App Center" to train Thai developers in the major mobile operating systems including iPhone, Symbian, Windows Mobile and Android. To date around 40 iPhone apps have been produced. This helps support both handset sales and mobile Internet packages.

4.2 Marketing Strategy

True is now one of Thailand's leading lifestyle brands. We aim to provide customers with tailored solutions and a range of bundled telecommunications services across our voice, video and data platforms that match with all customer lifestyles. We believe that demand has been shifting towards convergence services that can fulfill all lifestyle needs. All True products and services are marketed under the "True" brand. These marketing strategies will differentiate us from our competitors, helping us obtain greater market share and lowering churn rates.

Retention marketing is also a key strategy, especially in the mobile business where competition is intense.

4.3 Distribution and Sales

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

Our conventional distribution channels include:

- Wholesale partners who purchase deactivated SIM cards and top-up cards, mobile handsets and accessories from us for distribution onto sub-dealers, manage sub-dealers and provide logistic support. Wholesale partners primarily sell our prepaid SIM cards and top-up cards. Sub-dealers also provide other services such as mobile handset repairs and music and game downloads;
- The direct sale channel markets our services to SME and corporate clients. It also plays an important role in customer acquisition for TrueMove with approximately 30 percent of net additional subscribers being acquired through this channel. We further categorize the direct sale channel into: direct sale teams (DST), direct sale agents (DSA), and freelance;
- Multi-retailers located in hypermarkets, specialty stores, and convenience store chains.
- Retail shops refer to True shops, TrueMove shops and kiosks, located in high visibility and high traffic locations, such as shopping malls, hypermarkets, office buildings, etc. TrueLife shops and TrueCoffee also fall into this category;
- Retail channel partners comprise of (i) retail partners, and (ii) mobile sales vans or "Move UP Vans" which are mobile sales points for True Group sales agents nationwide.

True Group's prepaid services (mainly mobile telecommunications services) are normally sold through the first three channels – wholesale partners, the direct sale channel and multi-retailers while retail shops (both our own and our partners') serve as a sales channel for True Group's convergence products and services as well as an after-sales service channel.

For top-up service (to refill TrueMove's prepaid airtime, TrueMoney credit, or topping up TrueVisions-TrueMove Free View packages), we offer several electronic channels in addition to using physical card (i.e., Cash card and Top up card) as follows:

- ATM – Subscribers can transfer funds directly from their bank account to top-up either a TrueMove account or TrueMoney account;

- Mobile payment via TrueMoney (see details on TrueMoney in item 3.1.4);
- E-cash – Airtime purchase can also be made over the counter of our partners such as Kasikorn Bank and 7-Eleven.
- Direct top up – Customers can use a device installed at several locations of our own as well as our partners' such as 7-Eleven to directly top up their accounts (an online top up transaction is also categorized as a direct top up); and
- Public phone booths – since 2007, TrueMove prepaid subscribers have been able to top up by as little as Baht 10 at over 18,000 public phone booths in the BMA.

In addition, TrueMove airtime can be sold through independent non-mobile agents or "over-the-air" airtime resellers such as individuals or small shops who are provided with a special SIM card to allow airtime transfer to end-users. These agents can refill their airtime credit through several means (e.g., Cash card, Top up card and ATM). Approximately 80,000 resellers were registered on our system as of 2008.

Although physical cards currently make the most contribution to our top up revenues, electronic channels have become increasingly popular among our customers due to the variety of payment methods and increased number of electronic top up locations. In 2009, we boosted profitability by pushing top up sales through electronic channels to save costs associated with physical cards (production, logistics and warehousing, tc.). We also continued to manage our sales mix so that revenues are generated through channels that are subject to low commission (i.e., via ATM).

We arrange account executives dedicated to both the SME and the corporate segments, and sales managers and sales executives servicing the various SME and corporate subscribers.

TrueVisions' primary sales channels include telesales, direct door-to-door sales, an Internet website, a nationwide agency network and non-traditional channels via Move up vans.

4.4 Procurement of Products and Services

Network Capacity for Services

The Company believes that its extensive fiber-optic wireline network covering the whole of the BMA gives it a key competitive advantage. Voice and data travel through the fiber-optic cable network at a higher speed than through copper wire or via radio waves. In addition, the network architecture can eliminate call failures due to accidental interruption or any other causes. The network has a spider web design covering all of the service area, which enables True to utilize other routes should one suffer any malfunction.

TrueMove has been able to take advantage of the latest technological developments as it has built its network later than the two other major operators. This means its network is relatively more efficient and cost effective.

Network Acquisition

The Company primarily imports network equipment directly from leading telecommunications technology suppliers from around the world, including Siemens, Alcatel, Lucent, NEC and Huawei. The Company has also employed a number of suppliers to assist in network acquisition and installation to expand its service coverage, and is not dependent upon any specific distributor or supplier.

Technical and Management Support

The Company and its subsidiaries have acquired technical and management support from strategic partners: Verizon Communications Inc for True, Orange SA for TrueMove and MIH for TrueVisions. No further support has been provided since our strategic partners sold or reduced their shareholdings. These strategic partners all transferred substantial telecommunications expertise to True Group during the time when they were our shareholders and our management team is capable of operating without their support.

4.5 Thai Telecom Industry

Mobile Business

Mobile operators in Thailand are Advanced Info Service Public Company Limited ("AIS"), and its majority-owned subsidiary, Digital Phone Company ("DPC"); Total Access Communication Public Company Limited ("DTAC"); our majority-owned subsidiary, TrueMove; Hutchison-CAT Wireless Multimedia Co. (CAT's marketing service provider under the "Hutch" brand name); and Thai Mobile.

The Thailand mobile market has grown substantially from approximately 7.9 million subscribers in 2001 to over 64 million subscribers by the end of 2009, including around one million subscribers of small operators such as Thai Mobile and Hutch. The three largest mobile operators – namely AIS, DTAC and TrueMove – added approximately 3.5 million subscribers during 2009, taking the mobile penetration rate up to 96 percent (based on population figures from the National Statistical Office of Thailand as of December 31, 2009).

This is comparatively low when compared to other countries in the region with high mobile penetration such as Hong Kong (171.2 percent; source: the Office of the Telecommunications Authority, The Government of the Hong Kong Special Administrative Region), and Singapore (137.4 percent; source: Infocomm Development Authority of Singapore - Statistics on Telecom services for 2009).

Moreover, the mobile penetration rate is usually calculated based on the total number of SIM cards or mobile phones in customers' hands. However, a significant portion of subscribers are multi-SIM users (carrying at least two phones or two SIM cards); human mobile penetration rate (the number of individual mobile users over the population number) in Thailand could be around 80 percent.

Our two largest competitors, AIS (together with its majority-owned subsidiary, DPC) and DTAC held a 44.8 percent and 30.6 percent subscriber market share, respectively, at the end of 2009. We were the third-largest mobile provider with a market share of 24.6 percent.

The following table shows the breakdown of mobile subscribers over the past five years.

	As of December 31,				
	2005	2006	2007	2008	2009
AIS	16,408,825	19,521,500	24,105,400	27,310,200	28,772,900
DTAC	8,676,940	12,225,498	15,772,026	18,682,076	19,656,160
True Move	4,458,643	7,577,742	12,080,089	14,756,834	15,801,164
Total Subscribers ^{1/}	29,544,408	39,324,740	51,957,515	58,663,318	64,230,224
True Move market share (%)	15.1	19.3	23.2	24.2	24.6

Source: Company filings of respective mobile operators

Remark: ^{1/} Excluding CAT Hutch, Thai Mobile

The mobile industry in Thailand has experienced high levels of competition. Mobile service providers have been competing for market share through promotional activities and by providing prepaid plans that offer competitive pricing to attract low-income subscribers and that are easily refillable at various places such as convenience stores and gas stations. This has been one of the reasons for a significant increase in the number of prepaid subscribers from the year 2002 onwards. Mobile service providers are also focusing on the growth in non-voice services, which has been facilitated by the launch of new feature-rich handset models with an expanding range of services.

During 2005 to 2006, the Thai mobile sector experienced intense price competition with True Move and its competitors significantly reducing tariffs, resulting in a decline in ARPUs by 10 percent in 2005 and by 26 percent in 2006. This, however, contributed to the huge subscriber growth of 32 percent in 2006 while TrueMove market share rose to 19.4 percent from 15.1 percent in 2005.

However, 2007 saw the industry moving to more rational competition as operators entered into the interconnection regime which requires them to pay for access to other networks (Baht 1 per minute on average), putting a floor on prices. This continued in 2008. Operators have increased tariffs gradually resulting in lower usage, due to consumers' price sensitivity. The decline in ARPU was due partly to customers holding more than one SIM (double SIM effect) to enjoy differential in on-net and off-net tariffs launched by operators to limit IC charges. In 2008 small operators offered low tariff promotions because they did not have to pay IC charges. CAT has been negotiating with other operators to enter the IC regime since 2008. In early 2010, the NTC approved the IC rate between Hutch and DTAC at Baht 0.50 per minute. As a result, Hutch will need to enter into the IC regime.

In 2009, price competition continued to subside, especially voice tariffs. Although unfavorable macro conditions during the year impacted voice revenues for some operators, the Big Three either grew or sustained their revenue through non-voice services, especially mobile Internet services. Mobile Internet usage in Thailand has grown strongly during the past few years. This has mainly been supported by the increasing popularity and affordability of smartphones such as iPhone and Blackberry, as well as from continued development of content and applications.

Fixed-line Telephone Business

The fixed-line market in Thailand is currently serviced by three companies. TOT, the state enterprise that formerly regulated the provision of fixed-line telephone services, is still the only nationwide provider of local and domestic long-distance fixed-line telephone services in Thailand. Two other operators, True and TT&T are providing fixed-line telephone services under concessions granted by TOT. While our service coverage concentrates in the BMA, TT&T Public Company Limited ("TT&T") covers certain provinces of Thailand.

Thailand's fixed-line penetration rate has been stable at approximately 10 percent of total population (or approximately 30 percent of nationwide households) for several years. At the end of 2008, True was the largest fixed-line operator in the BMA in terms of subscribers.

Fixed-line operator	No. of nationwide fixed-line subscribers (as of December 31, 2008)
TOT ^{1/}	3,712,391
True ^{2/}	1,902,507
TT&T ^{1/}	1,165,750
Total	6,780,648

Source: ^{1/} from TOT Annual Report 2008
^{2/} Data from the Company

Our fixed-line telephone business has been affected in recent years mainly by the continuing migration of traffic to mobile.

In addition, our fixed-line telephone business is expected to face growing competition from VoIP services whose tariffs are lower than that for traditional fixed-line operators. Rising Internet usage and the growing availability of personal computers (PCs) are also expected to be factors driving the increasing use of PCs by Thai consumers for making VoIP calls. Also, the NTC has granted fixed-line licenses, which means we may face competition from newcomers.

Business Data Services

The business data market in Thailand continues to grow at about 10-15 percent a year due to the popularity of on-line data transmission, and an increase in Internet users. There is high competition between the large number of operators and suppliers of alternatives, such as ADSL providers. The major players in the data communications market in Thailand currently include TOT, CAT, United Information Highway Co., Ltd. and United Broadband Technology Co., Ltd. (collectively, "UCOM"), Advanced Datanetwork Communications Co., Ltd. ("ADC") under the Shin Corporation Group, TT&T and True Corporation. All these carriers provide leased line, frame relay and MPLS services. Our principal competitors are TOT (which has the widest coverage throughout Thailand) and UCOM (which has broader coverage outside of the BMA than we do). New market entrants such as Symphony recorded tremendous growth in 2008 and 2009 by targeting the very high-end segment.

As of 2009, True was the 2nd largest business data provider with a 24 percent share of the nationwide market value of Baht 13.4 billion. TOT remained the market leader with a 29 percent share and UIH ranked 3rd with a 21 percent share.

Broadband Business

The Broadband subscriber base in Thailand is relatively small with a household penetration rate of 9 to 10 percent, compared to rates in other countries in the region such as Hong Kong (79.1 percent; source: the Office of the Telecommunications Authority, The Government of the Hong Kong Special Administrative Region) and Singapore (142.2 percent; source: Infocomm Development Authority of Singapore - Statistics on Telecom services for 2009).

There are several operators in the Thai Broadband market, including United Broadband Technology ("UBT"), Lenso DataCom (under Q-Net service), Samart, CS Loxinfo, TOT, Jasmine International Public Company Limited ("JAS") operating under the "3BB" brand, ADC (Advance Datanetwork Communications, a subsidiary of Shin Corporation), and True.

True Group has experienced significant growth in its Broadband subscriber base, from 3,708 subscribers at the end of 2002 to 690,519 at the end of 2009 and believes it is one of the largest providers of Broadband services in Thailand based on the number of subscribers, and has approximately 72 percent share of the market value in the BMA.

There are several reasons for the rapid increase in the number of Broadband subscribers, including the decrease in the cost of modems, the increased popularity of online content, such as games, and the decrease in monthly fees as Broadband service providers increase the size of their customer bases. In addition, the International Internet Gateway fees have reduced significantly following the industry liberalization by the NTC.

Internet Services

The Thailand Internet market has experienced significant growth in recent years. According to estimates by ITU, the market had grown to approximately 13.4 million subscribers by the end of 2007, representing a penetration rate of approximately 21 percent, still relatively low when compared with other countries in the region.

Starting in June 2005, the NTC awarded licenses for the provision of Internet services to several ISPs, including True subsidiaries True Internet Company Limited and Asia Infonet. Other major Internet operators include CS Loxinfo and Internet Thailand.

Competition within the Internet/Broadband market has been intense since 2006 through 2009 due to the large number of ISPs and we expect to face increasing competition from new entrants going forward. In addition, the NTC has granted new nationwide fixed-line licenses, which would result in higher competition in both the fixed-line and Broadband market in the BMA, our key business area. Despite the intense competition, service charges remained relatively stable at approximately Baht 7 to 9 per hour for dial-up Internet service and a minimum of Baht 500 per month for Broadband service.

Pay-TV Business

Thailand had roughly 3 million pay-TV subscribers in mid 2009, representing a household penetration of approximately 16 percent (Source: AGB Nielsen Media Research). This is relatively low when compared with other Asian countries: Malaysia 50 percent, Singapore 57 percent, and Hong Kong 72 percent (Source: Pan-Regional TV in Asia 2009, Quarter 2, 2009, Casbaa). This presents high growth potential.

TrueVisions is currently the only nationwide pay-TV provider. However, our position as the principal provider is not secured by regulation and we continue to face the threat of new entrants. The Mass Communications Organization of Thailand ("MCOT") granted pay-television licenses to two other companies in 1996, but those companies have not launched their services. The Public Relations Department ("PRD") of Thailand grants annual operating licenses, and has licensed several regional cable pay-TV operators, of which an estimated 78 firms are presently operating. Following the enactment of the Radio and Television Broadcasting Act in March 2008, pay TV operators are allowed to advertise, creating opportunities to generate additional revenues from existing content. This will add value to TrueVisions' business; however, it could also strengthen the financial position of small pay TV operators and help them compete more aggressively with us. However, we believe the impact will be minimal and that TrueVisions superior content provides a strong advantage.

Currently, it is estimated that more than 450 cable operators in the provinces are offering services to around 1.5 to 2 million subscribers without the necessary licenses. However, the provincial cable systems have come under increased scrutiny from copyright owners. Meanwhile, the new Broadcasting bill will ensure all pay TV providers must operate to the same regulatory standards as TrueVisions.

After receiving approval from MCOT to advertise, TrueVisions sees itself as a highly attractive choice for advertisers mainly because of its unique audience profile. This comprises both premium subscribers with high purchasing power and growing numbers of mass market subscribers. Furthermore, the nature of TrueVisions content allows it to clearly define the viewer characteristics for each channels to the benefit of advertisers.

Over the last few years, TrueVisions has worked closely with its content partners to roll out initiatives aimed at protecting the intellectual property rights relating to content deployed on TrueVisions' platforms. We have targeted operators illegally airing content such as DVD movies which are legally carried by channels on our platform such as HBO.

In 2010, we furthermore plan to replace analogue set-top decoder boxes with digital versions, which will further mitigate piracy.

The investment in infrastructure necessary to provide a high-quality pay-TV service is significant. Start-up costs include investments to secure transmission platforms, encryption technology, decoder hardware, and customer service and support systems.

In addition, TrueVisions has to compete indirectly with the national free-to-air television stations in Thailand, as well as cinemas, video, music and other entertainment options. We believe that our unique programming, including popular first-run movies, knowledge content and sporting events, give us a distinct advantage over these indirect competitors. The national free-to-air television stations are uplinked to the same satellite used by us and consequently form part of the bouquet available to our subscribers.

4.6 Regulatory Update

The regulatory landscape continues to evolve. The current Thai telecommunication regulatory regime was set up by the 1997 Constitution, the Act on Organizations Allocated Frequency Waves and Supervision of the Radio and Television Broadcasting and Telecommunications Business ("Frequency Allocation Act"), and the Telecommunication Business Operations Act ("TBO Act").

There are several pending regulatory issues in which we hope to see progress. These include the issue of licenses for 3G on 2.1 GHz, industry-wide implementation of interconnection charge and the establishment of the National Broadcasting and Telecommunications Commissions ("NBTC").

The current Constitution was enacted in August 2007 after political transition. Nevertheless, key laws and regulations remain essentially in effect and the National Telecommunication Commission ("NTC") still maintains its power in regulating the telecommunications industry.

In addition, Section 47 of the Constitution indicates that, the NBTC be set up to regulate the telecom and broadcasting industry and that the Act for the setting up of the NBTC must be enacted within 180 days of the new government announcing its policy. As of the time of writing (November 2009), the NBTC has not yet been set up. The delay in NBTC establishment is expected to result in delays in the issuance of new policies and regulations.

On March 5, 2008, the Radio and Television Broadcasting Act B.E. 2551 ("Broadcasting Act") came into force, giving authority to the existing NTC to temporarily regulate and grant licenses (one-year) for community radio and non-frequency use services before the establishment of the proposed NBTC. A regulation allowing the granting of such licenses was enacted on November 9, 2009 and we expect licenses be granted sometime in early 2010.

Since its establishment, the NTC has issued several regulations prescribing, among other things, the Interconnect Regulation B.E. 2549, bringing the Thai mobile industry into the interconnection ("IC") regime since 2007 and creating a more level playing field.

In August 2009, Mobile Number Portability ("MNP") regulations were introduced. MNP is likely to take up to about a year to implement.

In 2009, the NTC has made some progress towards the granting of 3G 2.1 GHz licenses by trying to formulate an Information Memorandum on 3G Licensing Framework, and by holding two public hearings to gather opinions/comments on this subject-matter from all interested parties. It is hoped that the NTC may, with all its vacant seats fulfilled by the four newly appointed commissioners, be able to grant 3G 2.1 GHz licenses around the end of 2010, subject however to the final settlement of certain unresolved legal entanglement surrounding this issue.

The NTC has liberalized the industry by issuing numerous service licenses. The list of all licenses obtained by True’s subsidiaries and associates is shown below.

	True’s subsidiaries/ associates	Type	Business	Validity	Date of Board approval	Expiry date
Internet Service Provider (ISP) license						
1	KSC Commercial Internet (KSC)	1	ISP	5 years	17 Jun 2009	22 Jun 2014
2	True Internet (TI)	1	ISP	5 years	18 Aug 2009	17 Aug 2014
3	Asia Infonet (AI)	1	ISP	5 years	5 Feb 2010	4 Feb 2015
4	True Internet Gateway (TIG)	2	International Internet Gateway & Internet Exchange (IIG & IX)	5 years	19 May 2006	18 May 2011
5	TrueMove (TMove)	1	ISP	5 years	25 Aug 2009	25 Aug 2014
Telecommunications license						
1	True Public Communication (TPC)	1	Public Phone Service	5 years	26 Jun 2009	28 Jun 2014
2	Asia Wireless Communication (AWC)	1	Resale PCT & mobile	5 years	23 Feb 2010	22 Feb 2015
3	True Internet Data Center (TIDC)	1	Resale Internet/ data center/ video conference services	5 years	20 May 2009	19 May 2014
4	True Digital Entertainment (TDE)	1	Resale Internet & mobile* services	5 years	20 Jul 2009	1 Aug 2014
5	True Internet (TI)	1	International Calling Card (ICC)	5 years	11 Oct 2009	10 Oct 2014
6	True Universal Convergence (TUC)	3	Fixed Line Service	20 years	8 Dec 2006	7 Dec 2026
7	True International Communication (TIC)	3	International Direct Dialing (IDD)	20 years	25 Jan 2007	24 Jan 2027
8	True Universal Convergence (TUC)	1	Resale PSTN (GPRS, DSL) & leased circuit/channel services	5 years	26 Aug 2009	25 Aug 2014
9	Samut Pakan Media Corporation (SMUT)	3	Mobile service	15 years	23 Sep 2009	22 Sep 2024
10	True Internet Gateway (TIG)	3	International Private Leased Circuit (IPLC) – land & submarine cable*	15 years	11 Nov 2009	10 Nov 2024
11	KSC Commercial Internet (KSC)	1	Resale IPLC	5 years	11 Nov 2009	10 Nov 2014
Test/ Trial licenses						
1	TrueMove (TMove)		WiMax Trial	90+90 Days	22 Nov 2007	18 Jul 2008
2	True Universal Convergence (TUC)		WiMax Trial	90+90 Days	22 Nov 2007	18 Jul 2008

* Pending license terms and conditions from the NTC

5. OPERATING ASSETS

Property, plant and equipment

Network equipment and non-network equipment are included in property, plant and equipment. Under the Joint Operation and Joint Investment/ Agreement for operations network of 2.6 million lines, PCT, Mobile phone, Internet services and Pay TV, must be transferred to TOT CAT and MCOT.

As at 31 December 2009 and 31 December 2008, the Group's assets are as follows:

Unit : Million Baht

	Network equipment			
	31 December 2009		31 December 2008	
	Consolidated	Company	Consolidated	Company
Land and land improvement	1,849	1,849	1,848	1,848
Building and construction	681	637	717	717
Telephone network equipment	10,298	10,305	12,402	11,680
Mobile phone network equipment	32,184	677	33,983	803
Public Phone	218	206	277	262
Multimedia network equipment	4,270	-	3,681	-
Power supply and computer	211	140	223	143
Pay - TV	7,759	-	7,860	-
Work in progress	3,345	13	2,935	21
Total	60,815	13,827	63,926	15,474

Net value of network equipment in the consolidated and the Company financial statement were transferred to TOT and CAT under the Agreement for Joint Operation and Joint Investment/ Agreement for operation are as follows:

Unit : Million Baht

	31 December 2009		31 December 2008	
	Consolidated	Company	Consolidated	Company
TOT	11,768	10,750	13,605	12,298
CAT	10,200	-	11,345	-
Total	21,968	10,750	24,950	12,298

According to the agreements, the Group has the right to operate and maintain these assets over the agreements periods. The Company assigns the right to operate network equipment which transfer to TOT (according to the conditional assignment over the Agreement for Joint Operation and Joint Investment, Agreement for operation and licences) to secure of the Thai Baht borrowings.

Non-network assets are the right of the Group to operated, utilised and disposal those assets. The Group's assets are as follows:

Unit : Million Baht

	Non-network equipment			
	31 December 2009		31 December 2008	
	Consolidated	Company	Consolidated	Company
Land and land improvement	547	-	547	-
Leasehold right & improvement	1,201	464	1,251	89
Furniture, fixture and equipment	1,245	131	1,348	161
Vehicle	3,815	-	3,057	-
Power Supply & computer	856	122	929	196
Work in progress	214	-	322	-
Total	7,878	299	7,454	446

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. At 31 December 2009 net book value was Baht 12,428 million, consisted of goodwill from acquisition of True Visions Public Company Limited ("True Visions") at the net amount of Baht 11,043 million, Bangkok Inter Teletech Public Company Limited ("BITCO") net amount of Baht 1,025 million, MKSC World Dot Com Co., Ltd. ("MKSC") net amount of Baht 313 million and KSC Commercial Internet Co., Ltd. ("KSC") net amount of Baht 47 million.

Intangible assets

Computer software development cost

Computer software development cost which enhances or extends the performance of computer software programmers beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. At 31 December 2009 net book value was Baht 2,128 million.

Copyright and Leasehold right

Copyright represent the consideration paid by a subsidiary to related party. To grant that related party the right to provide song and/or video clip downloading through the subsidiary's website. At 31 December 2009 net book value was Baht 7 million.

Leasehold right represent the consideration paid by a subsidiary to building rental. At 31 December 2009 net book value was Baht 158 million.

Customer list

Customer list represents the fair value of mobile subscribers list arising from the acquisition in BITCO. At 31 December 2009 net book value was fully amoritsation.

Film and program rights

Film and program right represent the rights acquired and obligation incurred under license agreements the subsidiary, the cost of each program and the program material are accepted and it is available for the first showing. At 31 December 2009 net book value was Baht 348 million. (Include right in 1 year)

Game Licence

Game Licence represents the consideration paid by a subsidiary to the right online game. At 31 December 2009 net book value was Baht 57 million.

The right to operate NON-POTS and to hang dropwire

The right to operate NON-POTS services represents fair value of TOT's interest in the nationwide NON-POTS concession of which a subsidiary issued share in exchange. At 31 December 2009 net book value was Baht 259 million.

Minimum payments of agreements for operation

Minimum payments of agreements for operation represent the present value of minimum pay under agreement for operation. At 31 December 2009 net book value was Baht 2,673 million.

6. LEGAL DISPUTES

These are the summaries of the important pending litigation or claims whether by or against True Corporation Public Company Limited ("True") and its subsidiaries as of 31 December 2009.

Litigations outstanding at the Administrative Court

1. Litigation cases filed by the Company against TOT

(1) Dispute in relation to the call tariff reduction campaign "Y-Tel 1234"

On 11 October 2001, the Company filed a lawsuit against TOT with the Central Administrative Court to claim damages totaling Baht 1,197.63 million in relation to call tariff reduction campaign, "Y-Tel 1234". The Company claimed that the reduction of call tariffs was a breach of the wireline Agreement that required tariffs under TOT's network to be set at the same rate as those under the Company's wireline network. The Central Administrative Court rendered its judgment to dismiss the case on 28 October 2005. On 28 November 2005, the Company filed an appeal to the Supreme Administrative Court. The lawsuit is currently in the judicial process of the Supreme Administrative Court.

The ultimate outcomes of the aforementioned lawsuit are presently unable to be determined, and accordingly, no recognition of revenues has been made in the financial statements.

(2) Dispute in relation to Public Payphone's Revenue Sharing

On 22 August 2003, the Company filed an arbitration claim relating to revenue sharing from the provision of public payphone services over the wireline network. The Company claimed that TOT failed to pay to the Company for the Company's revenue sharing that TOT collected for public payphone services during certain period amount of Baht 43.94 million plus interest. On 8 April 2005, the arbitral tribunal granted an award in the Company's favour. However, TOT filed a motion in the Central Administrative Court on 14 July 2005 for an order to withdraw the arbitral award. On 10 October 2005, the Company submitted the statement of objection to TOT's motion in the Central Administrative Court. On 18 January 2006 the Company submitted a request to enforce the payment according to the arbitral award with the Central Administrative Court. TOT subsequently filed the motion against the Arbitration's ruling with Central Administrative Court. On 29 February 2008, the Central Administrative Court dismissed TOT's motion and stand for Arbitration's ruling. On 24 March 2008, TOT filed an appeal with the Central Administrative Court. On 18 April 2008, the court rule that TOT's appealing is illegal and object the appealing. On 21 May 2008, TOT appealed such rule to the Supreme Administration Court. On 8 May 2009, the Supreme Administrative Court ordered the Administrative Court not to receive TOT's appeal for its consideration. On 25 May 2009, TOT settled all amount claimed including interest total Baht 62.82 million. The case is finally closed.

2. Litigation case filed by TOT against the Company

Dispute in relation to the use of True's logo on public payphone booths.

On 23 July 2004, TOT filed an arbitration claim against the Company alleging that the Company failed to comply with TOT's requirements for the public payphone booths. TOT claimed damages for the use of the Company's logo on the public payphone booths amount of Baht 433.85 million. On 30 November 2005, the Company submitted the

statement of objection. On 12 July 2006, the Arbitration Panel awarded in TOT's favour. On 6 November 2006, the Company filed a lawsuit in order to withdraw the arbitral award at the Central Administrative Court. On 27 February 2008, TOT filed a motion to the Central Administrative Court to enforcing according to the Arbitration's award and claim for payment of Baht 150.00 million and Baht 90.00 per month per payphone booth from the day of filing until the Company cease using True's logo on public phone boots of TOT. The Central Administrative Court ordered to combine the case which the Company requested to repeal the execution of Arbitration's ruling. The Central Administrative Court has fixed the date of 26 December 2008 as final pursuance of fact-finding. On 24 February 2009, the Court ruled in favor of TOT and enforced the arbitral award for the black case number 61/2547 and red case number 77/2549, dated 12 July 2006. The Court ordered the Company to pay Baht 150 million within 60 days from the final date of the case and repay court fees for the total amount of Baht 80,000 to TOT. The Company appealed to the Court on 25 March 2009. The lawsuit is currently in the judicial process of the Supreme Administrative Court.

The ultimate outcomes of the aforementioned lawsuits are presently unable to be determined, and accordingly, no provision for possible liability has been made in the financial statements.

Arbitration disputes outstanding at the Thai Arbitration Institute

1. Arbitration cases filed by the Company against TOT

- (1) Dispute in relation to revenue sharing collected from international call services.
On 28 January 2005, the Company filed an arbitration claim against TOT regarding the calculation of revenue sharing from international calls under the wireline Agreement. The Company claimed damages in the amount of Baht 5,000.00 million for failure to obtain the actual number of international incoming calls, and damages of Baht 3,407.68 million for the incorrect calculation. Both amounts are entitle to bear interest.
- (2) Dispute in relation to the Agreement Article 38.
On 15 May 2006, the Company filed an arbitration claim against TOT asking TOT to discontinue using its authority over the Agreement as well as to discontinue using its authority over the contract from the date its status changed. The authority to regulate shall be transferred to the Ministry of Transport or the Ministry of Information and Communication Technology. This case has no monetary claim amount. TOT submitted the objection statement on 17 June 2006. On 8 November 2006, the Company filed an arbitration claim against the authorisation limits of TOT on the Agreement Article 38. as a separate case.
- (3) Dispute in relation to revenue sharing collected from international call.
On 25 December 2007, the Company filed an arbitration claim against TOT of Baht 1,968.70 million in respect of revenue sharing collected from international calls whereby TOT failed to deliver to the Company on a tariff stipulated in the agreement. The following are requested of the arbitrator to adjudicate on:
 1. Requesting TOT to comply with the Agreement in respect of revenue sharing collected from international call and make payment according to the conditions stipulated in the Agreement.
 2. Requesting TOT to pay damages amount of Baht 1,968.70 million.

3. Requesting TOT to apply the rate in calculation of revenue sharing both in-coming and out-going call base on the rate of Baht 6 per minute as stipulated in the Agreement as from September 2007 and onwards.
4. Requesting TOT to pay related interest at the rate stipulated in the Agreement Article 21 (MLR+1) or 7.86% per annum calculated from the amount unpaid from the date of submitting the arbitration claim until full payment has been made.

On 29 April 2008, TOT submitted a statement of objection. The case is currently within the arbitration process.

2. Arbitration cases filed by TOT against the Company

- (1) Dispute in relation to the use of True's name and logo on invoices, tax invoices and receipts.

On 13 December 2004, TOT filed an arbitration claim against the Company, claiming advertisement compensation for the unauthorised publication of True's name and logo on TOT's invoices, tax invoices and receipts to customers at the rate of Baht 4 per invoice, tax invoice and receipt from August 2001 until August 2004 for the total of Baht 785.64 million plus interest. However, on 11 March 2005, TOT claimed other damages amount of Baht 106.80 million and Baht 1,030.50 million for changing of the invoices pattern to A4 size. The Company submitted a statement of objection on 25 November 2005. The case is currently within the arbitration process.

- (2) Dispute in relation to the lease of telephone conduits.

On 31 May 2005, TOT filed an arbitration claim against the Company seeking an order to pay rent for the lease of telephone conduits from May 2004 to April 2005 in the amount of Baht 6.72 million plus interest and onwards. The Company submitted a statement of objection on 19 September 2005. The case is currently within the arbitration process.

- (3) Dispute in relation to TA 1234 campaign.

On 30 June 2005, TOT filed an arbitration claim alleging that it suffered damage from the loss of revenue sharing from 16 November 2000 to March 2005 of Baht 15,804.18 million plus interest as a result of the Company's invoices for domestic long distance call services at reduced tariff rates under the Company's "TA 1234" campaign. TOT also sought an order compelling the Company to collect domestic long distance call tariffs at the rates agreed in the wireline Agreement.

- (4) Dispute in relation to high speed internet (ADSL) service.

On 28 October 2005, TOT filed an arbitration claim against the Company, claiming that the Company was in breach of the wireline agreement by allowing other parties to provide high speed internet service (ADSL). TOT claimed the compensation amount of Baht 2,010.21 million plus interest. In addition, TOT has claimed continuous damages from July 2005 at the rate of Baht 180.00 million per month, plus interest. TOT also requested an order prohibiting the Company from providing ADSL service or allowing any other parties to provide ADSL service.

- (5) Dispute in relation to revenue sharing under the Agreement.

On 22 January 2008, TOT filed arbitration against the Company claimed for un-eligible revenue sharing paid to the Company amount of Baht 1,479.62 million plus interest. The Company filed a protest on 18 April 2008. The case is currently under the process of Arbitration.

All the above pending cases at Thai Arbitration Institute were proposed to be conciliated by the Arbitrator Office. However, on 24 September 2007, both parties agreed to cease the reconciliation and bring such cases into the arbitration process.

The ultimate outcomes of the aforementioned arbitration are presently unable to be determined, and accordingly, no recognition of revenue and provision for possible liability has been made in the financial statements.

Other Disputes

1. Assessment from Excise Department

On 21 July 2006, the Company was informed by the Excise Department regarding claims for penalties and surcharge on delay of payments for excise tax from January 2005 to March 2005 amount of Baht 185.87 million. On 21 August 2006, the Company filed for alleviation of this administrative order. Subsequently, on 1 September 2006, the Company filed an objection against this administrative order. On 30 April 2007, the Director General of Excise Department ruled to reject Company's objection. On 2 May 2007, the Company filed an appeal with Excise Tax Appeal Committee requesting repeal of the ruling of the Director General of the Excise Department. On 19 September 2008, the Excise Tax Appeal Committee dismissed the Company's appeal and ordered the Company to pay the excise tax according to the decision of excise tax assessment for the amount of Baht 185.87 million. On 22 January 2009, the Company filed against ruling of Excise Tax Appeal Committee with the Central Tax Court. On 29 September 2009, the Central Tax Court pronounced a judgment withdrawing all the penalties and surcharge. Then the Excise Department filing the appeal, the last date for the Company filing the appeal is on 12 April 2010.

2. Excise Tax Refund

- (1) On 8 May 2008, the Company filed against the Excise Department with the Central Tax Court claiming for excise tax which had been submitted with no statutory duty from tax month of January 2005 to the tax month of December 2005 totaling of Baht 372.02 million and the Excise Department denied to refund. On 29 October 2008, the Central Tax Court ruled that the Excise Tax Department, the defendant, does not deem to refund the claimed excise tax including interest and dismissed the case. The case is currently in the appealing process.
- (2) On 13 February 2009, the Company filed a request to the Director General of the Excise Department to make a claim for an excise tax refund for the period between January 2006 to 26 February 2007 in the total amount of Baht 348.87 million on the grounds that the Company is not obligated to pay excise tax. On 23 April 2009, the Excise Department denied the claim for the excise tax refund. On 13 May 2009, the Company filed an appeal against the administrative order of the Excise Department. The appeal is under the consideration of the Excise Department.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of revenue for contingent asset or provision for possible liability has been made in the financial statements.

3. Dispute between the Company and Bang Bua Thong Municipal office at Central Taxation Court in relation to the illegal assessment of property tax from public telephone booth and requesting for tax refund.

On 2 March 2006, the Company filed a lawsuit. On 11 October 2006, the Court withdrew the illegal assessment. Bang Bua Thong Municipal filed an appeal. On 28 December 2009, the Supreme Court ruled in No.6147/2552 that the prescribed form shall be repealed. Other than the aforesaid shall be stand for the Central Tax Court.

Litigations and arbitration disputes of subsidiaries

1. In March 2005, a distribution agency of True Visions Public Company Limited has been appointed by several subsidiaries whose contract had been terminated, filed a civil lawsuit claiming damages up to maximum of Baht 300.00 million from the said subsidiaries, based on alleged breach of the Commercial Dwelling Unit ("CMDU") subscription agreements. Subsequently, on 26 May 2008, the Civil Court ruled in favour of subsidiary and ordered the plaintiff to pay Baht 1.66 million plus interest at 7.5% per annum from the dated of counterclaim until completion of payment. Currently, the case is under the process of appealing by the plaintiff.
2. On 23 August 2006, CAT filed a lawsuit against a subsidiary, True Move Co., Ltd., at the Central Administrative Court to claim for space and antenna rental amount of Baht 12.48 million. On 21 January 2009, the Court dismissed the case and ruled that the subsidiary does not deem to pay such claim to CAT. However, CAT filed an appeal on 19 February 2009 and the subsidiary filed a reply of an appeal on 26 April 2009. The lawsuit is currently in the judicial process of the Supreme Administrative Court.
3. On 13 October 2006, CAT filed an arbitration claim against a subsidiary, True Move Co., Ltd., to claim for a numbering fee amount of Baht 113.58 million. Subsequently, on 15 August 2008, the Arbitration ruled in favour of CAT by ordering the subsidiary to pay of Baht 99.60 million (excluded interest at 7.5% per annum). The subsidiary acknowledged on 24 August 2008. The subsidiary currently files the protest with the Central Administrative Court. The case is currently under the Court process.
4. On 1 December 2006, 9 civil cases were filed by a group of persons (at Mahasarakham provincial court) against a subsidiary, True Move Co., Ltd., in the claiming damages from fire amounting to Baht 44.37 million. The group alleges that True Move's stanchion acts as lightning rod that caused a fire incident after a thunderclap. However, on 9 September 2007, most of the cases were withdrawn. There is only one case outstanding, and the amount of damages claimed is Baht 7.00 million. This case is under the court process.
5. On 9 August 2007, CAT notified four banks which issued the letters of guarantee to a subsidiary, True Move Co., Ltd., claiming that the subsidiary was not performed according to the agreement and requested of Baht 370.00 million from the banks. These cases are related to the cases that CAT bought to the Arbitration Institute and the cases are still pending at the arbitration panel. On 29 August 2007, the subsidiary filed the motions to the Civil Court and Central Administrative Court requested for injunctive relief to prevent CAT from claiming bank guarantees and to prohibit the four banks to pay for until the arbitration award are issued. The Courts ruled in favour of the subsidiary. On 27 September 2007, the subsidiary submitted a claim against CAT through the Thai Arbitration Institute and the case is currently under consideration of the Arbitration Office.

6. On 9 January 2008, CAT filed for arbitration against the subsidiary, True Move Co., Ltd., claiming for shortcomings revenue sharing from the subsidiary including penalties and interest at the total amount of Baht 8,969.08 million. The case is currently under the arbitration process.
7. On 19 February 2008, CAT filed an arbitral dispute against a subsidiary, True Move Co., Ltd., claiming for additional revenue sharing for the sixth to the eighth year amount of Baht 45.95 million. The case is currently under the process of Arbitration.
8. On 6 August 2008, CAT filed an arbitration against a subsidiary, True Move Co., Ltd., claiming for an access charges which the subsidiary deducted from revenue sharing for the concession period seventh to the eleventh year (discount for access charges Baht 22 per number) amount of Baht 689.84 million. The case is currently under the process of Arbitration.
9. On 29 January 2009, CAT filed an arbitral dispute against a subsidiary, True Move Co., Ltd., claiming for transfer and conveyance of 4,546 units of masts and towers together with their accessories to CAT. If, in any event, the transfer and conveyance of the subsidiary are impracticable, the subsidiary shall pay to CAT for the amount of Baht 2,766.16 million. The subsidiary filed a statement of objection to the Arbitration Office on 3 September 2009.
10. On 15 May 2009, CAT filed an arbitral dispute against a subsidiary, True Move Co., Ltd., claiming for reimbursement of numbering fee for four-digit special number "1331", which CAT paid to NTC, for the amount of Baht 3.96 million plus 7.5% per annum interest, value added tax, 1.25% per month stipulated penalty and fees and costs resulting from arbitral process. The claimed penalty would be in effect from the date that CAT had paid the numbering fee to NTC to the date that the subsidiary fully reimburses to CAT. The subsidiary made a statement of objection on 11 December 2009. The case is currently under the process of Arbitration.
11. On 24 September 2009, a subsidiary, True Move Co., Ltd., filed against CAT with the Civil Court claiming for the damage of Baht 50 million. The damage caused by CAT illegally failed to return Letters of Bank Guarantee ("LG") to the subsidiary, thus the subsidiary is being unable to efficiently facilitate its LG. Moreover, the subsidiary is bound to pay the fees for those LG. The case is currently under the process of considering the court jurisdiction.

The ultimate outcome of the aforementioned issues cannot presently be determined, and accordingly, no provision for possible liability has been made in the financial statements.

Agreement for operation of subsidiary

In May 2007, the Council of State issued an opinion stating that the cellular telephone services under the agreement for operation of a subsidiary, known as True Move Co., Ltd., with CAT may require the Thai Cabinet's approval, pursuant to the Act on Private Sector Participation in State Undertaking, In the case that CAT did not obtain the approval, it would cause the subsidiary to be subject to less favourable conditions. The Group's legal counsellor opined that according to the law, the Council of State's opinion is not legally binding on the subsidiary. Therefore the subsidiary can carry on its business under the agreement for operation.

Access charges

The Group has outstanding cases in respect of access charges which is in the process of considerations and cannot presently be determined the outcome are as follows:

1. The Company's access charges

On 21 August 2002, the Company filed an arbitration claim regarding a dispute arising from the wireline Agreement between the Company and TOT. The terms of the wireline Agreement provided that the Company is entitled to additional considerations from TOT if TOT provides or allows any third parties to provide "special services" over the network. TOT allowed CAT and other mobile telecommunications service providers to use this network for mobile telecommunications services and obtained access charges from CAT and the other mobile telecommunications service providers. However, TOT disagreed that the use of the Company's wireline network for mobile telecommunications services was a "special service" and therefore refused to provide the Company with the additional considerations. The Company claimed for its portion of revenue sharing regarding access charges received by TOT starting from October 1992 to June 2003 amount of Baht 25,419.40 million. On 21 February 2006, the Arbitration delivered to the Company rulings of the arbitration dated 17 January 2006. The arbitral rulings are as follows:

- 1) The Company is entitled to benefits derived from TOT's provisions of special services on the Company's network or from TOT's permission for other parties to provide special services on the Company's network.
- 2) With respect to benefits from the beginning until 22 August 2002, TOT must pay the Company the sum of Baht 9,175.82 million plus interest at the rate of 7.5% per annum from 22 August 2002. The payment must be made within 60 days from the receipt of the arbitral award.
- 3) As from 23 August 2002, TOT must pay to the Company 50% of the benefit derived by TOT from the portion accessing to the Company's network.

On 20 April 2006, TOT filed a motion with the Central Administrative Court requesting an order to withdraw the arbitral award. Subsequently on 19 September 2006, the Company submitted a statement of objection to the Central Administrative Court, and the Court accepted the Company's statement of objection for consideration on 28 September 2006. On 8 May 2008, the Company as the petitioner requested the Central Administrative Court for the execution of the Arbitration's ruling. The court ordered to combine the case which TOT requested to repeal the execution for Arbitration's ruling. The case is currently in the judicial process of the Central Administrative Court.

2. A subsidiary's access charges

On 5 October 2006, True Move Co., Ltd., a subsidiary issued a letter to TOT requesting it to enter into negotiation regarding the interconnection agreement ("IC") between its network and TOT's network. On 17 November 2006, the subsidiary issued a written notification informing TOT and CAT that it will cease payment of access charge under the Access Charge Agreement on the basis that the rate and the collection of access charge under the Access Charge Agreement were contrary to the law in a number of respects. The subsidiary also requested TOT to enter into the interconnection charge agreement to be in compliance with the law or temporarily apply the provisional rate announced by the NTC while the negotiations on the interconnection agreement with TOT has not been concluded.

However, on 23 November 2006, TOT issued a letter informing the subsidiary that the subsidiary was not entitled to interconnect its network with the TOT network because the subsidiary was not a telecommunications licensee, as granted by the NTC, and did not have its own telecommunications network. TOT also disputed that the Access Charge Agreement did not violate any law and that the rate and the collection of access charge under the Access Charge Agreement continuously prevail.

Pertaining to the NTC's announcement regarding the dispute resolution in respect of uses and interconnection of telecommunication network (IC), the subsidiary has brought the dispute to the Dispute Resolution Committee ("DRC") on 29 June 2007, requesting TOT to enter into the contract in relation to interconnection (IC). The DRC considered this and NTC deemed that the subsidiary is entitled to negotiate with TOT regarding the interconnection contract (IC) on 21 November 2007 and 28 November 2007, respectively. Subsequently, TOT agreed to enter into the interconnection charge agreement (IC) with the subsidiary on the condition that specific only the numbers allocated by NTC. On 23 June 2008, the subsidiary notified to agree with TOT's offering. For the old numbers, the subsidiary will carry on the case and depend on judgment of the Civil Court.

On 16 November 2007, TOT filed a lawsuit against the subsidiary with the Civil Court, claiming violation of the access charges contract (agreement) and requested for access charges payment amount of Baht 4,508.10 million with related interest and value added tax. On 16 September 2009, the Civil Court and the Central Administrative Court agreed that the case was within the Central Administrative Court's jurisdiction and thus, struck the case out of the case-list.

If the subsidiary has to pay such access charges, the subsidiary would record additional expense and be liable to accrue additional access charges for the period from 18 November 2006 to 31 December 2009 are as follows:

	Accrued access charges (Million Baht)	Net effect to the consolidated statement of income, net of revenue sharing to CAT (Million Baht)
For the period from 18 November 2006 to 31 December 2008	9,144.09	6,827.32
For the year ended 31 December 2009	5,447.69	4,071.66
Total	<u>14,591.78</u>	<u>10,898.98</u>

The management and its external lawyer have opined that the subsidiary would not be liable to pay the said access charges.

The ultimate outcomes of the aforementioned cases are presently unable to be determined, and accordingly, no recognition of revenue and provision for possible liability has been made in the financial statements.

7. CAPITAL STRUCTURE

7.1 Company's Securities

(a) Authorized Capital

As at 31st December 2008, the Company's authorized capital is Baht 153,332,070,330 consisting of 14,633,873,051 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share. The Company's paid-up capital is Baht 45,031,791,550 comprising of 3,803,845,173 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share.

In the Year 2009, the Company had offered new ordinary shares to the existing shareholders in proportion to their respective shareholdings (Rights Offering) and the number of total shares subscribed is 3,272,563,248 shares. The Company has already registered the change of paid up capital with the Ministry of Commerce.

In this regard, as at 31st December 2009, the Company's authorized capital is Baht 153,332,070,330 consisting of 14,633,873,051 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share. The Company's paid-up capital is Baht 77,757,424,030 comprising of 7,076,408,421 ordinary shares with a par value of Baht 10 per share and 699,333,982 preference shares with a par value of Baht 10 per share.

Secondary Market of ordinary shares in the Present

Presently, ordinary shares of the Company are now available on the Stock Exchange of Thailand ("SET")

(b) Preferred shares

The Extraordinary General Meeting of the Shareholders No. 1/2543 held on 14th February 2000 has resolved to approve the allocation of 702 million new preferred shares to offer for sale to KfW and/or wholly owned subsidiaries of KfW and/or the Thai Trust Fund with the total offering price of USD 150 Million.

On 30th March 2000 the Company allocated 343.98 million preferred shares or 49% to KfW and 358.02 million preferred shares or 51% to Thai Trust Fund, the details of preferred shares' rights, as summarized below:

1. During the period between the date of the issuance of the Preferred Shares to and including the 8th anniversary of the issuance of the said Preferred Shares, the rights conferred to the holders of Preferred Shares shall be as follows:
 - (1) The holders of Preferred Shares shall be entitled to receive dividends in priority to the holders of the ordinary shares at the rate of THB 1 per share per fiscal year (except for the first fiscal year in which the Preferred Shares have been issued and for the last fiscal year of the said 8-year period).
 - (2) The right of the holders of the Preferred Shares to receive dividends at the rate specified in Clause 1 (1) above is the right to receive cumulative dividends for any fiscal year in which the payment of such dividends has not been at all declared or not been declared in full (the "Cumulative Dividends in Arrears").

The holders of the Preferred Shares shall first receive the dividends before the holders of ordinary shares.

After the Preferred Shareholders have received the foregoing dividends in full, any remaining profits shall be divided in equal amount per share and paid to the Preferred Shareholders and the ordinary shareholders.

- (3) Upon liquidation or dissolution of the Company, any assets remaining after payment of all amounts payable in respect of indebtedness and other obligations of the Company shall be paid to the holders of the Preferred Shares in priority to the holders of the ordinary shares, in the amount equivalent to the par value of Preferred Share per each share held by such holder of the Preferred Shares plus any Cumulative Dividends in Arrears.

If there remains proceed of liquidation of the assets of the Company, they shall be divided and paid to the holders of the ordinary shares.

And if there still remains proceeds of liquidation of the assets of the Company, they shall be divided and paid in equal amount to the holders of the preferred shares and the holders of the ordinary shares.

- (4) The Preferred Shares may be converted into ordinary shares at any time.
 - (5) Each Preferred Share shall carry the right to one vote at any meeting of the shareholders of the Company.
2. After the 8th anniversary of the issuance of the Preferred Shares and onwards, the rights conferred to the Preferred Shares shall be as follows:
- (1) The holders of the Preferred Shares shall be entitled to receive dividends in priority to the holders of the ordinary shares at a rate of THB 0.01 per share per fiscal year (plus any Cumulative Dividends in Arrears). In case there are remaining profits which are to be paid as dividends in any fiscal year after the foregoing dividends have been paid in full, such remaining profits shall be divided in equal amount per share and paid to the holders of the Preferred Shares and the holders of the ordinary shares.
 - (2) The Preferred Shares under Clause 2 (1) above, the right of the holders of the Preferred Shares to receive dividends at the rate of THB 0.01 per share per fiscal year is not the right to receive dividends on a cumulative basis for any fiscal year.
 - (3) The holders of the Preferred Shares shall also have the rights as specified in Clause 1 (3), (4) and (5).

Provided always that ordinary shares resulting from conversion shall have no right to receive any Cumulative Dividends in Arrears during the time they were Preference Shares.

However, KfW issued Purchase Rights to all shareholders of the Company. The Purchase Rights entitle holders to be able to buy back those preferred shares from KfW at the ratio of 1 Purchase Rights to 1 preferred share. The Purchase Rights Holders can exercise their rights on the second anniversary of Purchase Rights Issuance as the first time and semiannually from year 3 to year 8. The last scheduled exercise of the Purchase Rights is on 31st March 2008. The exercise price on the second anniversary date will be equal to KfW's cost plus 20% per annum. The exercise prices for other periods will be in different formulas, which factor in share price changes. The Purchase Rights had already expired on 31st March 2008.

Following the establishment of Thai Trust Fund investing in the shares of True Corporation Public Company Limited Project ("Thai Trust Fund"), Thai Trust Fund had a maturity of 8 years and 3 months, and expired on 30th June 2008. The Annual General Meeting of the Shareholders for the Year 2008, held on 29th April 2008 passed a resolution to approve the extension of the term of the Thai Trust Fund Project for Foreign Investors investing in the Company's shares for another 8 years and 3 months from the expiry date in order to maintain the proportion of the foreign shareholders in the Company.

As at 15th March 2010, the Company have 699.33 million preferred shares, 357.99 million preferred shares is held by Thai Trust Fund (held shares for KfW) and 341.34 million preferred shares is held by KfW.

(c) NVDR (Non-Voting Depository Receipt)

An NVDR or is a Non-Voting Depository Receipt trading instrument issued by the Thai NVDR Company Limited, a subsidiary wholly owned by The Stock Exchange of Thailand (SET). The NVDR is a security as specified by the SEC and is automatically regarded as a listed security in the SET. By investing in NVDRs, investor will receive all financial benefit, as if they had invested in a company's ordinary shares. The only difference between investing in the NVDR and the company's ordinary shares is NVDR holders have no right to vote.

As at 15th March 2010, Thai NVDR Company Limited invested in a Company's ordinary shares in the amount of 408.94 million shares, which represents 5.26 of the total issued and paid-up capital of the Company.

(d) Warrants to purchase the Company's ordinary shares ("Warrants")

Currently, there are non-expired five Employee Stock Option Plan, namely:

- 1) Warrants under the Employee Stock Option Plan Year 2007 ("ESOP 2007")
- 2) Warrants under the Employee Stock Option Plan Year 2006 ("ESOP 2006")
- 3) Warrants under the Employee Stock Option Plan Year 2005 ("ESOP 2005")
- 4) Warrants under the Employee Stock Option Plan Year 2004 ("ESOP 2004")
- 5) Warrants under the Employee Stock Option Plan Year 2000 ("ESOP 2000")

DETAILS OF EMPLOYEE STOCK OPTION PLAN**1) Employee Stock Option Plan 2007**

The Annual General Meeting of the Shareholders for the Year 2007 held on 24th April 2007 and the Extraordinary General Meeting of the Shareholders No. 1/2550 held on 16th July 2007 approved the issuance and offering of non-transferable warrants to purchase the Company's ordinary shares to certain Directors and employees at executive level of the Company and/or its subsidiaries ("ESOP 2007 Project"). Summary details are as follows:

<u>Number of Warrants Issued and Outstanding</u>	:	38,000,000 units
<u>Date of Issuance</u>	:	15 th May 2008
<u>Maturity</u>	:	5 years from the issuance date
<u>Date of Expiry</u>	:	14 th May 2013
<u>Exercise Period</u>	:	Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares as follow: The 1 st Certificate: Warrant Holders can start exercising from the last business day of May 2008 until its expiration. The 2 nd Certificate: Warrant Holders can start exercising from the last business day of February 2009 until its expiration. The 3 rd Certificate: Warrant Holders can start exercising from the last business day of February 2010 until its expiration.
<u>Exercise Price and Ratio</u>	:	One unit of warrants entitles purchase of one ordinary share at Baht 7.00

2) Employee Stock Option Plan 2006

The Annual General Meeting of the Shareholders of the Company for the Year 2006 held on 11th April 2006 approved the issuance and offering of non-transferable warrants to purchase the Company's ordinary shares to certain Directors and employees at executive level of the Company and/or its subsidiaries ("ESOP 2006 Project"). Summary details are as follows:

<u>Number of Warrants Issued and Outstanding</u>	:	36,051,007 units
<u>Date of Issuance</u>	:	31 st January 2007
<u>Maturity</u>	:	5 years from the issuance date
<u>Date of Expiry</u>	:	30 th January 2012
<u>Exercise Period</u>	:	Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares as follow: The 1 st Certificate: Warrant Holders can start exercising from the last business day of April 2007 until its expiration. The 2 nd Certificate: Warrant Holders can start exercising from the last business day of April 2008 until its expiration. The 3 rd Certificate: Warrant Holders can start exercising from the last business day of April 2009 until its expiration.
<u>Exercise Price and Ratio</u>	:	One unit of warrants entitles purchase of one ordinary share at Baht 10.19

3) Employee Stock Option Plan 2005

The Extraordinary General Meeting of the Shareholders No. 1/2548 held on 15th July 2005 approved the issuance and offering of non-transferable warrants to purchase the Company's ordinary shares to the directors and employees at executive level of the Company and/or its subsidiaries ("ESOP 2005 Project"). Summary details are as follows:

<u>Number of Warrants Issued and Outstanding</u>	:	18,774,429 units
<u>Date of Issuance</u>	:	28 th April 2006
<u>Maturity</u>	:	5 years from the issuance date
<u>Date of Expiry</u>	:	27 th April 2011
<u>Exercise Period</u>	:	Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares as follows: The 1 st Certificate: Warrant Holders can start exercising from the last business day of May 2006 until its expiration. The 2 nd Certificate: Warrant Holders can start exercising from the last business day of May 2007 until its expiration. The 3 rd Certificate: Warrant Holders can start exercising from the last business day of May 2008 until its expiration.
<u>Exercise Price and Ratio</u>	:	One unit of warrant entitles purchase of one ordinary share at Baht 9.73

4) Employee Stock Option Plan 2004

The Extraordinary General Meeting of the Shareholders No. 2/2547 held on 10th June 2004 approved the issuance and offering of non-transferable warrants to purchase the Company's ordinary shares to certain directors and employees at executive level not exceeding 35 persons ("ESOP 2004 Project"). Summary details are as follows:

<u>Number of Warrants Issued and Outstanding</u>	:	18,274,444 units
<u>Date of Issuance</u>	:	7 th February 2005
<u>Maturity</u>	:	5 years from the issuance date
<u>Date of Expiry</u>	:	6 th February 2010
<u>Exercise Period</u>	:	Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares as follows: The 1 st Certificate: Warrant Holders can start exercising from 7 th February 2006 until its expiration. The 2 nd Certificate: Warrant Holders can start exercising from 7 th February 2007 until its expiration. The 3 rd Certificate: Warrant Holders can start exercising from 7 th February 2008 until its expiration.
<u>Exercise Price and Ratio</u>	:	One unit of warrant entitles purchase of one ordinary share at Baht 11.20

5) Employee Stock Option Plan 2000

The Annual General Meeting of the Shareholders for the year 2000 held on 27th April 2000 approved the issuance and offering of non-transferable warrants to purchase the Company's ordinary shares to certain directors and employees at executive level not exceeding 35 persons ("ESOP 2000 Project"). Summary details are as follows:

<u>Number of Warrants Issued and Outstanding</u>	:	36,995,000 units
<u>Date of Issuance</u>	:	9 th June 2000
<u>Maturity</u>	:	10 years from the issuance date
<u>Date of Expiry</u>	:	9 th June 2010
<u>Exercise Period</u>	:	(a) Warrant Type 1: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares starting from 30 th June 2000, 2001 and 2002 respectively. (b) Warrant Type 2: Each Warrant Holder received 3 separate warrant certificates. Each certificate represented 1/3 of the total amount of warrants allotted and is exercisable for subscribing for ordinary shares starting from 31 st December 2000, 2001 and 2002 respectively.
<u>Exercise Price and Ratio</u>	:	One unit of warrant entitles purchase of one ordinary share at Baht 10.60

(e) Shareholders Agreement**The Shareholders Agreement dated December 22, 1999**

Kreditanstalt für Wiederaufbau ("KfW"), Nynex Network Systems (Thailand) Company ("Verizon"), and the CP Group (comprising of Charoen Pokphand Feedmill Public Company Limited, Bangkok Produce Merchandising Public Company Limited, Charoen Pokphand Group Company Limited and Bangkok Telecom Holding Company Limited) entered into a Shareholders Agreement dated December 22, 1999. Terms and conditions specified therein shall be summarized as follows:

1. In addition to the right of KfW under the Debt Restructuring Agreement, KfW is entitled to nominate its representatives to the Company's Board of Directors in proportion to the percentage of its shareholding as against the total number of the directors representing the parties to the Shareholders Agreement. However, in any case, KfW is entitled to appoint at least one director and said right shall exist as long as KfW holds shares in the Company, directly or indirectly, not less than 5% of total shares of the Company.
2. During the first three years from the date of KfW's subscription of the shares in the Company, for so long as KfW holds shares in the Company, directly or indirectly, not less than 5% of the total voting share capital of the Company, the parties to the Shareholders Agreement will vote against each of the following actions unless KfW agrees to such action:
 - (1) any amendment to the Memorandum and Articles of Association and amendments to rights attached to shares;
 - (2) any increase or reduction in the authorized share capital of the Company or any issuance of new shares or the private placement of shares or a proposed public offering;
 - (3) any voluntary liquidation, dissolution, cease of the business, recapitalization or reorganization of the Company or any merger, consolidation, amalgamation or other business combination of the Company with or into another person or any sale of all or a substantial part of the assets of the Company or any of its material subsidiaries;
 - (4) any change in the number of directors or the quorum for meetings of the Board of directors;
 - (5) delisting of the shares on the Stock Exchange of Thailand; and
 - (6) carry on any business other than Authorized Businesses (as defined in the Debt Restructuring Agreement).

After the first three years from the date of KfW's subscription of the shares in the Company, KfW shall have the following rights, as the case may be:

- (i) the rights set forth in the above item (1) - (6), so long as KfW holds shares in the Company, directly or indirectly, not less than 10% of the total voting share capital of the Company;
 - (ii) the rights to consent to the following matters, so long as KfW holds shares in the Company, directly or indirectly, not less than 5% of the total voting share capital of the Company:
 - (a) merge or consolidate with another person or juristic entity;
 - (b) dissolve, liquidate or wind-up the Company.
3. Subject to any other conditions binding on KfW with regard to the right granted to the Company's shareholders, KfW may sell or enter into an agreement to sell for a cash selling price all of its shares or not less than 25% of its shareholding, at any time after the expiration of the first three years from the date KfW was allotted the shares in the Company. The foregoing does not prohibit KfW from selling its shares when its shareholding is illegal or restricted by the applicable law.

4. During the first three years from the date of KfW's subscription of shares, the parties to the Shareholder Agreement (other than KfW) agree to refrain from transferring more than 10% of the shares so held by each party as specified in the Shareholders Agreement.
5. The parties agree to refrain from amending or modifying the Verizon Shareholders Agreement dated June 23, 1992 except obtaining prior written consent from KfW.
6. Each party shall disclose to the other party any conflict of interest or related transactions which the party, or any of its subsidiaries, has entered into or will enter into with the Company.
7. In each fiscal year, subject to availability of cash flow (without incurring additional indebtedness), other legal requirements, the SET regulations and restrictions imposed by the Debt Restructuring Agreements or any other agreements, the parties agree to cause the Company to pay dividends at least 50% of the net profit of the Company after statutory reserves have been established to its shareholders.

Obligation in stock issuance in the future

1) For Convertible Preferred Shares

In the successful debt restructuring process, Kreditanstalt für Wiederaufbau ("KfW") has an equity injection of USD 150 million in the Company and the Company issued 702 million convertibles preferred shares to KfW and Thai Trust Fund. Due to the terms specified that the preferred shares are set to be converted into ordinary shares before distributed to Purchase Rights Holders who exercise their rights, as described above "Preferred shares". Currently, there are 699.33 million convertible preferred shares which are still outstanding. Therefore, the Company is obliged to issue the ordinary shares to replace the aforesaid preferred shares.

2) For Exercise of Warrants under the Employee Stock Option Plan (ESOP 2000)

The Annual General Meeting of the Shareholders of the Company for the year 2000 held on 27th April 2000 has resolved to approve the Company's Employee Stock Option Plan 2000. The warrants of 58,150,000 units were issued and offered to certain Directors and employees at executive level, not exceeding 35 persons. In this regard, the Shareholders Meeting has resolved to approve the allocation of 58,150,000 new ordinary shares to be reserved for exercise of the warrants rights according to such plan.

3) For Exercise of Warrants under the Employee Stock Option Plan (ESOP 2004)

The Extraordinary General Meeting of the Shareholders No. 3/2547 of the Company held on 23rd September 2004 has approved the issuance and the offer of non-transferable warrants to certain Directors and Employees at executive level, not exceeding 35 persons in the total of 19,111,159 units ("ESOP 2004") (This resolution is merely to replace the former resolution of the Extraordinary General Meeting of the Shareholders No. 2/2547 of the Company held on 10th June 2004). In this regard, the Shareholders Meeting has resolved to approve the allocation of 19,111,159 new ordinary shares to be reserved for exercise of the warrants right according to such plan.

The warrants were expired on 6th February 2010, therefore the shares reserved for the aforesaid purpose will be canceled by provisions of law in the future.

4) For Exercise of Warrants under the Employee Stock Option Plan (ESOP 2005)

The Extraordinary General Meeting of the Shareholders No. 1/2548 of the Company held on 15th July 2005 has approved the issuance and the offer of non-transferable warrants to certain Directors and Employees at executive level in the total of 18,774,429 units ("ESOP 2005"). In this regard, the Shareholders Meeting has resolved to approve the allocation of 18,774,429 new ordinary shares to be reserved for exercise of the warrants right according to such plan.

5) For Exercise of Warrants under the Employee Stock Option Plan (ESOP 2006)

The Annual General Meeting of the Shareholders of the Company for the year 2006 held on 11th April 2006 has approved the issuance and the offer of non-transferable warrants to certain Directors and Employees at executive level in the total of 36,051,007 units ("ESOP 2006"). In this regard, the Shareholders Meeting has resolved to approve the allocation of 36,051,007 new ordinary shares to be reserved for exercise of the warrants right according to such plan.

6) For Exercise of Warrants under the Employee Stock Option Plan (ESOP 2007)

The Annual General Meeting of the Shareholders of the Company for the Year 2007 held on 24th April 2007 and the Extraordinary General Meeting of the Shareholders No. 1/2550 held on 16th July 2007 has resolved to approved the issuance and the offer of non-transferable warrants to certain Directors and Employees at executive level in the total of 38,000,000 units ("ESOP 2007"). In this regard, the Shareholders Meeting has resolved to approve the allocation of 38,000,000 new ordinary shares to be reserved for exercise of the warrants right according to such plan.

7) For offering to the existing shareholders

The Extraordinary General Meeting of the Shareholders No. 1/2551 of the Company held on 19th December 2008 passed a resolution to allot 10,000,000,000 new ordinary shares for offering, from time to time, either in whole or in part, made in one or several tranches, to the existing shareholders in proportion to their respective shareholdings and in case there are shares remaining from offering to the existing shareholders as aforesaid, the remaining shares will be re-allotted to the existing shareholders in proportion to their respective shareholdings.

The Company had offered the aforesaid shares during 2nd - 6th February 2009 and the number of total shares subscribed is 3,272,563,248 shares

Consequently, there are 6,727,436,752 shares remaining from the first offering which can be re-allotted to the existing shareholders in proportion to their respective shareholdings according to the resolution of the Extraordinary General Meeting of the Shareholders No. 1/2551 as aforesaid.

8) For offering to IFC

The Extraordinary General Meeting of the Shareholders No. 1/2551 of the Company held on 19th December 2008 (which is made in order to replace the past resolution of the Annual General Meeting of the Shareholders of the Company for the Year 2008) passed a resolution to allot 29,941,283 shares for offering to the International Finance Corporation ("IFC") pursuant to the agreement between the Company and IFC which is a financial institution providing a partial guarantee to the Company's debentures under the C Loan Agreement.

However, on 16th September 2009, the Company paid all debts to IFC, therefore the shares reserved for IFC pursuant to the loan agreement will be canceled by provisions of law in the future.

7.2 SHAREHOLDERS

True Corporation Public Company Limited Major Shareholders ¹ (as of 15th March 2010)

	NAME	No. of Shares (Million Shares)	% of Total Issued Shares ²
1.	CP Group ³	4,525.85	58.20
2.	THAI NVDR COMPANY LIMITED ⁴	408.94	5.26
3.	THAI TRUST FUND ⁵	357.99	4.60
4.	KREDITANSTALT FÜR WIEDERAUFBAU ("KfW") ⁶	341.34	4.39
5.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account ⁷	139.70	1.80
6.	CLEARSTREAM NOMINEES LTD ⁸	69.49	0.89
7.	KIM ENG SECURITIES PTE. LTD. ⁹	59.24	0.76
8.	MELLON BANK, N.A. ¹⁰	53.80	0.69
9.	N.C.B. TRUST LIMITED-GENERAL UK RESIDENT-TREATY A/C CLIENT ⁸	49.71	0.64
10.	THAILAND EQUITY FUND ¹¹	36.80	0.47

1 There is no cross-shareholding between the Company and its major shareholders.

2 Including ordinary shares and preferred shares.

3 Consisting of 1) Charoen Pokphand Group Company Limited ("CPG") 2) Bangkok Telecom Holding Company Limited (99.99% held by CPG)

3) Bangkok Produce Merchandising Public Company Limited (99.44% held by Charoen Pokphand Foods Public Company Limited ("CPF"))

4) Bangkok Agro-Industrial Products Public Company Limited (99.98% held by CPF) 5) Charoen Pokphand Northeastern Public Company

Limited (99.61% held by CPF) 6) Kasetphand Industry Company Limited (99.99% held by CPG) 7) Charoen Pokphand IN-EX Company

Limited (99.99% held by CPG) 8) Unique Network Company Limited (41.06% held by Thana Holding Company Limited and 58.94% held by

Art Telecom Service Company Limited) 9) Wide Broad Cast Company Limited (58.55% held by Thana Holding Company Limited and

41.45% held by Telecommunication Network Company Limited) 10) C.P. Interfood (Thailand) Company Limited (99.99% held by CPG) 11)

Star Marketing Company Limited (99.99% held by CPG) 12) Advance Pharma Company Limited (99.99% held by CPG) and 13) Golden

Tower Trading Limited (held by an outsider having no relation to CPG but reported as in the same group because Golden Tower Trading

Limited might vote in the same direction as CPG at the True shareholders meetings)

4 A subsidiary wholly owned by the SET. The NVDR is a security as specified by the SET and is automatically regarded as a listed security on

the SET. By investing in NVDRs, the investor will receive all financial benefits, as if they invest in a company's ordinary shares. The only

difference between investing in the NVDR and the company's ordinary shares is that NVDR holders have no rights to vote.

5 Thai Trust Fund is managed by the Thai Trust Fund Management Co., Ltd. and established by the Stock Exchange of Thailand ("SET").

The Thai Trust Fund has Thai nationality. Its purpose is to provide an alternative portfolio investment vehicle for foreign investors in the

SET. As of 15th March 2010, Thai Trust Fund held shares for KfW 4.60 percent of the Company's paid-up capital.

6 A financial institution for development, 100% of its share is held by the government of the Federal Republic of Germany.

7 The company is registered in Hong Kong and invests in the SET without disclosing that the investment is neither for itself nor for others.

True has no authority to request that company for the afore-mentioned disclosure.

8 The company is registered in England and invests in the SET without disclosing that the investment is neither for itself nor for others. True

has no authority to request that company for the afore-mentioned disclosure.

9 The company is registered in Singapore and invests in the SET without disclosing that the investment is neither for itself nor for others.

True has no authority to request that company for the afore-mentioned disclosure.

10 The company is registered in U.S.A and invests in the SET without disclosing that the investment is neither for itself nor for others. True

has no authority to request that company for the afore-mentioned disclosure.

11 Closed-end Fund, established by the MFC Asset Management Public Company Limited. It invests in the SET without disclosing that the

investment is neither for itself nor for others. True has no authority to request that company for the afore-mentioned disclosure.

7.3 Dividend Policy

The Company has not paid or declared any dividends on its issued shares since operations began. The Company can pay dividends only out of its profits after deducting its cumulative losses, and only if it has set aside a legal reserve.

The Company's major shareholders have entered into a shareholders' agreement under which they have agreed for the Company to declare an annual dividend equal to at least 50% of its net profits from the Company's Financial Statement for that year, after statutory reserves and subject to availability of cash, according to the regulations indicated in related laws and its credit facilities. The Company can pay dividends to holders of its ordinary shares after making dividend payments to its preferred shareholders.

For the dividend policy of subsidiary companies, each subsidiary company's Board of Directors will consider the payment of dividends from the balance of cash flows taking into account the capital expenditure requirements of the subsidiary company. Subject to the availability of cash flows at the subsidiary company and only if it has set aside a legal reserve, the Board of Directors of each subsidiary company shall consider the payment of dividends on a case-by-case basis.

7.4 Liabilities Structure

As of 31st December 2009, the total liabilities of the Company and its subsidiaries according to the consolidated financial statements is Baht 105,778 million. The details are as follows:

(Unit: million Baht)

Liabilities of the Company on consolidated basis	Amount
<i>Current liabilities</i>	
Short-term borrowings	2,330
Trade account payable	7,126
Current portion of long-term borrowings	7,677
Unearned income	2,941
Accrued expenses	7,411
Income tax payable	560
Other current liabilities	3,377
Total current liabilities	31,422
<i>Non-current liabilities</i>	
Long-term borrowings	65,422
Deferred income tax liabilities	2,080
Long-term trade account payable	74
Liabilities under agreements for operation	4,482
Other non-current liabilities	2,298
Total non-current liabilities	74,356
Total liabilities	105,778

As of 31st December 2009, the total long-term borrowings including the total long-term trade account payable (which is consisting of both current portion and long-time portion) of the Company and its subsidiaries was Baht 73,099 million. This consisted of the borrowings and long-term trade account payable that were denominated in Baht currency of Baht 36,311 million; denominated in US Dollar currency of Baht 34,991 million (or USD 1,044 million); denominated in Yen currency of Baht 4,127 million (or Yen 11,287 million);

Since the debt restructuring on 22nd December 1999 the Company has always made repayment of its secured loan on due date. And it had made prepayment to its Secured Creditor by the Company's excess cash in the amount of approximately Baht 3,135 million to decrease its interest payment obligation and to reduce its foreign currency exposure.

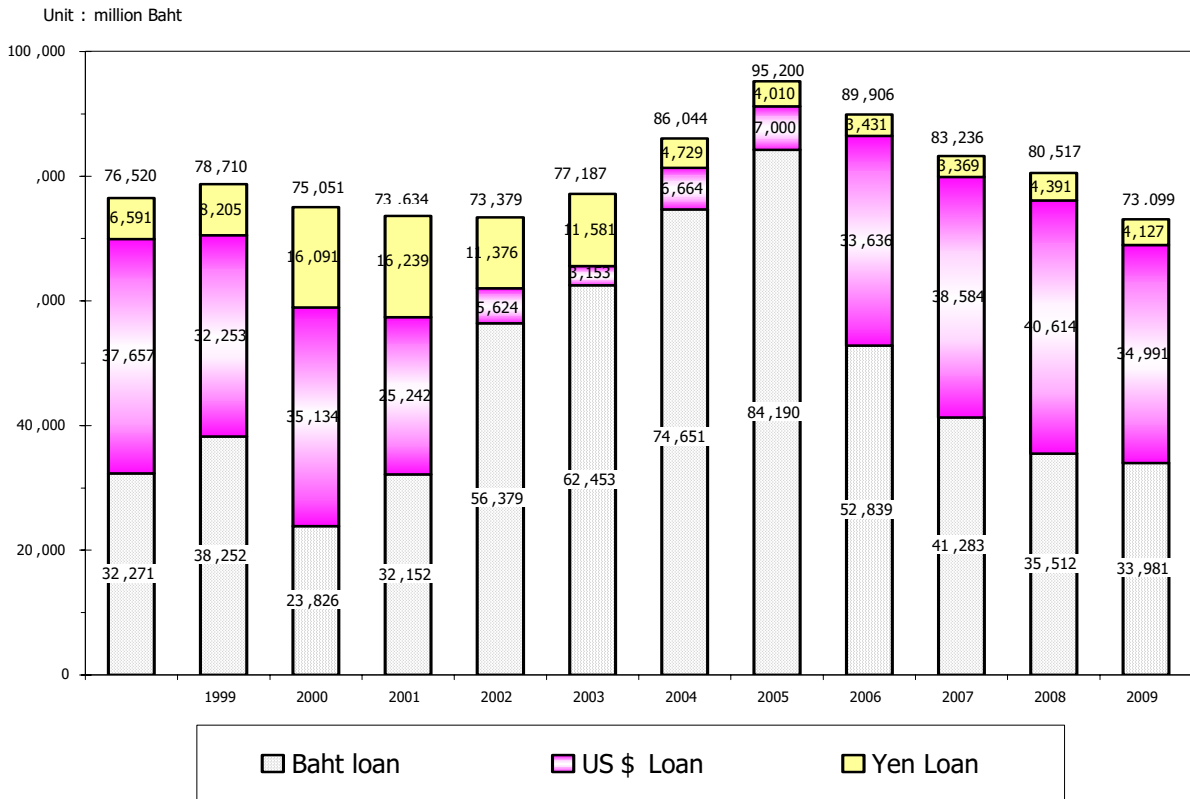
In the past, the Company had large amount of US Dollar loan. It has had policy to reduce fluctuation from foreign currency exchange, and has successfully reduced US dollar loan through the following measures, and helped restructure the Company's debt repayment schedule to be comfortably suitable with its capacity to service debt, i.e., the Company used its excess cash to partially prepay its secured loan, signed a loan agreement with a group of local commercial banks and financial institutions to refinance Baht loan in equal amount. The new Baht loan bear lower interest rate resulting in reduction of the Company's interest expense, used its internal cash flow to repurchase the deferred payment notes denominated in Yen currency, issued and offered debentures and used the proceeds received from the debentures to prepay the Company's existing foreign debt, to prepay certain portion of Baht loan, and to prepay redeemable debentures before periodic payments. During the past 3 years the Company has done the following major measures in liability management:

- June 2007 As of 6th June 2007, the Company issued 3 tranches of Baht debentures i.e., 1st series due in 2009 in the amount of Baht 1,000 million, 2nd series due in 2011 in the amount of Baht 2,000 million; and 3rd series due in 2012 in the amount of Baht 1,000 million. The Company used the proceeds received from the debentures to prepay all remaining principal amount of the Secured Debenture with periodic Payments No.1/2545, (approximately Baht 3,603 million in July 2007), and used inter cash flow around Baht 103 million plus the proceeds from the debentures around Baht 397 million to prepay certain portion of Baht loan (Baht 500 million in June 2007).
- April 2009 As of 2nd April 2009, the Company issued 1 tranche of Baht debentures in the amount of Baht 6,183 million. The Company used the proceeds received from the debentures to prepay the Secured Debenture with periodic Payments No.2/2545
- August 2009 As of 28th August 2009, the Company issued 1 tranche of Baht debentures in the amount of Baht 7,000 million. The Company used the proceeds received from the debentures to prepay:
- 1) fully prepay IFC C Loan in the amount of Baht 1,125 million (prepaid in September 2009);
 - 2) partially prepay the Baht loan in the amount of 1,309 million (prepaid in September 2009);
 - 3) fully prepay the Secured Debenture with periodic Payments No.1/2550 in the amount of Baht 3,000 million (prepaid in October 2009); and
- all remaining of the Secured Debenture with periodic Payments No.2/2545 in the amount of Baht 1,566 million (prepaid in November 2009)

When the Company prepaid the secured US Dollar loan by its excess cash, the proceeds of prepayment was applied to the repayment schedule by Inverse Chronological Order and was pro-rated per the outstanding of each Secured Creditor.

After the implementation of all measures as described above to reduce the foreign currency exchange fluctuation, the Company has decreased the portion of the foreign debt from 68.20% at the end of 2000 to 53.51% as of 31st December 2009.

Chart : Loan Structure Movement



Details of Security Documents, the Debenture Collateral Documents and types of Security

Names of Agreements**	Types of Security
1. Assignment of Project Agreement***	assignment
2. Assignment of Relevant Revenue Sharing***	assignment
3. Conditional Assignment of the Concession***	assignment
4. Assignment of Bonds	assignment
5. Assignment of Insurances****	assignment
6. Assignment of PCT Insurances	assignment
7. Joint Assignment of Insurances	assignment
8. Conditional Assignment of the PCT Contract	assignment
9. Mitsui Supply Contract Side Letter	assignment
10. Conditional Assignment of Leases	assignment
11. Master Pledge Agreement for Pledge of Permitted Investments	pledge
12. Pledge of the Right to Receive Deposits	pledge
13. PCT Account Pledge Agreement	pledge
14. PCT Retention Account Pledge Agreement	pledge
15. Conditional Assignment of Bank Accounts	assignment
16. Conditional Assignment of the PCT Bank Account	assignment
17. Conditional Assignment of the PCT Retention Account	assignment
18. Conditional Assignment of Supply Contracts	assignment
19. Pledge described in paragraphs (vi) and (vii) and (viii) of the definition of Permitted Security Interests	pledge
20. Special Proceeds Account Pledge Agreement	pledge
21. Conditional Assignment of the Special Proceeds Account	assignment
22. Fixed or floating charge to be entered into pursuant to Clause 4.1.13 of the Common Terms Agreement	encumbrance
23. Conditional Assignment of Debenture Payment Account***	assignment
24. Pledge of Right to Receive Deposit in Debenture Payment Account***	pledge
25. Letter of Guarantee***	guarantee

* The Security is shared among creditors proportionately by outstanding debt of each group of creditors, i.e., (a) debt under each tranche of debentures which are the debenture no. 1/2552; (b) debt under local banks and IFC in the amount of Baht 18,094 million; and (c) debt under each tranche of debentures which are the debenture no. 2/2545, no. 1/2547, no. 1/2550 in the amount of Baht 12,961.92 million, totaling Baht 31,055.52 million (except debenture no. 1/2552 currently in the process issuing and offering).

** Terms used in this Attachment 1 except those in item 23 is defined in the Security Agreement Amendment and Restatement Agreement, all of which are as amended, supplemented or novated from time to time.

*** These Security Documents will remain fully operative throughout the duration of the Debentures No. 1/2552.

**** The Company commits to perfect Security contemplated in this item pursuant to the terms of Condition 2.3.

Debentures

1. The Extraordinary General Meeting of the Shareholders No. 1/2544 held on 28th June 2002 has approved the issuance and offer to sell various types of debentures in order to repay existing foreign debt. The principal amount of debentures will not exceed Baht 36,000 million and maturity is not exceeding 20 years. Therefore, the Company offered the Thai Baht Debenture as follows:
 - (1) Early Redeemable Secured Debenture with Periodic Payments No. 1/2545, Due 2008 ("TRUE087A") amount 11,715,400 units, valuing in the amount of Baht 11,715,400,000 (eleven billion seven hundred fifteen million and four hundred thousand Baht) Par value per unit 1,000 Baht (This tranche of debenture was fully prepaid in July 2007)
 - (2) Partially Guaranteed Early Redeemable Secured Debenture with Periodic Payments No. 2/2545, Due 2011 ("TRUE112A") amount 6,750,000 units, valuing in the amount of Baht 6,750,000,000 (six billion seven hundred fifty million Baht) Par value per unit 1,000 Baht
 - (3) Secured Debenture with Periodic Payments No. 1/2546, Due 2007 ("TRUE070A") amount 3,319,000 units, valuing in the amount of Baht 3,319,000,000 (three billion three hundred and nineteen million Baht) Par value per unit 1,000 Baht (This debenture settlement at maturity date in October 2007)

2. The Extraordinary General Meeting of the Shareholders No. 1/2547 held on 16th January 2004 has approved the issuance and offer to sell various types of debentures. The principal amount of debentures will not exceed Baht 15,000 million. Therefore, the Company offered the Thai Baht Debenture as follows:
 - (1) Secured Debenture with Periodic Payments No. 1/2547, Due 2011 ("TRUE117A") amount 2,413,000 units, valuing in the amount of Baht 2,413,000,000 (two billion four hundred and thirteen million Baht) Par value per unit 1,000 Baht
 - (2) Short term Debenture Project 1/2549 within 3 years since 19th December 2006 will not exceed Baht 3,000,000,000
 - (3) Secured Debenture No. 1/2550 series 1, Due 2009 ("TRUE097A") amount 1,000,000 units valuing in the amount of Baht 1,000,000,000 (One billion Baht) Par value per unit 1,000 Baht
 - (4) Secured Debenture No. 1/2550 series 2, Due 2010 ("TRUE107A") amount 2,000,000 units valuing in the amount of Baht 2,000,000,000 (Two billion Baht) Par value per unit 1,000 Baht
 - (5) Secured Debenture No. 1/2550 series 3, Due 2012 ("TRUE127A") amount 1,000,000 units valuing in the amount of Baht 1,000,000,000 (One billion Baht) Par value per unit 1,000 Baht

3. The General Meeting of the Shareholders No. 1/2551 held on 29 April 2008 has approved the issuance and offer to sell various types of debentures. The principal amount of debentures will not exceed Baht 20,000 million. Therefore, the Company offered the Thai Baht Debenture as follows:

- (1) Secured Debenture with Periodic Payments No. 1/2552, Due 2014 ("TRUE144A") amount 6,183,000 units, valuing in the amount of Baht 6,183,000,000 (Six billion one hundred and eighty three million Baht) Par value per unit 1,000 Baht
- (2) Secured Debenture with Periodic Payments No. 2/2552, Due 2015 ("TRUE151A") amount 7,000,000 units, valuing in the amount of Baht 7,000,000,000 (Seven billion Baht) Par value per unit 1,000 Baht

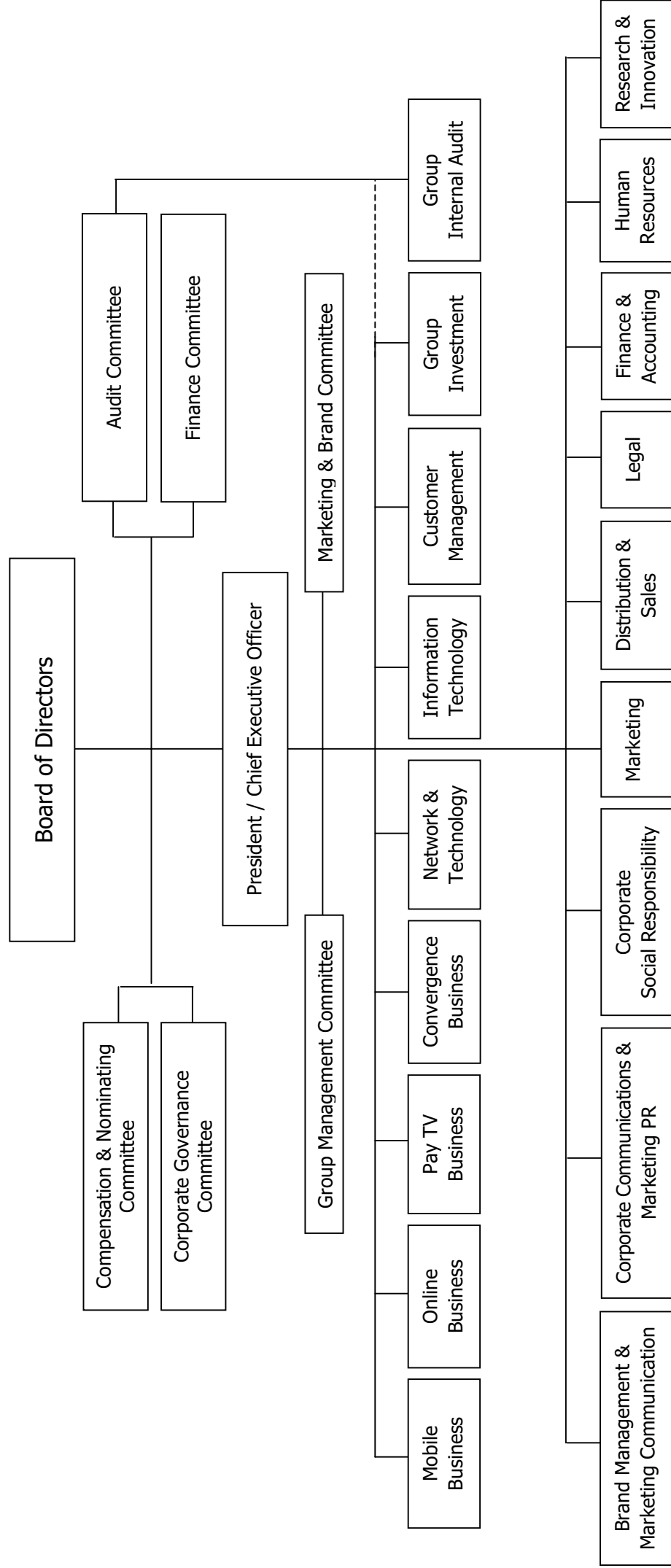
Summary of outstanding long-term debenture as of 31st December 2009

Symbol	Issue Dated	Amount as of Issue Date (million)	Value as of 31 Dec 2009 (million)	Period of time	Maturity Date	Interest Rate (per annum)	Offer	Credit Rating As at 31 Dec 2009
TRUE117A	25 Jun 04	2,413	1,408	7.04	7 Jul 11	6.80%	Public Offering	BBB
TRUE144A	02 Apr 09	6,183	6,183	5.00	7 Apr 14	6.50%	Public Offering	BBB
TRUE151A	28 Aug 09	7,000	7,000	5.42	28 Jan 15	6.70%	Public Offering	BBB
Total		15,596	14,591					

8. MANAGEMENT

8.1 Management Structure

True Corporation Public Company Limited



The Management Structure of the Company consists of:

- A. The Board of Directors
- B. The Committees of the Board of Directors:
 - 1) Audit Committee
 - 2) Compensation and Nominating Committee
 - 3) Finance Committee
 - 4) Corporate Governance Committee
- C. The Executive Officers

A. The Board of Directors

Pursuant to the Company's Articles of Association, it is stipulated that the Board of Directors shall consist of not less than 5 directors and that not less than one half of all directors shall have residence in the Kingdom. The qualifications of the Company's directors shall be as prescribed by law.

As of 31st December 2009, the Company's Board of Directors consists of 18 members as follows:

- 1) 4 Executive Directors
- 2) 14 Non-Executive Directors consisting of:
 - 4 Independent Directors
 - 10 Directors from various organizations irrelevant to the Company's business management, including representatives of the lender group and the major shareholders

Remark: In February 2010, the Board of Directors appointed two more Independent Directors. As a result, Independent Directors now account for one third of the total number of the Board.

Definitions:

Executive Director means

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

Non-Executive Director means

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

Independent Director means

A director who is independent of any major shareholder, free from any other relationship that would interfere with the exercise of independent judgment and holds the following qualifications which are more rigorous than that defined by the Capital Market Supervisory Board in area of shareholding percentage:

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

- (3) *not* being a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- (4) *not* having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgement, and *neither* being *nor* having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended *not* less than two years prior to the date of appointment.

The term 'business relationship' aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board concerning rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (5) *neither* being *nor* having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, and *not* being a principal shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended *not* less than two years from the date of appointment;
- (6) *neither* being *nor* having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company, and *neither* being *nor* having been a principal shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended *not* less than two years from the date of appointment;
- (7) *not* being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholder;
- (8) *not* operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares *not* exceeding one per cent of the total number of voting rights of any other

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

The Board of Directors of the Company (as of 31st December 2009) is as follows:

	<u>Name</u>	<u>Position</u>	<u>Attendance of Board Meeting in the Year 2009*</u>
1.	Mr. Narong Srisa-an	Independent Director and Chairman of the Corporate Governance Committee	3/6
2.	Mr. Vitthya Vejajiva	Independent Director and Chairman of the Audit Committee	5/6
3.	Dr. Kosol Petchsuwan	Independent Director and Member of the Audit Committee	6/6
4.	Mr. Joti Bhokavanij	Independent Director and Member of the Audit Committee	6/6
5.	Mr. Dhanin Chearavanont	Chairman	3/6
6.	Mr. Sumet Jiaravanon**	Vice Chairman	0/6
7.	Dr. Ajva Taulananda	Vice Chairman	6/6
8.	Mr. Chaleo Souvannakitti	Vice Chairman	6/6
9.	Mr. Athueck Asvanund	Vice Chairman and Group General Counsel	6/6
10.	Mr. Suphachai Chearavanont	Director, President and Chief Executive Officer	6/6
11.	Mr. Soopakij Chearavanont	Director	4/6
12.	Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment	5/6
13.	Mr. Vichaow Rakphongphairoj	Director, Managing Director and Group Chief Operating Officer - Network & Technology	6/6
14.	Mr. Umroong Sanphasitvong	Director	6/6

	<u>Name</u>	<u>Position</u>	<u>Attendance of Board Meeting in the Year 2009*</u>
15.	Mr. Norbert Vay	Director	4/6
16.	Mr. Jens B. Bessai	Director	6/6
17.	Mr. Harald Link**	Director	4/6
18.	Mr. Narong Chearavanont	Director	3/6

Remark: * In the Year 2009, the Board of Directors held six meetings

** The Board of Directors Meeting No. 1/2553 held on 24th February 2010 has passed resolutions to appoint additional Independent Directors who would add up to one-third of the total number of the Board, details are as follows:

- appointed Mr. Rawat Chamchalerm as an "Independent Director" of the Company in replacement of an existing Director, Mr. Sumet Jiaravanon, including acknowledged the resignation of Mr. Sumet Jiaravanon from being a Director of the Company
- appointed Mr. Harald Link, an existing Director, to be an "Independent Director" of the Company (changed the position from Director to be Independent Director)

The resolutions are effective from 1st March 2010 onwards.

All Directors have qualifications as prescribed by law. None are prohibited persons under the laws and regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

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

Certain Directors who are Independent Directors are genuinely independent and are not authorized signatories binding the Company. All Independent Directors are qualified according to the regulation of the Capital Market Supervisory Board and the definition of independent director stated in the Policy on Corporate Governance of the Company.

Authorized Directors

Mr. Suphachai Chearavanont or Mr. Vichaow Rakphongphairoj jointly sign with Mr. Athueck Asvanund or Mr. Soopakij Chearavanont or Mr. Chatchaval Jiaravanon, with the Company's seal affixed.

Authority and Responsibilities of the Board of Directors

The Board of Directors is granted the authority and duty to manage the Company in compliance with the Company's objectives, Articles of Association, and the resolutions of shareholder meetings. With regard to the management of the Company, the Board of Directors has the authority to make any decision related to the Company's regular operations except for matters that require the approval of the shareholder meeting as specified by law.

In addition, the Board of Directors may grant authorization to one or more directors, or any other person, to perform any acts on its behalf. However, for any decision on major operations such as a major investment or a major loan procurement, the management team shall propose the said transactions to the Board of Directors for approval.

8.2 Election of Directors

The Company allows minority shareholders to submit nominations for directors before the Annual General Meeting of the Shareholders by using the form provided by the Company and sending it by registered mail to the Company within the specified period.

The Compensation and Nominating Committee is responsible for appraising the qualifications of persons proposed as directors (including independent directors) of the Company in light of the significant prestige and experience required to fill the role. The Committee's deliberations are presented to the Board of Directors for consideration and approval in case of replacement. In case of proposing additional Directors, the Board of Directors will present the relevant information, together with the Compensation and Nominating Committee's opinion, to the Shareholders' Meeting for consideration and approval.

Directors are appointed by shareholders by majority vote. All shareholders have the rights to appoint directors. Each shareholder is entitled to one vote for each share held and shall exercise all the votes he or she hold to appoint one or several person(s) to be director(s), provided that he or she cannot divide his or her votes to any person to any extent.

B. The Committees of the Board of Directors

1) Audit Committee

The Audit Committee of the Company consists of 3 persons as follows:

<u>Name</u>	<u>Position</u>	<u>Attendance of the Audit Committee Meeting in the Year 2009*</u>
1. Mr. Vitthya Vejjajiva	Chairman of the Audit Committee	8/8
2. Dr. Kosol Petchsuwan	Member of the Audit Committee	8/8
3. Mr. Joti Bhokavanij	Member of the Audit Committee	8/8

Remark: * In the Year 2009, the Audit Committee held eight meetings, one of which was a meeting with the external auditor without presence of Management.

The scope of duty and responsibilities of the Audit Committee:

- To review the Company's financial reporting process to ensure that it is accurate and adequate;
- To review the Company's internal control system and internal audit system to ensure that they are suitable and effective, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit;
- To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business;
- To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year;
- To review the Connected Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company;
- To prepare, and to disclose in the Company's annual report, an Audit Committee's Report which will be signed by the Audit Committee's Chairman and consist of at least the following information:
 - an opinion on the accuracy, completeness and credibility of the Company's financial report,
 - an opinion on the adequacy of the Company's internal control system,

- c) an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business,
 - d) an opinion on the suitability of an auditor,
 - e) an opinion on the transactions that may lead to conflicts of interests,
 - f) the number of the audit committee meetings, and the attendance of such meetings by each committee member,
 - g) an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
 - h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors; and
7. To perform any other act as required by law or as delegated by the Board of Directors.

2) **Compensation and Nominating Committee**

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

<u>Name</u>	<u>Attendance of the Compensation and Nominating Committee Meeting in the Year 2009*</u>
1. Mr. Dhanin Chearavanont	0/1
2. Mr. Heinrich Heims	1/1
3. Mr. Soopakij Chearavanont	1/1
4. Mr. Umroong Sanphasitvong	1/1

Remark: * In the Year 2009, the Compensation and Nominating Committee held one meeting.

3) **Finance Committee**

The Finance Committee assists the Board of Directors in reviewing the financial management of the Company. The Committee consists of the following members:

<u>Name</u>	<u>Attendance of the Finance Committee Meeting in the Year 2009*</u>
1. Dr. Ajva Taulananda	7/7
2. Mr. Chaleo Souvannakitti	7/7
3. Mr. Jens B. Bessai	7/7
4. Mr. Umroong Sanphasitvong	7/7

Remark: * In the Year 2009, the Finance Committee held seven meetings.

4) **Corporate Governance Committee**

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

<u>Name</u>	<u>Attendance of the Corporate Governance Committee Meeting in the Year 2009*</u>
1. Mr. Narong Srisa-an	4/4
2. Mr. Vitthya Vejjajiva	4/4
3. Dr. Kosol Petchsuwan	4/4
4. Mr. Joti Bhokavanij	4/4

<u>Name</u>	<u>Attendance of the Corporate Governance Committee Meeting in the Year 2009*</u>
5. Mr. Jens B. Bessai	3/4
6. Dr. Ajva Taulananda	3/4

Remark: * In the Year 2009, the Corporate Governance Committee held four meetings.

Company Secretary

The Board of Directors appointed Mrs. Rangsinee Sujaritsunchai as a Company Secretary. The Company Secretary is responsible for providing advice on laws and regulations related to the Board, helping organize the Board's activities, monitoring compliance with the Board's resolutions and undertaking duties as prescribed in the Securities and Exchange Act.

C. The Executive Officers

As of 31st December 2009, the executive officers of the Company are as follows:

<u>Name</u>	<u>Position</u>
1. Mr. Suphachai Chearavanont	Director, President and Chief Executive Officer
2. Mr. Vichaow Rakphongphairoj	Director, Managing Director and Group Chief Operating Officer - Network & Technology
3. Mr. Chatchaval Jiaravanon	Director and Managing Director - Group Investment
4. Mr. Athueck Asvanund	Vice Chairman and Group General Counsel
5. Mr. William Harris	Executive Director - International Business Development and Assistant to CEO
6. Mr. Noppadol Dej-Udom	Group Chief Financial Officer
7. Mr. Thiti Nantapatsiri	Managing Director - Pay TV Business
8. Mr. Adhiruth Thothaveesansuk	Managing Director - Convergence Business Managing Director - Business Customer
9. Mr. Songtham Phianpattanawit	Managing Director - Enterprise Customer & International Services, and Group Chief Operating Officer - IT & CM

The term "Executive Officers" refers to the notification of the Capital Market Supervisory Board which means Directors; the President; persons with managerial authority who are among the top four ranked individuals in the Company, after the President; and all other persons who occupy a position equivalent to a top four ranking.

All the Executive Officers have qualifications as prescribed by law and the Officers themselves are not forbidden individuals under the laws and pronouncements of the Capital Market Supervisory Board and the Stock Exchange of Thailand.

Authority and Responsibility of the President

The President has authority to supervise and carry on the Company's day-to-day business, and if any matter/transaction is significant, the President will submit said matter/transaction to the independent directors and/or the relevant Committee and/or the Board of Directors and/or shareholders as the case may be, to approve the said matter/transaction. In addition, the President has no authority to approve any matter or transaction proposed by the Company or its subsidiaries in which he or she may have a conflict of interest or any other forms of conflict. In such a case, the matter/transaction must be carried out according to the relevant laws and regulations.

8.3 Remuneration of the Company's Directors and Executive Officers

(1) Remuneration

(1.1) Remuneration of Directors

The 18 directors of the Company were remunerated Baht 33,600,000.- for the year 2009 .

	Remuneration per person (Baht)	Total (Baht)
Group 1 - Chairman (Mr. Dhanin Chearavanont) - Independent Directors who are also the Chairman of the Committee (Mr. Vitthya Vejjajiva and Mr. Narong Srisa-an)	3,600,000 3,600,000	
Total		10,800,000
Group 2 - Independent Directors who are also Committee members (Dr. Kosol Petchsuwan and Mr. Joti Bhokavanij)	2,400,000	
Total		4,800,000
Group 3 - Vice Chairman (Mr. Sumet Jiaravanon, Dr. Ajva Taulananda, Mr. Chaleo Souvannakitti and Mr. Athueck Asvanund)	1,800,000	
Total		7,200,000
Group 4 - Directors (Mr. Suphachai Chearavanont, Mr. Soopakij Chearavanont, Mr. Chatchaval Jiaravanon, Mr. Vichaow Rakphongphairoj, Mr. Umroong Sanphasitvong, Mr. Harald Link, Mr. Norbert Vay, Mr. Jens B. Bessai and Mr. Narong Chearavanont)	1,200,000	
Total		10,800,000
Grand Total		33,600,000

In addition, Mr. Joti Bhokavanij, Independent Director and Member of the Audit Committee of the Company, also holds a position of Director in two subsidiaries of the Company, as a representative of the Company's Audit Committee. He received remuneration for the Year 2009 from the Company's subsidiaries as follows:

	Total remuneration in the year 2009
1) Director of Bangkok Inter Teletech Public Company Limited	- Baht
2) Director of True Move Company Limited	<u>600,000</u> Baht
	Total remuneration <u>600,000</u> Baht

(1.2) Remuneration of Executive Officers

The top nine executives received remuneration totaling Baht 101.35 million for the year 2009 (January to December) comprising of salary, performance pay, provident fund and other benefits.

(2) Other Compensation

Other compensation received by Directors and Executive Officers of the Company are as provided under the Employee Stock Option Plan. Currently, there are non-expired five Employee Stock Option Plan, namely:

- (2.1) Employee Stock Option Plan 2007
- (2.2) Employee Stock Option Plan 2006
- (2.3) Employee Stock Option Plan 2005
- (2.4) Employee Stock Option Plan 2004
- (2.5) Employee Stock Option Plan 2000

The Company has also disclosed detailed information of 5 ESOP projects under "Capital Structure" regarding "Warrants" and "Obligation in Stock Issuance in the Future".

Details of warrants allotted to Directors and Executive Officers under ESOP Plan

Name	Warrants under ESOP 2007		Warrants under ESOP 2006		Warrants under ESOP 2005		Warrants under ESOP 2004*		Warrants under ESOP 2000	
	No. of warrants	% of project	No. of warrants	% of project	No. of warrants	% of project	No. of warrants	% of project	No. of warrants	% of project
1. Dr. Ajva Taulananda	-	-	-	-	-	-	-	-	2,240,000	6.06
2. Mr. Soopakij Chearavanont	1,400,000	3.68	-	-	-	-	-	-	4,130,000	11.16
3. Mr. Suphachai Chearavanont	1,875,000	4.93	3,200,000	8.88	1,900,000	10.12	2,434,077	12.74	6,510,000	17.60
4. Mr. Vichaow Rakphongphairoj	1,875,000	4.93	1,600,000	4.44	1,000,000	5.33	1,277,890	6.69	2,800,000	7.57
5. Mr. Chatchaval Jiaravanon	300,000	0.79	300,000	0.83	350,000	1.86	1,277,890	6.69	4,130,000	11.16
6. Mr. Athueck Asvanund	1,875,000	4.93	2,000,000	5.55	1,200,000	6.39	1,331,136	6.97	5,320,000	14.38
7. Mr. William Harris	1,875,000	4.93	1,600,000	4.44	1,000,000	5.33	1,277,890	6.69	945,000	2.55
8. Mr. Adhiruth Thothaveesansuk	1,400,000	3.68	1,600,000	4.44	1,000,000	5.33	1,277,890	6.69	-	-
9. Mr.Thiti Nantapatsiri	1,400,000	3.68	1,600,000	4.44	1,000,000	5.33	1,277,890	6.69	-	-
10. Mr.Songtham Phianpattanawit	1,400,000	3.68	1,600,000	4.44	1,000,000	5.33	1,277,890	6.69	-	-
11. Mr.Noppadol Dej-Udom	1,000,000	2.63	800,000	2.22	500,000	2.66	494,422	2.59	-	-

Remark * Equity warrants under the ESOP 2004 Project expired on 6th February 2010.

8.4 Corporate Governance Report

The Company fully recognizes the importance of corporate governance and established its Corporate Governance policy in 2002. This is regularly modified to take account of changes in the Company's business. It is also kept in line with corporate governance-related laws and regulations issued by the Stock Exchange of Thailand to international standards.

True has two levels of corporate governance oversight by the Board of Directors and by management. The Board of Directors has established the Corporate Governance Committee which comprises Mr. Narong Srisa-an, Mr. Vitthya Vejjajiva, Dr. Ajva Taulananda, Dr. Kosol Petchsuwan, Mr. Joti Bhokavanij and Mr. Jens B. Bessai. Corporate governance at management level is overseen by the CEO and other senior executives.

In 2009, the Company carried out its operations according to the corporate governance policy as follows:

Section 1

Rights of Shareholders

1. The Board of Directors recognizes the rights of shareholders and treats its shareholders in a fair and equitable manner. The corporate governance policy indicates that the Company – as much as possible – takes the rights of shareholders into consideration without being limited to the rights specified only by law.
2. In the year 2009, the Company held one shareholder meeting: the Annual General Meeting of the Shareholders (the "AGM") for the year 2009 on April 24, 2009. For the convenience of shareholders, the meeting was scheduled on a working day during working hours (at 2 pm) and held in Bangkok where transportation is convenient.
3. The Company sends shareholders an invitation letter to inform them of dates, times, locations, meeting agendas and the background to issues which shareholders are being asked to vote on, and rules and regulations for the meeting and its voting processes. This information is provided to shareholders in the notice of meeting in advance of the meeting. Information is explained in detail so a reader who has no background knowledge of the topic will still be able to easily understand it. All information regarding the shareholder meeting both in Thai and English has been posted on the Company's website 30 days prior to the AGM Day, so that shareholders can study all information sufficient. The Company also announced via the SET's electronic media that it had disclosed the said documents on the Company website.
4. The Company's policy prohibits any action that could be considered to violate a shareholder's right to access information on the shareholder meeting. Shareholders can make advance inquiries about information they do not understand or submit advance questions to the Company's Investor Relations Department on 0-2699-2515 or to the Company Secretary Department on 0-2699-2660.
5. The Company encourages shareholders' participation and voting in meetings at no charge. Any action that could be considered to violate their right to attend meetings is prohibited.
6. The Company has streamlined its procedures for attending and voting at meetings. The chairman of the meeting ensures there is appropriate time set aside for discussion and encourages shareholders to express their opinions and ask questions related to the Company's operations. Moreover, after the meeting directors meet with shareholders in person and provide them with an opportunity to ask any questions they may not want to ask during the meeting.

Section 2

Equitable Treatment of Shareholders

1. The Company allows shareholders who cannot attend meetings to cast a proxy vote. Shareholders must submit a proxy form to the Company Secretary Department before the meeting so it can be verified.
2. The Company encourages the use of proxy forms on which shareholders can specify their voting preferences. The proxy forms are attached together with the invitation letter to the shareholder meeting. The Company provides options for shareholders to appoint two independent directors as their proxy (with their background information provided).
3. The Company allowed minority shareholders to propose any issues to be added to the meeting agenda as well as submit nominations for directors in advance by using the form provided by the Company and sending it by registered mail to the Company from December 16, 2008 to January 31, 2009 for the 2009 AGM. The Company posted the above proposals on its website and through the SET's electronic media. Nevertheless, shareholders did not propose any issues or nomination for directors.
4. For the sake of transparency and historical record, the Company encourages the use of voting cards. The Company also arranges for an independent law office to verify the vote counting. The voting cards will be kept as evidence if there is any argument after the meeting.
5. The Company allows shareholders to vote on individual nominees.
6. The Company's code of conduct covers inside information and insider trading, as well as the use of applicable laws to monitor and prevent the personal use of confidential Company information by management and related persons. Material information which has not yet been disclosed is kept confidential, apart from disclosure to the relevant senior management of the Company. Directors and senior management must report purchases, sales, transfers and assignments of securities issued by the Company to the Securities and Exchange Commission (SEC) within three working days of the transaction's execution, and provide a copy of this report to the Company for its records and incorporation in its regular report to the Board of Directors. In the year 2008, there were no Board members or executives violating this practice.
7. In the year 2009, there were also no Board members or executives violating the rule on conflict of interest in proposed Company transactions.
8. The Company has measures and procedures for approving the entering into related party transactions by setting up the internal "Rules of Entering into Related Party Transactions" which was approved by the Board of Directors and in compliance with legal obligations including the Rules and Regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand (SET).

In the year 2009, the Company continued to strictly follow the rules concerning entering into related party transactions. Details of related party transactions that occurred in the year 2009 have been disclosed in its annual report and annual registration statement (Form 56-1) under the topic "Related Party Transaction".

Section 3 Role of Stakeholders

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

Employees

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

Customers

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

Suppliers and dealers (business partners)

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

Creditors

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

Investors

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

Government agencies

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

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

3. The Company provides another channel for stakeholders to make complaints via the Company's Call Center. Complaints are passed to relevant departments for their attention and action and are subject to be reviewed by the Internal Audit Department with significant issues, if any, are reported to the Audit Committee. In the year 2009, there were no significant findings to be reported.
4. The Board of Directors has adopted a Corporate Social Responsibility (CSR) policy which is available on the Company's website in English and Thai. The Company operates its business while taking into consideration environmental and social matters and is focused on promoting a knowledge-based society as a path to sustainable development for Thailand. The Company places emphasis on using modern telecommunications technology to develop educational projects which help with the development of youth and underprivileged children in Thai society.

Over the year 2009 True undertook a comprehensive program of CSR activities covering the following areas:

Environment

True in association with the Bangkok Metropolitan Administration and World Wide Fund Thailand promoted the Earth Hour campaign to reduce global warming by encouraging the public as well as True Group employees to join the world community and switch lights off for an hour on Saturday, March 28, 2009 from 8:00-9:00 pm. The event was promoted via various channels including TrueMove, TrueVisions, True Internet, websites, True Coffee, True shops and at True Towers 1 and 2. In addition, True installed MPLS data links in five areas including Khaosan, Silom, Yaowarat, Petchburi and Ratchadapisek roads to help with the live broadcast of this event over the Internet.

True organized the 15th Nature Conservation Photography Contest 2009: "Precious Wildlife and Valued Forest – Living with Each Other and Building Balanced Lives." Prizes include trophies donated by HRH Princess Maha Chakri Sirindhorn and the late HRH Princess Galayani Wattana plus other prizes and scholarships. The launch event took place at Kaeng Krachan National Park, Phetchaburi province. Throughout the year, many activities such as photo exhibitions and workshops were held in several educational institutions around the country.

True joined hands with the National Science and Technology Development Agency to organize the 2009 National Science Project competition (primary school level) under the theme "Science for Sustainable Environmental and Social Development." The competition aims to encourage primary school students to develop science projects.

True's staff "Volunteer Club" helped plant 80,000 pieces of coral as part of a "Coral Planting" project at Koh Kham in Sattahip, Chonburi province. This is a project to honor HM the Queen. The True staff "Volunteer Club" also helped clean the sea turtle conservation pool at Sattahip Naval Base.

The True staff "Flight For Elephants Club" and Bangkok Metropolitan Administration organized a charity concert featuring the famous singer Dionne Warwick. The "Take My Friends, Elephants Back Home" concert, under the Smile Elephant project, helped raised funds to send stray elephants back to their natural habitat.

Governance and Ethical Practice

The Arbitration & Litigation team of the True Group General Counsel presented various topics as follows:

- “Recent Trends in the Thai Online Industry concerning Copyright Issues” at the 3rd Biennial KSASA International Conference organized by the South Korean Embassy.
- “Access to Intellectual Property: The Case of Thailand” at a symposium organized by the Central Intellectual Property and International Trade Court.
- “ISP Liability in Thailand” at the Central Intellectual Property and International Trade Court 9th Anniversary Symposium.
- Presented private sector experiences and problems about Intellectual Property Law and Telecommunications Law at an event organized by the Office of the Attorney General.

Community

True in association with the Thai Eye Bank and the Organ Donation Center of the Thai Red Cross Society has organized the “Let Them See Love” project for three years. This encourages people to donate eyes and organs to those who need them. It also held the “Experience the World of the Blind” activity that lets people experience what it would be like to be blind. A TV commercial “Luem ta doo lok” (open eyes to see the world) has furthermore highlighted how the blind can see again after receiving an eye donation. The commercial was broadcast on 14 TrueVisions’ channels from February 11 to April 30, 2009 as well as incorporated into other media.

True set up a website www.trueplookpanya.com to provide information, news and knowledge in multimedia form covering educational content ranging from kindergarten to university levels:

- Phase 1 focuses on primary until secondary level content covering eight major subject areas: Thai language, Mathematics, Sciences, Social Studies, Religion and Culture, Health and Physical Education, Arts, Thai Classical Dance, International Music, Basic Occupations and Foreign languages.
- Phase 2 focuses on university level educational content.

In 2009 the True Plook Panya project provided TrueVisions’ satellite dishes with 40 education channels and TVs to 500 schools nationwide as well as organized the following activities:

- True organized a volunteer campaign by encouraging staff to take part in the True Plook Panya project. Staff volunteers provide suggestions and encourage teachers and students to fully benefit from the equipment and educational material provided by True’s Plook Panya project. They also act as a conduit for schools’ requirements while monitoring performance via the website.
- True accepted applications from schools under the Office of the Basic Education Commission to participate in the True Plook Panya project in 2009. This follows the installation of satellite dishes in 2,000 schools nationwide last year.
- True held the “True Youth Help Conserve the Environment” competition where schools could compete to be selected as a True Plook Panya school.
- Suppliers helped the True Plook Panya activities as follows:
 - 5 dealers provided digital media equipment worth around Baht 1 million.
 - 72 dealers installed digital media equipment in 198 schools for free.
 - A dealer, Tong Kham Transport Partnership Limited, helped by transporting digital media equipment to schools for free.

TrueVisions donated proceeds amounting to Baht 2,202,507.65 from the final True Academy Fantasia Season 5 (AF5) concert to Somdet Chaopraya Hospital Foundation under the Royal Patronage of HRH Princess Sirindhorn.

True launched the website www.helpink.net which is a free community website offering links to 15 charity foundations. The foundations all provide assistance on issues such as health, serious illness and locating missing people as well as giving support and advice in the event of a disaster. Helpink.net also acts as a channel through which people can support those in need by donating money or necessities as well as by giving encouragement. The following activities were organized throughout 2009:

- The public were invited to donate necessities for more than 300 underprivileged girls through the abbot of Wat Bot Woradit in Angthong province.
- Cooperation with the World Vision Foundation to organize the "One Million Pixels of Love" project inviting TrueMove subscribers to donate money via Baht 6/SMS to help underprivileged children in Omkoi district, Chiang Mai.
- The need for all blood types to help cancer patients was posted on the website. Those needing blood are lymphoma patients with septicemia and lung infections.
- True employees were invited to donate money to help children with congenital heart diseases. Donations for operation costs could be made via the convergence platform.
- Donations of blood groups O and B in case of emergency were requested.
- Donations of blood group AB for heart disease patients were requested.
- 10 packs of blood for a patient were requested which was supplied by Taksin Hospital.
- The public were invited to join a "Hand-made books for children" activity held by the Thai Volunteer Service.
- The public were invited to visit the "Friends In Need" event 2009 and Suan Amporn Fair. The fairs were the initiative of HRH Princess Soamsawali and HRH Princess Bajrakitiyabha to publicize the work and operations of Friends In Need Volunteers Foundation and Bangsai Arts and Crafts Center of HM the Queen. Funds raised by the fairs were donated to the foundations to help people facing disasters.
- The website joined with the Thai Heart Foundation to raise funds and sell goods to help 1,160 children with heart disease have operations. Operations cost around Baht 20,000 each and Helpink raised Baht 32,514 in total.

The True staff "Volunteer Club" joined Thai Airways' volunteers to provide assistance to tourists at Jatujak Weekend Market. The volunteers helped with communication and provided travel information as well as assistance when tourists encountered problems. The Volunteer Club has donated computer equipment, a hi-speed Internet 8 Mbps link, one user account for True's NetTalk service for three years as well as developed a website providing tourist information links.

True Digital Entertainment Co., Ltd. launched its "We can be HERO" project to encourage 17 million online gamers (members of Special Force, Hip Street, KARTRIDER and FIFA Online 2) to become "heroes" by undertaking good deeds in four areas: Donating blood; Providing a helping hand; Fighting drugs; and Providing education for the younger generation. Also launched was the www.wecanbehero.in.th website as an online center for all "heroes" to communicate with each other. "We can be HERO" organized the following activities in 2009:

- The "SF Item Design" campaign invited Special Force gamers to design items under a "Fight against drugs (3rd year)" concept.
- The "SF supports gamers' projects" invited university level Special Force gamers to submit social activity projects under the theme "To help the disabled and underprivileged." The winning project was from Mahidol University which created an electrical device for wheelchairs.

- FIFA Online 2 and the Thai Health Promotion Foundation held a special football match, "The 1st Charity CUP," inviting FIFA Online gamers to form eight teams of 10 players and compete with each other. Each goal scored was worth Baht 500 (not exceeding Baht 20,000 in total). The funds raised were used to buy sports equipment for deprived communities and schools. The teams were selected by asking teams of gamers to send in an article on Influenza A H1N1 prevention and the teams with winning articles took part in the Charity CUP.

True Group organized the "Smile Together" campaign which aims to improve, as well as encourage, excellent customer service. If customers were satisfied with the services received from staff at True shops, TrueMove shops and True Coffee shops nationwide, they were invited to make a donation to the Operation Smile Foundation. A total of Baht 750,000 was donated and used to help pay for operations for two cleft lip and palate deformity patients.

True helped build social awareness by supporting the "Hotline 1212 service to report Internet crime." True publicized the project via SMS, TrueVisions and other True Group communications channels.

As a major media sponsor of the "Jimmy and Rosalyn Carter Work Project", TrueVisions and its employees joined approximately 3,000 volunteers from Thailand and around the world to build 82 homes at Moo Baan Nong Kon Kru village in Sansai district, Chiang Mai to commemorate HM the King's 82nd birthday on December 5, 2009.

True held an "I will do" project on "Learning about the sufficiency economy" to create understanding on how to live according to the sufficiency economy philosophy. True Academy Fantasia's (AF) artists from seasons 4-6 represented the younger generation and joined communities in the Sufficiency Community project. The program was broadcast on TrueVisions as well as to schools nationwide including those under the True Plook Panya project.

True invited Thai people to do good deeds for HM the King and to express the Thai spirit by building upon True's "I will do" project to donate New Year gifts or money to needy people through five foundations: World Vision Foundation of Thailand; Population and Community Development Association; Books for Children Foundation; Foundation for Rural Youth; and Foundation for Slum Child Care under the Royal Patronage of HRH Princess Galyani

Customers

True IDC obtained ISO 20000 certifications from BSI Management System. ISO 20000 is the first international standard for IT Service Management. True IDC passed the international standard assessment and has been certified for the 2nd consecutive year.

True IDC obtained ISO 27001 certifications from BSI Management System. ISO 27001 is an Information Security Management System (ISMS) standard. True IDC passed the international standard assessment and has been certified for the 2nd consecutive year.

TrueMove joined AIS and DTAC to protect customers from spam SMS. Together the three mobile operators have invested over Baht 30 million to develop a system capable of blocking up to 90 percent of inter-network spam SMS.

Suppliers

True's Purchasing team, Thai Scan Center Printing Company and AMD Motif company together supported the 'Let Them See Love' project by printing various materials to promote the project for free.

Shareholders and Investors

True invited shareholders to visit TrueMove Square to gain a better understanding of the Company and its business operations. The question and answer session also helped to reinforce the transparency of True's business operations.

Employees

True received the national Outstanding Skills Development Workplace Award 2009 at the Thai Skills Standard Expo 2009 organized by the Department of Skills Development, the Ministry of Labor and Social Welfare.

True held an annual ceremony to present scholarships and certificates to 345 employees' children. True also provided them with the True Super Jet Internet package free for one year.

Section 4 Disclosure and Transparency

1. The Company discloses financial and non-financial information (as required by SET regulations) accurately, thoroughly, and in a timely and transparent manner through various channels including the SET and the Company's website, in Thai and English. All disclosed information is updated regularly. The Company also posts on its website detailed information for analysts and investors such as a graphical summary of financial results showing core business performance, comparative balance sheets, investor news, etc.
2. The Company provides a summary of the Corporate Governance Policy approved by its Board and corporate governance practice through various channels such as the annual report and website.
3. The Company provides a statement of the Board's responsibilities concerning the Company's financial report. This statement is presented in the Company's annual report.
4. The Company discloses the roles and responsibilities of the Board of Directors and its committees, the total number of meetings and the number of meetings each member attends, as well as the results of tasks performed during the year in the annual report, according to the SET and the SEC regulations.
5. The Company paid Directors remuneration in the year 2009 according to rates approved by shareholders at the 2009 AGM, which are the same rates approved by the 2008 AGM and which have not changed since 2002.

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

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

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

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

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

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

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

6. In the year 2009, the Company paid senior executives remuneration according to their contributions and responsibilities, comparable with that paid by other companies in the same industry.
7. The Company discloses details of remuneration of Directors and senior executives, including the nature and amount of payment, in its annual report and Form 56-1.
8. The Company has an Investor Relations Department to communicate with the public fairly and equitably. Investors can contact Investor Relations by phone at 0-2699-2515 or by e-mail at ir_office@truecorp.co.th. In the year 2009, Investor Relations held analyst and investor meetings following the release of the Company's quarterly results as well as analyst conference calls after major Company announcements, allowing investors and analysts to put questions to Company executives. The Company also held road shows to meet with local and international investors while Company executives met with analysts on a regular basis. In addition, the Company also held site visits allowing analysts and investors to better understand its operations.

Section 5 Responsibilities of the Board

1. Board Structure

- 1.1 In the year 2009, the Board of Directors consisted of four executive directors and 14 non-executive directors. Independent directors make up 22 percent of the total number. The Company has disclosed each director's background in its annual report and Form 56-1 and on its website at www.truecorp.co.th
(Remark: In February 2010, the Board of Directors appointed two more Independent Directors. As a result, Independent Directors now account for one third of the total number.)
- 1.2 The term of service for each director is clearly stated in the Company's corporate governance policy and Articles of Association which are in accordance with legal requirements.
- 1.3 The Company has specified the details of Independent Directors' qualifications in its annual report and Form 56-1. Mr. Joti Bhokavanij who serves as the Independent Director and Audit Committee member has an accounting and finance background. In the year 2009, the Company revised the qualifications of Independent Directors by using a more rigorous definition than that defined by the Capital Market Supervisory Board in area of shareholding percentage i.e. an Independent Director of the Company must have no more than 0.75 percent share ownership in the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the Independent Director.
- 1.4 The Company details the background and position of each member of the Board in its Annual Report and Form 56-1. Shareholders can download this information from the SET website at www.set.or.th or from the Company website at www.truecorp.co.th.

- 1.5 In the year 2009, the Company formally stated a policy pertaining to the number of board positions allowed for the Directors by specifying in the Company's Corporate Governance Policy that a director can hold positions in the board of other companies, provided that this does not interfere with the performance of his or her duties at the Company.
- 1.6 The Chairman of the Board is a non-executive director and the CEO is not the same person as the Chairman. The roles and responsibilities of the Chairman are in accordance with the law. The roles and responsibilities of the CEO are determined by the Board of Directors.
- 1.7 The function of Company Secretary is in place to serve the Board of Directors in area of providing advice on laws and regulations related to the Board, helping organize the Board's activities, and monitoring compliance with the Board's resolutions.

The Company Secretary also meets with counterparts from other listed companies from time to time to discuss best practice.

2. Committees

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

The Audit Committee is responsible for reviewing the Company's financial reporting process, reviewing the Company's internal control system and internal audit system, determining an internal audit unit's independence, reviewing the Company's compliance with the law and regulation on securities and exchange including the laws relating to the Company's business, considering and proposing appointment of the Company's external auditor and reviewing the transactions that may lead to conflicts of interest. Details of the Audit Committee's duty and responsibilities have been disclosed under the topic "Management".

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

The Finance Committee is responsible for assisting the Board of Directors to review and monitor the Company's financial management.

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

Shareholders can download the information regarding each committee, such as responsibilities and name lists, from the Company's website at www.truecorp.co.th. The Company has also specified the details of committee members, numbers of meetings attended and committees' reports in its annual report.

- 2.2 So that the committees can perform their duties transparently, independently, and at the same time effectively, their membership comprises independent directors, creditor-nominated directors and non-executive directors.

3. Roles and Responsibilities of the Board

- 3.1 The Board of Directors reviews and approves key business matters such as the vision and mission of the Company, strategy, financial targets, risks, major plans of action and budget. The Board monitors the performance of management to ensure their efficiency and effectiveness. The Board also embraces the philosophy of Sufficiency Economy which calls for sustainability, moderation (i.e. realizing the actual capability of the Company), reasonableness and self-immunity as well as doing business in an honest, cautious and prudent manner.
- 3.2 The Board sets and approves a written corporate governance policy for the Company and reviews the policy and its compliance annually.
- 3.3 The Board of Directors ensures that a written code of business conduct is in place so that all directors, executives and employees understand the Company's ethical standards for doing business. Compliance with the code is closely monitored by the Board.
- 3.4 The Board of Directors considers transactions involving conflicts of interest thoroughly. It follows clear guidelines on approving such transactions so that they are conducted in the best interests of the Company and all shareholders. The person who has an interest in the transaction does not participate in the decision-making process. The Board also monitors compliance with the regulations regarding criteria, procedures and disclosure of transactions involving conflicts of interest.
- 3.5 The Board of Directors ensures that internal control systems are in place, including financial, compliance and policy controls, and reviews the system at least annually. The Board also assigns the Audit Committee to monitor the independent audit and report on the system.
- 3.6 The Company runs a risk management system covering operational and financial risk as well as maintaining internal auditing using a Risk-Based Audit Approach. To manage operational risk the Company has established the BCP Steering Committee to develop and maintain a business continuity plan. The Company has also established a Crisis Management Team to support significant business operations of the Company which may face a crisis, by implementing and managing a crisis response. To manage financial risk, the Company has a financial management policy to mitigate risks arising from fluctuations in currency exchange rates. This policy includes entering into forward foreign exchange contracts, negotiating payment terms for foreign currency settlements on an individual transaction basis, and negotiating with foreign suppliers to share foreign exchange exposure, etc. Moreover, in the year 2009, the Company has formalized and announced the "Risk Management Policy & Framework" to be an integral part of business strategies and operations.

4. Board Meetings

- 4.1 The Company sets its meeting schedule in advance and notifies each director of this schedule. However, in an emergency the Company can also call for an additional Board meeting.
- 4.2 In the year 2009 the Company held six Board meetings respectively which are appropriate to the obligations and responsibilities of the Board and the nature of the Company during the year.
- 4.3 The Chairman and/or Vice Chairman of the Board and the CEO jointly set the agenda for each Board meeting. Moreover, each Board member is free to suggest agenda items.

- 4.4 Meeting documents are sent to each director before the meeting. These documents are concise but contain all relevant information. Any confidential issues are discussed during the meeting.
- 4.5 The Chairman of the Board allocates enough time for the meeting to receive full presentations from management and host comprehensive discussions by directors.
- 4.6 The Board is able to access additional information, under a prearranged agreement, via the CEO, the Company Secretary and/or the executive designated as a contact person.
- 4.7 Top executives attend Board meetings to detail the issues that they are directly responsible for.

5. Board Self Assessment

- 5.1 The Board of Directors make self-assessment on a yearly basis.

6. Remuneration

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

In the year 2009 the Company disclosed the remuneration of each director in its annual report and Form 56-1.

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

7. Board and Management Training

- 7.1 The Company encourages and facilitates training for all internal parties who have a role in corporate governance, including directors, members of the Audit Committee, executives, the Company Secretary, etc. Training – either internal or external – enables them to continuously improve their performance.
- 7.2 Every time that the Company had new Directors, to be in line with the Company's policy, the Company provided new Directors with material and information beneficial for fulfilling their duties. The Company also provided an introduction to the Company's various businesses and business direction for new Directors.
- 7.3 In the year 2009, the Company officially implemented "Succession Plan" for senior executives in order to maintain the confidence of investors and stakeholders and to allow business operations to continue without interruption.

8.5 Insider Trading Policy

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

8.6 Personnel

As of 31st December 2009, the total number of employees was as follows:

Work Group and Classification	No. of Employees
Management	78
Service Area & Network Operation	1,410
Marketing & Sales	940
Information Technology	269
Customer Services	468
Finance & Accounting	207
Support	308
Total	3,680

Source: The Company

Remuneration for the Company's Employees

Remuneration

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

In 2009, the total remuneration for employees was approximately Baht 2,518.59 million comprising of wages, salaries, social security fund, provident fund and other benefit.

Other Compensation & Benefits

- **Health Plans and Employee Welfare**

- In-house clinic
- Annual Medical Check-up
- New Employees' Medical Check-up
- Group Health Insurance
- Group Accident Insurance
- Group life Insurance
- Social Security Fund
- Provident Fund

- **Annual Leave**

- The employee shall be entitled to paid annual leave of 10, 12 or 15 working days per calendar year dependent on the seniority of their position or their number of years of service as follows:
 - Assistant Director or equivalent level and upwards: 15 working days
 - Below Assistant Director or equivalent level:
 - Past probation to less than 3 years 10 working days
 - 3 years upwards to less than 5 years 12 working days
 - 5 years upwards 15 working days

Employee Training and Development

The Company focuses on employee training and employee development and establishes a unit in this particular care namely "Learning Center and People Development". The main objective of the Learning Center and People Development is to build the employees competence. The competence is the cornerstone of the individual and professional development and career opportunities for the employees. We provide various learning options for the continual development to help the employees fulfill their current assignments and prepare them towards their career goals. The people development will ultimately strengthen the organizational performance.

The other major roles of Learning Center, beyond the employee training and development programs provider, are the roles of change agent and business partner to every department.

Learning Center acts as the change agent by being the change facilitator, who gives support to the Company's new strategies and directions and encourages all employees to address highly complex challenges.

At the same time, Learning Center is the business partner to every department. Together with each department, Learning Center designs and develops the appropriate series of training and development programs to match with each department's business roadmap and render all necessary endorsement to them.

There are approximately 300 – 400 in-house training programs per year. In 2009, the training manday reached 37,220, with the budget of Baht 39 million. The core competency program includes courses such as 4Cs Corporate Culture, Effective Communication, Planning to Increase Work Efficiency and Effective Self Development, etc. The executive development program includes courses such as Core Skills for Leader, Problem Solving and Decision Making, Change Management, etc. The core business and new technologies program includes courses such as 3G Technology, GPRS & EDGE, Broadband Network, NGN Network, VOIP Technology, Datacommunication and Networking. Also, we provide safety program for technicians and engineers. In the part of the commercial and customer service program for sales, customer service officers and technicians, there are courses such as True Product and Services, Service Excellence, Managing Your Image, etc.

9. INTERNAL CONTROLS

After an assessment of the Company's internal controls with the Audit Committee, the Board of Directors has an opinion that the Company's internal controls are adequate and suitable. Moreover, the external auditor did not identify any findings in respect of the Company's internal controls which would be considered to be material weaknesses that could have a material impact on the financial statements. The Board also emphasized the development of the Company's Corporate Governance in order to help improve the internal controls within the Company on a continuing basis.

10. CONNECTED TRANSACTIONS

- i) During 2009, the Company carried out the transaction with subsidiaries, associate, joint ventures and related companies as disclosed in financial statements for the year ended 31 December 2009 (Note 13). The significant connected transactions of the Company and subsidiaries that carried out with associate and related companies are as follows:

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
1. The Company				
1.1 Charoen Pokphand Group of companies (CPG)	CPG is a major shareholder of the Company.	<p>Sale :</p> <ul style="list-style-type: none"> - Sale of Lan Network - Coin distribution service and service other <p>Purchase :</p> <ul style="list-style-type: none"> - Office rental and related services - Development purchasing system - Other services - Communication equipment 	<p>21</p> <p>9,385</p> <p>21,301</p> <p>5,950</p> <p>34,292</p> <p>4,692</p>	<p>The transactions arose in ordinary course of business that the Company proposed to the third party.</p> <p>The transactions arose in ordinary course of business that the Company proposed to the third party.</p> <p>The transactions arose in ordinary course of business at the rate of Baht 200 – 220 per square metre per month for rental and Baht 220 – 520 per square metre per month for service. The maturity are normally in the year and are allowed to be renewed.</p> <p>The transactions arose in ordinary course of business.</p> <p>The transactions arose in ordinary course of business.</p> <p>The transactions arose in ordinary course of business.</p>

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
1.2 NEC Corporation (Thailand) Co., Ltd. (NEC)	The Company indirectly holds 9.62% in NEC's equity interest and related through directorship, i.e. Mr. Chatchaval Jiaravanon.	Sale : - Engineering and management service in associate with DDN Purchase : - Repair and maintenance network services.	67 242	- The transactions arose in ordinary course of business, net of discount rate. - The transactions arose in ordinary course of business.
1.3 True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 70.00% in TIDC's equity interest and related through directorships, i.e. Mr. Chatchaval Jiaravanon.	Sale : - Accessories and services related to fixed line Purchase : - Internet server rental - Other service	269 2,918 6,095	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary course of business at the rate of Baht 810,536.60 per month. The maturity are normally in the year and are allowed to be renewed. - The transactions arose in ordinary course of business.
1.4 Asia Infonet Co., Ltd. (AI)	The Company indirectly holds 65.00% in AI's equity interest and related through directorships, i.e. Mr. Vichaow Rakphongphairoj.	Purchase : - Rebate	77	- The transactions arose in ordinary course of business that the Company proposed to the third party.
1.5 KSC Commercial Internet Co., Ltd. (KSC)	The Company indirectly holds 56.83% in KSC's equity interest.	Purchase : - Rebate	297	- The transactions arose in ordinary course of business that the Company proposed to the third party.
1.6 BeboydCg Company Limited (Bboyd)	The Company indirectly holds 70.00% in Bboyd's equity interest and related through directorships, i.e. Mr. Suphachai Chearavanont.	Purchase : - Right	3,000	- The transactions arose in ordinary course of business that the Company proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
2. Bangkok Inter Teletech Group of Companies (BITCO)	(The Company directly and indirectly holds 98.91%)			
2.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 96.44% and indirectly holds 2.47% in BITCO's equity interest.	Sale : - Sales of mobile handset and accessories - Refill Card Purchase : - Office rental and related services - Commission from refill card and other service - Other services - Telephone	6,775 3,011,233 30,430 182,740 77,466 5,424	- The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. - The transactions arose in ordinary course of business that BITCO's subsidiary proposed to the third party. - The transactions arose in ordinary course of business at the rate of Baht 816,988 per month. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business. - The transactions arose in ordinary course of business.
2.2 True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 96.44% and indirectly holds 2.47% in BITCO's equity interest and indirectly holds 70.00% in TIDC's equity interest. These companies are related through directorships, i.e. Mr.Songtham Phianpattanawit.	Sale : - Other services	3,601	- The transactions arose in ordinary course of business that the Company proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
2.3 BeboydCg Company Limited (Bboyd)	The Company directly holds 98.44% and indirectly holds 2.47% in BITCO's equity interest and indirectly holds 70.00% in Bboyd's equity interest. These companies are related through directorships, i.e. Mr.Suphachai Chearavanont.	Purchase : - Content	1,095	The transactions arose in ordinary course of business.
2.4 NC True Co., Ltd. (NC True)	The Company directly holds 98.44% and indirectly holds 2.47% in BITCO's equity interest and directly holds 40.00% in NC True's equity interest. These companies are related through directorships, i.e. Mr.Suphachai Chearavanont.	Purchase : - Content	1,997	The transactions arose in ordinary course of business.
3. True Multimedia Co., Ltd. (TM) (The Company indirectly holds 91.08%)				
3.1 Asia Infonet Co., Ltd. (AI)	The Company indirectly holds 91.08% in TM's equity interest and 65.00% in AI's equity interest. These companies are related through directorship, i.e. Mr. Taj Bussadeegarn and Mr. Non Ingkutanon.	Sale : - Digital Data Network services	2,222	The transactions arose in ordinary course of business that the Company proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
3.2 Charoen Pokphand Group of companies (CPG)	CPG is a major shareholder of the Company. The Company indirectly holds 91.08% in TM's equity interest.	Sale : - Digital Data Network services Purchase : - Other services	37,408 327	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary course of business.
3.3 KSC Commercial Internet Co., Ltd. (KSC)	The Company indirectly holds 91.08% in TM's equity interest and 56.83% in KSC's equity interest.	Sale : - Digital Data Network services	3,992	- The transactions arose in ordinary course of business that the Company proposed to the third party.
3.4 True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 70.00% in TIDC's equity interest and 91.08% in TM's equity interest.	Sale : - Digital Data Network services Purchase : - Internet server rental	1,171 483	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary course of business.
4. True Internet Co., Ltd. (TI) (The Company directly holds 99.99%)				
4.1 Charoen Pokphand Group of companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 99.99% in TI's equity interest.	Sale: - Internet services Purchase : - Office rental and related services	6,410 19,105	- The transactions arose in ordinary course of business that TI proposed to the third party. - The transactions arose in ordinary course of business at the rate of Baht 149,688 per month. The maturity is normally one year and allowed to be renewed.
4.2 KSC Commercial Internet Co., Ltd. (KSC)	The Company directly holds 99.99% in TI's equity interest and indirectly holds 56.83% in KSC's equity interest.	sale : - Internet services Purchase : - Rental network	1,217 7,734	- The transactions arose in ordinary course of business that TI proposed to the third party. - The transactions arose in ordinary course of business.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
4.3 Asia Infonet Co., Ltd. (AI)	The Company directly holds 99.99% in TI's equity interest and indirectly holds 65.00% in AI's equity interest.	Purchase : - Corporate internet services	241,844	- The transactions arose in ordinary course of business.
4.4 True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 99.99% in TI's equity interest and indirectly holds 70.00 in TIDC's equity interest.	sale : - Internet services Purchase : - Internet server rental	4,351 19,816	- The transactions arose in ordinary course of business that TI proposed to the third party. - The transactions arose in ordinary course of business.
4.5 NC True Co., Ltd. (NC True)	The Company directly holds 99.99% in TI's equity interest and 40.00% in NC True's equity interest. These companies are related through directorships, I.e. Mr.Suphachai Chearavanont.	sale : - Internet services Purchase : - Advertising	4,093 3,693	- The transactions arose in ordinary course of business that TI proposed to the third party. - The transactions arose in ordinary course of business.
5. True Properties Co., Ltd. (TP)	(The Company indirectly holds 99.99%)			
5.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company indirectly holds 99.99% in TP's equity interest.	Sale : - Office rental and related services Purchase : - Other services	9,227 1,724	- The transactions arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally 3 years and allowed to be renewed. - The transactions arose in ordinary course of business.
5.2 NC True Co., Ltd. (NC TRUE)	The Company indirectly holds 99.99% in TP's equity interest and directly holds 40.00% in NC True's equity interest.	Sale : - Office rental and related services	5,444	- The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally one year and allowed to be renewed.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
5.3 True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 99.99% in TP's equity interest and 70.00% in TIDC's equity interest. These companies are related through directors, i.e. Mr. Chatchaval Jiaravanon.	Sale : - Office rental and related services	6,516	The transaction arose in ordinary course of business at the rate of Baht 455 per square metre. The maturity is normally one year and allowed to be renewed.
6. True Leasing Co., Ltd. (TLS)	(The Company directly holds 99.99%)			
Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 99.99% in TLS's equity interest.	Sale : - Vehicle rental and related services	294,742	The transactions arose in ordinary course of business at the rate of Baht 15,000 per unit per month. The maturity is normally 3 years.
7. True Life Plus Co., Ltd. (TLP)	(The Company directly and indirectly holds 99.99%)			
7.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 57.38% and indirectly holds 42.61% in TLP's equity interest.	Purchase : - Office rental and related services - Equipment installation	128 7,888	The transactions arose in ordinary course of business. The transactions arose in ordinary course of business.
7.2 True Internet Data Center Co., Ltd. (TIDC)	The Company indirectly holds 70.00% in TIDC's equity interest and directly holds 57.38% and indirectly holds 42.61% in TLP's equity interest.	Purchase: - Internet server rental	8,722	The transactions arose in ordinary course of business.
8. Asia Wireless Communication Co., Ltd. (AWC)	(The Company indirectly holds 99.99%)			
8.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company indirectly holds 99.99% in AWC's equity interest.	Purchase : - Other services - Telephone	1,010 25,339	The transactions arose in ordinary course of business. The transactions arose in ordinary course of business.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
8.2 NEC Corporation (Thailand) Co., Ltd. (NEC)	The Company indirectly holds 99.99% in AWC's equity interest and 9.62% in NEC's equity interest.	Purchase : - Repair and maintenance network services	4,505	- The transactions arose in ordinary course of business.
9. True Internet Data Center Co., Ltd. (TIDC)	(The Company indirectly holds 70.00%) The Company indirectly holds 70.00% in TIDC's equity interest and directly holds 40.00% in NC TRUE's equity interest.	Sale : - Internet server rental and other services	3,444	- The transactions arose in ordinary course of business at the rate of Baht 54,000 per unit per month. The maturity is normally one year.
10. True Lifestyle retail Co., Ltd. (TLR)	(The Company indirectly holds 99.99%) CPG is a major shareholder of the Company. The Company indirectly holds 99.99 TLR's equity interest.	Purchase : - Purchase of goods	14,911	- The transactions arose in ordinary course of business.
11. True Visions Group of companies	(True Visions) (The Company indirectly holds 91.79%)	Sale : - Activities sponsorship	69,306	- The transactions arose in ordinary course of business that True Visions proposed to the third party.
11.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company indirectly holds 91.79% in True Visions's equity interest.	Purchase : - Other services	15,716	- The transactions arose in ordinary course of business.
11.2 NC True Co., Ltd. (NC True)	The Company indirectly holds 91.79% in True Visions's equity interest and directly holds 40.00% in NC True's equity interest. These companies are related through directorships, i.e. Mr.Suphachai Chearavanont.	Sale : - Activities sponsorship	2,480	- The transactions arose in ordinary course of business that True Visions proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
11.3 Channel [V] Music (Thailand) Co., Ltd. (Channel V)	The Company indirectly holds 91.79% in True Visions's equity interest and directly holds 23.87 in Channel V's equity interest.	Purchase : - Content	6,767	- The transactions arose in ordinary course of business.
12. True Touch Co., Ltd. (TT)	(The Company indirectly holds 99.99%) CPG is a major shareholder of the Company. The Company directly holds 99.99% in TT's equity interest.	Sale : - Call center Purchase : - Office rental and related services	2,185 21,179	- The transactions arose in ordinary course of business that True Visions proposed to the third party. - The transactions arose in ordinary course of business.
13. True Money Co., Ltd. (TMN)	(The Company directly and indirectly holds 99.99%)			
13.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 49.00% and indirectly holds 51.00% in TMN's equity interest.	Purchase : - Commission from cash card	282,917	- The transactions arose in ordinary course of business.
13.2 NC True Co., Ltd. (NC TRUE)	The Company directly holds 49.00% and indirectly holds 51.00% in TMN's equity interest and directly holds 40.00% in NC TRUE's equity interest. These companies are related through directorships, i.e. Mr. Suphachai Chearavanont and Mr. Adhiruth Thothesansuk.	Sale : - Collection agent fee	11,439	- The transactions arose in ordinary course of business that TMN proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
13.3 True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 49.00% and indirectly holds 51.00% in TMN's equity interest and indirectly holds 70.00% in TIDC's equity interest.	Purchase: - Internet server rental	601	- The transactions arose in ordinary course of business.
14. True Internet Gateway Co., Ltd. (TIG) (The Company directly holds 99.99%)				
14.1 KSC Commercial Internet Co., Ltd. (KSC)	The Company directly holds 99.99% in TIG's equity interest and indirectly holds 56.83% in KSC's equity interest.	Sale : - Internet gateway transmission service	6,965	- The transactions arose in ordinary course of business that TIG proposed to the third party.
14.2 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 99.99% in TIG's equity interest.	Purchase : - Office rental and other services	1,597	- The transactions arose in ordinary course of business. .
14.3 True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 99.99% in TIG's equity interest and indirectly holds 70.00% in TIDC's equity interest. These companies are related through directorships,i.e. Mr. Songtham Phianpattanawit.	Purchase: - Internet server rental	2,219	- The transactions arose in ordinary course of business. .
15. True Public Communication Co., Ltd. (TPC) (The Company directly holds 99.99%)				
Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 99.99% in TPC's equity interest.	Purchase : - Other service	12,217	- The transactions arose in ordinary course of business.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
16. Wire and Wireless Co., Ltd. (WW) Charoen Pokphand Group of Companies (CPG)	(The Company directly holds 87.50%) CPG is a major shareholder of the Company. The Company directly holds 87.50% in WW's equity interest.	Sale : - Internet gateway transmission service Purchase : - Other service	1,798 2,050	- The transactions arose in ordinary course of business that TIG proposed to the third party. - The transactions arose in ordinary course of business.
17. True Universal Convergence Co., Ltd. (TUC)	(The Company directly and indirectly holds 99.99%)			
17.1 Charoen Pokphand Group of Companies (CPG)	CPG is a major shareholder of the Company. The Company directly holds 0.09% and indirectly holds 99.90% in TUC's equity interest.	Sale : - Digital Data Network services	21,180	- The transactions arose in ordinary course of business that the Company proposed to the third party.
17.2 True Internet Data Center Co., Ltd. (TIDC)	The Company directly holds 0.09% and indirectly holds 99.90% in TUC's equity interest and indirectly holds 70.00% in TIDC's equity interest. These companies are related through directorships, i.e. Mr. Chatchaval Jiravanon.	Sale : - Internet services	985	- The transactions arose in ordinary course of business that the Company proposed to the third party.
17.3 KSC Commercial Internet Co., Ltd. (KSC)	The Company directly holds 0.09% and indirectly holds 99.90% in TUC's equity interest and indirectly holds 56.83% in KSC's equity interest.	Sale : - Digital Data Network services	1,983	- The transactions arose in ordinary course of business that the Company proposed to the third party.

Company Name	Relationship	Details of transactions	2009 (Baht'000)	Rationale and necessity
17.4 Asia Infonet Co., Ltd. (AI)	The Company directly holds 0.09% and indirectly holds 99.90% in TUC's equity interest and indirectly holds 65.00% in AI's equity interest. These companies are related through directorships, i.e. Mr. Vichaow Rakphongphairroj.	Sale : - Digital Data Network services	2,040	- The transactions arose in ordinary course of business that the Company proposed to the third party.
18. KSC Commercial Internet Co., Ltd. (KSC) True Internet Data Center Co., Ltd. (TIDC)	(The Company directly and indirectly holds 56.83%) The Company indirectly holds 56.83% in KSC's equity interest and 70.00% in TIDC's equity interest, respectively.	Purchase: - Internet services and other services	6,671	- The transactions arose in ordinary course of business.
19. True Digital Content & Media Co., Ltd. (NC True)	(TDM) (The Company indirectly holds 90.00%) The Company indirectly holds 90.00% in TDM's equity interest and directly holds 40.00% in NC True's equity interest. These companies are related through directorships, i.e. Mr. Adhiruth Thotheevesansuk.	Sale : - Advertising Purchase : - Content	2,433 5,945	- The transactions arose in ordinary course of business that the Company proposed to the third party. - The transactions arose in ordinary course of business.

ii) Outstanding balances arising from sales of goods and services:

Change in outstanding balances arising from sales of goods and services are as follows:

Unit : Thousand Baht

Joint ventures, associates and related companies	31 December 2008	Increase (Decrease)	31 December 2009
Asia Infonet Co., Ltd.	27,849	3,467	31,316
True Internet Data Center Co., Ltd.	20,575	(7,239)	13,336
KSC Commercial Internet Co., Ltd.	62,516	(62,516)	-
BeboydCg Company Limited.	11	(10)	1
NC True Co., Ltd.	5,370	1,021	6,391
NEC Corporation (Thailand) Co., Ltd.	100	65	165
CP Group of companies	562,334	(77,907)	484,427
Total	678,755	(143,119)	535,636

iii) Outstanding balances arising from purchases of goods and services:

Change in outstanding balances arising from purchases of goods and services are as follows:

Unit : Thousand Baht

Joint ventures, associates and related companies	31 December 2008	Increase (Decrease)	31 December 2009
Asia Infonet Co., Ltd.	52,865	6,597	59,462
True Internet Data Center Co., Ltd.	11,556	4,646	16,202
KSC Commercial Internet Co., Ltd.	11,597	(11,597)	-
BeboydCg Company Limited.	375	(227)	148
NC True Co., Ltd.	7,652	17,121	24,773
Channel [V] Music (Thailand) Co., Ltd.	4,350	(4,350)	-
CP Group of companies	31,121	(10,875)	20,246
NEC Corporation (Thailand) Co., Ltd.	2,227	(2,192)	35
Kreditanstalt für Wiederaufbau (KfW)	-	195	195
Total	121,743	(682)	121,061

iv) Outstanding balances arising from loans to related parties

Change in outstanding balances arising from loans to related parties are as follows:

Unit : Thousand Baht

Related companies	31 December 2008	Increase (Decrease)	31 December 2009
KSC Commercial Internet Co., Ltd.	25,880	(25,880)	-
BeboydCg Company Limited.	6,000	1,500	7,500
Total	31,880	(24,380)	7,500

The Company indirectly holds 56.83% in KSC's equity interest.

v) Outstanding balances arising from loans from a related party

Change in outstanding balances arising from loans from a related party are as follows:

Unit : Thousand Baht

Related companies	31 December 2008	Increase (Decrease)	31 December 2009
Kreditanstalt für Wiederaufbau (KfW)	3,585,140	(1,538,222)	2,046,918

KfW is the only preference shareholder of the Company and holds 8.99% of issued and paid-up share capital.

The loan from Kreditanstalt für Wiederaufbau rank pari passu with other secured lenders and carry interest at LIBOR plus a fixed percentage per annum. The loans are secured against various categories of assets. The first repayment was due in September 2006 and the final maturity date will be on 31 December 2011. The related interest expenses were Baht 75.13 million for year ended 31 December 2009.

vi) Commitments

The Company has carried the commitment to support a certain subsidiary pertaining to loans agreements entered into by True Move with its creditors. The financial supports are set as follows:

1. Regulatory sponsor support to governmental authorities arising out the mobile phone concession: where True Move experience cash shortfalls for its normal operation due to regulatory cost, the sponsors shall provide financial support on a quarterly basis for the amount of the shortfall caused by the excess regulatory costs.
2. General cash deficiency sponsor support: where the cash flows of True Move are insufficient for its normal operations or debt repayments pursuant to the terms of the financing documents with its lenders, the Company will provide financial support to the subsidiary in a total amount no exceeding Baht 7,000.00 million.

Under the terms and conditions of the agreements, the Company and concerned parties must comply with certain conditions as stipulated in the agreements. The sponsor support funds must be injected into the subsidiary in the form as specified in the agreements.

Measures and Procedures for Approving the Entering into of Connected Transactions

The Company has measures and procedures for approving the entering into connected transactions in compliance with legal obligations including the Rules and Regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand ("SET"). Based on, the said relevant laws and regulations the Company has clearly set up "Rules of Entering into Related Party Transactions", to be adhered and properly followed by the Board and employees. Under the Rules of Entering into Related Party Transaction, the measures and procedures for approving the entering into related party transactions are set forth as follows:

1. The following related party transactions can be approved by Management without any approval from the Company's Board of Directors and the Shareholders' Meeting under the purpose of clause 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551:
 - 1.1 A transaction under general commercial terms
"general commercial term" mean a commercial term that a person of ordinary prudence would agree with any unrelated counterparty under the similar circumstances, on the basis of commercial negotiation and without any dependent

interest resulted from the status of the director, executive or related person, including the commercial terms with the prices and the conditions or the gross margin as follows:

- (a) prices and conditions that the Company, or its subsidiary receives from or offers to general persons.
 - (b) prices and conditions that a director, an executive or related person offers to general persons.
 - (c) prices and conditions that the Company, or its subsidiaries can prove that it is same as operators in similar business offer to general persons.
 - (d) in case the comparison of price of goods or services cannot be made because of the distinctiveness or specifically made to order, however the Company or its subsidiaries can prove that
 - the gross margin that the Company or its subsidiaries receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; or
 - the gross margin that the director, executive or related person receive from the related party transaction is similar to the gross margin they receive from transactions with other parties; and there is no difference of condition and terms between them.
- 1.2 A loan in accordance with the regulations on the welfare of the staff members and employees;
- 1.3 A transaction in which the counterparty to the Company or both parties are;
- (a) a subsidiary or subsidiaries whose shares are held by the Company in the amount not less than ninety percent of its total number of shares sold; or
 - (b) a subsidiary or subsidiaries whose shares are held by a director, an executive or a related person or which such person has interest, whether directly or indirectly, not more than the amount, rate or characteristic as specified in the notification of the Capital Market Supervisory Board;
- 1.4 A transaction in particular category or with value not more than the amount or rate as specified in the notification of the Capital Market Supervisory Board.
2. The following related party transactions require approval from the Company's Board of Directors but do not require approval from the Shareholders' Meeting
- 2.1 A transaction under Clause 1 which requires an approval from the Company's Board of Directors under other internal procedures of the Company such as Procedure for Budget.
 - 2.2 A transaction under Clause 1.3 (b) or 1.4 that may be prescribed by the Capital Market Supervisory Board to require an approval from the Board of Directors, relevant notification shall be prescribed later.
3. Any related party transactions other than those under Clause 1 and 2 require approval from the Company's Board of Directors and the Shareholders' Meeting before entering into such transactions.

Moreover, the Company shall comply with the terms and conditions of the Shareholders' Agreement executed with Kreditanstalt für Wiederaufbau dated 22nd December 1999 which specifies that the Company shall disclose if its major shareholders or affiliates enter into any connected transactions.

Policy for Future Connected Transactions

With regard to future connected transactions, the Company anticipates that there will be connected transactions in the ordinary course of business of the Company with its affiliates and that the Company shall proceed with such transactions in a transparent manner pursuant to the good corporate governance policy of the Company as well as all relevant regulations.

11. FINANCIAL STATUS AND PERFORMANCE

11.1 Summary of Financial Statements

True Corporation Public Company Limited
Consolidated Balance Sheets
As at 31 December 2009, 2008 and 2007

(Unit: Thousand Baht)

	31 December		31 December		(Restated)	
	2009	Common Size (%)	2008	Common Size (%)	2007	Common Size (%)
Assets						
Current assets						
Cash and cash equivalents	4,916,296	4.22	4,356,596	3.69	5,019,383	4.01
Restricted cash	1,347,635	1.16	1,400,795	1.19	1,297,073	1.04
Short-term investments	85,420	0.07	796,296	0.67	419,758	0.34
Trade accounts receivable, net	8,347,318	7.17	7,991,746	6.77	12,684,710	10.13
Loans to related parties	7,500	0.01	31,880	0.03	28,880	0.02
Inventories, net	746,541	0.64	898,423	0.76	893,067	0.71
Income tax deducted at source	2,252,536	1.94	2,057,650	1.74	2,218,067	1.77
Claimable value added tax	662,905	0.57	780,049	0.66	673,065	0.54
Other current assets	2,190,899	1.88	2,019,192	1.71	2,027,019	1.62
Total current assets	20,557,050	17.66	20,332,627	17.22	25,261,022	20.18
Non-current assets						
Restricted cash	144,481	0.12	157,013	0.13	148,049	0.12
Investments in associates	49,623	0.04	53,516	0.05	18,020	0.01
Investments in other companies	292,923	0.25	292,923	0.25	229,884	0.18
Investment property	55,981	0.05	56,654	0.05	56,654	0.05
Property, plant and equipment, net	68,692,548	59.00	71,380,078	60.48	74,683,154	59.62
Goodwill, net	12,428,009	10.68	12,380,696	10.49	12,380,696	9.88
Intangible assets, net	5,340,454	4.59	3,556,630	3.01	3,534,202	2.82
Deferred income tax assets	8,224,358	7.06	9,248,377	7.84	8,460,543	6.75
Other non-current assets	635,562	0.55	565,575	0.48	487,182	0.39
Total non-current assets	95,863,939	82.34	97,691,462	82.78	99,998,384	79.82
Total assets	116,420,989	100.00	118,024,089	100.00	125,259,406	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term borrowings	2,330,000	2.00	2,130,000	1.80	1,451,400	1.16
Trade accounts payable	7,126,491	6.12	7,964,679	6.76	12,978,086	10.36
Current portion of long-term borrowings	7,676,895	6.59	9,870,756	8.36	5,554,549	4.43
Unearned income	2,941,097	2.53	2,669,560	2.26	2,613,731	2.09
Accrued expenses	7,410,644	6.37	7,438,072	6.30	6,893,839	5.50
Income tax payable	560,404	0.48	506,911	0.43	589,291	0.47
Other current liabilities	3,376,687	2.90	2,684,830	2.27	2,864,828	2.29
Total current liabilities	31,422,218	26.99	33,264,808	28.18	32,945,724	26.30
Non-current liabilities						
Long-term borrowings	65,421,889	56.20	70,645,861	59.86	76,230,963	60.86
Deferred income tax liabilities	2,079,807	1.79	2,074,255	1.76	1,103,399	0.88
Long-term trade accounts payable	74,590	0.06	359,772	0.30	89,539	0.07
Liabilities under agreements for operation	4,482,285	3.85	2,503,905	2.12	2,834,957	2.27
Other non-current liabilities	2,297,765	1.97	2,555,426	2.17	2,004,073	1.60
Total non-current liabilities	74,356,336	63.87	78,139,219	66.21	82,262,931	65.68
Total liabilities	105,778,554	90.86	111,404,027	94.39	115,208,655	91.98
Shareholders' equity						
Share capital						
Authorised share capital						
Preferred shares	6,993,340		6,993,340		6,993,358	
Common shares	146,338,731		146,338,731		40,521,836	
Issued and fully paid-up share capital						
Preferred shares	6,993,340	6.01	6,993,340	5.93	6,993,358	5.58
Common shares	70,764,084	60.77	38,038,452	32.23	38,038,434	30.35
Premium on share capital						
Common shares	11,432,046	9.82	11,432,046	9.69	11,432,046	9.12
Discount on share capital						
Preferred shares	(1,492,776)	(1.28)	(1,492,776)	(1.27)	(1,492,781)	(1.19)
Common shares	(30,335,124)	(26.05)	(3,988,926)	(3.38)	(3,988,922)	(3.18)
Share surplus (discount)	(1,498,438)	(1.29)	1,604,322	1.36	1,825,582	1.46
Foreign currency translation adjustment	104,219	0.09	104,344	0.09	104,344	0.08
Retained earnings (deficit)						
Appropriated legal reserve	34,881	0.03	34,881	0.03	34,881	0.03
Deficit	(46,043,332)	(39.54)	(47,270,916)	(40.06)	(44,915,725)	(35.84)
Total parent's shareholders' equity	9,958,900	8.56	5,454,767	4.62	8,031,217	6.41
Minority interest in subsidiaries	683,535	0.58	1,165,295	0.99	2,019,534	1.61
Total shareholders' equity	10,642,435	9.14	6,620,062	5.61	10,050,751	8.02
Total liabilities and shareholders' equity	116,420,989	100.00	118,024,089	100.00	125,259,406	100.00

True Corporation Public Company Limited

Consolidated Statements of Income

For the years ended 31 December 2009, 2008 and 2007

(Unit: Thousand Baht)

	31 December		31 December		(Restated)	
	2009	Common Size (%)	2008	Common Size (%)	2007	Common Size (%)
Revenues						
Revenues from telephone and other services	59,670,658	95.51	60,094,289	98.09	60,474,069	98.11
Revenues from product sales	2,803,595	4.49	1,171,055	1.91	1,167,054	1.89
Total revenues	62,474,253	100.00	61,265,344	100.00	61,641,123	100.00
Costs						
Cost of providing services	39,660,758	63.48	41,229,181	67.30	39,734,337	64.46
Cost of sales	2,537,891	4.06	1,174,507	1.92	1,055,547	1.71
Total costs	42,198,649	67.54	42,403,688	69.22	40,789,884	66.17
Gross profit	20,275,604	32.46	18,861,656	30.78	20,851,239	33.83
Other operating income	356,321	0.57	583,023	0.95	369,698	0.60
Profit before expenses	20,631,925	33.03	19,444,679	31.73	21,220,937	34.43
Selling expenses	3,932,582	6.29	4,154,015	6.78	-	-
Administrative expenses	7,400,106	11.85	7,134,005	11.64	-	-
Selling and administrative expenses	-	-	-	-	12,761,543	20.70
Management remunerations	190,842	0.31	189,412	0.31	-	-
Other operating expenses	323,140	0.52	436,484	0.71	451,504	0.73
Total expenses	11,846,670	18.97	11,913,916	19.44	13,213,047	21.43
Operating results	8,785,255	14.06	7,530,763	12.29	8,007,890	13.00
Share of results in associates	(773)	-	(10,204)	(0.02)	(14,549)	(0.02)
Profit before financial costs and income tax	8,784,482	14.06	7,520,559	12.27	7,993,341	12.98
Financial costs, net	(5,639,170)	(9.03)	(9,927,801)	(16.20)	(5,395,755)	(8.75)
Profit (loss) before income tax	3,145,312	5.03	(2,407,242)	(3.93)	2,597,586	4.23
Income tax (expense) revenue	(1,934,216)	(3.10)	(977,932)	(1.60)	(1,039,261)	(1.69)
Net profit (loss) for the year	1,211,096	1.93	(3,385,174)	(5.53)	1,558,325	2.54
Attributable to:						
Equity holders of the Company	1,227,584	101.36	(2,355,191)	69.57	1,158,106	74.32
Minority interest	(16,488)	(1.36)	(1,029,983)	30.43	400,219	25.68
	1,211,096	100.00	(3,385,174)	100.00	1,558,325	100.00
Basic and diluted earnings (loss) per share						
for profit attributable to the shareholders of the Company						
-Basic	0.18		(0.66)		0.12	
-Diluted	0.16		-		-	

True Corporation Public Company Limited
Consolidated Statements of Cash Flows

For the years ended 31 December 2009, 2008 and 2007

	(Unit: Thousand Baht)		
	31 December	31 December	31 December
	2009	2008	2007
			(Restated)
Cash flows from operating activities			
Net profit (loss)	1,211,096	(3,385,174)	1,558,325
Adjustments for:			
Depreciation and amortisation	12,536,768	12,784,828	13,136,601
Interest income	(86,348)	(120,224)	(87,333)
Interest expenses	6,879,581	6,953,123	7,160,798
Income tax	1,934,216	977,932	1,039,261
Gain on disposals of property, plant and equipment	(165,435)	(118,649)	(107,830)
Doubtful accounts	1,034,664	894,446	788,453
Impairment charge of property, plant and equipment	64,868	114,194	12,000
Gain on disposals of investment in available-for-sale securities	-	-	(801)
Other operating assets and liabilities written-off	2,281	27,315	10,256
Unrealised (gain) loss on foreign exchange	(1,906,371)	2,889,284	(2,148,459)
Foreign exchange loss (gain) on repayments of borrowings	38,607	3,663	(3,393)
Share of results in associates	773	10,204	14,549
Changes in operating assets and liabilities			
- Trade accounts receivable	(1,347,720)	3,798,546	(6,949,872)
- Short-term investments	120,907	71,853	(149,722)
- Inventories	(735,469)	(1,621,793)	(853,151)
- Other current assets	541,439	995,410	(1,286,410)
- Film and program rights	(1,386,740)	(1,314,838)	-
- Other non-current assets	(82,714)	(35,940)	(49,117)
- Trade accounts payable	(951,303)	(3,062,937)	4,598,181
- Accrued expenses and other current liabilities	162,121	(253,440)	508,344
- Other non-current liabilities	(294,893)	398,701	931,776
Cash generated from operations	<u>17,570,328</u>	<u>20,006,504</u>	<u>18,122,456</u>
Add: Interest received	84,409	131,283	92,497
Less: Interest paid	(6,333,838)	(6,358,064)	(6,478,466)
Income tax paid	<u>(1,876,883)</u>	<u>(1,886,194)</u>	<u>(1,372,829)</u>
Net cash from operating activities	<u>9,444,016</u>	<u>11,893,529</u>	<u>10,363,658</u>
Cash flows from investing activities			
Withdrawal (deposit) in restricted cash	69,491	(112,686)	768,201
Withdrawal (deposit) in short-term investment	589,969	(448,391)	43,895
Loans made to subsidiaries and joint venture	(1,500)	(6,000)	(3,000)
Acquisition of subsidiary, net of cash acquired	27,092	-	(325)
Additional investments in subsidiaries and associate	(3,540,000)	(45,700)	(151,839)
Additional investments in other company	-	(63,039)	(63,039)
Acquisition of property, plant and equipment	(5,078,424)	(6,779,363)	(7,055,039)
Acquisition of intangible assets	(210,578)	(503,244)	(262,829)
Proceeds from loans to subsidiary and joint venture	-	3,000	12,000
Proceeds from disposals of available-for-sale securities	-	-	1,846
Proceeds from disposals of property, plant and equipment and intangible assets	562,493	454,400	392,606
Proceeds from disposals of investment property	-	-	6,750
Dividends received	3,120	-	-
Net cash used in investing activities	<u>(7,578,337)</u>	<u>(7,501,023)</u>	<u>(6,310,773)</u>
Cash flows from financing activities			
Issues of common shares	6,379,435	-	8,250
Additional investments in subsidiary by minority	61	39	3,000,014
Dividend paid to minority	(25,977)	(43,504)	-
Minority interest's portion on liquidation of subsidiary	-	(2,050)	-
Proceeds from short-term borrowings	3,400,000	3,140,000	3,651,400
Proceeds from borrowings, net of cash paid for debt issuance cost	13,511,671	43,708	30,512,469
Repayments on short-term borrowings	(3,200,000)	(2,461,400)	(2,977,561)
Repayments on borrowings	<u>(21,371,461)</u>	<u>(5,732,164)</u>	<u>(37,144,498)</u>
Net cash (used in) received from financing activities	<u>(1,306,271)</u>	<u>(5,055,371)</u>	<u>(2,949,926)</u>
Net increase (decrease) in cash and cash equivalents	559,408	(662,865)	1,102,959
Opening balance	4,356,596	5,019,383	3,923,739
Effects of exchange rate changes	292	79	(7,395)
Closing balance	<u>4,916,296</u>	<u>4,356,597</u>	<u>5,019,303</u>

FINANCIAL RATIOS

True Corporation Public Company Limited and Subsidiaries

		2009	2008(re)	2007(re)
Liquidity Ratios				
Current Ratio	Times	0.65	0.61	0.77
Quick Ratio-Accrual Basis	Times	0.47	0.44	0.59
Activity Ratios				
Receivable Turnover Ratio	Times	7.65	5.93	6.41
Average Collection Period	Days	47.73	61.59	56.98
Average Collection Period *	Days	25.18	36.47	36.83
* Excluding accounts receivable from TOT which represents the amount that was already paid by customers but True has not yet received its revenue sharing from TOT; accrued income which represent unbilled revenue.				
Inventory Turnover Ratio ^{1/}	Times	51.31	47.34	42.06
Average Inventory Turnover Period	Days	7.11	7.71	8.68
Payable Turnover Ratio ^{1/}	Times	5.59	4.04	3.29
Average Payment Period	Days	65.27	90.42	111.05
Cash Cycle	Days	(10.42)	(21.12)	(45.39)
Fixed Assets Turnover Ratio	Times	0.89	0.84	0.81
Total Assets Turnover Ratio	Times	0.53	0.50	0.50
Leverage Ratios				
Debt to Equity Ratio	Times	7.35	14.83	10.19
Interest Coverage Ratio ^{2/}	Times	1.28	1.08	1.11
Profitability Ratios				
Gross Profit Margin ^{1/}	%	32.45%	30.79%	33.83%
Net Profit Margin	%	1.96%	-3.84%	1.88%
Return on Assets	%	7.49%	6.19%	6.46%
Return on Equity	%	15.93%	-34.93%	15.59%
Dividend Ratio	%	-	-	-
Per Share Analysis				
Book Value per Share	Baht	1.37	1.47	2.23
Earnings (Loss) per Share (Basic)	Baht	0.18	(0.66)	0.12
Dividend per Share	Baht	-	-	-
Growth Ratios				
Total Assets	%	-1.36%	-5.78%	2.25%
Total Liabilities	%	-5.05%	-3.30%	0.05%
Revenues from Sales and Services	%	1.97%	-0.61%	18.64%
Total Operating Expenses ^{1/ 2/ 3/}	%	-0.50%	0.58%	2.90%
Net Profit	%	NM	NM	NM

Note :

^{1/} FY2007 reported financial statements has been restated from previous release to reflect accounting changes made in prior quarter regarding installation costs of the pay-TV business, minimum payment and business combinations.

^{2/} In Q4 2008 the Company has reclassified its accounts to show financial costs resulting in restatement of previous releases relating to SG&A (amortization of debt issuance cost), interest expense and other income (expenses). FY2007 results have also been restated for a better comparison.

^{3/} Depreciation and amortization for FY2009, FY2008 and FY2007 excluded TrueVisions (UBC) amortization for film and program rights of Baht 1,370 million, Baht 1,298 million and Baht 1,095 million respectively.

FINANCIAL HIGHLIGHTS

(Unit : Million Baht)

	2009	2008 (re)	2007 (re)
Consolidated Financial Results			
Service revenues	59,671	60,094	60,474
Service revenues excluding IC	52,605	51,921	51,818
Total revenues	62,474	61,265	61,641
EBITDA	19,582	18,515	19,754
Operating profit	8,752	7,384	8,090
Results from ongoing operations	(518)	105	(1,179)
Results from ongoing operations before deferred income tax	511	288	(843)
Net profit (loss) to equity holders of the Company	1,228	(2,355)	1,158
Consolidated Balance Sheets and Cash Flows			
Total assets	116,421	118,024	125,259
Total liabilities	105,779	111,404	115,209
Total shareholder's equity	10,642	6,620	10,051
Cash flow from operations	9,444	11,894	10,364
Free cash flow ^{1/}	4,155	4,611	3,046
Key Financial and Efficiency Ratios			
EBITDA margin	31.3%	30.2%	32.0%
EBITDA margin (on total revenue excl. IC)	35.3%	34.9%	37.3%
Operating profit margin	14.0%	12.1%	13.1%
Asset Turnover (times)	0.5	0.5	0.5
EBITDA / Interest coverage ratio (times) ^{2/}	2.6	2.5	2.5
Net debt / EBITDA (times) ^{2/}	3.1	3.7	3.5
Per Share Data and Others			
Profit (loss) per share (Baht) ^{3/}	0.18	(0.66)	0.12
Book value per share (Baht)	1.37	1.47	2.23
Share price at year end (Baht)	3.06	1.79	5.80
No. of outstanding shares at year end (million shares)	7,776	4,503	4,503
Market capitalization	23,794	8,061	26,118

^{1/} Cash flow from operations less capital expenditure

^{2/} Excluding liabilities under finance lease

^{3/} After accumulated dividend for preferred shares.

^{4/} Restatement for the year 2007-2008:

- In 2009, FY 2008 consolidated operating expenses relating to convergence package (mainly depreciation and amortization) have been reclassified from SG&A to cost of services.
- In 2009, FY 2008 other income of Bt 43 mn (relating to reversal of provision for obsolete inventory) has been reclassified to be under cost of sales.
- FY 2007 consolidated results have been restated in FY2008 to reflect an impact from accounting policy change on minimum payments of agreements for operation and the change in presentation of financial cost.

11.2 Management's Discussion and Analysis

OVERVIEW

Despite unfavorable macro conditions, the Group performed relatively well and in line with guidance. Service revenue, excluding IC, increased with growth from all three key businesses. Group EBITDA improved on higher revenue, handset sale contribution and significant net Interconnection Charges (IC) reduction while cost control also helped stabilize EBITDA margin. TrueMove results were especially good, driven by strong postpaid and non-voice growth.

True's business is built around delivering the benefits of the convergence of its products, networks and services to consumers. True's convergence strategy progressed further in 2009, boosting subscribers across the Group. The number of households using multiple True products increased 23.3 percent to over 2.3 million. There was strong growth in key bundling packages combining Broadband, pay TV and mobile services with subscribers to the TrueVisions-TrueMove package passing the one million mark during the year.

In 2009, consolidated service revenue, excluding IC, increased 1.3 percent to Baht 52.6 billion with growth from all three key businesses. Higher revenue, significantly lower net IC payments and increased sales of handsets such as iPhone and Blackberry saw EBITDA grow 5.8 percent to Baht 19.6 billion. Meanwhile, cost control also helped stabilize EBITDA margin at 35.3 percent (or 35.0 percent excluding the reversal of previously over-accrued content-related cost at TrueVisions in Q209 of Baht 207 million) compared with 34.9 percent in 2008.

Group net income from ongoing operations (NIOGO) was a Baht 518 million loss, compared with a Baht 105 million profit in 2008 mainly on higher deferred income tax and lower minority interest. Excluding deferred income tax, NIOGO increased by Baht 223 million to Baht 511 million.

Net profit to shareholders of the parent of Baht 1.2 billion in 2009 represented an improvement from a net loss of Baht 2.4 billion in 2008 from the strengthening Thai Baht which resulted in an FX gain of Baht 1.6 billion in 2009.

Free Cash Flow decreased Baht 456 million to Baht 4.2 billion. Capex was Baht 5.3 billion in 2009, a Baht 1.9 billion decline from a year ago. The majority of capex reduction (Baht 1.6 billion) was at TrueMove.

Group deleveraging continued with a total of Baht 6.8 billion repaid (excluding refinancing) in 2009. Long-term debt fell to Baht 67.5 billion, the lowest level since the 1997 Asian Crisis. The net debt-to-EBITDA ratio also declined further to 3.1 times compared with 3.7 times a year ago.

TrueMove's ongoing success in managing IC has played a major role in its recovery since mid 2008, which continued throughout 2009. FY09 service revenue (excluding IC) increased 3.4 percent to Baht 23.6 billion driven by strong postpaid and non-voice revenue growth. In addition, the continued success of on-net promotions led to a Baht 813 million reduction in net IC payment and made a significant contribution to the 27.0 percent rise in EBITDA to Baht 7.2 billion. EBITDA margin (on total revenue, excluding IC) increased to 27.7 percent (from 24.3 percent in FY08).

Non-voice revenue grew 17.0 percent to Baht 3.1 billion from FY08 mainly on mobile Internet growth to account for 13.3 percent of service revenue, excluding IC (from 11.8 percent in FY08). The successful launch of the iPhone 3G and 3G S with over 100,000 units sold during the year also supported non-voice growth. Meanwhile, postpaid revenue increased 17.8 percent with support from convergence and smartphone sales.

TrueMove ended the year with 15.8 million subscribers, an increase of 1 million from 2008 which accounted for almost one third of market net adds. Postpaid subscribers grew 26.3 percent to 1.2 million or 7.8 percent of the total subscriber base from 6.6 percent the year before.

TrueOnline service revenue rose 1.5 percent to Baht 26.4 billion. Broadband revenue rose 11.4 percent to Baht 5.5 billion while new businesses (IDD, Internet & data gateways) and convergence saw 26.6 percent revenue growth from 2008. EBITDA decreased by 3.8 percent to Baht 9.8 billion mainly on cost increases from the expansion of new businesses.

Broadband subscribers grew by 9.2 percent to 690,519 while Wi-Fi subscribers more than doubled in 2009 to 262,554. Our 18,000 hotspot Wi-Fi network is the nation's biggest and helps drive Broadband growth.

TrueVisions service revenue grew 1.1 percent to Baht 9.5 billion on the strength of its mass market strategy and the start of paid advertising. EBITDA decreased 1.7 percent to Baht 2.6 billion. Excluding the reversal of previously over-accrued content cost of Baht 207 million in Q209, EBITDA dropped 9.4 percent on higher content cost, mostly from more local channels and the Premier League (PL).

Mass market success helped drive subscriber numbers 13.2 percent higher for the full year to 1.7 million. Meanwhile, the rate of mass market subscribers upgrading to higher packages (upselling) grew to 38.5 percent. Paying subscribers (premium and standard packages) increased by 128,719 or 16.1 percent, though premium subscribers were impacted by macro conditions causing migration to lower packages.

Paid advertising has been gradually introduced since November 2009. Efforts are made to ensure viewer experience is not impacted and in 2010 we will gradually increase the number of channels carrying advertising including turnaround (or pass-through) channels.

TrueMoney and **TrueLife** continued to play important roles providing digital content and services for True Group and supporting our convergence platform.

In 2009 **TrueMoney** increased the use of TrueMoney Cash Cards to partners outside the True Group and expanded the nationwide network of TrueMoney Express payment counters. E-wallet subscribers recorded 34.2 percent growth to reach 5.7 million at year-end 2009 driven by bundling packages and online games.

TrueLife continued to act as a key content provider to the Group. Online games remained popular. Meanwhile, the e-commerce site weloveshopping.com and the Truelife.com web portal were both revamped to enhance user experience as well as to better meet evolving customer lifestyles and the needs of online communities. The launch of the True App Center in June to train Thai developers in all major mobile operating systems will stimulate content development and drive non-voice growth.

Despite a challenging 2009 True was able to raise Baht 19.6 billion reflecting trust among investors in both bond and equity markets. Major financing activities during the year included a recapitalization plan via rights offering for ten billion shares priced at Baht 1.95 to strengthen the balance sheet. The first tranche was completed in February and was strongly supported by CP Group, True's majority shareholder, raising approximately Baht 6,381 million. This significantly improved the credit profile of True Group.

In April, secured debentures with five years maturity were issued carrying a fixed interest rate of 6.5 percent per annum. The issuance enjoyed a strong public response with subscriptions totaling Baht 6,183 million. Meanwhile, in August, secured debentures with five years and five months maturity were issued carrying a fixed interest rate of 6.7 percent per annum. The debentures were fully-subscribed, raising Baht 7,000 million. The proceeds from the bond issuance were used to refinance existing debt so that the maturity was extended and the repayment schedules were lowered to more comfortable levels.

True increased its shareholding in BITCO/TrueMove to 98.9 percent at YE09 (from 77.2 percent as at YE08) via a capital increase of approximately Baht 2.6 billion in March and the purchase of BITCO shares from CP Group of Baht 3.5 billion in June.

A number of regulatory developments took place. The National Telecommunications Commission (NTC) enacted the Mobile Number Portability (MNP) regulation in August and also made commendable efforts in its attempt to issue 3G licenses on 2.1 GHz although a number of issues must still be overcome.

In early 2009, TrueMove signed a Memorandum of Agreement with CAT. Under the agreement, TrueMove retains right and obligation to use assets transferred to CAT as it was stipulated in the Agreement for Operation for the five years from its expiry. As a result, TrueMove can operate its business over a similar timeframe to other operators. We were also granted permission by CAT to trial-launch 3G services on 850 MHz. The launch will help serve growing demand for mobile Internet and data usage driven by the increasing popularity and affordability of smartphones.

In October, MCOT allowed TrueVisions to begin carrying paid advertising. This will allow TrueVisions to maximize the potential of its mass market strategy. In late 2009 the NTC also issued a regulation which will oblige all pay-TV service providers to operate under a similar regulatory framework to TrueVisions.

Looking forward

We expect the economy to improve in 2010 however business conditions are likely to remain challenging. True will leverage convergence to grow revenues while enhancing profitability through cost control. Further improving our credit profile remains a top priority going forward. We will increase network coverage and capacity as well as improve the quality of service to provide better customer experience. In addition, we will emphasize content development and innovation to support non-voice growth.

Despite the delays to 3G on 2.1 GHz we expect TrueMove to progress further. We will prepare for the commercial launch of 3G services on 850 MHz and further promote smartphone sales to meet growing demand for non-voice services. We will also continue to closely control IC.

For TrueOnline, we expect Broadband to continue growing well. We will expand the high-end Broadband market while remaining price competitive at the low end. We also plan to increase our Broadband and Wi-Fi presence in key provincial markets. Growth in new revenue streams such as the Internet and data gateways and IDD should offset traditional voice declines.

TrueVisions' key strategies are to maintain momentum in the mass market. We will increase revenue from advertising and at the same time enhance viewer experience through increased content and innovation such as High Definition channels. We will also work further to retain customers, especially in the premium segment.

In 2010, TrueMoney will seek to expand service-location coverage and build awareness of the TouchSIM which allows payments and other transactions to be made with the swipe of a mobile phone. Meanwhile, TrueLife will continue to provide digital content and services for the Group including new smartphone applications and online games.

CONSOLIDATED RESULTS OF OPERATIONS

The results of operations are discussed on a normalized basis without non-recurring items, which are disclosed in the normalized consolidated profit and loss statements. See details at Presentation of normalized profit and loss statements.

- Despite unfavorable macro conditions, the Group performed relatively well and in line with guidance. TrueMove results were especially good, driven by strong postpaid and non-voice growth and significant reduction in net IC payment. Growth in Broadband, new businesses and convergence continued to offset traditional voice declines at TrueOnline though EBITDA and EBITDA margin have been pressured by expansion in new businesses. TrueVisions' mass market strategy helped grow revenue and subscribers further while premium and business customers were impacted by the macro situation including slow tourism. Advertising was approved and will be TrueVisions' key growth driver going forward.
- **Service revenue, excluding IC**, increased 1.3 percent from 2008 to Baht 52.6 billion with **TrueMove** posting 3.4 percent growth while **TrueOnline** and **TrueVisions** grew slightly by 1.5 percent and 1.1 percent respectively. Total full year revenue, excluding IC, increased 4.4 percent mainly from sales of smartphones, i.e., iPhone 3G & 3G S and Blackberry.
- **EBITDA** increased 5.8 percent to Baht 19.6 billion with strong growth at TrueMove of 27.0 percent offsetting slight declines at TrueOnline (-3.8 percent) and TrueVisions (-1.7 percent). **Group EBITDA margin** (on total revenue, excluding IC) was relatively stable at 35.3 percent (or 35.0 percent if excluding the reversal of previously over-accrued content-related cost at TrueVisions of Baht 207 million) compared with 34.9 percent in 2008, helped by cost control efforts. Product sales margin also increased to 9.5 percent (from -0.3 percent in 2008) while revenue more than doubled.
- **Consolidated operating expenses** decreased 0.3 percent to Baht 53.7 billion due mainly to declines in IC cost as well as depreciation and amortization expenses, fully offsetting increases in regulatory costs, network operating expenses, SG&A and cost of sales.

- **Network operating expenses, excluding IC**, increased 2.5 percent to Baht 15.6 billion mainly at TrueOnline due to expansion in new businesses such as International Direct Dialing (IDD) service, TrueMoney and convergence bundling packages.
- **SG&A** (cash) increased slightly (by 0.5 percent) to Baht 10.3 billion although cost controls resulted in a 5.3 percent decline in selling expenses compared to a year ago due to increased focus on direct sales instead of mass advertising.
- **Regulatory costs** increased 3.8 percent to Baht 7.4 billion on higher service revenue; **cost of product sales** also increased in line with higher sales revenue.
- **Depreciation and amortization** expenses decreased 2.7 percent to Baht 10.8 billion, due mainly to a reduction in TrueMove depreciation and amortization expense following the signing of a Memorandum of Agreement (MOA) with CAT. This fully offset the increases in depreciation and amortization expenses at TrueOnline.
- **Interest expenses (net)** decreased slightly (by 0.6 percent) to Baht 6.8 billion on loan repayment and lower average interest rates on declining market rates.
- **Income tax** increased Baht 1.0 billion to Baht 1.9 billion, on higher deferred income tax mainly at TrueMove (Baht 426 million) and TrueOnline (Baht 347 million).
- **Net income (loss) from ongoing operations (NIOGO)** was a Baht 518 million loss, compared with a Baht 105 million profit in 2008 mainly on higher deferred income tax (Baht 847 million) and lower minority interest (Baht 1.0 billion), partially being offset by lower depreciation and amortization and interest expenses. The declines in minority interest resulted from lower share of minorities in TrueMove loss following the BITCO/TrueMove share purchase during the year. **Before deferred income tax, NIOGO** was a profit of Baht 511 million, an increase from a profit of Baht 288 million in 2008. (See details at '**Presentation of normalized profit and loss statements**').
- **Net profit to equity holders of the Company** of Baht 1.2 billion in 2009 represented an improvement from a net loss of Baht 2.4 billion in 2008 from the strengthening Thai Baht (Baht 33.5168 per USD at YE09 and Baht 35.0824 per USD at YE08; Baht 36.5609 per Yen 100 at YE09 and Baht 38.9808 per Yen 100 at YE08). This resulted in an FX gain of Baht 1.6 billion in FY09 (an FX loss of Baht 2.6 billion in FY08). At YE09, True had foreign denominated liabilities of USD 1.1 billion and Yen 11 billion. True has extensively hedged against exchange and interest rates on foreign currency loans. (See details of hedging at Note 38 to Financial Statements).
- **Key accounting changes.** TrueMove has extended the depreciation period for the transferred assets to CAT following the signing of the Memorandum of Agreement (MOA) in January 2009 which was immediately legally binding and allows the use of the transferred assets for another five years commencing from the expiry date of the Agreement for Operation in 2013. This has reduced depreciation expenses of TrueMove by Baht 825 million (or net impact of Baht 578 million after deducting increases in deferred income tax) in 2009.
- **Presentation of normalized profit and loss statements.** Starting in 2008 True changed the presentation of its audited profit and loss statements to report **financial cost** (including interest expenses, interest income, foreign exchange gain (loss) and other financial fees) although the normalized profit and loss statements continues to present the

separated amount while the foreign exchange gain (loss) was normalized to be included under non-recurring items. Effective from 2009 True's audited financial statements presented **SG&A** in two separate categories including selling expenses and administrative expenses, in accordance with Ministry of Commerce requirements; although the normalized consolidated profit and loss statements continues to present the combined amount.

- From 2009 onwards, the normalized profit and loss statements present **income tax** in two separate categories including current tax and deferred income tax. **Income (loss) from continuing operations** is also presented with and without deferred income tax. There is high volatility in deferred income taxes on different parts of our businesses under the Group and various non-recurring items affecting deferred income tax of each business.

Consolidated Results of Operations - Normalized Basis

(Unaudited) (Baht in million unless otherwise indicated)	FY 2009	FY 2008	% Change
Revenues			
Revenues from telephone and other services	59,671	60,094	(0.7)
- Interconnection revenue	7,066	8,173	(13.5)
- Revenue from service excluding IC	52,605	51,921	1.3
Revenues from product sales	2,804	1,171	139.4
Total revenues	62,474	61,265	2.0
Operating expenses			
Cost of providing services ^{1/}	39,661	41,229	(3.8)
Regulatory costs	7,408	7,138	3.8
Network operating expenses ^{1/}	22,652	24,199	(6.4)
- Interconnection cost	7,098	9,018	(21.3)
- Network operating expenses excluding IC ^{1/}	15,554	15,181	2.5
Depreciation and amortization - Network ^{1/}	9,600	9,893	(3.0)
Cost of sales ^{2/}	2,538	1,175	116.1
Selling and administrative expenses ^{1/}	11,524	11,477	0.4
Depreciation and amortization ^{1/}	1,230	1,238	(0.7)
Others	10,293	10,239	0.5
Total operating expenses ^{1/ 2/}	53,722	53,881	(0.3)
EBITDA ^{2/}	19,582	18,515	5.8
Depreciation and amortization ^{1/}	(10,830)	(11,131)	(2.7)
Operating profit	8,752	7,384	18.5
Interest income	86	120	(28.2)
Interest expense	(6,880)	(6,953)	(1.1)
Other financial fees	(559)	(488)	14.4
Income tax (expense) revenue	(1,934)	(978)	97.8
Current tax	(905)	(795)	13.8
Deferred income tax	(1,030)	(183)	462.5
Income (loss) from continuing operations	(534)	(915)	41.6
Share of results in associates	(1)	(10)	(92.4)
(Income) loss attributable to minority interest	16	1,030	(98.4)
Net income (loss) from continuing operations including share of results in associates ^{2/} (NIOGO)	(518)	105	NM
Non recurring items	1,746	(2,460)	NM
Gain (loss) on foreign exchange	1,585	(2,607)	NM
Other (expenses) income ^{2/}	161	147	9.6
Net profit (loss) to equity holders of the Company	1,228	(2,355)	NM
Minority interest	(16)	(1,030)	(98.4)
Net profit (loss) for the year	1,211	(3,385)	NM
NIOGO before deferred income tax	511	288	77.6

Note :

^{1/} 2008 consolidated and TrueOnline operating expenses relating to convergence package (mainly depreciation and amortization) have been reclassified from SG&A to cost of services.

^{2/} FY 2008 other income of Baht 43 million (relating to reversal of provision for obsolete inventory) has been reclassified to be under cost of sales thus impacting consolidated and TrueOnline EBITDA and NIOGO with the same amount.

Results by Segment

	TrueMove			TrueOnline			TrueVisions			Eliminations			Consolidated		
	FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change	FY 2009	FY 2008	% Change
(Unaudited) (Baht in million unless otherwise indicated)															
Revenues															
Revenues from telephone and other services	30,641	30,969	(1.1)	26,387	25,989	1.5	9,533	9,431	1.1	(6,890)	(6,295)	59,671	60,094	(0.7)	
- Interconnection revenue	7,066	8,173	(13.5)	-	-	NM	-	-	NM	(6,890)	(6,890)	7,066	8,173	(13.5)	
- Revenue from service excluding IC	23,575	22,796	3.4	26,387	25,989	1.5	9,533	9,431	1.1	(6,890)	(6,295)	52,605	51,921	1.3	
Revenues from product sales	2,532	608	316.6	540	740	(27.1)	191	796	(76.0)	(460)	(973)	2,804	1,171	139.4	
Total revenues	33,173	31,577	5.1	26,927	26,729	0.7	9,725	10,227	(4.9)	(7,350)	(7,268)	62,474	61,265	2.0	
Operating expenses															
Cost of services ^{1/}	21,513	24,330	(11.6)	16,712	15,302	9.2	6,615	6,584	0.5	(5,178)	(4,987)	39,661	41,229	(3.8)	
Regulatory costs	4,970	4,831	2.9	1,899	1,814	4.7	536	495	8.3	3	(3)	7,408	7,138	3.8	
Network operating expenses ^{1/}	12,918	14,898	(13.3)	9,499	8,854	7.3	5,201	5,257	(1.1)	(4,966)	(4,811)	22,652	24,199	(6.4)	
- Interconnection cost	7,098	9,018	(21.3)	-	-	NM	-	-	NM	(4,966)	(4,811)	7,098	9,018	(21.3)	
- Network operating expenses excluding IC ^{1/}	5,820	5,880	(1.0)	9,499	8,854	7.3	5,201	5,257	(1.1)	(4,966)	(4,811)	15,554	15,181	2.5	
Depreciation and amortization - Network ^{1/}	3,624	4,601	(21.2)	5,313	4,633	14.7	878	831	5.6	(215)	(173)	9,600	9,893	(3.0)	
Cost of sales ^{2/}	2,249	569	295.5	459	711	(35.5)	152	654	(76.8)	(322)	(759)	2,538	1,175	116.1	
Selling and administrative expenses ^{1/}	6,290	6,077	3.5	5,737	5,643	1.7	1,329	1,282	3.7	(1,832)	(1,525)	11,524	11,477	0.4	
Depreciation and amortization ^{1/}	481	489	(1.7)	471	487	(3.4)	116	128	(9.6)	163	134	1,230	1,238	(0.7)	
Others	5,809	5,588	3.9	5,266	5,155	2.1	1,214	1,154	5.2	(1,955)	(1,659)	10,293	10,239	0.5	
Total operating expenses ^{1/ 2/}	30,082	30,977	(3.0)	22,907	21,655	5.8	8,096	8,520	(5.0)	(7,332)	(7,271)	53,722	53,881	(0.3)	
EBITDA															
Depreciation and amortization ^{1/}	7,226	5,691	27.0	9,804	10,195	(3.8)	2,622	2,666	(1.7)	(69)	(36)	19,582	18,515	5.8	
	(4,105)	(5,090)	(19.4)	(5,784)	(5,121)	12.9	(994)	(959)	3.6	52	39	(10,830)	(11,131)	(2.7)	
Operating profit	3,121	601	419.6	4,020	5,074	(20.8)	1,628	1,707	(4.6)	(18)	(18)	8,752	7,384	18.5	
Interest income	35	67	(48.1)	51	51	(0.6)	220	257	(14.4)	(219)	(255)	86	120	(28.2)	
Interest expense	(3,633)	(3,403)	6.7	(3,143)	(3,435)	(8.5)	(323)	(370)	(12.7)	219	255	(6,880)	(6,953)	(1.1)	
Other financial fees	(147)	(148)	(0.6)	(403)	(333)	21.4	(7)	(7)	0.0	-	-	(559)	(488)	14.4	
Income tax (expense) revenue	(787)	(361)	118.1	(553)	(133)	314.8	(534)	(424)	26.0	(60)	(60)	(1,934)	(978)	97.8	
Current tax	-	(0)	(100.0)	(408)	(335)	21.7	(497)	(460)	8.1	-	-	(905)	(795)	13.8	
Deferred income tax	(787)	(361)	118.1	(146)	(146)	NM	(37)	(37)	NM	(60)	(60)	(1,030)	(783)	462.5	
Income (loss) from continuing operations	(1,411)	(3,244)	56.5	(30)	1,224	NM	984	1,163	(15.4)	(77)	(57)	(534)	(915)	41.6	
Share of results in associates	-	-	NM	1	(13)	NM	(2)	3	NM	-	-	(1)	(10)	(92.4)	
(Income) loss attributable to minority interest	0	0	20.0	(72)	(9)	(674.5)	0	0	53.2	89	1,039	16	1,030	(98.4)	
Net income (loss) from continuing operations including share of results in associates ^{2/} (NIOGO)	(1,411)	(3,244)	56.5	(101)	1,201	NM	983	1,166	(15.7)	11	982	(518)	105	NM	
Non recurring items															
Gain (loss) on foreign exchange	945	(881)	NM	2,221	1,375	61.5	111	(308)	NM	(1,531)	(2,647)	1,746	(2,460)	NM	
Other (expenses) income ^{2/}	930	(1,071)	NM	448	(1,251)	NM	207	(285)	NM	-	-	1,585	(2,607)	NM	
Net profit (loss) to equity holders of the Company	15	190	(92.2)	1,773	2,626	(32.5)	(96)	(23)	(328.1)	(1,531)	(2,647)	161	147	9.6	
Minority interest	(466)	(4,125)	88.7	2,120	2,577	(17.7)	1,094	858	27.4	(1,520)	(1,665)	1,228	(2,355)	NM	
	(0)	(0)	20.0	72	9	674.5	(0)	(0)	53.2	(89)	(1,039)	(16)	(1,030)	(98.4)	
Net profit (loss) for the year	(466)	(4,125)	88.7	2,192	2,586	(15.3)	1,094	858	27.4	(1,608)	(2,704)	1,211	(3,385)	NM	
NIOGO before deferred income tax	(624)	(2,883)	78.4	45	1,000	(95.5)	1,020	1,130	(9.7)	71	1,042	511	288	77.6	
EBITDA margin (Gross IC basis)	21.8%	18.0%	36.4%	36.4%	38.1%	38.1%	27.0%	26.1%	31.3%	30.2%	31.3%	31.3%	30.2%		
EBITDA margin (net IC basis)	27.7%	24.3%	36.4%	36.4%	38.1%	38.1%	27.0%	26.1%	35.3%	34.9%	35.3%	35.3%	34.9%		

Note :

^{1/} 2008 consolidated and TrueOnline operating expenses relating to convergence package (mainly depreciation and amortization) have been reclassified from SG&A to cost of services.

^{2/} FY 2008 other income of Baht 43 million (relating to reversal of provision for obsolete inventory) has been reclassified to be under cost of sales thus impacting consolidated and TrueOnline EBITDA and NIOGO with the same amount.

Normalized Revenue Profile

(Unaudited) (Baht in million unless otherwise indicated)	Consolidated Revenues (Before Intersegment Eliminations)				
	FY 2009		FY 2008		% Change
	Revenue	% of revenue after eliminations	Revenue	% of revenue after eliminations	
TrueVisions	9,725		10,227		(4.9)
- Service revenue	9,533		9,431		1.1
- Product sales	191		796		(76.0)
Intersegment elimination	(346)		(832)		(58.3)
TrueVisions after elimination	9,378	15.0%	9,396	15.3%	(0.2)
TrueMove	33,173		31,577		5.1
- Service revenue	30,641		30,969		(1.1)
- Product sales	2,532		608		316.6
Intersegment elimination	(1,861)		(1,353)		37.5
TrueMove after elimination	31,312	50.1%	30,224	49.3%	3.6
TrueOnline	26,927		26,729		0.7
- Internet, Broadband and Business data services & Multimedia	10,397		9,944		4.6
- Business data service & Multimedia	3,493		3,660		(4.6)
- Business data service	2,600		2,763		(5.9)
- Multimedia	893		897		(0.5)
- Internet & Broadband	6,904		6,283		9.9
- Broadband	5,495		4,932		11.4
- Dial up Internet & others ^{1/}	1,409		1,352		4.3
- New revenue stream, Convergence & others	7,426		5,866		26.6
- New revenue stream	1,024		720		42.3
- International call	704		568		23.9
- Others (VOIP and Internet gateway)	320		151		111.5
- Convergence & others	6,402		5,147		24.4
- Traditional voice	8,564		10,179		(15.9)
- Fixed line (excl. IDD & VOIP)	7,703		8,936		(13.8)
- Public phone	493		650		(24.2)
- PCT	369		593		(37.8)
TrueOnline service revenue	26,387		25,989		1.5
TrueOnline product sales	540		740		(27.1)
Intersegment elimination	(5,143)		(5,083)		1.2
TrueOnline after elimination	21,784	34.9%	21,646	35.3%	0.6
Normalized consolidated revenues	69,824		68,533		1.9
Total intersegment elimination	(7,350)		(7,268)		1.1
Normalized consolidated revenues - net	62,474	100.0%	61,265	100.0%	2.0

Note : ^{1/} Including revenue from on-line games

SEGMENT RESULTS

TrueMove

- Ongoing success in managing IC played a major role in TrueMove's recovery since mid 2008, which continued throughout 2009. Service revenue, EBITDA and EBITDA margin all increased driven by strong postpaid and non-voice growth with support from convergence and smartphone popularity. These supported our decision to launch the iPhone in early 2009.
- **FY09 service revenue**, excluding IC, increased 3.4 percent, from strong postpaid gains. These drove up both voice (2.4 percent) and non-voice (17.0 percent) and fully offset a 24.5 percent drop in International Roaming revenue mainly on lower tourism. TrueMove outperformed the industry (which saw revenue decline of 0.6 percent) taking its share in revenue to 15.0 percent, from 14.4 percent in FY08.
- **EBITDA** increased 27.0 percent to Baht 7.2 billion on revenue growth, net IC reduction and higher handset sales contribution (sales increased more than 300 percent to Baht 2.5 billion with margin up to 11.2 percent from 6.4 percent in 2008). **EBITDA margin** (on total revenue, excluding IC) increased to 27.7 percent (from 24.3 percent in FY08).
- **Total net IC payment** was Baht 32 million in FY09, a significant reduction of Baht 813 million from Baht 845 million in FY08 on continued success of on-net promotions.
- **TrueMove net subscriber additions** were 1,044,330, about one-third of total market net adds. This, however, decreased from 1.7 million net adds in 2008 on the market reaching maturity. TrueMove's subscriber base grew to 15.8 million with market share increasing slightly to 24.6 percent (from 24.3 percent at YE08). **Blended ARPU** fell 11.0 percent to Baht 115 (vs. a 32 percent decline in 2008) but strengthened since mid 2009 (Baht 116 in Q4; Baht 115 in Q3) due to stable market competition and greater postpaid contribution.
- **Postpaid** subscribers grew 26.3 percent to 1.2 million or 7.8 percent of the total sub base (6.6 percent in 2008). Share in postpaid net adds was exceptionally strong at 67 percent increasing postpaid market share to 19.1 percent (16.0 percent in 2008). Postpaid revenue increased 17.8 percent on convergence and smartphone sales.
- **Non-voice** revenue grew 17.0 percent to Baht 3.1 billion from FY08 mainly on mobile Internet growth to account for 13.3 percent of service revenue, excluding IC (11.8 percent in FY08). In Q4 flexible data charging was introduced allowing a greater range of pricing options.
- **Total operating expenses** fell 3.0 percent to Baht 30.1 billion mainly from lower IC cost and depreciation and amortization expenses. Core opex (cash network operating expenses and SG&A) rose by 1.4 percent, mainly from general administrative cost. Selling expenses decreased 5.8 percent on cost controls.
- **Depreciation and amortization** fell 19.4 percent to Baht 4.1 billion on the extension in the depreciation period for network equipment transferred to CAT following the signing of an MOA in January 2009.

- **Interest expenses (net)** rose by 7.8 percent to Baht 3.6 billion. **Income tax** increased to Baht 787 million mainly from higher deferred income tax after the extension of depreciation years of transferred assets at the start of 2009, following the signing of the MOA.
- **NIOGO** was a loss of Baht 1.4 billion (Baht 3.2 billion loss in 2008) mainly on improved EBITDA and lower depreciation and amortization, offsetting higher interest expense and deferred income tax. Before deferred income tax, FY09 NIOGO was a Baht 624 million loss (Baht 2.9 billion loss in 2008).
- During 2009, True increased its **shareholding** in BITCO/TrueMove to 98.9 percent (from 77.2 percent as at year end 2008) via a capital increase of approximately Baht 2.6 billion in March 2009 and the purchase of BITCO shares from CP Group of Baht 3.5 billion in June 2009.

TrueOnline

- Growth in Broadband, new businesses and convergence continued to offset traditional voice declines (fixed-line and VAS, public phone, PCT). Despite the tough economy and intense competition, Broadband continued to grow strongly at a double-digit rate while maintaining leadership through market leading packages. These drove ARPU to the highest level in the market.
- **FY09 service revenue** rose 1.5 percent to Baht 26.4 billion as growth in Broadband (11.4 percent), new businesses and convergence (26.6 percent) offset traditional voice declines. Growth was slower at 1.5 percent in 2009 (6.0 percent in 2008) from faster traditional voice declines (15.9 percent in 2009; 11.1 percent in 2008).
- **EBITDA** decreased by 3.8 percent to Baht 9.8 billion and **EBITDA margin** declined to 36.4 percent (38.1 percent in FY08) on cost increases mainly from expansion of new businesses which produce relatively low margin in the initial phase.
- **Total operating expenses** increased 5.8 percent to Baht 22.9 billion due mainly to higher depreciation and amortization and network operating expenses, mainly relating to the expansion of new businesses and convergence.
- **Depreciation and amortization expenses** increased Baht 663 million (to Baht 5.8 billion) mainly from Broadband, car leasing and convergence offerings.
- **Interest expenses (net)** were lower at Baht 3.1 billion (from Baht 3.4 billion in 2008) due mainly to principal repayment. **Income tax** was Baht 420 million higher than a year ago at Baht 553 million in 2009 on the reversal of deferred income tax liabilities relating to negative goodwill in Q408 of Baht 786 million.
- **NIOGO** was a loss of Baht 101 million, compared with a profit of Baht 1.2 billion in 2008 mainly on higher depreciation and amortization expenses and higher deferred income tax. Before deferred income tax, NIOGO was a profit of Baht 45 million compared with a profit of Baht 1.0 billion in 2008.
- **Net profit** of Baht 2.1 billion included dividend income received from a subsidiary of Baht 1.5 billion in 2009. FY08 was a profit of Baht 2.6 billion, including Baht 2.6 billion dividend income.

- **Traditional voice revenues** fell 15.9 percent in 2009 to Baht 8.6 billion, with declines at fixed line (13.8 percent), PCT (37.8 percent) and public phones (24.2 percent). **Fixed line** subscribers fell 44,197 in 2009 to 1.86 million while ARPU declined 8.7 percent to Baht 303. **PCT** subscribers fell by 27.9 percent to 197,216 with ARPU down 10.2 percent to Baht 153. **Public phone** revenue per phone declined 26.0 percent to Baht 1,081.
- **Broadband** revenue rose 11.4 percent to Baht 5.5 billion with 9.2 percent subscriber growth. ARPU grew 1.7 percent on increasing high-bandwidth subscribers. Net adds were 58,058 (84,176 in FY08) taking the sub base to 690,519. A new campaign "**New Hi-Speed Internet Plus free 40 TV channels from TrueLife**" in Q4 offered up to 16 Mbps, the fastest speed in the market, generating very strong Q4 net adds of 25,834.
- **Wi-Fi** subscribers more than doubled in 2009 to 262,554. Our 18,000 hotspot Wi-Fi network is the nation's biggest and helps drive Broadband growth for the Group.
- **Business data service** revenue fell 5.9 percent to Baht 2.6 billion. Circuit additions declined to 2,199 (from 3,765 in 2008), bringing total circuits in service to 19,940. Average revenue per circuit decreased 11.3 percent to Baht 8,696 on transition to IP technology.
- **New businesses** (IDD, Internet & data gateways) and convergence saw strong revenue growth of 26.6 percent from 2008. True IDD revenue rose 23.9 percent to Baht 704 million and market share increased from competitive pricing. Approximately 86 percent of TrueMove IDD traffic used True's IDD (006 prefix) service in 2009, up from 60 percent a year ago. The data gateway business made a stronger contribution in 2009 following the award of a license by the NTC in October 2008.

TrueVisions

- TrueVisions performed relatively well in 2009 given the challenging macro environment, which led to downward migration and churn in the premium segment, while slow tourism hit our business customers in the hotel and serviced-apartment industry. The mass market strategy helped grow revenue and subscribers further. Paid advertising has also been gradually introduced since November with the advertising revenue target for 2010 revised up to Baht 700 million to Baht 1 billion on positive feedback since the launch.
- **FY09 service revenue** increased 1.1 percent to Baht 9.5 billion mainly with 1.5 percent growth in subscription and installation revenue and contribution from advertising offsetting declines in revenue from music entertainment due mainly to lower contribution from concerts.
- **EBITDA** decreased 1.7 percent to Baht 2.6 billion mainly from lower decoder sales contribution. EBITDA margin increased to 27.0 percent (26.1 percent in 2008). Excluding the reversal of previously over-accrued content cost of Baht 207 million, 2009 EBITDA dropped 9.4 percent and EBITDA margin decreased to 24.8 percent on higher content cost, mostly from more local channels and the Premier League. A focus on cost control led to a 14.6 percent drop in selling expenses.
- **Total operating expenses** fell 5.0 percent to Baht 8.1 billion with lower decoder sales and an impact from the content cost reversal. Excluding this, core opex (cash network operating expenses and SG&A) increased 3.2 percent, mainly on content cost and cost of more local channels.

- **Depreciation and amortization** expenses rose 3.6 percent to Baht 994 million from investment in equipment to accommodate more channels.
- **Interest expenses (net)** decreased 9.0 percent to Baht 103 million due mainly to loan repayment. **Income tax** increased to Baht 534 million on higher profitability generated by subsidiaries and higher deferred income tax.
- **Net Income from Ongoing Operations (NIOGO)** decreased 15.7 percent to Baht 983 million on higher depreciation and income tax expenses. Excluding deferred income tax, NIOGO decreased to Baht 1.0 billion.
- **Net profit to shareholders of the parent** increased to Baht 1.1 billion (from Baht 858 million in 2008) mainly on higher FX gain.
- The **mass market strategy** continued to support subscriber growth, subscriber numbers rising 13.2 percent to 1,663,407 by YE09. Subscribers of bundled packages with TrueMove increased 196,355 or 24 percent to over 1.0 million while the upselling rate increased further to 38.5 percent (from 30.4 percent a year ago). 2H09 mass market growth slowed due to the introduction of an upfront fee to capture quality subscribers.
- Paying subscribers (premium and standard packages) increased by 128,719 or 16.1 percent, though premium subscribers were impacted by macro conditions causing migration to lower packages.
- **Advertising.** Paid advertising has been gradually introduced since November 2009. Efforts are made to ensure viewer experience is not impacted and in 2010 we will gradually increase the number of channels carrying advertising including turnaround channels.

TrueMoney & TrueLife

- **TrueMoney** and **TrueLife** continued to play important roles providing digital content and services for True Group and supporting our convergence platform.
- In 2009 TrueMoney increased the use of TrueMoney Cash Cards to partners outside the True Group and expanded the nationwide network of TrueMoney Express payment counters. E-wallet subscribers recorded 34.2 percent growth to reach 5.7 million at year-end 2009 driven by bundling packages and online games.
- TrueLife's online games continued to do well. Special Force remained popular with new games such as Point Blank and FIFA Online gaining momentum. The launch of the True App Center in June to train Thai developers in all major mobile operating systems will stimulate content development and drive non-voice growth.

Consolidated Balance Sheets and Cash Flows

(Unaudited) (Baht in million unless otherwise indicated)	FY 2009	FY 2008	% Change
Balance Sheets			
Cash and cash equivalents including restricted cash	6,264	5,757	8.8
Trade accounts receivable, net	8,347	7,992	4.4
<i>Total current assets</i>	<i>20,557</i>	<i>20,333</i>	<i>1.1</i>
Investments in subsidiaries, joint ventures and associates	50	54	(7.3)
Property, plant and equipment, net	68,693	71,380	(3.8)
Intangible assets, net	5,340	3,557	50.2
<i>Total non-current assets</i>	<i>95,864</i>	<i>97,691</i>	<i>(1.9)</i>
Total assets	116,421	118,024	(1.4)
Trade accounts payable	7,126	7,965	(10.5)
Other current liabilities	3,377	2,685	25.8
Current portion of long-term borrowings	7,677	9,871	(22.2)
<i>Total current liabilities</i>	<i>31,422</i>	<i>33,265</i>	<i>(5.5)</i>
Long term borrowings	65,422	70,646	(7.4)
Liabilities under agreements for operation	4,482	2,504	79.0
<i>Total non-current liabilities</i>	<i>74,356</i>	<i>78,139</i>	<i>(4.8)</i>
Total liabilities	105,779	111,404	(5.0)
Total shareholder's equity	10,642	6,620	60.8
Cash Flows			
Cash flows from operating activities	9,444	11,894	(20.6)
Cash flows from investing activities	(7,578)	(7,501)	1.0
- Capex	(5,289)	(7,283)	(27.4)
Cash flows from financing activities	(1,306)	(5,055)	(74.2)
Net (decrease) increase in cash and cash equivalents	559	(663)	NM
Beginning cash balance and effects of exchange rate changes	4,357	5,019	(13.2)
Ending cash balance	4,916	4,357	12.8
Free cash flows ^{1/}	4,155	4,611	(9.9)

Note : ^{1/} Free cash flows is defined as cash flows from operating activities minus Capex.

FINANCIAL POSITION

Assets

- **True's consolidated assets** amounted to Baht 116.4 billion as of December 2009, a decrease of 1.4 percent (Baht 1.6 billion) on year-end 2008, due mainly to decreases in Property, Plant and Equipment (PPE) (net).
- **Cash and restricted cash** totaled Baht 6.3 billion, an increase from Baht 5.8 billion at year-end 2008.

- **Trade account receivables (net)** increased 4.4 percent to Baht 8.3 billion from the increases in revenue and postpaid subscribers at TrueMove as well as the impact from macro conditions.
- **Property, Plant and Equipment (PPE), net**, decreased Baht 2.7 billion to Baht 68.7 billion due mainly to depreciation and amortization expenses of Baht 9.9 billion outpacing new investment. During the year, the Group recognized impairment charges of Baht 68 million mainly on pay TV equipment.

Liabilities

- **True's consolidated liabilities** decreased Baht 5.6 billion to Baht 105.8 billion at year-end 2009 due mainly to decreases in long-term borrowing with Baht 6.8 billion debt repayment during the year.
- **Trade accounts payable** decreased Baht 838 million to Baht 7.1 billion due mainly to the settlement of accounts payable in the previous year.
- **Other current liabilities** increased Baht 692 million mainly relating to deposits from dealers for cash card sales.
- **Long-term borrowings (including current portions)** decreased by Baht 7.4 billion to Baht 73.0 billion (including Baht 6.5 billion in finance leases) due mainly to long-term loan repayment.
- **Liabilities under agreements for operations** increased Baht 2.0 billion to Baht 4.5 billion mainly due to the recognition of TrueMove's 'Liabilities under agreement for operations' as a contra account of 'Right to operate' in the amount of Baht 2.3 billion as an estimated cost of obtaining rights following the signing of an MOA with CAT to use the transferred assets for five years after TrueMove's contract ends in the year 2013.
- In February 2010, True's Board of Directors approved the proposed plan to issue debentures of not more than Baht 30 billion to refinance existing debt and/or to finance working capital and business expansion. The bond issue, pending approval of shareholders in April 2010, will provide flexibility in funding options for the Company in the future.
- The Company has complied with the financial covenants imposed by bondholders as indicated in the table below. If we are unable to comply with the financial covenants, we will be required to seek a waiver and consent from the bondholders. If True Corp, as an issuer, is unable to obtain the waiver and consent and an event of default occurs, the bondholders would be able to redeem all outstanding bonds, provided that there is an instruction from majority voting of the secured lenders' group of True Corp and relevant conditions under True Corp's finance documents have been met.

The following table presents covenants for True Corporation's outstanding local debentures (TRUE117A, TRUE144A, and TRUE151A).

Debentures	Covenant ratios (Maintenance Basis)	Actual ratios (as of Dec 31, 2009) *
TRUE117A	Interest coverage ≥ 1.2	1.33
	Net debt to EBITDA ≤ 5	3.40
TRUE144A	Net debt to EBITDA ≤ 5	3.40
TRUE151A	Net debt to EBITDA ≤ 5	3.40

Note: * Based on audited financial statements of True and preliminary financial statements of 6 affiliate guarantors

Net debt is defined as the principal amount of total interest bearing debt, excluding suppliers credit (deferred payment notes) minus cash, restricted cash and short-term investments.

EBITDA is defined as the sum of the following for any period: 1) net profit (loss); 2) less foreign exchange gains (losses) and gain on disposals of property, plant and equipment and any other non-cash income (if any); 3) plus depreciation and amortization, provisions for doubtful account, interest expenses (including financial fees), any other non-cash expenses (if any), and taxes.

The ratios are based on True, parent company, and 6 affiliate guarantors including True Leasing Co., Ltd. (TLS), Asia Wireless Communication Co., Ltd. (AWC), True Internet Co., Ltd. (TI), True Internet Gateway Co., Ltd. (TIG), True Public Communication Co., Ltd. (TPC) and True Universal Convergence Co., Ltd. (TUC).

Shareholders' equity

- **Shareholders' equity** increased by Baht 4.0 billion to Baht 10.6 billion from a rights offering of Baht 6.4 billion and net profit for the year (Baht 1.2 billion), being offset by investment in BITCO/TrueMove of Baht 3.5 billion.

Liquidity and capital resources

- **True's primary capital resources for the year 2009** were cash flows from operations, a rights offering, short-term borrowing and cash and cash equivalent carried forward from 2008.
- **Consolidated net cash flows from operations** decreased by Baht 2.5 billion to Baht 9.4 billion due mainly to a higher working capital requirement on increases in trade account receivables.
- **Consolidated net cash flows from investing activities.** Cash used in investing activities increased by Baht 207 billion to Baht 7.7 billion due mainly to the purchase of BITCO shares from CP Group in the amount of Baht 3.5 billion which took True's indirect ownership in BITCO/TrueMove to 98.9 percent. This was partially offset by declines in capex.

- **Cash capex** was Baht 5.3 billion in FY09 including Baht 2.6 billion for TrueMove, Baht 2.6 billion for TrueOnline and Baht 232 million for TrueVisions. This represented a Baht 2.0 billion decline from FY08, of which Baht 1.6 billion was at TrueMove.
- **Free Cash Flow** (cash flows from operations minus capex) decreased Baht 456 million to Baht 4.2 billion due mainly to lower cash flows from operations on higher accounts receivable, being partially offset by lower capex. FCF at TrueMove turned to a positive of Baht 126 million on lower capex.

Cash flow from financing activities. Net cash used in financing activities was Baht 1.3 billion. This included Baht 8.1 billion in long-term borrowings repayment (including Baht 1.3 billion for lease financing), partially being offset by cash flows from a rights offering of Baht 6.4 billion.

Conclusion

True remains committed to de-leveraging. Compared to a year ago, True Group's financial position improved further with consolidated debt falling to Baht 67.5 billion (excluding finance leases), the lowest level since the Asian Crisis in 1997. The net-debt-to-EBITDA ratio significantly improved to 3.1 times (from 3.7 times in 2008), excluding finance leases, as the debt balance continued to decline while EBITDA improved over a year ago. True's consolidated EBITDA to interest coverage also improved to 2.6 times from 2.5 times.

In addition, our credit profile improved significantly from the rights offering at the start of the year. Further improving our credit profile remains a top priority going forward.

FUTURE PROJECTS

In 2010, True Group and its subsidiaries plan to invest around Baht 7 billion to expand its businesses, mainly mobile and Broadband, and to strengthen the convergence platform. The major investments are:

TrueMove

TrueMove plans to spend around Baht 3 to 4 billion in 2010 to expand its network coverage and capacity to accommodate rising demand especially for mobile Internet services. We expect this amount of CAPEX (approximately Baht 3 to 4 billion per year for three years) to cover required investment in existing GSM (2G) networks and in developing HSPA (3G) service on 850 MHz frequencies.

TrueVisions

TrueVisions plans to invest in equipment to support market expansion and new content including two high-definition (HD) channels and at least six other local channels. It also plans to allocate some budget to replace or upgrade set-top boxes to mitigate piracy. TrueVisions' total investment for 2010 is expected to be around Baht 500 million.

TrueOnline

In 2010, we expect to spend around Baht 3 to 4 billion on TrueOnline as well as on product bundling. Most of the investment will involve the expansion of our Broadband network to increase capacity in the BMA and expand further in key provincial areas.

11.3 Auditor

The auditors appointed by the Board of Directors to be the Company’s auditor in order to perform the audit of the Company and consolidated financial statements during the past three years were as follows:

Financial Statement for the year ended	The Company’s auditors	Auditor’s Name	Certified Public Account (Thailand) ID.
31 December 2009	PricewaterhouseCoopers ABAS Limited	Mr. Pisit Thangtanagul	4095
31 December 2008	PricewaterhouseCoopers ABAS Limited	Mr. Pisit Thangtanagul	4095
31 December 2007	PricewaterhouseCoopers ABAS Limited	Ms. Nattaporn Phan-Udom	3430

According to the three (3) years’ Reports of Certified Public Accountant (2007-2009), the Company’s auditors had expressed his/her unqualified opinions on the financial statement.

PricewaterhouseCoopers ABAS Limited and auditors have no any relationship or interests with the Company, subsidiaries, management, major shareholders including their related persons, which would affect to the independence of their performing.

11.4 Audit fees

1. Audit fees

The audit fees and related expenses occurred during the year 2009 was Baht 25.09 million. The Company and subsidiaries paid during the year amount of Baht 14.99 million to the appointed auditing firm. The remaining fees of Baht 10.10 million will be paid in the following year.

2. Other non-audit fees

During the year 2009, the appointed auditing firm provided other non-audit services, i.e. agree-upon procedures, tax consulting service and other to the Company and subsidiaries. The fees were Baht 5.32 million of which Baht 1.68 million was paid during the year. The remaining of Baht 3.64 million will be paid in the following year.

12. OTHER RELATED INFORMATION

The Board of Directors Meeting of True Corporation Public Company Limited (the "Company") No.1/2553 held on 24th February 2010 has passed the following important resolutions:

1. Concurred with the Compensation and Nominating Committee's recommendation and resolved as follows:
 - appointed Mr. Rawat Chamchalerm as an "Independent Director" of the Company in replacement of an existing Director, Mr. Sumet Jiaravanon, including acknowledged the resignation of Mr. Sumet Jiaravanon from being a Director of the Company
 - appointed Mr. Harald Link, an existing Director, to be an "Independent Director" of the Company (changed the position from Director to be Independent Director)

The resolutions were effective from 1st March 2010 onwards.

The aforesaid persons are qualified according to the regulation of the Capital Market Supervisory Board and the Policy on Corporate Governance of the Company. As a result of these appointment, the proportion of Independent Directors of the Company now account for one-third of the total Board size.

2. Concurred with the Finance Committee's recommendation that the issuance and offering of debentures as per the following details should be proposed to the Annual General Meeting of the Shareholders for the Year 2010 for approval.

Type : All types of debentures, specify or not specify the name of debentureholder, secured or unsecured, with trustee or without trustee, subject to market condition when the debentures are issued

Amount : Total issue amount (per par value) in each time of offering including the outstanding balance of Company's debentures (per par value) which have not been redeemed at that time shall be not more than Baht 30,000 million or equivalent amount in any other currencies

Currency : Baht or any other currencies

Interest : Subject to market condition when issued

Tenor : Not more than 20 years, with or without call/put option

Offering : The debentures can be offered in Thailand and/or foreign market to public and/or through private placement for large investors and/or local or foreign institutional investors. The debentures may be offered at once or divided into a series of allotments

Purpose : To refinance existing debt and/or to finance working capital and business expansion

3. Concurred with the Finance Committee's recommendation that the sale of investment in True International Communication Co., Ltd. shares in the amount of 849,994 shares at the price of Baht 71.50 per share totaling of Baht 60,774,571 to True Move Co., Ltd., the Company's subsidiary, in which the Company's group holds 98.83% of its total issued shares in order to restructure the Company's group investment, should be proposed to the Annual General Meeting of the Shareholders for the Year 2010 for approval.

According to Section 107 (2) (a) of the Public Limited Companies Act B.E. 2535, the aforesaid transaction is required the approval from the shareholders meeting.

(Translation of the Acknowledgement Letter in Report 56-1)

**PART II
ACKNOWLEDGEMENT OF THE CORRECTNESS OF THE INFORMATION**

Acknowledgement of the correctness of the information by the Authorized Directors, with the Company’s seal affixed

“The Company has reviewed the information in this Annual Registration Statements with caution and hereby certify that the said information is accurate, complete, not untrue, misleading or missing such material information that otherwise should inform. In addition, the Company also certify that:

- (1) The financial statements and financial information as summarized in the Annual Registration Statements are complete and accurate and represent material information regarding financial position, operating results and cash flow of the Company and its subsidiaries;
- (2) The Company responsible for arranging for the Company to have a good information disclosure system to ensure that the Company has disclosed material information of both the Company and its subsidiaries in a complete and accurate manner and for ensuring compliance with the said system;
- (3) The Company responsible for arranging for the Company to have a good internal controls system and for ensuring compliance with the said system, and the Company have already informed the auditor and the Audit Committee of the Company the information with respect to the evaluation of the internal controls system as of 22nd February 2010 which covers such defects and major changes of the internal controls system, including wrongful acts that may affect the preparation of financial reports of the Company and its subsidiaries.

To witness that all documents that the Company certified are those same set of documents, the Company authorized Mr. Noppadol Dej-Udom, Mr. Thanit Vinijsorn and Mrs. Ranginee Sujaritsunchai to initial every page of those documents. In case any of those documents does not have the initial signature of Mr. Noppadol Dej-Udom, Mr. Thanit Vinijsorn and Mrs. Ranginee Sujaritsunchai, it will be deemed that the Company does not certified the information contained in such documents.”

Name	Title	Signature
1. Mr. Athueck Asvanund	Vice Chairman and Group General Counsel
2. Mr. Vichaow Rakphongphairoj	Director, Managing Director and Group Chief Operating Officer Network & Technology

Authorized Person

Mr. Noppadol Dej-Udom	Group Chief Financial Officer
Mr. Thanit Vinijsorn	Group Controller
Mrs. Ranginee Sujaritsunchai	Company Secretary

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Dr. Kosol Petchsuwan	Independent Director and Member of the Audit Committee	70	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Doctor of Philosophy (Engineering), Imperial College London Bachelor of Engineering, Imperial College London Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) - Director Certification Program (DCP) - Audit Committee Program (ACP) - Chairman 2000	Companies Listed on the Stock Exchange of Thailand 1999-Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited 2004-Present Independent Director and Chairman of the Audit Committee, ACL Bank Public Company Limited Non-listed Companies 2001-2009 Director, Mahidol Wittayanusorn School (Public Organization) 2001-2005 President, The Telecommunications Association of Thailand under Royal Patronage 2000-2001 Chairman, The Aeronautical Radio of Thailand Limited 1986-1992 Rector, King Mongkut's Institute of Technology Ladkrabang
Mr. Joti Bhokavanij	Independent Director and Member of the Audit Committee	67	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Fellow of the Association of Chartered Certified Accountants, England Programme for Management Development, Harvard Business School, USA Marketing Management Programme, Stanford University, Graduate School of Business, USA Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP)	Companies Listed on the Stock Exchange of Thailand 1999-Present Independent Director and Member of the Audit Committee, True Corporation Public Company Limited 2004-2006 Chief Executive Officer, ACL Bank Public Company Limited 2000-2001 Executive Chairman, TISCO Finance Public Company Limited 1994-1997 President & CEO, Thai Wah Group of Companies 1992-1994 Managing Director and Consul-General of Denmark for Bangkok The East Asiatic (Thailand) Public Company Limited Non-listed Companies 2002-Present Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Present Director, Kingfisher Holdings Limited

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Dhanin Chearavanont	Chairman	70	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	Mr. Suphachai's, Mr. Narong's and Mr. Soopakij's father	Commercial School Hong Kong Shantou Secondary School The People's Republic of China The National Defence College of Thailand Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP)	Companies Listed on the Stock Exchange of Thailand Present Chairman, True Corporation Public Company Limited Chairman, Charoen Pokphand Foods Public Company Limited Chairman, CP All Public Company Limited Independent Director and Honorary Chairman, Siam Makro Public Company Limited Non-listed Companies Present Honorary Chairman, True Move Company Limited Director, Bangkok Inter-Teletech Public Company Limited Chairman and Chief Executive Officer, Charoen Pokphand Group Company Limited and its subsidiaries
Mr. Somet Jiaravanon	Vice Chairman	75	True Share: 150,000 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	Mr. Chatchaval's father	Secondary School Sarasiphitayalai, Ratchaburi Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand 1993-February 2010 Vice Chairman, True Corporation Public Company Limited Non-listed Companies 1993- Present Executive Chairman, Charoen Pokphand Group Company Limited Present Director, Subsidiaries of True Corporation Public Company Limited

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Dr. Ajiva Taulananda	Vice Chairman	72	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Honorary Doctorate of Management, The University of Thai Chamber of Commerce Honorary Doctorate of Engineering, Ramkhamhaeng University Honorary Doctorate of Engineering, Chulalongkorn University Doctorate of Industrial Engineering and System, Illinois Institute of Technology, USA Master Degree of Industrial Engineering, Iowa State of University, USA Bachelor of Industrial Engineering, Chulalongkorn University Special Certificate: Public – Private joint defence curriculum, Class 1, The National Defence College of Thailand Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) - Chairman 2000 - Director Certification Program (DCP)	Companies Listed on the Stock Exchange of Thailand 1992-Present Vice Chairman, True Corporation Public Company Limited 1993-1999 Director and President, True Corporation Public Company Limited Non-listed Companies 1992-Present Vice Chairman, Charoen Pokphand Group 2001-2004 Chairman, Thai Chamber of Commerce and Board of Trade of Thailand Deputy Minister, Ministry of Agriculture and Cooperatives Director, Subsidiaries of True Corporation Public Company Limited 1991-1992 Chairman, Board of Trustee of Thailand Management Association Present Director, Office of the National Economic and Social Development Board Director, National Science and Technology Development Agency
Mr. Chaleo Souvannakitti	Vice Chairman	81	True Share: 3,350,000 shares (0.04%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Business Administration, Indiana University, USA Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand 1992-Present Vice Chairman, True Corporation Public Company Limited Non-listed Companies 1992-Present Director, Telecom Holding Company Limited Director, Subsidiaries of True Corporation Public Company Limited Other Important Position - Chairman, Audit Committee Board of Trade of Thailand - Managing Director, Transport Company Limited - President, Bangkok Transit Authority - Managing Director, Business Venture Promotion Limited

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Athueck Asvanund*	Vice Chairman and Group General Counsel	58	True Share: 1,000,046 shares (0.01%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Laws, specialized in International Legal Studies, New York University, USA Bachelor of Laws (Honours), Thammasat University Training Capital Market Academy Leader Program Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP)	Companies Listed on the Stock Exchange of Thailand 1997-Present Vice Chairman and Group General Counsel, True Corporation Public Company Limited Advisor to the Board of Directors, CP All Public Company Limited 2008-Feb 2009 Company Secretary, True Corporation Public Company Limited Non-listed Companies 1997-Present Vice Chairman and Group General Counsel, Subsidiaries of True Corporation Public Company Limited Group General Counsel, Charoen Pokphand Group Company Limited and its subsidiaries Director, True Visions Public Company Limited and its subsidiaries Director, True Move Company Limited Director, Aqua-Agri Foods International, Inc. 2002-Present Present 2001-2006 Associate Judge, Central Intellectual Property and International Trade Court 1978-1997 Baker & McKenzie Present Part-time Lecturer, Business Law, Faculty of Law, Chulalongkorn University

* Authorized Signatory

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Suphachai Chearavanont*	Director, President and Chief Executive Officer	42	True Share: 1,250,000 shares (0.02%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	Mr. Dhanin's son, Mr. Soopakij's and Mr. Narong's younger brother	Bachelor of Business Administration in Financial Management Boston University, USA Related training programs held by the Thai Institute of Directors Association (IOD) - None -	<p>Companies Listed on the Stock Exchange of Thailand</p> <ul style="list-style-type: none"> True Corporation Public Company Limited 1999-Present 1997 1996 1995 1994 1993 1992 <p>Non-listed Companies</p> <ul style="list-style-type: none"> 2006-Present 2002-Present 2001-Present 2000-2005 1999-Present 1996 1995 <p>Chief Executive Officer, True Visions Public Company Limited</p> <p>Chairman, Pantavanij Company Limited</p> <p>Chairman, Freewill Solutions Company Limited</p> <p>Chairman, Wire & Wireless Company Limited</p> <p>President, Asia Multimedia Company Limited</p> <p>Chief Operating Officer, True Visions Cable Public Company Limited (Formerly named UTV Cable Network Public Company Limited)</p> <p>Managing Director, Wire & Wireless Company Limited</p> <p>2 Years with Vinythai Company Limited</p> <p>1 Year with Sotrex Federal Credit Union, USA</p> <p>1 Year with Siam Makro Company Limited</p> <p>Directorships</p> <ul style="list-style-type: none"> - True Corporation Public Company Limited - True Move Company Limited - True Visions Public Company Limited - Other subsidiaries of True Corporation Public Company Limited - Pantavanij Company Limited - CPCC Public Company Limited - Chia Tai Enterprises International Limited - Asia Freewill Company Limited - Freewill Solutions Company Limited - C.P. Pokphand Company Limited <p>Social Contributions & Other Experience</p> <ul style="list-style-type: none"> 2009-Present 2008-Present 2008-Present 2007 2006-Present 2006-Present 1999-Present 2005-2007 <p>Board Member of Board of Trustees, Bangkok University</p> <p>Member of Fund Raising and Public Relations Committee for the construction of a Medical Facility in Honor of HM The King and the Purchase of Medical Equipments</p> <p>Member of Management Committee on Nation-wide Strategic Approach Eye Provisioning Project</p> <p>Member of the Bid Committee of Bangkok for the Host City of the 1st Summer Youth Olympic Games in 2010, Ministry of Tourism & Sports</p> <p>Chairman of the Sub Committee for Fund Raising Thai Red Cross Eye Bank</p> <p>Member of the Thai Red Cross Eye Bank Committee</p> <p>Director & Advisor of the Telecommunications Association of Thailand under the Royal Patronage (TCT)</p> <p>Member of the Listed Companies Association (LCA)</p>

* Authorized Signatory

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Soopakij Chearavanont*	Director	46	<p>True Share: 3,000 shares (0.00%)</p> <p>Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -</p>	Mr. Dhanin's son, Mr. Narong's and Mr. Suphachai's elder brother	<p>Bachelor of Science Degree in the College of Business and Public Administration of New York University, USA</p> <p>Related training programs held by the Thai Institute of Directors Association (IOD)</p> <p>- None -</p>	<p>Companies Listed on the Stock Exchange of Thailand</p> <p>Present Director, True Corporation Public Company Limited Director, CP All Public Company Limited</p> <p>Non-listed Companies Present</p> <p>Chairman, True Visions Public Company Limited Chairman, True Visions Cable Public Company Limited Executive Chairman, Telecom Holding Company Limited Chairman, Chia Tai Land Holding Company Limited Chairman, Chia Tai Property Management Company Limited Chairman, Chia Tai Real Estate Group Company Limited Chairman, Fortune Leasing Company Limited Chairman, Mass Gain Investment Limited Chairman, Beijing Lotus Supermarket Chain Store Company Limited Chairman, Chia Tai Lotus (Shanghai) Company Limited Co-Chairman, Shanghai Kinghill Limited - Super Brand Mall CEO & Executive Vice Chairman, Marketing and Distribution Business (China), Charoen Pokphand Group Company Limited Chief Executive Officer, Real Estate & Land Development Business (China), Charoen Pokphand Group Company Limited Chief Executive Officer & Executive Vice Chairman, Chia Tai Enterprises International Limited Executive Vice Chairman & CEO, Shanghai Lotus Supermarket Chain Store Company Limited Vice Chairman, Automotive Industrial Products (China), Charoen Pokphand Group Company Limited Vice Chairman, Chia Tai International Finance Company Limited Vice Chairman, Chia Tai Vision Limited Vice Chairman, Shanghai Fortune World Development Company Limited Vice Chairman, Chia Tai Trading (Beijing) Company Limited Vice Chairman, Real Estate and Land Development Business (Thailand), Charoen Pokphand Group Company Limited Director, True Move Company Limited Director, Chia Tai Development Investment Company Limited Director, Chia Tai Group Company Limited Director, CP Pokphand Company Limited Director, Fortune Shanghai Limited Director, Lotus-CPF (PRC) Investment Company Limited</p> <p>Community Service</p> <p>2009 Committee Members of The Build Foundation 2009 Advisor to Minister of Culture 2008 Honorary Consul of the Russian Federation for the provinces of Phuket 2006 Award of Bai Yu Lan from Shanghai Government 2006 Member of Fudan Incentive Management Fund Committee of Fudan University 2006 Management Committee of Chia Tai International Center of Peking University 2006 Advisor of the Standing Committee on Public Health of The House of Representatives 2005 Member of Young Thai Entrepreneurs Association (YTEA) 2005 Vice President of Thai-Chinese Promotion of Investment and Trade Association 2004 Committee on Cultural Promotion Fund of Office of The National Cultural Commission 2004 Vice President of Thailand Equestrian Federation 2002 Member of Young Thai Entrepreneurs Assembly 2002 Vice Chairman of Thailand-China Business Council 1993 Committee on Children Youth, Women and The Elderly</p>

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Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Chatchaval Jjaravanon*	Director and Managing Director Group Investment	47	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	Mr. Sumeet's son	Bachelor of Business Administration University of Southern California, USA Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP)	Companies Listed on the Stock Exchange of Thailand 1993-Present Director and Managing Director-Group Investment, True Corporation Public Company Limited Director and Member of the Audit Committee, Ticon Industrial Connection Public Company Limited Chairman of Board and Chairman of the Executive Board, Finansia Syrus Securities Public Company Limited Chairman of Board, Nava Leasing Public Company Limited Chairman of Board, Metrostar Property Public Company Limited Director, AEON Thana Sinsap (Thailand) Public Company Limited Non-listed Companies 2000-Present President and CEO, Telecom Holding Company Limited 1997-Present CEO, True Multimedia Company Limited, True Internet Company Limited and Asia Infonet Company Limited 2006-Present Chairman, Thai Kodama Company Limited 1992-2005 Director, Thai Kodama Company Limited 1990-Present Director, Metro Machinery Company Limited Present Director, Subsidiaries of True Corporation Public Company Limited
Mr. Vichaow Rakphongphairoj*	Director Managing Director and Group Chief Operating Officer Network & Technology	52	True Share: 438,058 shares (0.01%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Business Administration Pepperdine University, USA Master Degree of Electrical Engineering University of Wisconsin, USA Bachelor of Electrical Engineering Arizona State University, USA Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program (DCP)	Companies Listed on the Stock Exchange of Thailand True Corporation Public Company Limited 2000-Present Director, Managing Director and Group Chief Operating Officer - Network & Technology 1998-2000 E.V.P., Business & Enterprise 1997-1998 E.V.P., Central Operation & Information Technology Region Director, Bangkok-Southeast Region 1996-1997 Region Director, Bangkok-West Region 1995-1996 Non-listed Companies Present Director, Subsidiaries of True Corporation Public Company Limited

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Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Umroong Sanphasitvong	Director	57	True Share: 384,000 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Accounting, Thammasat University Bachelor of Accounting, Thammasat University Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program (DCP)	Companies Listed on the Stock Exchange of Thailand 2001-Present Director, True Corporation Public Company Limited Director, CP All Public Company Limited Non-listed Companies Present Deputy Group CFO, Charoen Pokphand Group Company Limited Director, Ayudhya Allianz C.P. Life Public Company Limited Director, CPPC Public Company Limited Director, VnaSiam Bank Director, Chia Tai Enterprises International Limited
Mr. Norbert Vay	Director	58	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	MBA (Dipl. Kaufmann); University of Mannheim Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand 2007-Present Director, True Corporation Public Company Limited Non-listed Companies 4/2009-Present KfW IPEX-Bank Senior Vice President & Head of Department 2004-2009 KfW First Vice President & Head of Department 1988-2004 KfW Vice President & Deputy Head of Department (Asset Finance and Export & Project Finance) 1981-1988 KfW Project Manager Aircraft & Export - Financing 1978-1981 BHF-Bank branch manager

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Jens B. Bessai	Director	39	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Business Administration of J.W. Goethe-University of Frankfurt am Main, Germany Related training programs held by the Thai Institute of Directors Association (IOD) - Financial Statements Demystified for Directors (FDD)	Companies Listed on the Stock Exchange of Thailand Director, True Corporation Public Company Limited 2007-Present Non-listed Companies 2009-Present Head of KfW IPEX-Bank Representative Office, Bangkok 2007-2008 Head of KfW's South-East Asia Regional Office, Bangkok 2006-2007 Senior Officer of KfW's South-East Asia Regional Office, Bangkok 1998-2006 KfW Export and Project Finance, Frankfurt am Main 1990-1992 Deutsche Bank, Osnabruck
Mr. Harald Link	Director	55	True Share: 50,000 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	MBA, St. Gallen University, Switzerland Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand Director, True Corporation Public Company Limited 2000-Present Independent Director and Member of the Audit Committee, 1998-Present Siam City Cement Public Company Limited Non-listed Companies 1987-Present Managing Partner, B. Grimm & Co. R.O.P. Chairman, B. Grimm Group of Companies

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Narong Chearavanont	Director	44	True Share: 84,000 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	Mr. Dhanin's son, Mr. Soopakij's younger brother and Mr. Suphachai's elder brother	Bachelor of Science, Major Business Administration, New York University, USA Advance Management Program: Transforming Proven Leaders into Global Executives, Harvard Business School, Harvard University Related training programs held by the Thai Institute of Directors Association (IOD) - Director Accreditation Program (DAP) (2550)	<p><u>Companies Listed on the Stock Exchange of Thailand</u></p> 2008 - Present Director, True Corporation Public Company Limited 1999 - Present Director, CP All Public Company Limited <p><u>Non-listed Companies</u></p> 2009 - Present Director, Cineplex Company Limited Director, Satellite Service Company Limited Director, CPCC Public Company Limited 2008 - Present Legal Representative and Director, Beston Action Utility Wear (Lianyungang) Co., Ltd. Director, Panther Entertainment Company Limited Director, True Visions Public Company Limited Director, True Visions Cable Public Company Limited 2007 - Present Executive Vice Chairman, Chia Tai Enterprise International Limited Executive Vice Chairman, Chia Tai (China) Investment Co., Ltd. Executive Vice Chairman, Shanghai Lotus Supermarket Chain Store Co., Ltd. Executive Director, C.P. Pokphand Co., Ltd. Present Chairman, Qingdao Lotus Supermarket Chain Store Co., Ltd. Chairman, Jinan Lotus Supermarket Chain Store Co., Ltd. Chairman, Shantou Lotus Supermarket Chain Store Co., Ltd. Chairman, Guangzhou Lotus Supermarket Chain Store Co., Ltd. Vice Chairman, Foshan Nanhai Hua Nan Tong Trading Development Co., Ltd. Vice Chairman, Guangdong Hua Nan Tong Trading Development Co., Ltd. Chairman, Xi'an Lotus Supermarket Chain Store Co., Ltd. Chairman of Tai'an Lotus Supermarket Chain Store Co., Ltd. Chairman, Chester Food (Shanghai) Co., Ltd. Vice Chairman, CP Food Product (Shanghai) Co., Ltd. Chairman, Beijing Lotus Supermarket Chain Store Co., Ltd. Chairman, Tianjin Lotus Supermarket Chain Store Co., Ltd. Vice Chairman, Chia Tai Enterprises International Limited Director, Hong Kong Fortune Limited Director, Business Development Bank 2002 Chairman, Yangtze Supermarket Investment Co., Ltd. 2001 - Present President, Ek-Chor Trading (Shanghai) Co., Ltd. 1997 President, Ek-Chor Distribution (Thailand) Co., Ltd. 1995 - 1997

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. William Harris	Executive Director, International Business Development and Assistant to CEO	48	True Share: 1,117,838 shares (0.01%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Business Administration, Major in Finance and Marketing, Wharton School of the University of Pennsylvania Bachelor of Science in Economics, Wharton School of the University of Pennsylvania Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand 2009-Present Executive Director, International Business Development and Assistant to CEO, True Corporation Public Company Limited Director, True Move Company Limited Director, Bangkok Inter Teletech Public Company Limited Chief Financial Officer 2001-2007 True Corporation Public Company Limited Executive Vice President - Corporate Finance 1999-2000 True Corporation Public Company Limited Non-listed Companies 1993-1999 Director Credit Policy, Verizon Communications, Philadelphia
Mr. Noppadol Dej-Udom	Group Chief Financial Officer	42	True Share: 210,000 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor Degree in Mechanical Engineering, Rensselaer Polytechnic Institute, USA Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program 10.1/2008	Companies Listed on the Stock Exchange of Thailand True Corporation Public Company Limited 2007 - Present Group Chief Financial Officer Director & General Manager - Online 2003 - 2007 Senior Vice President - Corporate Finance 2000 - 2003 Non-listed Companies Present Director, True Internet Company Limited Director, True International Communication Company Limited Director, True Music Company Limited Director, True Money Company Limited Director, True Magic Company Limited Director, True Information Technology Company Limited 2009 - Present Director, Asia DBS Public Company Limited 2004 - Present

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Thiti Nantapatsiri	Managing Director Pay TV Business	55	True Share: - Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Bachelor Degree of Engineering (Electrical), King Mongkut's Institute of Technology, Ladkrabang Campus Related training programs held by the Thai Institute of Directors Association (IOD) - None -	Companies Listed on the Stock Exchange of Thailand Present Managing Director - Pay TV Business, True Corporation Public Company Limited Executive Vice President, Loxley Public Company Limited 1999-2003 First Senior Vice President, Loxley Public Company Limited 1997-1999 <u>Non-listed Companies</u> 2008-Present Director, Panther Entertainment Company Limited Director, True Digital Content and Media Company Limited Director, True Music Radio Company Limited 2007-Present Director, True Visions Public Company Limited 2006-Present Director, True Internet Company Limited Director, Samutpakan Media Corporation Company Limited Director, Cineplex Company Limited Director, Click TV Company Limited Director, True Digital Media Company Limited Director, IBC Symphony Company Limited Director, True Visions Cable Public Company Limited Director, True Visions Public Company Limited Director, Satellite Service Company Limited Director, True Music Company Limited Director, True Music Company Limited Director, BeBoydCG Company Limited President & CEO, 2001-2002 Hutchison CAT Wireless Multimedia Company Limited President & CEO, 1992-2000 Hutchison Telecommunications (Thailand) Company Limited
Mr. Adhiruth Thotheavesansuk	Managing Director Convergence Business and Managing Director Business Customer	46	True Share: 850,404 shares (0.01%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Master Degree of Finance & Marketing, Indiana University of Pennsylvania, USA Bachelor of Industrial Management, Thammasat University Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program (DCP) - Director Diploma of Australian Institution of Director 2005	Companies Listed on the Stock Exchange of Thailand Present Managing Director - Convergence Business and Managing Director - Business Customer, True Corporation Public Company Limited Executive Vice President, True Corporation Public Company Limited 2001 <u>Non-listed Companies</u> Present President, Asia Wireless Communication Company Limited Director and President, True Money Company Limited Board of Director, True Visions Public Company Limited Director, True Digital Entertainment Company Limited Director, NC True Company Limited Director, True Visions Cable Public Company Limited Director, Satellite Service Company Limited Director, Panther Entertainment Company Limited Director, True Music Company Limited Director, True Music Company Limited Director, True Digital Content and Media Company Limited 2006-Present Director, True Public Communication Company Limited 2002 Chief Commercial Officer, True Move Company Limited 1998-2002 General Manager, Wire & Wireless Company Limited 1998-2001 President, Asia Wireless Communication Company Limited

Name	Position	Age (year)	True Share and Debentures Ownership (31/12/09)	Family Relationship	Education	Major Experience
Mr. Songtham Phianpattanawit	Managing Director Enterprise Customer & International Services and Group Chief Operating Officer IT & CM	51	True Share: 700 shares (0.00%) Debenture issued by True or its subsidiaries: TRUE117A - TRUE144A - TRUE151A - TRUE 10.75 13 TRUE MOVE - TRUE 10.375 14 TRUE MOVE -	-	Bachelor of Science (Computer Science), University of South Alabama, USA Related training programs held by the Thai Institute of Directors Association (IOD) - Director Certification Program (DCP no.54)	Companies Listed on the Stock Exchange of Thailand Present Managing Director - Enterprise Customer & International Services and Group Chief Operating Officer - IT & CM True Corporation Public Company Limited Non-listed Companies Present President, True Information Technology Company Limited President, True International Communication Company Limited Director and Executive Director - Corporate Solution, True Move Company Limited Director and President, Wire & Wireless Company Limited President, True Touch Company Limited Executive Committee, Pantavani Company Limited Director, Freewill Solutions Company Limited 2006-Present President, True Internet Gateway Company Limited Director, Bangkok Inter Teletech Public Company Limited Director, True Internet Data Center Company Limited 2005-Present Director, True Multimedia Company Limited 2003-2008 Country General Manager / MD, IBM Thailand Company Limited 2001-2003 Chairman, IBM Solution Delivery Company Limited Director, IBM Storage Product Thailand Company Limited 2001-2002 Director, Sales & Marketing, IBM Thailand Company Limited 2000 Country Manager System Sales, IBM Thailand Company Limited 1998 Country Manager Finance & Administration and CFO, IBM Thailand Company Limited 1997 Service Business Executive, IBM Thailand Company Limited

Remark:

Abbreviation	Full Name	Abbreviation	Full Name
True	True Corporation Public Company Limited		
TH	Telecom Holding Co., Ltd.	TP	True Properties Co., Ltd.
TE	Tele Engineering and Services Co., Ltd.	TLS	True Leasing Co., Ltd.
TLR	True Lifestyle Retail Co., Ltd.	TI	Telecom International Co., Ltd.
K.I.N.	K.I.N. (Thailand) Co., Ltd.	TIT	True Information Technology Co., Ltd. (Formerly named: Telecom Training and Development Co., Ltd.)
W&W	Wire & Wireless Co., Ltd.	TT	True Touch Co., Ltd.
TMN	True Money Co., Ltd.	True Internet	True Internet Co., Ltd.
Asia DBS	Asia DBS Public Company Limited	AI	Asia Infonet Co., Ltd.
AWC	Asia Wireless Communication Co., Ltd.	TM	True Multimedia Co., Ltd.
TIDC	True Internet Data Center Co., Ltd.	TLP	True Life Plus Co., Ltd. (Formerly named: True Digital Entertainment Co., Ltd.)
Niubon <BVI>	Niubon Co., Ltd. (Registered in foreign)	K.I.N. <BVI>	K.I.N. (Thailand) Co., Ltd. (Registered in foreign)
TA Orient	TA Orient Telecom Investment Co., Ltd. (Registered in foreign)	CHV Music	Channel [V] Music (Thailand) Co., Ltd.
BITCO	Bangkok Inter Teletech Public Company Limited	TMV	True Move Co., Ltd.
TVS	True Visions Public Company Limited	TSC	Thai Smart Card Co., Ltd.
NEC	NEC Corporation (Thailand) Co., Ltd.	ARM	Asia Remanufacturing Industries Co., Ltd.
NC True	NC True Co., Ltd.	TDS	True Distribution and Sales Co., Ltd.
SD	Song Dao Company Limited	TIG	True Internet Gateway Co., Ltd.
SM	Samut pakan Media Corporation Co., Ltd.	TPC	True Public Communication Co., Ltd.
TUC	True Universal Convergence Co., Ltd.	GNP	Gineplex Co., Ltd.
CTV	Click TV Co., Ltd.	TDM	True Digital Media Co., Ltd. (Formerly named: Red Media Co., Ltd.)
IBC	IBC Symphony Co., Ltd.	TVSC	True Visions Cable Public Company Limited
SSV	Satellite Service Co., Ltd.	PTE	Panther Entertainment Co., Ltd.
MKSC	MKSC World Dot Com Co., Ltd.	TMS	True Music Co., Ltd.
IKSC	Internet Knowledge Service Center Co., Ltd.	KSC	KSC Commercial Internet Co., Ltd.
TKSC	Telecom KSC Co., Ltd.	Beboyd	BeboydCo Co., Ltd.
TIC	True International Communication Co., Ltd.	True Magic	True Magic Co., Ltd.
TMR	True Music Radio Co., Ltd.	TDCM	True Digital Content and Media Co., Ltd. (Formerly named: Future Gamer Co., Ltd.)
TDP	True Digital Plus Co., Ltd. (Formerly named: Online Station Co., Ltd.)		

Information of Directors of Subsidiaries / Associated Companies (As of 31st December 2009)

Subsidiaries/ Associated Companies

Name	TH	TP	TE	TLS	TLR	TI	K.I.N	TT	W&W	TT	TMN	True Internet	Asia DBS	AI	AWC	TM	TDC	TLF	TH
23. Mr. Kashem Komseni								/											
24. Mr. Taj Bussadeegam								/											
25. Dr. Vallobh Vimolvanich																			
26. Mr. Hans Roger Snook																			
27. Mr. Sompan Charumilinda																			
28. Mr. Moor-Jin Hyun																			
29. Mr. Visit Tanisunthom																			
30. Mrs. Phenthipha Dulyachinda																			
31. Mr. Sthai Supsunthornkul																			
32. Mr. Kosak Chairasamsak																			
33. Mr. Pisit Pakkasem																			
34. Mrs. Preeptem Seriwong																			
35. Mr. Watchara Kanjanapun																			
36. Mr. Yongyut Wattanasin																			
37. Mr. Ward Lorance Platt																			
38. Mr. Paisit Vatjanapagom																			
39. Mr. Avimass Kischor Himarsinghani																			
40. Mr. Kanit Kunawut																			
41. Mr. Sangansak Bhaesajsunguan																			
42. Mr. Chumamus Keshsathira																			
43. Mr. Taek-Jin Kim																			
44. Mr. Kajomsak Singhaseni																			

Remark:

Abbreviation	Full Name	Abbreviation	Full Name
TH	Telecom Holding Co., Ltd.	TP	True Properties Co., Ltd.
TE	Tele Engineering and Services Co., Ltd.	TLS	True Leasing Co., Ltd.
TLR	True Lifestyle Retail Co., Ltd.	TI	Telecom International Co., Ltd.
K.I.N. (Thailand) Co., Ltd.		TIT	True Information Technology Co., Ltd. (Formerly named: Telecom Training and Development Co., Ltd.)
W&W	Wire & Wireless Co., Ltd.	TT	True Touch Co., Ltd.
TMN	True Money Co., Ltd.	True Internet	True Internet Co., Ltd.
Asia DBS	Asia DBS Public Company Limited	AI	Asia Infonet Co., Ltd.
AWC	Asia Wireless Communication Co., Ltd.	TM	True Multimedia Co., Ltd.
TIDC	True Internet Data Center Co., Ltd.	TLP	True Life Plus Co., Ltd. (Formerly named: True Digital Entertainment Co., Ltd.)
Nilubon <BVI>	Nilubon Co., Ltd. (Registered in foreign)	K.I.N. <BVI>	K.I.N. (Thailand) Co., Ltd. (Registered in foreign)
TA Orient	TA Orient Telecom Investment Co., Ltd. (Registered in foreign)	CHV Music	Channel [V] Music (Thailand) Co., Ltd.
BITCO	Bangkok Inter Teletch Public Company Limited	TMV	True Move Co., Ltd.
TVS	True Visions Public Company Limited	TSC	Thai Smart Card Co., Ltd.
NEC	NEC Corporation (Thailand) Co., Ltd.	ARM	Asia Remanufacturing Industries Co., Ltd.
NC True	NC True Co., Ltd.	TDS	True Distribution and Sales Co., Ltd.
SD	Song Dao Company Limited	TIG	True Internet Gateway Co., Ltd.
SM	Samut pakan Media Corporation Co., Ltd.	TPC	True Public Communication Co., Ltd.
TUC	True Universal Convergence Co., Ltd.	CNP	Cineplex Co., Ltd.
CTV	Click TV Co., Ltd.	TDM	True Digital Media Co., Ltd. (Formerly named: Red Media Co., Ltd.)
IBC	IBC Symphony Co., Ltd.	TVSC	True Visions Cable Public Company Limited
SSV	Satellite Service Co., Ltd.	PTE	Panther Entertainment Co., Ltd.
MKSC	MKSC World Dot Com Co., Ltd.	TMS	True Music Co., Ltd.
IKSC	Internet Knowledge Service Center Co., Ltd.	KSC	KSC Commercial Internet Co., Ltd.
TKSC	Telecom KSC Co., Ltd.	Beboyd	BeboydCg Co., Ltd.
TIC	True International Communication Co., Ltd.	True Magic	True Magic Co., Ltd.
TMR	True Music Radio Co., Ltd.	TDCM	True Digital Content and Media Co., Ltd. (Formerly named: Future Gamer Co., Ltd.)
TDP	True Digital Plus Co., Ltd. (Formerly named: Online Station Co., Ltd.)		